

Issue 26 - April 2018

# African Footprint

Technical Newsletter of the Crowe Horwath International African firms

## Inside This Issue

Mozambique - The Growth of Tourism	2
The EU General Data Protection Regulation	3
Crowe Horwath Tunisia	5
Foreigners' shareholding in companies and branches and representation offices of foreign companies in Libya	6
International SOS serviced by Crowe Horwath International in Africa	10
African and Middle East 2018 partners meeting	13





# Mozambique – The Growth of Tourism

34th Largest country in the world, Mozambique covers a territorial area of about 800,000 km<sup>2</sup>.

Situated on the southwest coast of southern Africa, with a humid and tropical climate influenced by the monsoons of the Indian Ocean and the warm current of the Mozambique Channel, Mozambique is a preferred destination for those looking for a pleasant, exotic and paradisiacal place.

The coast of Mozambique is approximately 2,770 kms long with numerous islands and archipelagos. The largest number of islands are in the province of Cabo Delgado, with the highlight being the archipelago of Quirimbas, consisting of 34 islands.

The opportunities for tourism in Africa have been increasing over the years, and according to the study done by Euromonitor International, the international arrivals in Africa increased from 16,351,000 to 18,550,000 from 2012 to 2017. This number is expected to increase up to 25 million in 2022, thus creating the prospect for the entry of more visitors and business opportunities in Mozambique.

Mozambique has prepared new tourism development plans up to 2024 and expects to increase the number of international arrivals from 1.2 million to 3 million visitors and an increase in international tourism revenue from USD 1.4 billion to USD 4.2 billion. It also expects to increase the number of domestic arrivals, from 4.9 million to 10.5 million visitors and an increase in tourism revenue from USD 1.8 billion to USD 5.8 billion, which will contribute to an increase of about 83,800 direct jobs and another 243,000 indirect jobs.

Mozambique has 7 defined areas of tourism approved by the Council of Ministers in December 2010, and a number of tax incentives for investors operating in the tourism sector.

S Sewraz  
Crowe Horwath Mozambique LDA  
Mozambique

# The EU General Data Protection Regulation (GDPR)

GDPR will come into force on 25 May 2018. It will change how businesses and public sector organisations can handle the information of customers.

150 corporate executives and students attended the presentation concerning GDPR organised by FDM – Crowe Horwath on 8 February 2018 at the Institute of Technology located in St Pierre, in Reunion.

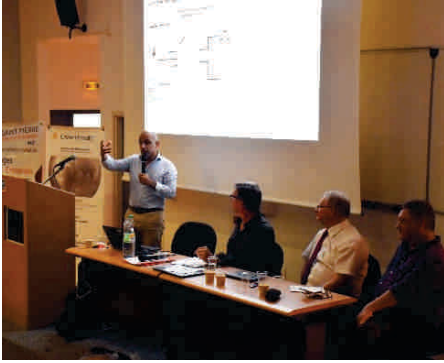
Adopted by the European Parliament & European Council in April 2016, GDPR will impact on the existing regulation concerning data protection controlled by the French Data Protection Authority (CNIL).

Mr Dominique Andrieux, the risk manager of a large French group and a specialist in digital legal risk management, presented the main impact of the GDPR. He emphasised that the biggest change to the regulatory landscape of data privacy comes with the extended jurisdiction of the GDPR. It applies to all companies processing personal data of data subjects residing in the European Union, regardless of the company's size and location.

He said that the constraints related to the implementation of GDPR must not be underestimated. The regulation will bring significant changes in data handling and organizations in breach of GDPR can be fined up to 4% of annual global turnover or 20 Million.

Jean François Tardiff from the CPME, a confederation representing small and medium enterprises, reminded that the GDPR will increase the tasks and responsibilities of managers and entrepreneurs in SME. More than ever, SME will need to surround themselves with skills and advice. He said that auditors will be the key link in handling the financial security features of SME in an environment with increasing cyber attacks.





Abdoullah Lala presenting the role of auditors in complying with GDPR

Abdoullah Lala, auditor and CEO of Crowe Horwath FDM, presented a few examples of cyber attacks and the possible profiles of “hackers”.

He said that one of the roles of the auditor is to implement procedures to check whether digital processes comply with rules and regulations. He stressed the need for training and informing staff members. Organizations should exercise caution on who has access to the sensitive information (company information, customers data,...) and make sure that data is recorded in compliance with GDPR.

Abdoullah Lala emphasised that access to information should be controlled and passwords should be changed on a regular basis. He also mentioned the necessity for implementing procedures in regard to passwords when handling staff departures.

He also stressed the need for basic day to day practices: shutting down sessions, being careful with pen drives, use of cloud, sharing documents, use of screen privacy filters while travelling,...

He advised that in case of attacks, organizations should immediately file a complaint and contact their insurance. A proper communication plan must be prepared to inform customers and a work plan must be prepared in order to resume economic activity. The team should analyse the attack and learn from the incident.

He concluded by suggesting that auditors should alert their customers about the necessity for implementing procedures to comply with GDPR and protecting their data. FDM Crowe is ready to support its customers in this area.

Abdoullah Lala  
Crowe Horwath FDM  
Reunion



# Crowe Horwath Tunisia

Crowe Horwath Tunisia is an association of accounting firms which are members of the Chartered Accountants Organisation of Tunisia. The group is very homogeneous, based on relationships of trust, and strives to provide high quality services.

We are 2 independent firms: "Horwath ACF" and "Zahaf and Associates".

We have 3 offices: 2 located in Tunis and one in Sfax, economic capital city of Tunisia.

We are 70 professionals, including 4 associates, who share a common vision, methodologies and values to serve our clients.

Our organization is based on integrity, trust, honesty, openness, and the desire to consider customer needs as a priority, all the time and on every occasion.

Crowe Horwath Tunisia is able to provide public and private companies with services involving highly qualified professionals in auditing, accounting, tax and consulting.

Noureddine Ben Arbia  
Crowe Horwath Tunisia  
Tunisia

## Horwath ACF

SARL au capital de 50 KDT  
[www.crowehorwath.net/tn](http://www.crowehorwath.net/tn)

### Bureau Tunis

Immeuble Permetal, Rue Hédi Karray, Centre Urbain Nord, 1082, Tunis.  
+ (216) 71 236 000  
+ (216) 71 236 436

### Associé

**Noureddine Ben Arbia**, Expert comptable inscrit à l'OECD depuis 1994  
[noureddine.benarbia@crowehorwath.com.tn](mailto:noureddine.benarbia@crowehorwath.com.tn)  
+ (216) 22 315 267



## Cabinet Zahaf & Associés

SARL au capital de 50 KDT  
[www.cabinetzahaf.com](http://www.cabinetzahaf.com)

### Bureau Sfax

11 Rue cheikh megdiche, 3000 - Sfax.  
+ (216) 74 210 344  
+ (216) 74 297 471

### Associé

**Sleheddine Zahaf**, Expert comptable inscrit à l'OECD depuis 1987  
[sleh.zahaf@zahaf.fin.tn](mailto:sleh.zahaf@zahaf.fin.tn)  
+ (216) 98 410 850



### Bureau Tunis

Immeuble Bougassas, Rue du Lac Toba Les berges du Lac Rue du lac Toba, 1053, Tunis.  
+ (216) 71 962 166\_ 71 962 514  
+ (216) 71 962 595

### Associé

**Mahmoud Zahaf**, Expert comptable inscrit à l'OECD depuis 2001  
[mahmoud.zahaf@zahaf.fin.tn](mailto:mahmoud.zahaf@zahaf.fin.tn)  
+ (216) 21 435 070



### Associé

**Mohamed Triki**, Expert comptable inscrit à l'OECD depuis 2012  
[mohamed.triki@zahaf.fin.tn](mailto:mohamed.triki@zahaf.fin.tn)  
+ (216) 29 428 755



# Foreigners' shareholding in companies and branches and representation offices of foreign companies in Libya



Ahmed Ghattour

The Ministry of Economy Decree No 207 of 2012 regulates foreigners' shareholding in companies and branches and representation offices of foreign companies in Libya. As it deals with foreign investment in Libya, it is an extremely important decree.

In Libya there three types of foreign shareholders -


- 1 JV (Joint Venture Companies)
- 2 Branch
- 3 Representative Office.

This article covers the setting up and requirements of a Joint Venture in Libya.

Subject to unity of purpose and specialization, incorporation of joint ventures amongst Libyan and foreign corporates and individuals needs to be in terms of their registered specialization and within the official circuits of the country in which their registered offices are located. Permission from the Minister of Economy is necessary unless the joint venture is not a holding company.

The Chairman of the Board of Directors of the joint stock, joint venture or the manager of the limited liability joint venture must be a citizen of Libya.

Joint ventures take the form of joint stock companies in terms of the Law of Commercial Activity No.23 of 2010. The paid-up capital upon incorporation may not be less than LD 1 million (Libyan Dinars) or three tenths of the subscribed cash capital. Such companies may undertake economic activities in all fields in Libya.



The joint venture may also take the form of a limited liability company with shares held by Libyan or foreign natural individuals. In this case the capital must be no less than LD 50,000 (Libyan Dinars) and must operate in the fields set out below.


Foreign shareholders in the capital of the joint venture may not exceed 49%. In respect of certain activities depending on nature, location, technical or technological requirements as well as an appropriate decree from the Minister of Economy, the shareholding of the foreign partner may exceed the above limit but not in excess of 60%.

### **Documents required for registration of a Joint Venture**

Upon concluding a memorandum of association for joint ventures, the following documents are to be provided:

#### **For a legal Entity:**

- 1 The Resolution of the local or foreign company's board of directors approving the investment and incorporation of the joint venture and the value of its shareholding.
- 2 Copy of the memorandum and articles of association of both the national and foreign companies.
- 3 Recent extract of both the national and foreign companies commercial register, or similar document.
- 4 Certificate issued by a bank operating in Libya, indicating that payment of the required amount of the company's cash capital is not less than three tenths of the paid-up capital. Such certificate must indicate that the foreign partner has transferred to Libya its cash share in the company.
- 5 Proof of the value of a submitted and estimated share in kind (in terms of the provisions of article 104 of law No.23 of 2010) whether such share was contributed by the national or foreign partner.



The documents listed above must be certified by the competent authorised official in the homeland of the foreign partner and by the Libyan embassy or its substitute in such country, provided that the legal translation of documents into Arabic must be conducted in Libya.

**For natural persons:**

Should the foreign partner be a natural person, the following conditions must be fulfilled:

- 1 Proof of identity in the form of a valid passport.
- 2 Proof of legal age required to practice commercial activity in terms of the law of Libya.
- 3 Proof of a clean police record.
- 4 May not have been declared bankrupt.
- 5 Certificate issued by a bank operating in Libya indicating foreign partner's payment in full of its share of the paid-up capital.
- 6 In case of a share issued not for cash, proof of the value of the supplies must be provided.

**Permitted activities for JV**

In carrying out its activities, the joint venture must observe the following restrictions and terms:

- 1 To transfer and settle the know-how and technology.
- 2 To employ national labour according to the rates defined in applicable local laws.
- 3 To develop annual programs for training and qualifying local labour in the positions occupied by foreign persons.



- 4 To develop annual programs to replace foreign labour with local labour.
- 5 To utilize equipment, machinery, raw materials and production.

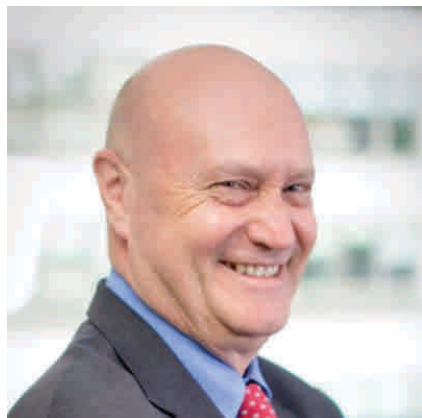
#### **Restricted activities for JV**

It is prohibited to incorporate joint ventures for carrying out the following activities. Such activities are exclusively permitted to Libyans:

- 1 Retail and wholesale trade.
- 2 Import business.
- 3 Catering services.
- 4 Commercial agencies of all types and fields of activity.
- 5 Land transport services.
- 6 Inspection of all imported and exported commodities and goods.
- 7 Handling, shipping and unloading in seaports.
- 8 Accounting, auditing, financial, legal and economic consultancy.
- 9 Stone crushers.
- 10 Recruiting unskilled and skilled labour, intermediate and upper level cadres in terms of conditions set forth by the Ministry of Labour.
- 11 Construction and civil works including building and construction contracts with a value of more than LD 30,000,000.
- 12 Various other fields of business which are exclusively permitted to Libyans in terms of the law of Libya.

Ahmed Ghattour  
Ahmed Ghattour & Co.  
Lybia

# International SOS serviced by Crowe Horwath International in Africa



Bernard Delomenie

Since 2008, Horwath Leveton Boner in Johannesburg has been proudly associated with International SOS, the worlds leading medical and travel security risk services company. We have provided statutory audit services, tax, secretarial and certain advisory services to many of their entities over the years. International SOS has also been proudly serviced by our member firm in Kenya.

Horwath International was privileged to be able to host Arnaud Vaissié, Co-founder, Chairman and Chief Executive Officer of International SOS as its keynote speaker at its annual global conference which was held in Paris three years ago.

## **Profile of International SOS**

International SOS is the world's leading medical and travel security risk services company. We care for clients across the globe, from more than 1,000 locations in 90 countries. Our expertise is unique: more than 11,000 employees are led by 1,400 doctors and 200 security specialists. Teams work night and day to protect our members. We pioneer a range of preventive programmes strengthened by our in-country expertise. We deliver unrivalled emergency assistance during critical illness, accident or civil unrest. We are passionate about helping clients put Duty of Care into practice. With us, multinational corporate clients, governments and NGOs can mitigate risks for their people working remotely or overseas. Founded in 1985, the International SOS Group is trusted by 10,000 organisations including half of the Fortune Global 500, multi-national corporate clients and mid-size enterprises, governments, educational institutions and NGOs.

**International SOS in Africa: an essential partner for business success**

Once known as the dark continent, Africa is fast becoming the shining light of economic growth and return-on-investment among global businesses.

Security and health challenges remain a concern, however, but can be overcome by collaborating with International SOS. The alliance between International SOS and Control Risks brings together two of the world's leading medical and security specialists to help employers ensure the safety and productivity of their mobile employees, and to meet their Duty of Care obligations.

**Full service capability in Africa includes:**

- Three 24-hour Assistance Centres, in Johannesburg, Dubai and Paris, are dedicated to provide on-going day-to-day and emergency medical and security assistance across the vast continent and in multiple languages.

- 14 International SOS Offices in 13 African countries
- Access to a network of accredited healthcare, aviation and security providers.
- International SOS Prepaid Clinic Plans and Occupational Health Services, offering access to international standards of medical care at our African clinics (18).
- International SOS Medical Services, providing international healthcare standards to remote sites by supplying local and international qualified professionals, training, supply chain solutions and emergency response planning.

**International SOS membership support your travellers and expatriates in Africa**

- Pre-travel advice and updated country guides containing detailed health and safety tips, maps and cultural information to help employees prepare for Africa's unique health and security challenges.
- Push alerts to you and your employees about risk particular to the area in which they are working or travelling as well as up-to-date information following any significant incidents or threats.
- Our pandemic planning support will help you assess and respond appropriately to potential risks of diseases such as Ebola.

- Employees have 24/7 access to multilingual, internationally-trained doctors, medicals and security professionals and logistic experts through our 26 Assistance Centres around the world and especially through the 3 dedicated to Africa.

Bernard Delomenie  
Regional Executive - EMEA  
Crowe Horwath International



# African and Middle East 2018 partners meeting



Mark Watson

The Crowe Horwath International African and Middle Eastern partners recently completed their 2018 combined annual meeting.

Horwath Mak in Dubai proudly hosted the meeting during February 2018. There was good partner participation from both Africa and the Middle East region. We were honoured to be able to have both the outgoing CEO, J Kevin McGrath as well as the new incoming CEO, David Mellor at the meeting, Mr Yang, one of our network Co-Chairman also joined us which made the event that much more special.

A full day of presentations updated the members of the rebranding process, new upcoming website etc, special thanks were due to Veronica and Lynda for making the time to attend the meeting.

The 2019 combined African and Middle Eastern partners will take place in the second or third week of February 2019 and will be hosted by our member firm in Zimbabwe. The actual meeting will take place at the world-renowned Victoria Falls. International member firms should now schedule some time in your diaries so that next year you can join the meeting.

Thank you to all who participated in the 2018 meeting and made it a great success.

Mark Watson  
Horwath Leveton Boner  
Johannesburg, South Africa

# Our African Network

## Algeria

Hamza & Associés  
Tele: +213 23 823515  
Email: h.tarek@hamza-dz.com

## Angola

Crowe Horwath Angola - Auditores e Consultores, SA  
Tele: +244 926 286710  
Email: jose.sousa@crowehorwath.ao

## Cote d'Ivoire

Uniconseil  
Tele: +225 08212520  
Email: tiemeleyaod@yahoo.fr

## Cameroon

Okalla Ahanda & Associés  
Tele: +237 33 427887  
Email: jp.okalla@yahoo.fr

## Democratic Republic of Congo

Okalla Ahanda & Associés  
Tele: +237 33 427887  
Email: jp.okalla@yahoo.fr

## Egypt

Crowe Horwath Dr A M Hegazy & Co  
Tele: +202 376 00516  
Email: dramhegazy@crowehorwath.eg

## Ethiopia

Yeshanew Gonfa & Co  
Tele: +251 911 678117  
Email: ygandcompany@gmail.com

## Ghana

Veritas Associates  
Tele: +233 302 243952  
Email: okameyaw.vta@myzipnet.com

## Kenya

Horwath Erastus & Co  
Tele: +254 20 3860513  
Email: horwatherastus@crowehorwath.co.ke

## Libya

Ahmed Ghattour & Co  
Tele: +218 21 444 4468  
Email: aghattour@ghattour.com

## Malawi

Crowe Horwath Malawi  
Tele: +265 1 831605  
Email: shadric@crowehorwath.mw

## Mali

Inter Africaine d'Audit et d'Expertise (IAE-SARL)  
Tele: +223 20 286675  
Email: moussa.m.konate@gmail.com

## Mauritius

Crowe Horwath (Mur) Co  
Tele: +230 467 8684  
Email: contactus@crowehorwath.mu

## SG Financial Services Ltd

Tele: +230 403 0500  
Email: ajay.sewraz@crowehorwath.mu

## Mauritania

Cabinet Exaco Amic  
Tele: +222 45 25 87 00  
Email: info@exacoamic.com

## Morocco

Horwath Maroc Audit  
Tele: +212 537 77 46 70  
Email: adib.benbrahim@crowehorwath.ma

## Mozambique

Crowe Horwath Mozambique LDA  
Tele: +258 21 498 315  
Email: suresh.sewraz@crowehorwath.mu

## Nigeria

Horwath Dafinone  
Tele: +234 1 4600518  
Email: ede@dafinone.com

## Rwanda

Horwath HTL  
+250 788 358 484  
Email: fmustaff@horwathhtl.com

## Réunion

Crowe Horwath Fiduciaire des Mascareignes  
Tele: +262 2 6290 8900  
Email: a.lala@fdm.re

## Seychelles

Crowe Horwath Tax & Advisory Limited  
Tele: +230 52 52 7543  
Email: jiri.vanhuynegem@crowehorwath-sg.mu

## Senegal

Max Consulting Group (MCG)  
Tele: +221 33 860 84 66  
Email: mcgconsult@orange.sn

## South Africa

### - Cape Town

Horwath Zeller Karro  
Tele: +27 21 481 7000  
Email: contactus@crowehorwath.co.za

### Horwath HTL (South Africa)

Tele: +27 21 527 2100  
Email: capetown@horwathhtl.co.za

### - Johannesburg

Horwath Leveton Boner  
Tele: +27 11 217 8000  
Email: info@crowehorwath.co.za

### - Winelands

Crowe Horwath RMA (Pty) Ltd  
Tele: +27 21 855 2049  
Email: rowan.marais@crowehorwath.co.za

### Crowe Horwath DNA (Pty) Ltd

Tele: +27 21 855 2049  
Email: dale.holloway@crowehorwath.co.za

## Sudan

Pioneers Global for Accounting, Auditing & Advisory  
Tele: +24 99 99955577  
Email: mahdi@pioneersglobal.com

## Tanzania

Horwath Tanzania  
Tele: +255 22 2115251  
Email: chris.msuya@crowehorwath.co.tz

## Tunisia

Horwath ACF  
Tele: +216 71 236000  
Email: noureddine.benarbia@crowehorwath.com.tn

## Uganda

Crowe Horwath AIA  
Tele: +256771803429  
Email: arfaan@aia-ea.com

## Zimbabwe

Welsa International Chartered Accountants  
Tele: +263 772 294 913  
Email: wssibanda@gmail.com

## Contact Us

Editor - African Footprint  
Kent Karro  
kent.karro@crowehorwath.co.za  
Tel: +27 21 481 7000

## About Us

Our African network of firms serve clients worldwide as independent members of Crowe Horwath International.

Crowe Horwath International is ranked eighth largest global accounting network with over 200 independent accounting and advisory services firms in close to 130 countries around the world. Crowe Horwath International's member firms are committed to impeccable quality service, highly integrated service delivery processes and a common set of core values that guide decisions daily. Each firm is well established as a leader in its national business community and is staffed by nationals, thereby providing a knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries. Crowe Horwath International member firms are known for their personal service to privately and publicly held businesses in all sectors and have built an international reputation in the areas of audit, tax and advisory services.