ITIBAR & AVOCATS ASSOCIÉS

LAW | TRUST | OPPORTUNITIES

PRACTICAL GUIDE
2027 EDITION

Doing Business in Comoros

LEGAL FRAMEWORK, INVESTMENT OPPORTUNITIES & PRACTICAL GUIDANCE

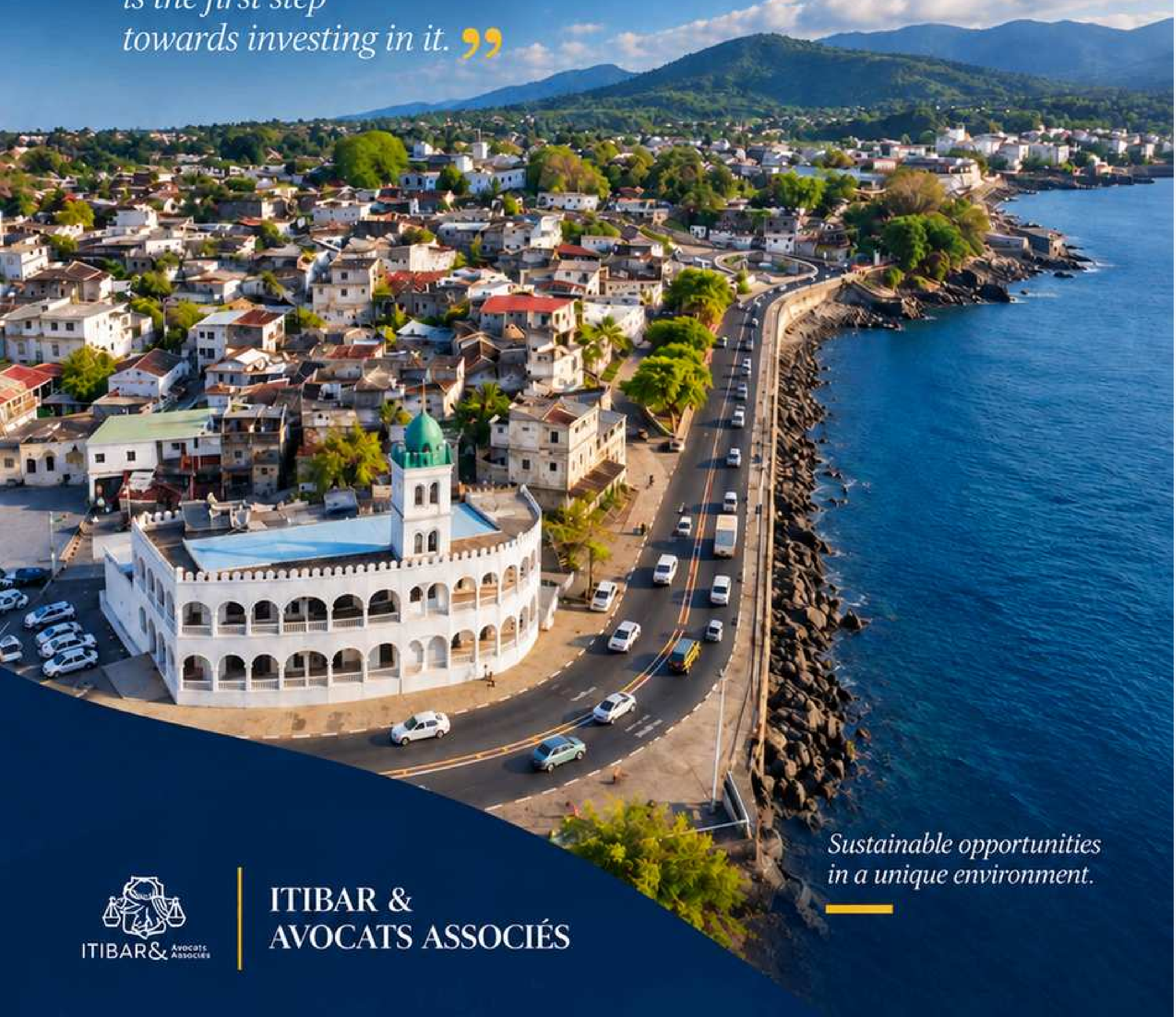
UNDERSTAND THE COUNTRY

INVEST & ESTABLISH A PRESENCE

EMPLOY & GROW

SECURE YOUR PROJECTS

“Understanding a country is the first step towards investing in it.”



Sustainable opportunities in a unique environment.

ITIBAR & AVOCATS ASSOCIÉS

About this Guide

A PRACTICAL GUIDE TO INVESTING IN COMOROS

This guide provides a general overview of the legal and regulatory framework applicable to investment and the conduct of business activities in the Union of the Comoros.

It has been prepared by ITIBAR & AVOCATS ASSOCIÉS for companies, investors, business leaders, institutions and foreign advisers seeking a better understanding of the legal environment in which investment projects and business activities are carried out in Comoros.

The purpose of this guide is to provide clear, structured and practical information on the key legal considerations to be taken into account before and during the implementation of an investment in Comoros.

This guide does not, however, constitute legal or tax advice, nor should it be regarded as an opinion applicable to any particular situation. The applicable rules may vary depending on the nature of the proposed activity, the sector concerned, the structure of the investment and the specific circumstances of each project.

The laws, regulations, administrative practices, rates and procedures referred to in this guide are subject to change. It is therefore recommended that appropriate professional advice be obtained before making any investment decision or undertaking any significant transaction.

“Understanding a country is the first step towards investing in it.”

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WHO IS THIS GUIDE FOR?

COMPANIES AND INVESTORS
seeking to explore or better understand the Comorian market.

BUSINESS LEADERS AND ENTREPRENEURS
at the start-up, establishment or development stage.

INSTITUTIONS AND PARTNERS
interested in the legal and economic environment of Comoros.

ADVISERS AND PROFESSIONALS
supporting investment projects in the region.

ITIBAR & AVOCATS ASSOCIÉS

Information current as of 1 September 2026.

Foreword

INVESTING TODAY FOR TOMORROW

The Union of the Comoros today offers businesses and investors opportunities for development across several sectors of its economy. Its geographical location at the heart of the Indian Ocean, its infrastructure and service development needs, and its membership in a harmonised business law area are all factors to be taken into consideration when assessing the opportunities available in the country.

Any investment decision, however, requires a clear understanding of the legal environment in which the project will be structured, implemented and developed.

Establishing a company, acquiring an interest in an existing business, entering into a partnership with a local operator, developing infrastructure or carrying out a regulated activity raises issues that go well beyond the mere incorporation of a company. These include investment regulations, administrative approvals, taxation, employment, access to land, financing, contractual relationships and, where applicable, the mechanisms available to protect and enforce investors' rights.

It is from this perspective that ITIBAR & AVOCATS ASSOCIÉS has prepared this guide.

Our aim is not to provide an exhaustive account of the applicable legislation, but rather to offer businesses and investors a practical, structured and accessible overview of the key legal issues that should be anticipated when considering establishing or developing their activities in the Union of the Comoros.

This approach also reflects our understanding of the role of a business lawyer: to understand the project and its constraints, identify risks at an early stage and contribute to the development of legally sound and commercially appropriate solutions.

We hope that this guide will serve as a useful starting point for those considering investing, establishing a presence or expanding their activities in the Union of the Comoros.

Maître Aïcham ITIBAR
Managing Partner
ITIBAR & AVOCATS ASSOCIÉS

Disclaimer

This guide is provided for general information purposes only. It does not constitute legal or tax advice, nor should it be regarded as an opinion applicable to any particular situation.

The laws, regulations, administrative practices, rates and procedures referred to in this guide are subject to change. Appropriate professional advice should therefore be obtained before making any investment decision or undertaking any significant transaction.

ITIBAR & AVOCATS ASSOCIÉS accepts no liability for any decision made solely on the basis of the information contained in this guide.

Information current as of 1 September 2026.

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ITIBAR & AVOCATS ASSOCIÉS

Sustainable opportunities in a unique environment.

“ A country at the crossroads of opportunities in the Indian Ocean.

NATURALLY STRATEGIC AND FIRMLY FOCUSED ON THE FUTURE.

COMOROS
INDIAN OCEAN
SUSTAINABLE OPPORTUNITIES

01

Comoros at a Glance

A STABLE FRAMEWORK. REAL OPPORTUNITIES.

The Union of the Comoros, an island nation in the Indian Ocean, offers a unique environment at the crossroads of Africa, the Middle East and Asia. Its legal, economic and institutional framework presents tangible opportunities for investors and businesses.

This chapter provides the essential information needed to understand the country, its legal and economic environment, its main institutions and the key considerations to be aware of before making an investment.

Moroni CAPITAL	**850,000** POPULATION (EST. 2026)	**4** MAIN ISLANDS (Grande Comore, Anjouan, Mohéli and Mayotte)
KMF CURRENCY (Comorian franc)	**3–4 %** ECONOMIC GROWTH (EST.)	**At the heart** OF THE INDIAN OCEAN CLOSE TO MAJOR SHIPPING ROUTES

1.1 A dual legal framework

National law

Comorian law continues to apply across several areas and notably governs specific rules relating to investment, taxation, employment, land and regulated sectors.

OHADA law

The Union of the Comoros has been a party to the Treaty on the Harmonisation of Business Law in Africa (OHADA) since 1995. The Uniform Acts form the core of business law and notably govern companies, commercial law, security interests, insolvency proceedings and dispute resolution.

IAA PRACTICAL INSIGHT

Investors should not consider Comorian business law in isolation. Any analysis must simultaneously take into account the rules arising from national law and those resulting from the OHADA Uniform Acts.

GRANDE COMORE
MORONI

CHAPTER 1
COMOROS AT A GLANCE

1.2

Geography, Population and Strategic Advantages

The Union of the Comoros is an island State in the Indian Ocean, comprising four islands (Grande Comore, Anjouan, Mohéli and Mayotte). Its geographical position, institutional stability and membership in several regional organisations provide a favourable environment for the development of trade, investment and partnerships.

Strategic Position	Regional Access	Natural Resources	A Young Population
At the crossroads of Africa, the Middle East and Asia.	Close to major maritime routes in the Indian Ocean.	Potential in agriculture, fisheries, tourism and renewable energy.	A growing pool of talent and workforce.

1.2.1 Geographical Location

Located in the northern part of the Mozambique Channel, approximately equidistant from the African continent and Madagascar, the Union of the Comoros enjoys a strategic position along the maritime and air routes of the Indian Ocean. The country lies approximately 300 km from the African coast and 1,000 km from Madagascar.

1.2.2 The Islands of the Union

The Union of the Comoros considers the archipelago to comprise four islands: Ngazidja (Grande Comore), Ndzuani (Anjouan), Mwali (Mohéli) and Maoré (Mayotte). The first three are administered by the Union of the Comoros, while Mayotte is administered by France. This guide focuses exclusively on the legal framework applicable in the Union of the Comoros.

2,236 km²	850,000	4	300 km
AREA (UNION OF THE COMOROS)	INHABITANTS (EST. 2026)	ISLANDS	FROM THE AFRICAN COAST

IAA PRACTICAL INSIGHT

The geographical position of the Comoros makes the country a natural platform for activities serving the region, including logistics, services, tourism, the blue economy and infrastructure projects.

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Institutions supporting a stable and attractive economic environment.

TRANSPARENCY
LEGAL CERTAINTY
PARTNERSHIPS
SUSTAINABLE GROWTH

MORONI
UNION OF THE COMOROS

CHAPTER 1
COMOROS AT A GLANCE

1.3

Institutional Framework and Economic Environment

The Union of the Comoros benefits from a stable institutional framework and an open economy, supported by structural reforms and international partnerships. Several institutions play a key role in promoting investment, regulating economic activities and maintaining financial stability.

KEY INSTITUTIONS

Institution	Main role	Website / Contact
Government of the Union of the Comoros	Defines and implements economic policy and reforms.	www.gouv.km
ANPI National Investment Promotion Agency	One-stop shop for investors; approvals and investment facilitation.	www.anpi.km
BCC Central Bank of the Comoros	Monetary policy; foreign exchange regulation; banking and financial supervision.	www.banque-comores.km
AGID General Administration of Taxes and State Property	Taxation; taxes and duties; management of State property.	www.impotscomores.km
Customs Administration	Control of imports and exports; customs procedures.	www.douanes.km
CCJA Common Court of Justice and Arbitration (OHADA)	Dispute resolution; application and interpretation of OHADA law.	www.ccja.int

IAA PRACTICAL INSIGHT

Identifying the competent authorities and applicable formalities from the outset of a project helps secure timelines, anticipate regulatory constraints and optimise the implementation of the investment.

1.3.1 An open economic environment

The Comorian economy is primarily based on services, agriculture, fisheries, tourism and infrastructure. The country benefits from a strategic position in the region and continues its efforts to improve the business environment, notably through:

- the development of infrastructure (ports, airports, energy and telecommunications);
- the modernisation of the investment regulatory framework;
- the strengthening of partnerships with development partners and international institutions;
- the diversification of the economy and the development of natural resources.

1.3.2 Development prospects

Several sectors offer tangible opportunities for investors, including infrastructure, tourism, the blue economy, agriculture, renewable energy and digital services.
The Government has identified these sectors as priorities within its development strategy.

1.4 Key Institutions and Their Roles

Implementing an investment project in the Union of the Comoros involves interaction with several institutions and government authorities, each with a specific role. A clear understanding of their respective responsibilities and interactions helps investors anticipate the necessary procedures and manage timelines effectively.

IAA PRACTICAL INSIGHT

Before commencing a project, investors should identify the approvals and formalities applicable to the nature of the proposed activity and the sector concerned.

Mapping the relevant authorities at an early stage helps anticipate timelines, avoid delays and optimise the implementation of the investment.

Government of the Union of the Comoros
Defines and implements economic policy, sector-specific strategies and reforms.

ANPI
National Investment Promotion Agency
One-stop shop for investors: approvals, facilitation and project monitoring.

Central Bank of the Comoros (BCC)
Monetary authority. Foreign exchange regulation and banking and financial supervision.

AGID
General Administration of Taxes and State Property
Taxation, taxes and duties, and management of State property.

Customs Administration
Control of imports and exports. Customs procedures and exemptions.

CCJA (Common Court of Justice and Arbitration)
OHADA's supranational court. Dispute resolution and application of business law.

THE INVESTOR JOURNEY

01 Information & Scoping → **02 Approvals & Authorisations** → **03 Incorporation & Registration** → **04 Project Implementation**

01 Information & Scoping	02 Approvals & Authorisations	03 Incorporation & Registration	04 Project Implementation
Sector	ANPI	Articles of Association	Operations
Regulatory framework	Sector-specific ministries	RCCM	Compliance
Competent authorities	Relevant institutions	Tax Identification Number	Regulatory monitoring

Legal support at every stage.

1.5 Comoros — Key Facts

For investors considering establishing or developing a business in the Union of the Comoros, a few key facts provide a quick overview of the country's institutional, monetary and legal environment.

Moroni CAPITAL	**Comorian franc (KMF)** CURRENCY	**EUR 1 = KMF 491.96775** FIXED EXCHANGE RATE	**Comorian law and OHADA law** BUSINESS LAW FRAMEWORK	**OHADA Member State since 1995** OHADA	**2020 Investment Code** GENERAL INVESTMENT FRAMEWORK

1.5.1 Key Institutions

Implementing an investment project in the Union of the Comoros involves interaction with several institutions and government authorities, each with a specific role.

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AGID General Administration of Taxes and State Property	Taxation — taxes and duties. Management of State property.	www.impotscomores.km
Customs Administration	Control of imports and exports. Customs procedures and exemptions.	www.douanes.km
CCJA Common Court of Justice and Arbitration (OHADA)	Dispute resolution. Application of OHADA law.	www.ccja.int

IAA PRACTICAL INSIGHT

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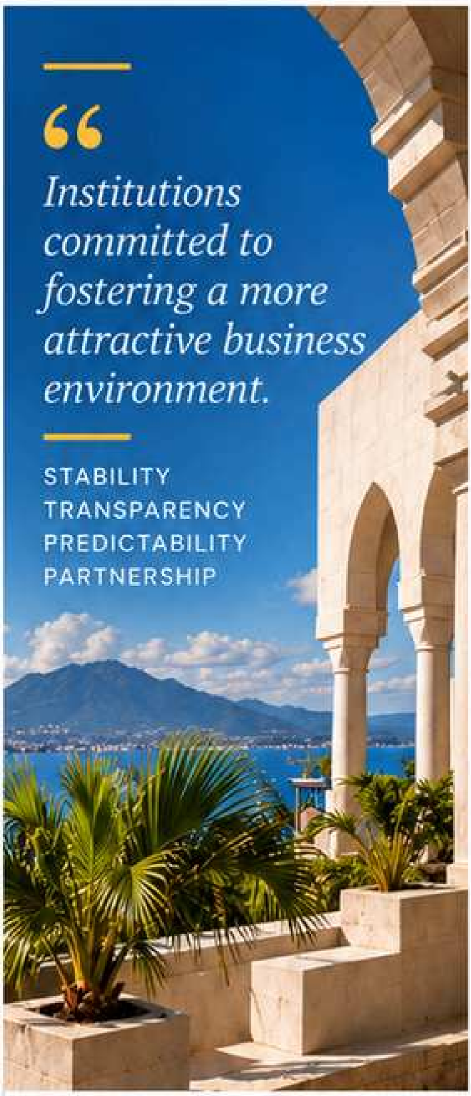


INSTITUTIONS SUPPORTING SUSTAINABLE DEVELOPMENT

02 INVESTING IN COMOROS

REAL OPPORTUNITIES WITHIN A CLEAR FRAMEWORK

"Understanding the legal environment is the first step towards securing your investment."

A LAND OF SUSTAINABLE OPPORTUNITIES

2.1 Freedom of Investment

The Union of the Comoros guarantess freedom of investment, subject to the laws and regulations in force. National and foreign investors may establish companies, acquire interests in existing companies and develop activities across most sectors of the economy.

IAA PRACTICAL INSIGHT

Freedom of investment is exercised in compliance with applicable sector-specific regulations (e.g. banking, financial services, insurance, telecommunications, mining, etc.), which may require specific authorisations or approvals.

2.2 Equal Treatment of Investors

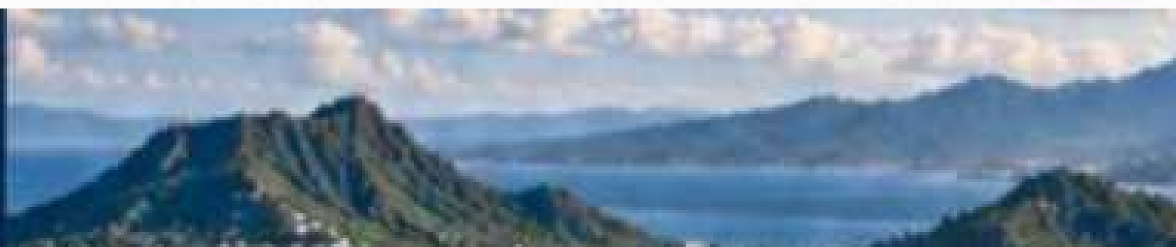
The Investment Code provides for non-discriminatory treatment between national and foreign investors. Investors enjoy the same rights and are subject to the same obligations, subject to any specific provisions set out in the applicable laws and regulations.

This equal treatment is intended to ensure a transparent and predictable business environment conducive to the development of investment in the Union of the Comoros.

KEY ADVANTAGES OF THE COMORIAN INVESTMENT ENVIRONMENT

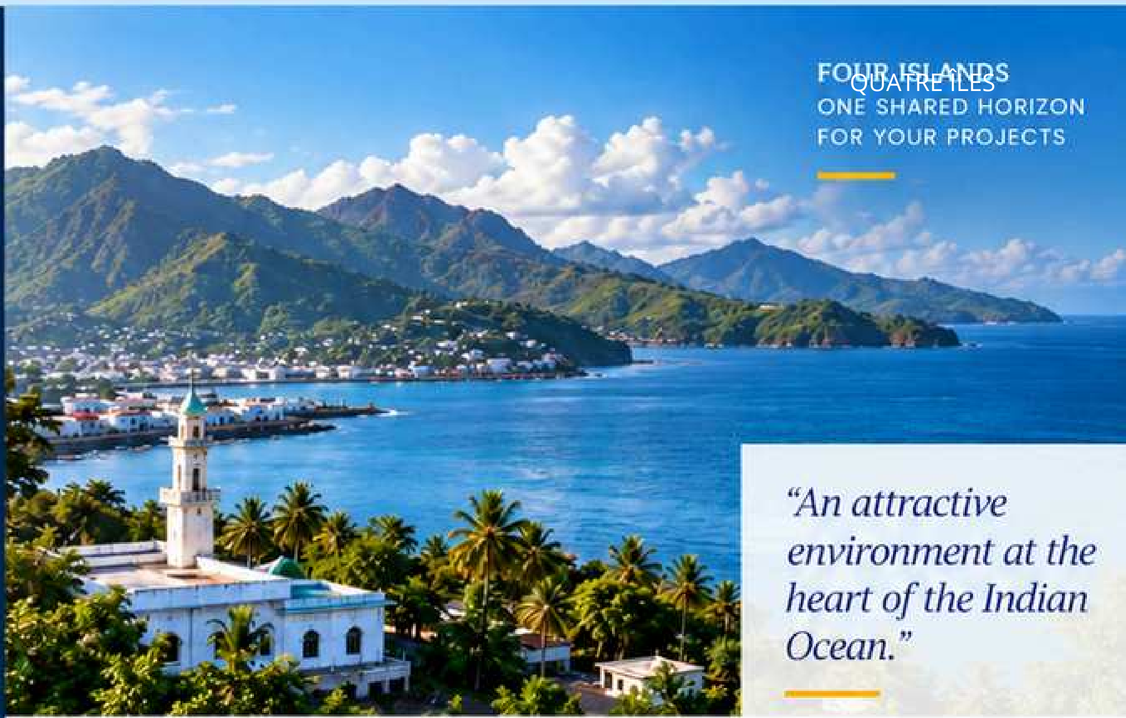
- **Legal framework**
  Comorian law and OHADA law
- **Economic openness**
  2020 Investment Code
- **Investment protection**
  Guarantees and legal certainty
- **Regional integration**
  OHADA area and international treaties

A framework conducive to productive investment.



02
INVESTING IN COMOROS

A CLEAR FRAMEWORK
REAL OPPORTUNITIES



"An attractive environment at the heart of the Indian Ocean."

2.3 Open and Regulated Sectors

The **Investment Code distinguishes between sectors** open to private investment and sectors subject to specific regulations.

Most economic activities are open to national and foreign investors, subject to compliance with applicable laws and regulations and, where required, the obtaining of any authorisations, approvals or licences prescribed by sector-specific legislation.

IAA PRACTICAL INSIGHT

The required authorisations should be identified at an early stage of the project, particularly for activities falling within a regulated sector, in order to secure the investment implementation timetable.

2.4 Exclusions

Certain activities are excluded from the benefits available under the Investment Code. These notably include:

- Trading in certain products;
- Activities governed by specific sectoral legislation;
- Banking, financial and insurance activities;
- Any other activity expressly excluded under the applicable laws and regulations.

Investors wishing to carry out an activity in an excluded sector should refer to the specific regulatory framework applicable to that sector.

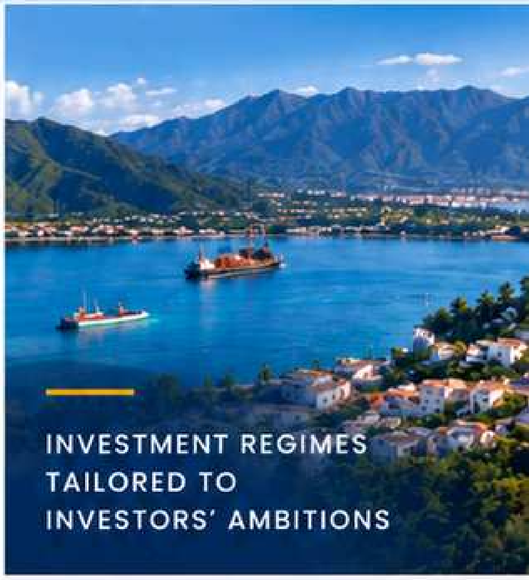
IAA PRACTICAL INSIGHT

The competent authorities, required authorisations and applicable formalities should be identified in light of the specific characteristics of each project and the sector in which the investor intends to operate.

2.5 Investment Regimes

The Investment Code provides for four investment regimes (A, B, C and D), applicable according to the amount invested and the number of jobs created. Each regime provides specific incentives, which may be enhanced for certain priority sectors.

Régime	Duration	Corporate Income Tax applicable to the new company	Enhanced incentive
A	5 years	15%	—
B	7 years	15%	—
C	10 years	15%	10% for 5 years, followed by 15% for 5 years, subject to a commitment to create at least 150 jobs by the fifth year
D	15 years	10% for 5 years, followed by 15% for 10 years	5% / 10% / 15% in successive 5-year periods, subject to a commitment to create at least 350 jobs by the fifth year



PRIORITY SECTORS — REGIME D

- Agriculture and agro-industry
- Energy
- Infrastructure and transport
- Tourism
- Digital economy
- Other sectors designated by applicable legislation

IAA PRACTICAL INSIGHT

The choice of investment regime should take into account the amount of the investment, the number of jobs expected to be created and the sector concerned. An early-stage assessment helps identify the most appropriate regime and optimise the incentives available.

2.6 Approval Procedure

Investments falling within the scope of the Investment Code are subject to prior approval issued by the National Investment Promotion Agency (ANPI).

01 **Application submission** — Application form and required supporting documents →
02 **Review by the technical committee** — Project assessment →
03 **Approval decision** — Notification to the investor →
04 **Implementation** — Monitoring by ANPI

Support at every stage of your project.

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INDICATIVE COSTS (2026)

Application fee	Approval fee
KMF 100,000	**2.5% of the value of equipment to be cleared through customs**

Processing times may vary depending on the nature and complexity of the project.

2.7 Investor Obligations

Investors benefiting from the incentives provided under the Investment Code must comply with a number of obligations, in particular:

- Implement the investment within the specified timeframes.
- Comply with commitments regarding job creation.
- Comply with applicable laws and regulations, in particular in tax, social, environmental and sectoral matters.
- Inform ANPI of any material change to the project.
- Submit to inspections by the competent authorities.

KEY TAKEAWAYS

- Four investment regimes (A, B, C and D)
- Tax and customs incentives
- Approval procedure with ANPI
- Obligations to be complied with by the investor
- Certain sectors excluded
- Specific regime for holders of a BAIC or BNC

"A predictable legal framework and clear rules to support you at every stage of your projects."

IAA PRACTICAL INSIGHT

Failure to comply with the obligations set out in the Investment Code may result in the withdrawal of the incentives granted, without prejudice to any sanctions provided for by applicable laws and regulations.

KEY REFERENCE TEXTS

- 2020 Investment Code
- Applicable sectoral legislation
- Customs and tax regulations
- Provisions relating to the BAIC and BNC

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A stable legal environment is an asset for investors and a driver for the country's development.

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CHAPTER 3

Establishing a Business

STRUCTURES TAILORED TO YOUR AMBITIONS

3.1 Available Legal Structures

Several corporate structures may be used to carry on business activities in the Union of the Comoros. The choice of legal structure will depend in particular on the nature of the project, the number of shareholders, the contemplated level of investment, governance requirements and future development plans.

SARL	SA	SAS	Branch
Private Limited Liability Company	Public Limited Company	Simplified Joint-Stock Company	Local presence of a foreign company
Flexibility and simplicity	Suitable for large-scale projects	Highly flexible organisation and governance	

IAA PRACTICAL INSIGHT

The choice of corporate structure should take into account not only the project's short-term objectives, but also future financing needs, potential capital raising, governance arrangements and any sector-specific requirements applicable to the proposed activity.

SELECTION CRITERIA

- Project objectives
- Number and profile of shareholders
- Investment amount
- Preferred governance structure
- Shareholders' liability
- Tax considerations
- Future investors
- Sector-specific requirements

3.2 Minimum Capital and Requirements Applicable to Foreign Investors

Standard corporate structures are governed by the OHADA Uniform Act relating to Commercial Companies and Economic Interest Groups, together with applicable national provisions.

As regards foreign investors, there is currently no specific statutory minimum share capital applicable across all corporate forms. In practice, however, the Comorian authorities currently require a minimum share capital of **KMF 25,000,000** for the incorporation of a company by a foreign investor, irrespective of the corporate form selected.

CURRENT ADMINISTRATIVE PRACTICE

KMF 25,000,000

Minimum share capital generally required for a company incorporated by a foreign investor.

This requirement should be confirmed with the competent authorities at the time of incorporation.

SMALL-SCALE TRADE AND RESERVED ACTIVITIES

Certain activities are reserved under Law No. 26-002/AU of 15 June 2026 relating to domestic trade, with the possibility for foreign investors to be exempted subject to certain conditions, including a significant investment, the minimum amount of which is to be determined by regulation.

FROM IDEAS TO ACHIEVEMENT IN COMOROS.

3.3 Comparison of the Main Corporate Structures

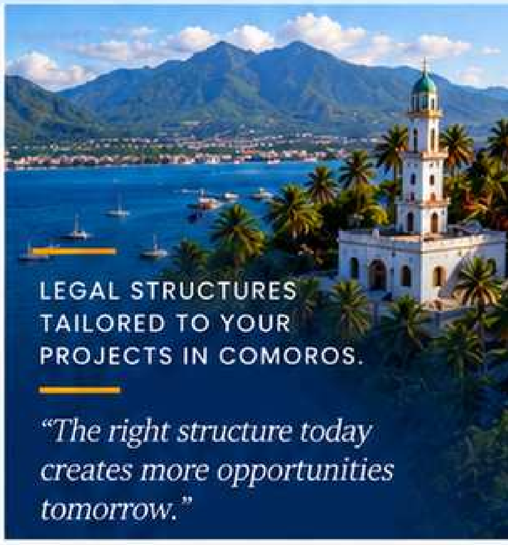
The table below outlines the main characteristics of the corporate structures most commonly used in Comoros, under OHADA law and local practice.

The choice of structure depends in particular on the nature of the project, the number of shareholders, financing requirements, the desired governance structure and future development plans.

Characteristics	SARL	SA	SAS	Branch
Separate legal personality	Yes	Yes	Yes	No
Minimum share capital (general rules)	KMF 100,000	KMF 7,500,000 (FCFA 10,000,000)	No statutory minimum	—
Minimum share capital (current practice for foreign investors)	**KMF 25,000,000**	**KMF 25,000,000**	**KMF 25,000,000**	— (no share capital, but funds allocated to the local presence)
Number of shareholders	1 to 100	Minimum 2	1 or more	—
Management body	Manager(s)	Board of Directors and Chairman/CEO or Managing Director + Board	President (flexible organisation)	Representative of the foreign company
Statutory auditor	Subject to statutory thresholds	Yes	Subject to statutory thresholds	Generally no
Organisational flexibility	High	More rigid	Very high	Limited
Suitable for a foreign investor	Yes	Yes	Yes	Yes (temporary solution or limited project)

BRANCH OR SUBSIDIARY?

A branch may be appropriate where a foreign company wishes to carry on business directly in Comoros without immediately incorporating a separate local company. However, it does not provide the same legal separation as a subsidiary and, in principle, its duration is limited to two years. By contrast, a subsidiary incorporated in Comoros has its own legal personality and its own assets.



KEY TAKEAWAYS

- Several corporate structures are available in Comoros.
- The appropriate structure depends on your objectives and strategy.
- In practice, a minimum share capital of KMF 25,000,000 is required for foreign investors.
- Certain activities require specific approvals or licences.
- Early legal advice helps secure your project.

IAA PRACTICAL INSIGHT

The choice of corporate structure should take into account not only legal and administrative requirements, but also future financing, governance and development needs.

3.4 Incorporating a Company: Key Steps

Incorporating a company in Comoros involves several authorities and formalities. The **steps, timelines** and costs may vary depending on the corporate structure, the nature of the activity and any applicable sector-specific requirements.

1. **Drafting the articles of association** — Definition of the corporate purpose, share capital and governance arrangements
2. **Filing with the RCCM** — Registration with the Trade and Personal Property Credit Register
3. **Obtaining the tax identification number (NIF)** — From the tax authorities
4. **Sector-specific approvals where applicable** — Licences, authorisations or specific approvals
5. **Commencement of business** — Subject to compliance with applicable tax, employment and sector-specific obligations

INDICATIVE TIMELINE

The overall incorporation process generally takes **a few weeks**, subject to the completeness of the application and any sector-specific approvals required.

MAIN ADMINISTRATIVE COSTS (2026)

- RCCM filing fee: **KMF 100,000**
- Registration duties: variable depending on the corporate form and share capital
- Tax Identification Number (NIF): **no fee**
- Other administrative costs: depending on the nature of the activity (approvals, licences, authorisations, etc.)

MAIN DOCUMENTS

- Signed Articles of Association
- Identification documents of directors and shareholders
- Proof of registered office
- Declaration(s) to the tax authorities
- Sector-specific documents depending on the activity

3.5 Indicative Timeline for Company Incorporation

Company incorporation in Comoros is a standardised process involving several authorities. The timelines below are indicative and may vary depending on the corporate form, the nature of the activity, the completeness of the application and any applicable sector-specific requirements.

Main steps	Indicative timeline
Drafting and execution of the Articles of Association	1 to 3 days
Filing with the RCCM (Trade and Personal Property Credit Register)	3 to 5 days
Obtaining the Tax Identification Number (NIF) from the tax authorities	1 to 3 days
Opening a bank account and paying in the share capital	Varies depending on the bank (a few days to several weeks)
Sector-specific approvals, licences or authorisations (where applicable)	Varies depending on the sector
Indicative overall timeline (excluding specific sector approvals)	**Generally 1 to 3 weeks**

IAA PRACTICAL INSIGHT

Identify all required sector-specific authorisations and licences at an early stage (banking, insurance, telecommunications, transport, energy, healthcare, etc.) in order to avoid delays in commencing operations.

3.6 Documents and Information Generally Required

Incorporating a company requires the collection and preparation of several documents and information. Requirements may vary depending on the corporate form, the nationality of the shareholders and the nature of the proposed activity.

Documents Relating to Shareholders

- Copies of identification documents (passport or national identity card)
- Information regarding nationality and residence
- For corporate shareholders: constitutional documents, registration extract and documents evidencing legal capacity to enter into commitments
- Corporate resolutions authorising the investment and appointing representatives

Documents Relating to the Company

- Executed Articles of Association
- Proof of registered office (lease agreement or certificate of domiciliation)
- List of directors and officers (identification details and addresses)
- Declaration of beneficial owners
- Administrative forms (RCCM, NIF, etc.)
- Any documents required for sector-specific approvals or licences, where applicable

PLEASE NOTE

Additional documents may be required depending on the corporate form, shareholding structure, nationality of the shareholders and sector of activity. It is advisable to confirm the exact list of required documents with the competent authorities or with the assistance of legal counsel.

3.7 Incorporation and Registration Formalities

Incorporating a company in Comoros requires the completion of several administrative formalities with different authorities. The steps below outline the general process applicable to most companies, subject to any specific requirements relating to the proposed activity and any applicable sector-specific approvals.

Step	Formality	Timeline
01	**DRAFTING AND EXECUTION OF THE ARTICLES OF ASSOCIATION** Preparation of the Articles of Association in French, definition of the corporate purpose, share capital, governance and operating rules. Execution by the shareholders.	**1 to 3 days**
02	**PAYMENT OF SHARE CAPITAL** Payment of the share capital into a blocked account opened with a local bank and obtaining a certificate confirming the deposit of funds.	**1 to 5 days** (depending on the bank)
03	**REGISTRATION WITH THE RCCM** Filing of the application with the One-Stop Shop and registration with the Trade and Personal Property Credit Register (RCCM). Issuance of the registration extract.	**3 to 5 days**
04	**OBTAINING THE NIF** Application to the tax authorities and issuance of the Tax Identification Number (NIF).	**1 to 3 days**
05	**SOCIAL SECURITY REGISTRATION** Registration of the company with the National Social Security Fund (CNPS) in respect of its employees.	**1 to 3 days**
06	**OBTAINING THE BUSINESS LICENCE** Application for a business licence with the tax authorities.	**1 to 3 days**
07	**TRADER'S CARD** Application for a trader's card with the ministry responsible for trade, where the company carries out commercial activities.	**1 to 3 days**
08	**OTHER APPROVALS OR LICENCES (where applicable)** Obtaining sector-specific authorisations required to carry on the activity, including in telecommunications, transport, energy, healthcare and other regulated sectors.	**Varies depending on the sector**

KEY TAKEAWAYS

- Incorporating a company involves several administrative authorities.
- Timelines vary depending on the corporate form and nature of the activity.
- Certain activities require specific approvals or licences before operations may commence.
- Early legal assistance can help secure and streamline the process.

IAA PRACTICAL INSIGHT

It is advisable to prepare all required documents in advance — Articles of Association, supporting documents and administrative forms — in order to minimise exchanges between the various authorities and optimise registration timelines.

INDICATIVE OVERALL TIMELINE

Excluding specific sector approvals or licences, the complete incorporation process generally takes **between 1 and 3 weeks.**

MAIN AUTHORITIES

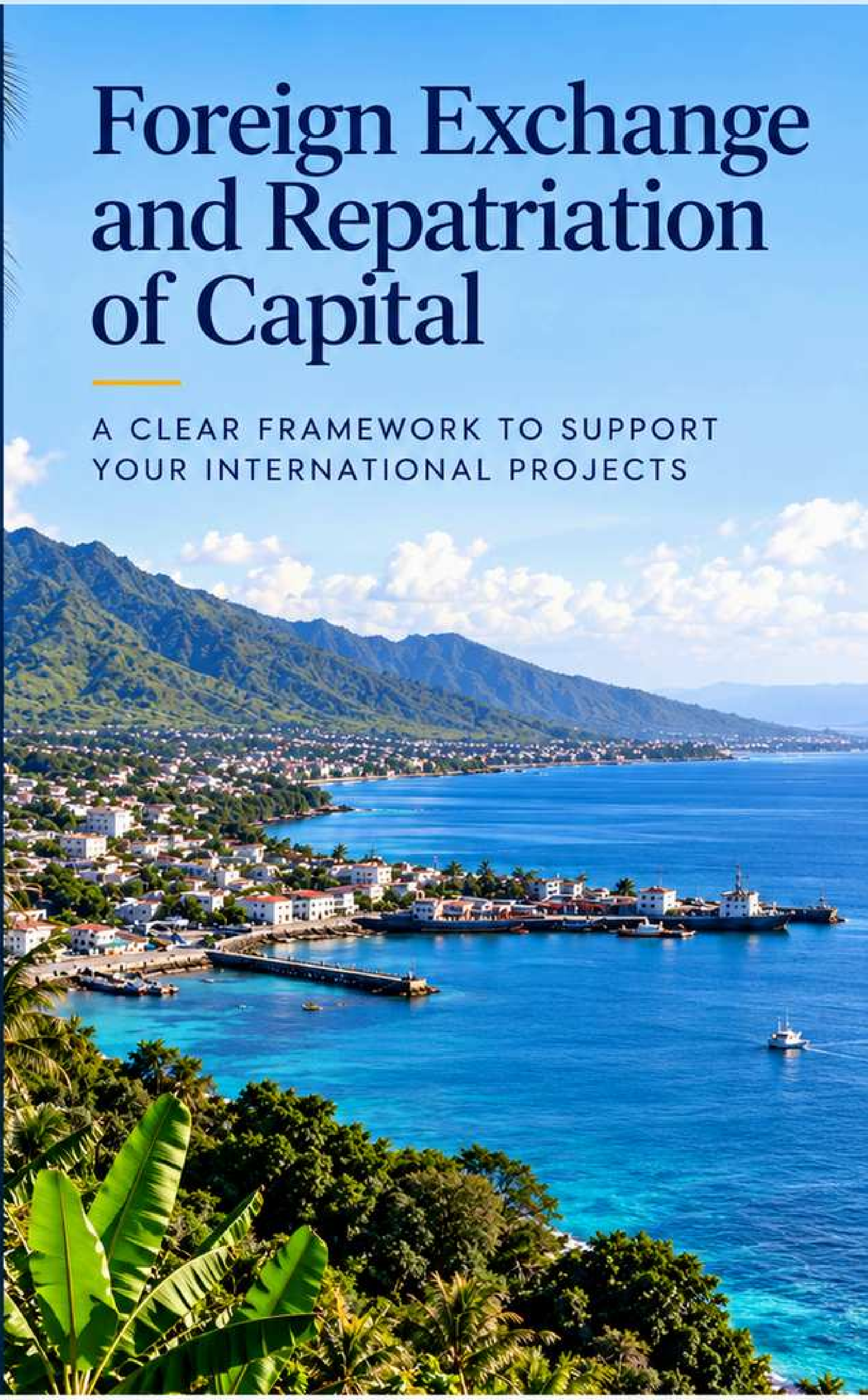
- One-Stop Shop for Investment — filing of applications
- Trade and Personal Property Credit Register (RCCM)
- Tax authorities — NIF and business licence
- National Social Security Fund (CNPS)
- Ministry responsible for trade — trader's card
- Sector-specific authorities, where applicable
- Local banks — payment of share capital

CHAPTER

04

Foreign Exchange and Repatriation of Capital

A CLEAR FRAMEWORK TO SUPPORT YOUR INTERNATIONAL PROJECTS



Currency and Convertibility

Foreign Exchange Regulations

Transfer and Repatriation of Income and Capital

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“ Monetary stability and the freedom to transfer capital are essential components of an attractive investment environment. ”

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This chapter provides an overview of the foreign exchange regime applicable in Comoros, the rules governing the transfer and repatriation of income and capital, as well as the main obligations to be observed by investors.

4.1 Currency and General Foreign Exchange Framework

The official currency of the Union of the Comoros is the Comorian franc (KMF), which is pegged to the euro. The foreign exchange regime applicable in Comoros is intended to ensure monetary stability, facilitate current transactions and regulate capital movements with foreign countries, in accordance with the regulations of the Central Bank of the Comoros.

AN ECONOMY OPEN TO THE INDIAN OCEAN.

"Monetary stability is an asset for building sustainable partnerships."

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BANKNOTES IN CIRCULATION

KMF 10,000

KMF 5,000

KMF 2,000

KMF 1,000

KMF 500

COINS IN CIRCULATION

Official Currency

The Comorian franc (KMF) is the legal currency of the Union of the Comoros.

Fixed Peg to the Euro

The Comorian franc is pegged to the euro at a fixed exchange rate of:
EUR 1 = KMF 491.96775.

Competent Authority

The Central Bank of the Comoros (BCC) is responsible for implementing foreign exchange regulations and overseeing foreign exchange transactions.

KEY FIGURE

EUR 1 = KMF 491.96775

Fixed exchange rate between the euro and the Comorian franc.

IAA PRACTICAL INSIGHT

For most investors, ordinary transactions — including capital contributions, financing, payments to suppliers and repatriation of dividends — may be carried out through licensed local banks, subject to compliance with applicable declaration procedures and the provision of the required supporting documentation.

INVESTING IN COMOROS, TODAY AND TOMORROW.

4.2 Current Foreign Exchange Transactions

The foreign exchange regime in Comoros permits current transactions relating to foreign trade, services and income, subject to compliance with the regulations of the Central Bank of the Comoros and the procedures applicable through licensed banks and intermediaries.

Payment for Imports and Exports

Payments relating to imports and proceeds from exports may be made and received in foreign currencies through licensed banks, upon presentation of the required commercial and customs documentation.

Payment for Services

Payments for services (transport, insurance, consultancy, royalties, etc.) may be made in foreign currencies, subject to evidence of the nature of the expense and compliance with applicable banking formalities.

Transfers and Income

Transfers relating to salaries, professional fees, dividends and other income may be made in accordance with applicable regulations, particularly with respect to evidence of the source of funds and declaration requirements applicable through banks.

Supporting Documentation

Foreign exchange transactions are carried out on the basis of documentation required by banks (contracts, invoices, customs declarations, proof of payment, etc.) and may be subject to reporting requirements.

Role of Licensed Banks and Intermediaries

Foreign exchange transactions must be carried out through banks and financial institutions licensed by the Central Bank of the Comoros, which are responsible for verifying the compliance of transactions with foreign exchange regulations and AML/CFT requirements (Anti-Money Laundering and Countering the Financing of Terrorism).

DOCUMENTS COMMONLY REQUIRED

- Commercial contract or purchase order
- Pro forma or final invoice
- Transport documents (bill of lading, AWB, etc.)
- Customs declaration (for goods)
- Proof of payment and bank statements
- Any other document required by the bank depending on the nature of the transaction

AN INSTITUTION SUPPORTING MONETARY STABILITY AND ECONOMIC DEVELOPMENT.

"Facilitating transactions to suppert sustainable growth."

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KEY TAKEAWAYS

- Current foreign exchange transactions are permitted, subject to compliance with applicable banking procedures.
- Licensed banks verify the documentation and compliance of transactions.
- Payments and receipts must be supported by appropriate commercial and/or customs documentation.
- Compliance with AML/CFT requirements is mandatory for all operators.

IAA PRACTICAL INSIGHT

It is advisable to anticipate banking processing times by preparing all required documentation in advance — contracts, invoices, customs declarations and proof of payment — in order to facilitate the processing of foreign exchange transactions.

SECURE TRANSACTIONS FOR A SHARED FUTURE.

« Capital flowing freely for shared development. »

ITIBAR & AVOCATS ASSOCIÉS

4.3 Repatriation of Income and Capital

Investors may transfer and repatriate their income, dividends and capital, subject to compliance with foreign exchange regulations and the applicable procedures of the Central Bank of the Comoros and licensed banks.

Dividends and Distributions

Dividends may be transferred abroad, subject to the proper approval of the financial statements, payment of applicable taxes and compliance with foreign exchange procedures.

Investment Income

Income derived from investments (interest, royalties, fees, etc.) may be repatriated in accordance with applicable regulations, upon presentation of the required supporting documentation.

Repayment of Loans

Repayment of loans and shareholder current accounts granted by non-residents may be made, subject to appropriate documentation.

Disposal or Exit from an Investment

Proceeds from the disposal of shares or other assets may be transferred abroad, subject to compliance with foreign exchange regulations, evidence of the source of funds and completion of the required formalities.

MAIN CONDITIONS AND PRECAUTIONS

01 Comply with applicable tax and social security obligations before making any transfer.

02 Maintain appropriate supporting documentation (financial statements, corporate resolutions, contracts, invoices, proof of payment, etc.).

03 Carry out transactions through licensed banks and financial institutions.

04 Comply with AML/CFT requirements (Anti-Money Laundering and Countering the Financing of Terrorism).

05 Anticipate processing times and ensure that the amounts transferred and their source are properly documented and compliant.

IAA PRACTICAL INSIGHT

It is advisable to address the arrangements for the repatriation of income and capital from the project structuring stage, in order to ensure smooth and compliant implementation.

COMOROS, A NATURAL CROSSROADS BETWEEN AFRICA, THE ARAB WORLD AND ASIA.

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SECURING TODAY THE OPPORTUNITIES OF TOMORROW.

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DOCUMENTS COMMONLY REQUIRED

- Commercial contract or purchase order
- Pro forma or final invoice
- Transport documents (bill of lading, AWB, etc.)
- Customs declaration (for goods)
- Proof of payment and bank statements
- Corporate resolutions and decisions
- Any other document required by the bank depending on the nature of the transaction

Investor Checklist International Transfers

This checklist summarises the key points to consider in order to secure the transfer and repatriation of income, dividends and capital, in compliance with foreign exchange regulations, tax obligations and banking procedurtes applicable in Comoros.

1. **Check the applicable regulatory framework** ☐
   Identify the nature of the transaction (dividends, interest, royalties, disposal proceeds, remuneration, etc.) and the applicable foreign exchange and documentation requirements.
2. **Ensure tax compliance** ☐
   Verify the payment of all applicable taxes before any transfer (corporate income tax, withholding tax, etc.).
3. **Prepare the required supporting documents** ☐
   Gather contracts, invoices, corporate resolutions, financial statements and any other documents required by the bank or competent authorities.
4. **Comply with banking procedures** ☐
   Submit the transaction to your bank or a licensed intermediary, in accordance with the applicable procedures and requirements.
5. **Verify the source of funds** ☐
   Ensure the traceability of funds and compliance with AML/CFT requirements (Anti-Money Laundering and Countering the Financing of Terrorism).
6. **Anticipate processing times** ☐
   Allow for the time required for review and approval by the bank and, where applicable, by the Central Bank of the Comoros.
7. **Maintain evidence of the outward transfer** ☐
   Obtain receipts, certificates or banking confirmations relating to the completed transfer.
8. **Ensure ongoing compliance** ☐
   Implement internal procedures to ensure the continued compliance of future transfers.

KEY CONSIDERATIONS

- Complete and consistent supporting documentation facilitates and accelerates the processing of applications.
- Processing times may vary depending on the nature of the transaction and the bank concerned.
- AML/CFT compliance is systematically reviewed.
- Anticipating the tax implications helps prevent delays or obstacles when making the transfer.
- Early discussions with your bank can help secure the transaction.

IAA PRACTICAL INSIGHT

Plan your international transfers from the investment structuring stage. Proper documentation, compliance with tax obligations and early discussions with your bank are key to ensuring efficient, secure and compliant transfers.

« A predictable tax framework for sustainable investment. »

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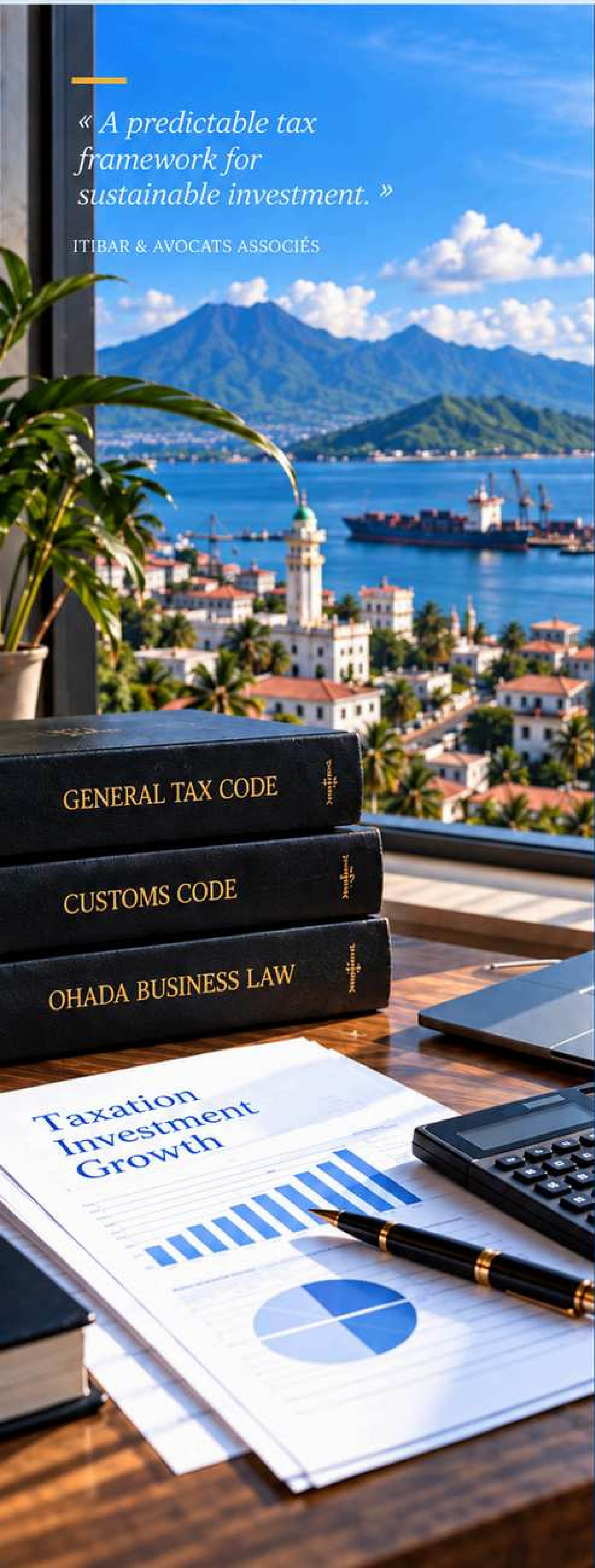

05

Taxation

FRAMEWORK, PRINCIPLES AND OBLIGATIONS

Understanding the tax regime applicable to businesses and investors in Comoros is essential to anticipate costs, structure projects securely and take full advantage of the opportunities provided by the legal framework and investment incentives.

MASTERING TAXATION TO BUILD YOUR OPPORTUNITIES.

ITIBAR & AVOCATS ASSOCIÉS

CHAPTER 5

Taxation

FRAMEWORK, PRINCIPLES AND OBLIGATIONS

“ Understanding taxation to invest with confidence in Comoros.”

ITIBAR & AVOCATS ASSOCIÉS

KEY FIGURES

Corporate Income Tax (CIT)
35 %
Standard rate

Consumption Tax (TC)
10 %
Standard rate

Minimum Corporate Income Tax
1.5 %
of turnover excluding taxes
3 %
of turnover generated in Comoros
(for companies whose accounting records are maintained abroad)

IAA PRACTICAL NOTE

An upfront tax analysis of your project helps identify the applicable tax regimes, optimise the tax burden and ensure compliance with filing and payment obligations.

5.1 General Principles

The Comorian tax system is based on a range of taxes, duties and levies applicable to businesses and investors, primarily governed by the General Tax Code and sector-specific legislation. It operates within the OHADA legal framework and aims to mobilise domestic resources while providing investors with a clear and predictable framework.

PREDICTABILITY
A tax framework defined by law and its implementing regulations.

EQUAL TREATMENT
Non-discriminatory treatment of investors, subject to specific tax regimes.

LEGAL CERTAINTY
Clear rules to anticipate costs and structure investments.

ATTRACTIVENESS
Potential incentives under the Investment Code and sector-specific legislation.

5.2 Corporate Income Tax (CIT)

Companies established in Comoros are, in principle, subject to corporate income tax on their profits, under the conditions provided for by the General Tax Code.

35 %
Standard rate

Minimum Corporate Income Tax

- **1.5%** of turnover excluding taxes.
- **3%** of turnover generated in Comoros for companies whose accounting records are maintained at their registered office outside Comoros.

5.3 Consumption Tax (TC)

Consumption Tax (TC) is an indirect tax applicable to supplies of goods and services carried out in Comoros, in accordance with the rules set out in the General Tax Code.

10 %
Standard rate

Specific regimes, exemptions and rates may apply depending on the nature of the goods or services and the legislation in force.

CHAPTER 5

Taxation

FRAMEWORK, PRINCIPLES AND OBLIGATIONS

« A clear tax environment for building sustainable projects. »

ITIBAR & AVOCATS ASSOCIÉS

INVEST TODAY

CONTRIBUTE TO DEVELOPMENT

BUILD TOMORROW

5.4 Other Taxes and Duties

In addition to corporate income tax and consumption tax, several other taxes, duties and levies may apply to businesses and investors in Comoros, depending on the nature of the activity, the legal form and the transactions carried out.

Tax on External Remuneration (TER)

10%

The TER is levied at a rate of 10% on certain payments made to non-resident individuals (physical persons) or entities with no tax domicile in Comoros, by companies or establishments based in Comoros, as well as by the State or local authorities.

Dividends and Investment Income

Dividends, interest and other income from receivables are subject to the investment income tax regime.

The taxable base for dividends is the gross amount paid. The tax is withheld at source at the time of payment and remitted to the tax authorities within fifteen (15) days.

Taxation of Branches

Branches of foreign companies are subject to corporate income tax under the standard rules, subject to specific provisions applicable to non-residents.

Business License Tax

The business license tax is payable by any individual or legal entity carrying out a professional, commercial, industrial or artisanal activity, in accordance with the rates and conditions set by the applicable regulations.

Withholding Tax on Certain Rents

Amounts paid as rent may be subject to withholding tax at source, under the rules of the General Tax Code, in particular when the beneficiary is a non-resident.

Registration Duties

Deeds and agreements covered by the regulations (in particular, deeds of incorporation, amendments, contracts) may be subject to registration duties, in accordance with the rates and procedures set by the General Tax Code.

IAA PRACTICAL INSIGHT

Before any transaction (financing, dividend distribution, contract conclusion, service payment, royalties, etc.), a tax analysis at the upstream stage helps to identify the applicable taxes and duties and to optimise the structuring of the project.

Comoros, a platform of opportunities in the Indian Ocean.

CHAPTER 5

Taxation

FRAMEWORK, PRINCIPLES AND OBLIGATIONS

« Clear rules for sustainable investments. »

ITIBAR & AVOCATS ASSOCIÉS

INVEST TODAY

SUPPORT GROWTH

BUILD TOMORROW

5.5 Tax Incentives and Investment Regimes

The Investment Code provides for a system of tax and customs incentives designed to encourage productive investments and to support key sectors of the Comorian economy. These benefits are in addition to the standard provisions of the General Tax Code and are granted subject to the prior obtaining of an approval.

Approval under the Investment Code is a prerequisite for benefiting from tax and customs incentives.

SEE CHAPTER 2 — INVESTING IN COMOROS

Tax Incentives

New companies holding an approval under the Investment Code may benefit from exemptions or reductions in taxes, under the conditions and for the period specified by the Code.

The scope of the benefits depends on the applicable regime and the nature of the project.

Customs Incentives

Exemptions or suspensions of customs duties and taxes may be granted on equipment, materials and goods necessary for the implementation of an approved project.

An existing company that develops a new approved activity may also benefit from customs incentives related to this project.

KEY POINT TO NOTE

New company ≠ new activity

Tax incentives are reserved for new companies holding an approval. An existing company that develops a new approved activity is not eligible for tax incentives, but may benefit from customs incentives related to the project.

FOR APPLICABLE REGIMES (A, B, C AND D), ELIGIBILITY CONDITIONS AND THE APPROVAL PROCEDURE:
See Chapter 2 — Investing in Comoros.

CHAPTER 5

Taxation

FRAMEWORK, PRINCIPLES AND OBLIGATIONS

« Sound tax management for sustainable investment and long-term growth. »

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UNDERSTAND THE RULES

SECURE YOUR OPERATIONS

BUILD FOR THE LONG TERM

5.6 Filing and Payment Obligations

Companies subject to taxes and duties in Comoros must comply with filing and payment obligations within the deadlines and in accordance with the procedures prescribed by the General Tax Code and its implementing regulations.

Tax Returns

Tax returns must be filed within the statutory deadlines for corporate income tax, consumption tax and other applicable taxes and duties.

Payment

Taxes and duties must be paid by the deadlines prescribed by the applicable regulations.

Accounting Records

Companies must maintain proper accounting records enabling them to substantiate their tax returns and respond to requests from the tax authorities.

Tax Audits

The tax authorities may conduct audits and inspections under the conditions provided by law. Failure to comply with tax obligations may result in penalties and sanctions.

KEY POINT TO NOTE

Compliance with filing and payment obligations is essential to avoid penalties and ensure the company's tax compliance.

5.7 Key Considerations for Investors

An upfront tax analysis helps identify the applicable taxes and duties, optimise the project structure and anticipate the overall tax burden.

Upfront Analysis

Identify the taxes and duties applicable from the project structuring stage.

Choice of Structure

Consider the tax implications when selecting the legal form and mode of establishment (subsidiary, branch, etc.).

Agreements and Documentation

Ensure compliance with the applicable transfer pricing rules and maintain appropriate supporting documentation for intra-group transactions.

Professional Advice

Seek legal and tax advice to structure and secure transactions and, where applicable, benefit from the incentives available under the Investment Code.

FOR FURTHER INFORMATION

Detailed rules and practical guidance are provided in the preceding sections of this chapter and in Chapter 2 — Investing in Comoros.

COMOROS
A LAND OF OPPORTUNITIES
FOR SUSTAINABLE INVESTMENTS.

Anticipate today for sustainable opportunities tomorrow.

CHAPTER 5

Taxation

FRAMEWORK, PRINCIPLES AND OBLIGATIONS

"Understanding today's rules to build for tomorrow."

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5.8 Tax Checklist for Investors

This checklist summarises the key issues to consider in order to identify the applicable taxes and duties, ensure the tax compliance of your project and optimise your investment structure in Comoros.

1 Nature of the Project

- ☐ Clearly define the main activity and ancillary activities
- ☐ Determine the tax treatment of transactions (goods, services, supplies)
- ☐ Identify any regulated or excluded activities under the Investment Code

2 Legal Structure

- ☐ Select the appropriate legal form (SARL, SA, SAS, branch, etc.)
- ☐ Assess the tax implications of the selected structure
- ☐ Determine the tax treatment applicable to a branch, where relevant

3 Applicable Taxes and Duties

- ☐ Corporate Income Tax (CIT)
- ☐ Consumption Tax (TC)
- ☐ Other taxes and duties (TRE, investment income, business licence tax, withholding taxes, registration duties, etc.)

4 Incentives and Special Regimes

- ☐ Eligibility under the Investment Code
- ☐ Applicable tax and/or customs incentives
- ☐ Duration and conditions for maintaining the benefits

5 Filing Obligations

- ☐ Tax returns and filing frequency
- ☐ Payment deadlines
- ☐ Accounting and record-keeping obligations
- ☐ Specific obligations relating to intra-group transactions

6 Specific Transactions

- ☐ Transfer pricing and documentation
- ☐ Fees and services provided from abroad
- ☐ Intra-group financing and deductibility of interest
- ☐ Dividend distributions and withholding taxes

7 Audits and Risk Management

- ☐ Risk of tax reassessment and late-payment interest
- ☐ Documentation and substantiation of tax positions
- ☐ Secure the tax treatment of significant transactions (financing, real estate, contracts, restructurings, etc.)

Key Points to Remember

- Each project should be reviewed in advance to identify the applicable taxes and duties.
- Compliance with filing and payment obligations helps mitigate the risk of penalties and tax reassessments.
- Tax and customs incentives are subject to approval under the Investment Code.
- Robust documentation is essential, particularly for intra-group transactions.
- Legal and tax advice can help secure your transactions and optimise your investment structure.

Further Reading

Detailed rules, applicable rates and practical guidance are provided in the preceding sections of this chapter and in **Chapter 2 — Investing in Comoros.** →

"Sound tax management for sustainable investment."

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"Today's talent for sustainable development in Comoros."

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CHAPTER

06

Employment and Immigration

LEGAL FRAMEWORK, PROCEDURES AND BEST PRACTICES

Attracting, integrating and developing talent in Comoros.

ITIBAR & AVOCATS ASSOCIÉS

6.1 Employment Contracts

LEGAL FRAMEWORK AND TYPES OF CONTRACTS

The employment contract forms the basis of the relationship between the employer and the employee. In Comoros, it is governed by the Labour Code, which sets out the rules applicable to its formation, performance and termination. An employment contract may be concluded in writing or orally, although a written contract is strongly recommended for evidentiary purposes.

6.1.1 | Different Types of Employment Contracts

Comorian law provides for several types of employment contracts:

Open-ended Employment Contract (CDI)

The standard form of employment contract. It is not limited in time and may be terminated in accordance with the conditions laid down by the Labour Code (resignation, dismissal, termination by mutual agreement, etc.).

Fixed-term Employment Contract (CDD)

Concluded for a specified period and for the performance of a temporary task. It is strictly regulated by the Labour Code and may neither have as its purpose nor have the effect of permanently filling a position related to the company's normal and ongoing activity.

Contract for a Specific Project or Task

Concluded for the completion of a specific project or defined task. It automatically terminates upon completion of the project or achievement of the purpose for which it was concluded.

6.1.2 | Fixed-term Employment Contracts (CDD)

The use of fixed-term contracts is strictly regulated. They may only be used on specific grounds and for the performance of temporary work.

DURATION OF FIXED-TERM CONTRACTS

Employee who is a Comorian national or habitually resident in Comoros

Maximum 2 years

Renewable once only, for an additional period not exceeding one year.

Foreign worker who is not a Comorian national

Maximum 3 years

Except where an exemption is granted by the Minister responsible for Labour.

RENEWAL AND RECLASSIFICATION

A fixed-term contract may only be renewed once for employees who are Comorian nationals or habitually resident in Comoros.

Renewal on more than one occasion, or continuation of the employment relationship after expiry of the fixed term, results in the contract being reclassified as an open-ended employment contract (CDI) from the initial date of the contract.

FORM AND PROCEDURE

Any fixed-term contract exceeding three months, or requiring the employee to relocate outside his or her habitual place of residence, must be in writing, preceded by a medical examination and submitted for approval to the Labour Inspectorate.

Failure by the administration to respond within **30 days** constitutes deemed approval.

GROUNDS FOR USING A FIXED-TERM CONTRACT

A fixed-term contract may only be concluded for:

- the temporary replacement of an absent employee;
- a temporary increase in activity;
- the performance of a specific project or task;
- seasonal employment;
- any other ground provided for by the Labour Code or by a specific legal provision.

"Investing also means developing local talent."

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BEST PRACTICES FOR EMPLOYERS

- Clearly identify and document the reason for using a fixed-term contract.
- Comply with the maximum duration and renewal rules.
- Anticipate the required formalities (medical examination and approval).
- Avoid systematically using fixed-term contracts to meet permanent staffing needs.

CAUTION

Abusive use of fixed-term employment contracts may result in their reclassification as open-ended employment contracts and, where applicable, an award of damages.

POINT OF VIGILANCE

The use of fixed-term contracts must be carefully justified and strictly comply with the rules on duration, renewal and formalities (medical examination and approval).

6.1

Employment Contracts

LEGAL FRAMEWORK AND TYPES OF CONTRACTS

6.1.3 | Contract for a Specific Project or Task

A contract for a specific project or task is concluded for the completion of a specific project or defined task. It automatically terminates upon completion of the project or achievement of the purpose for which it was concluded.

This type of contract is commonly used in the construction and engineering sectors, or for specific projects requiring specialised skills.

KEY POINT

A contract for a specific project or task is not subject to a maximum duration: it terminates upon completion of the project or task.

6.1.4 | Summary of Employment Contract Types

The table below summarises the main characteristics of employment contracts under Comorian law.

Type of contract	Purpose	Duration	Specific features
Open-ended Employment Contract (CDI)	Permanent employment relationship	No fixed duration	Standard form of employment. May be concluded in writing or orally.
Fixed-term Employment Contract (CDD)	Performance of a temporary task	See Section 6.1.2	Strictly regulated by the Labour Code.
Contract for a Specific Project or Task	Completion of a specific project or task	Until completion of the project or task	Automatically terminates upon achievement of its purpose.

6.1.5 | Points to Consider

1. **Prefer written contracts**
A written employment contract is strongly recommended, particularly to clearly define the essential terms of the employment relationship.

2. **Comply with fixed-term contract rules**
Carefully monitor duration, permitted grounds and renewal conditions to avoid any relassification as an open-ended employment contract.

3. **Anticipate formalities**
For certain fixed-term contracts, comply with the requirements relating to medical examinations and approval by the Labour Inspectorate.

4. **Tailor the contract to the project**
A contract for a specific project or task is particularly suitable for temporary needs, especially in the construction and engineering sectors.

USEFUL REFERENCE

Comorian Labour Code
Provisions governing employment contracts, including their formation, performance and termination.

KEY POINTS

- Several forms of employment contracts are available to meet business needs.
- Fixed-term contracts are subject to strict duration and eligibility requirements.
- A properly drafted contract provides greater legal certainty for the employment relationship and reduces the risk of disputes.

KEY POINT

The use of a fixed-term contract or a contract for a specific project or task should remain exceptional and respond to a genuine temporary need.

Any misuse may result in reclassification as an open-ended employment contract by the courts.

6.2

Recruitment and Employment Relations

LEGAL FRAMEWORK AND KEY OBLIGATIONS

Recruitment and the management of employment relations in Comoros are governed by the Labour Code. Employers are required to comply with a number of rules at each stage of the employment relationship, from recruitment through the day-to-day performance of work to termination of the employment contract.

A sound understanding of this legal framework helps secure the employment relationship, prevent disputes and foster a stable and productive working environment.

6.2.1 | A Five-Stage Cycle

The employment relationship follows a cycle involving several obligations for both the employer and the employee.

1. **Recruitment** — Compliance with the rules applicable to recruitment.
2. **Employment Contract** — Form, mandatory provisions and type of contract (CDI, CDD or contract for a specific project or task).
3. **Performance of Work** — Working hours, rest periods, leave, remuneration, health and safety.
4. **Career Development** — Training, internal mobility and amendments to the employment contract.
5. **Termination** — Resignation, dismissal, termination by mutual agreement or expiry of the contract.

"Investing sustainably also means investing in the women and men who drive the business."

ITIBAR & AVOCATS ASSOCIÉS

6.2.2 | Key Employer Obligations

Employers are required, in particular, to:

- **Comply with recruitment rules** and ensure that the employee has the legal capacity to perform the relevant work.
- **Enter into an employment contract compliant with the Labour Code** and provide a copy to the employee (a written contract is strongly recommended).
- **Provide working conditions that comply with the law** including working hours, rest periods, leave, health and safety requirements.
- **Pay remuneration regularly** in accordance with applicable legal provisions and contractual arrangements.
- **Respect employees' rights** including the principles of non-discrimination, equal treatment and protection.

KEY POINT

Failure to comply with the rules applicable to recruitment and the management of employment relations may result in administrative sanctions, reclassification of the employment contract and the award of damages by the courts.

KEY POINTS

- A clear legal framework applies at every stage of the employment relationship.
- Employers are subject to significant legal obligations.
- A properly structured employment relationship reduces the risk of disputes.
- A stable working environment supports business performance.

USEFUL REFERENCE

Comorian Labour Code
Provisions governing recruitment, performance and termination of employment contracts.

KEY POINTS

- Work permit required
- Priority for the national workforce
- Compliance with immigration regulations
- Employment contract compliant with the Labour Code
- Anticipate administrative procedures and processing times

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6.3

Employment of Foreign Nationals

LEGAL FRAMEWORK AND EMPLOYMENT CONDITIONS

Foreign nationals may be employed in Comoros, subject to compliance with the provisions of the Labour Code and immigration regulations.
Employers must, in particular, obtain the required authorisations and ensure compliance with the applicable employment and residence requirements.

6.3.1 | Work Permit

Every foreign employee **must hold** a work permit issued by the competent authorities before commencing employment. This authorisation is generally linked to a specific position and employer.

> Employing a foreign national without the required work permit may expose the employer to administrative sanctions and, where applicable, penalties.

6.3.2 | Employment Conditions

The employment contract of a foreign national is subject to the same rules as that of a Comorian national, **subject to** the specific provisions applicable to foreign nationals, including work permit and residence permit requirements.

- Employment contract compliant with the Labour Code
- Compliance with applicable remuneration, working time and social security requirements
- Verification that the residence permit remains valid throughout the employment relationship

6.3.3 | Priority for the National Workforce

The authorities may encourage priority to be given to the national workforce, particularly for certain sectors or positions. The employment of foreign nationals may therefore need to be justified by the insufficient availability of the required skills locally.

6.3.4 | Renewal and Change of Employer

Work permits and residence permits must be renewed in accordance with the applicable procedures.
Any change of employer or position may require a new authorisation.

> **KEY POINT**
> The employment of foreign nationals is permitted, but remains subject to prior authorisations and strict requirements. Proper anticipation of the administrative procedures helps prevent compliance risks.

6.4

Social Security Obligations

CONTRIBUTIONS, SOCIAL PROTECTION AND OTHER OBLIGATIONS

Every employer operating in Comoros is required to comply with its social security obligations, particularly those relating to registration with and contributions to the Caisse Nationale de Prévoyance Sociale (CNPS), as well as the other obligations provided for under the Labour Code and applicable regulations.

Compliance with these obligations is essential to ensure employee protection and to avoid the risk of inspections, reassessments or sanctions.

6.4.1 | CNPS Registration and Contributions

Employers must register their business and enrol their employees with the Caisse Nationale de Prévoyance Sociale (CNPS), declare their employees and pay social security contributions within the time limits prescribed by applicable regulations.

Employer registration
with the CNPS.

Employee enrolment
upon recruitment.

Declaration and payment of contributions
in accordance with the applicable frequency and procedures.

Compliance with deadlines
to avoid penalties and surcharges.

AT A GLANCE

- Mandatory registration with the CNPS.
- Regular declaration and payment of contributions.
- Compliance with Labour Code obligations.
- Social protection of employees.
- Risk of sanctions in the event of non-compliance.

6.4.2 | Other Social Obligations

In addition to CNPS contributions, employers must comply with a range of obligations under employment and social protection law, including:

Employment and social security records
Mandatory registers, employment contracts, declarations and supporting documents evidencing payment of contributions.

Health and safety at work
Implementation of preventive measures, compliance with applicable standards and protection of employees' health.

Equality and non-discrimination
Compliance with the principles of equal treatment and protection against all forms of discrimination.

USEFUL REFERENCE

Comorian Labour Code
Provisions relating to employers' social security obligations.

POINT OF ATTENTION

Failure to comply with social security obligations may result in penalties, surcharges, CNPS inspections and, where applicable, administrative or criminal sanctions.

"Empowering today's women and men to create tomorrow's opportunities."

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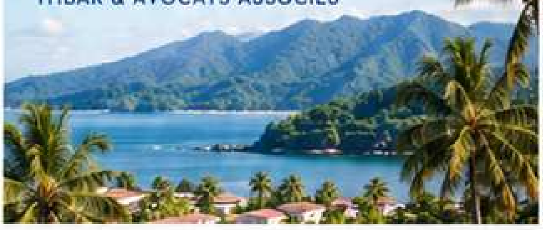

6.5

Mobility and Secondment

TEMPORARY ASSIGNMENTS, BUSINESS TRAVEL AND INTERNATIONAL MOBILITY

Employee mobility, whether inbound or outbound, is common in connection with investment projects in Comoros. It must be organised in compliance with the Labour Code and immigration regulations, both for Comorian employees and foreign employees.

6.5.1 | Temporary Assignment in Comoros

The Labour Code provides that a worker present in Comoros for a temporary assignment not exceeding three months is not subject to all provisions of the Code, subject to the specific rules applicable to foreign nationals, particularly those relating to residence and work authorisation.

- Temporary assignment generally limited to 3 months.
- Beyond this period, the employment contract is, in principle, subject to the Comorian Labour Code.
- For foreign employees, residence formalities and any applicable work authorisation requirements should be verified, even for short-term assignments.

6.5.2 | Employee Travel at the Employer's Request

Where an employee is required to travel for business purposes, the employer must bear the related travel and transportation expenses. The employee may also be entitled to an allowance covering, at a minimum, the expenses incurred in connection with occasional and temporary business travel, in accordance with the Labour Code.

Travel and transportation expenses
Borne by the employer.

Travel allowance
Covering, at a minimum, business-related expenses.

Terms and conditions
To be provided for in the employment contract or an internal policy.

6.5.3 | International Mobility

Employee mobility between Comoros and other countries (secondment, expatriation, regional assignments, etc.) requires a case-by-case assessment, taking into account:

Labour law
Application of the Comorian Labour Code where the employment contract is performed, even partially, in Comoros.

Immigration law
Obtaining the appropriate visa and complying with residence requirements applicable to foreign nationals.

Work authorisation
Verification of whether a work authorisation is required depending on the duration and nature of the assignment.

POINT OF ATTENTION

A short-term assignment does not automatically exempt foreign employees from immigration and work authorisation requirements. These formalities should be anticipated in order to avoid any risk of non-compliance or sanctions.

KEY POINTS

- Temporary assignment (generally ≤ 3 months)
- Employee travel and reimbursement of related expenses
- Verification of immigration and work authorisation requirements
- Application of the Comorian Labour Code

USEFUL REFERENCE

Comorian Labour Code
Provisions relating to the performance of employment contracts and employee travel.

6.6

Key Considerations for Investors

BEST PRACTICES AND RISK MANAGEMENT

Human resources management is a key consideration for any investor in Comoros. Proper anticipation of legal obligations and a rigorous organisational framework help secure operations, prevent disputes and foster a stable working environment.

1 Anticipate Recruitment Needs

- Identify the required profiles in advance and assess the availability of skills on the local labour market.
- Where the required profiles are not available locally, anticipate work authorisation and residence permit procedures for foreign employees.

2 Secure Employment Documentation

- Use employment contracts that comply with the Comorian Labour Code.
- Clearly specify the employee's position, classification, remuneration and, where applicable, the duration of the contract.
- Ensure that employment contracts for foreign employees comply with immigration and work authorisation requirements.

3 Comply with Social Security Obligations

- Register the company and enrol employees with the CNPS.
- Declare employees and pay social security contributions within the applicable deadlines.
- Maintain up-to-date employment and social security records (declarations, proof of payment, etc.).

4 Manage Mobility and International Assignments

- Anticipate residence formalities and, where applicable, work authorisation requirements for foreign employees.
- Contractually provide for the coverage of travel, accommodation and transportation expenses where employees are required to travel.
- Verify the application of the Comorian Labour Code where the activity is performed, even partially, in Comoros.

5 Implement Internal Policies

- Adopt internal policies and regulations covering discipline, health and safety, equal treatment and prevention of workplace harassment.
- Raise awareness among management teams and managers regarding applicable legal requirements.
- Document HR procedures (recruitment, performance assessment, disciplinary measures, termination of employment, etc.).

6 Anticipate Employment Disputes

- Strictly comply with disciplinary and termination procedures.
- Keep written records of communications and exchanges with employees.
- In the event of restructuring or workforce reduction, plan the process carefully and seek appropriate advice.

IN BRIEF

- Recruit in compliance with the Labour Code.
- Register employees and pay contributions to the CNPS.
- Anticipate residence and work authorisation formalities.
- Implement internal procedures.
- Prevent employment-related disputes.

OUR ADVICE

Integrate legal and employment-related considerations from the project structuring stage in order to secure the growth of your business.

FINAL CHECKLIST

Investing in Comoros in 10 Questions

Before getting started, here are the key questions to consider in order to secure your project and facilitate your establishment in Comoros.

1. **Is my project eligible?**
   Check whether the activity complies with the Investment Code and the applicable sector-specific regulations.
2. **Which legal structure should I choose?**
   Compare the advantages of an SARL, SA, SAS or branch according to your objectives.
3. **What approval and registration procedures are required?**
   Identify the necessary approvals and registrations (ANPI, RCCM, sector-specific authorities, etc.) and the applicable timeframes.
4. **What are my tax obligations?**
   Understand the main taxes, filing requirements and payment deadlines.
5. **How should I recruit and manage my teams?**
   Comply with the Labour Code, register employees with the CNPS and implement appropriate internal policies.
6. **What formalities apply to foreign employees?**
   Check residence requirements and, where applicable, obtain a work authorisation.
7. **Where should I establish my business?**
   Identify suitable land or property options and secure the relevant title or occupancy rights.
8. **How can I repatriate funds?**
   Comply with foreign exchange regulations and the procedures of the Central Bank of Comoros.
9. **What are the main risks?**
   Identify legal, tax, regulatory and operational risks.
10. **Who can assist me?**
    Engage trusted local advisers to secure each stage of your project.

A WELL-PREPARED PROJECT

A structured approach and appropriate legal support can help save time, reduce risks and maximise opportunities.

ABOUT US

ITIBAR & AVOCATS ASSOCIÉS

Based in Moroni, ITIBAR & AVOCATS ASSOCIÉS has been advising companies, investors and institutions on their projects in Comoros and across the region for more than 10 years.

We provide high-level legal expertise combining in-depth knowledge of Comorian law, a strong command of OHADA business law and a practical understanding of the local and regional economic environment.

STRATEGIC LEGAL ADVICE
Legal solutions tailored to your objectives.

PERSONALISED SUPPORT
A dedicated team working alongside you at every stage.

LOCAL INSIGHT, REGIONAL PERSPECTIVE
In-depth knowledge of the Comorian legal environment combined with international standards.

A TRUSTED PARTNER
Working with you to build sustainable projects in Comoros.

STAY IN TOUCH

For any questions regarding your project in Comoros, our team is at your disposal.

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DISCOVER OUR WEBSITE

“Today’s projects for tomorrow’s Comoros.”

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