

Equatorial Guinea

RISK & COMPLIANCE REPORT

DATE: January 2017

Executive Summary - Equatorial Guinea	
Sanctions:	None
FAFT list of AML Deficient Countries	No
Higher Risk Areas:	<p>Compliance with FATF 40 + 9 Recommendations (mutual evaluation not yet completed)</p> <p>Weakness in Government Legislation to combat Money Laundering</p> <p>Not on EU White list equivalent jurisdictions</p> <p>Corruption Index (Transparency International & W.G.I.)</p> <p>World Governance Indicators (Average Score)</p> <p>Failed States Index (Political Issues)(Average Score)</p>
<p>Major Investment Areas:</p> <p>Agriculture - products:</p> <p>coffee, cocoa, rice, yams, cassava (manioc), bananas, palm oil nuts; livestock; timber</p> <p>Industries:</p> <p>petroleum, natural gas, sawmilling</p> <p>Exports - commodities:</p> <p>petroleum products, timber</p> <p>Exports - partners:</p> <p>Japan 18.8%, France 16.1%, China 11.7%, US 11.3%, Netherlands 7.2%, Spain 7.1%, Italy 5.1% (2012)</p> <p>Imports - commodities:</p> <p>petroleum sector equipment, other equipment, construction materials, vehicles</p> <p>Imports - partners:</p> <p>Spain 18.4%, China 17.4%, US 11.1%, France 8%, Italy 5.9%, Cote d'Ivoire 5.3%, Brazil 4.4% (2012)</p>	

Investment Restrictions:

The Government of the Republic of Equatorial Guinea is actively soliciting foreign investment. The GREG is particularly interested in investment in agriculture and other industries that will help it diversify from the hydrocarbons sector, on which the economy currently relies. Most investment contracts are negotiated individually with the relevant ministry of the government. In some sectors, investments must be part of public-private partnerships with a government entity.

Foreign investors are not allowed to be full owners of local companies, but can be minority partners with the government.

Foreign investors are not permitted to own land or property, but can lease it from the government or others.

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Section 1 - Background

Equatorial Guinea gained independence in 1968 after 190 years of Spanish rule. This tiny country, composed of a mainland portion plus five inhabited islands, is one of the smallest on the African continent. President Teodoro OBIANG NGUEMA MBASOGO has ruled the country since 1979 when he seized power in a coup. Although nominally a constitutional democracy since 1991, the 1996, 2002, and 2009 presidential elections - as well as the 1999, 2004, and 2008 legislative elections - were widely seen as flawed. The president exerts almost total control over the political system and has discouraged political opposition. Equatorial Guinea has experienced rapid economic growth due to the discovery of large offshore oil reserves, and in the last decade has become Sub-Saharan Africa's third largest oil exporter. Despite the country's economic windfall from oil production, resulting in a massive increase in government revenue in recent years, improvements in the population's living standards have been slow to develop.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Equatorial Guinea is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

Compliance with FATF Recommendations

Equatorial Guinea has not yet undertaken a Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards.

US Department of State Money Laundering assessment (INCSR)

Equatorial Guinea was deemed a 'Monitored' Jurisdiction by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

Perceived Risks:

Equatorial Guinea (EG) is not a regional financial center. There is no known connection to drug trafficking organizations, organized crime, or terrorists operating in EG. Implementation of EG's AML laws is not complete and enforcement is weak. Widespread corruption, involving the highest levels of the government, is a primary catalyst for money laundering and other financial crimes. Diversion of public funds and corruption are widespread in both commerce and government. Proceeds from the extractive industries, including oil, gas, and timber, or outright theft of state funds are the most likely sources of laundered money. Cross-border currency transactions and the illegal international transfer of money by companies or corrupt individuals are the most significant methods used to launder funds. In 2015, an EG elected official was convicted in a foreign country for bulk cash smuggling. Although there is no significant market for smuggled goods, smuggling for personal use/consumption is endemic. There are no significant offshore sectors or free trade zones.

EG is a member of the Economic and Monetary Community of Central African States (CEMAC) and shares a regional Central Bank (BEAC) with other CEMAC members. EG is also a member of the Banking Commission of Central African States (COBAC) and the Central African Monetary Union (CEMU) within CEMAC.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US

CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

"All serious crimes" approach or "list" approach to predicate crimes: All serious crimes
Are legal persons covered: criminally: YES civilly: YES

KNOW-YOUR-CUSTOMER (KYC) RULES:

Enhanced due diligence procedures for PEPs: Foreign: NO Domestic: NO
KYC covered entities: Treasury, central bank, banks, banking intermediaries, microfinance institutions, insurance companies, investment services, money changers, casinos, notaries, real estate agents, money transfer companies, travel agencies, auditors, accountants, and high-value goods dealers

REPORTING REQUIREMENTS:

Number of STRs received and time frame: Not available
Number of CTRs received and time frame: Not available
STR covered entities: Treasury, central bank, banks, banking intermediaries, microfinance institutions, insurance companies, investment services, money changers, casinos, notaries, real estate agents, money transfer companies, travel agencies, auditors, accountants, and high-value goods dealers

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:

Prosecutions: 0
Convictions: 0

RECORDS EXCHANGE MECHANISM:

With U.S.: MLAT: NO Other mechanism: YES
With other governments/jurisdictions: YES

Equatorial Guinea is a member of the Task Force against Money Laundering in Central Africa (GABAC), a FATF-style regional body. EG has not yet had a mutual evaluation.

ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:

The Government of Equatorial Guinea has taken steps in recent years to improve its AML/CFT regime. Despite these efforts, EG's officers charged with crime prevention, including the police, judicial police, and the National Agency of Financial Investigation (ANIF), EG's financial intelligence unit, need professional training in proper financial investigative techniques. The few suspicious transaction reports (STRs) that are forwarded to the FIU are paper copies. There has never been a reported successful money laundering prosecution.

Although the AML regulations require covered entities to implement compliance programs and report large and suspicious transactions, financial institutions fulfill these obligations only to a limited degree.

In 2004, EG enacted a law requiring high ranking public officials to avoid all conflicts of interest and report their interests as well as those of their spouse and minor children. However, despite numerous international scandals involving high ranking EG government officials and

their family members spending millions of dollars on extravagant lifestyles, luxury goods, and real estate, procedures are not in place implementing the law and the law is not enforced.

In January 2015, a member of parliament was found guilty in a foreign court for bulk cash smuggling. Media reported bulk cash smuggling by high-level members of the government, including an attempt to send containers of cash to Sao Tome and Principe. There were no reports of any official investigations.

A foreign government continued to pursue seizure of real and personal property of Obiang Mangué, the president's eldest son and second vice president, as the result of a 2010 investigation into suspected concealment and laundering abroad of embezzled public funds. In an October 2014 settlement with a foreign government, Obiang Mangué was forced to sell a \$30 million mansion, a Ferrari automobile, and various items of Michael Jackson memorabilia. The settlement required that an estimated \$20 million of the proceeds be given to a charitable organization for the benefit of the country's citizens and the forfeiture of \$10.3 million to the foreign government.

EG cooperates with international law enforcement, pursuant to CEMAC's agreement with INTERPOL. EG also works with the European Community in terms of money laundering and terrorism financing through the CEMAC financial agreement with the Treasury of France.

The Government of Equatorial Guinea should work with CEMAC and regional partners to establish a fully functioning AML/CFT regime in line with international standards and to strengthen the capacity of ANIF. Cross-border transportation of cash and monetary instruments reporting requirements should be initiated and enforced. EG should criminalize terrorism financing and become a party to the 1988 UN Drug Convention and the UN Convention against Corruption.

Current Weaknesses in Government Legislation (2014 INCRS Comparative Tables):

According to the US State Department, Equatorial Guinea does not conform with regard to the following government legislation: -

Arrangements for Asset Sharing - By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions that assisted in the conduct of the underlying investigation.

Cooperates with International Law Enforcement - By law or regulation, banks are permitted/required to cooperate with authorized investigations involving or initiated by third party jurisdictions, including sharing of records or other financial data.

International Transportation of Currency - By law or regulation, the jurisdiction, in cooperation with banks, controls or monitors the flow of currency and monetary

States Party to UN 1988 Convention - States parties to the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, or a territorial entity to which the application of the Convention has been extended by a party to the Convention.

EU White list of Equivalent Jurisdictions

Equatorial Guinea is not currently on the EU White list of Equivalent Jurisdictions

World Governance indicators

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

Failed States Index

[To view Failed States Index Ctrl + Click here](#)

Offshore Financial Centre

Equatorial Guinea is not considered to be an Offshore Financial Centre

US State Dept Narcotics Report

No report available

US State Dept Trafficking in Persons Report 2013 (introduction):

Equatorial Guinea is classified a Tier 3 country - a country whose government does not fully comply with the minimum standards and is not making significant efforts to do so.

Equatorial Guinea is a source and destination country for women and children subjected to forced labor and sex trafficking. The majority of trafficking victims are exploited in Malabo and Bata, where burgeoning construction and economic activity funded by oil wealth have contributed to increases in the demand for cheap labor and prostitution. Equatoguinean girls are exploited in the sex trade in these cities, and some parents may encourage their daughters to engage in prostitution, especially with foreigners, to receive groceries, gifts, housing, and money. Children are transported from nearby countries—primarily Nigeria, Benin, Cameroon, Togo, and Gabon—and may be forced to work as domestic servants, market laborers, ambulant vendors, and launderers. Women from Cameroon, Benin, and other neighboring countries are recruited for work in Equatorial Guinea, but may be subsequently subjected to forced labor or forced prostitution. Some Chinese women migrate to Equatorial Guinea for work or to engage in prostitution and may be subject to passport confiscation. Sub-contractor staff in the oil services and construction sectors, including migrants from other parts of Africa, Asia, and the Americas, may be vulnerable to forced labor, as they reportedly endure sub-standard working conditions and, in some instances, may be subject to passport confiscation.

The Government of Equatorial Guinea does not fully comply with the minimum standards for the elimination of trafficking and is not making significant efforts to do so. During the reporting period, the government demonstrated no efforts to identify victims of human trafficking, to provide victims with necessary services, or to prosecute traffickers, despite having a 2004 anti-trafficking law that prohibits all forms of trafficking. The government continued to deport undocumented migrants without screening them to determine whether they were victims of trafficking or referring them to assistance services; it rarely notified foreign embassies that their nationals had been detained. The government failed to provide any training for government officials or civil society members, or undertake any public awareness campaigns related to human trafficking. Its Inter-Ministerial Commission to Combat Trafficking in Persons remained inactive. Given its substantial financial resources, the government's response to human trafficking has been negligible.

US State Dept Terrorism Report

No report available

International Sanctions

None Applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	N/A
World Governance Indicator – Control of Corruption	0

Corruption and Government Transparency - Report by US State Department

Equatorial Guinea has strict laws against corruption, but they are not enforced. Corruption is very common in EG.

No international nongovernmental "watchdog" organization is operating in the country. EG is not a party to the United Nations Convention against Corruption.

Section 3 - Economy

The discovery and exploitation of large oil and gas reserves have contributed to dramatic economic growth, but fluctuating oil prices along with slowing or declining oil production have resulted in much lower GDP growth in recent years. The economy is still dominated by hydrocarbon production. The government has solicited foreign investment, particularly from the United States, to diversify the economy and in February 2014 the government hosted an economic diversification symposium focused on attracting investment in five sectors: agriculture and animal ranching, fishing, mining and petrochemicals, tourism, and financial services. Undeveloped mineral resources include gold, zinc, diamonds, columbite-tantalite, and other base metals. Forestry and farming are also minor components of GDP. Subsistence farming is the dominant form of livelihood. Although pre-independence Equatorial Guinea counted on cocoa production for hard currency earnings, the neglect of the rural economy under successive regimes has diminished potential for agriculture-led growth. The government has stated its intention to reinvest some oil revenue into agriculture. A number of aid programs sponsored by the World Bank and the IMF have been cut off since 1993 because of corruption and mismanagement. The government has been widely criticized for its lack of transparency and misuse of oil revenues and has attempted to address this issue by working towards compliance with the Extractive Industries Transparency Initiative.

Agriculture - products:

coffee, cocoa, rice, yams, cassava (manioc), bananas, palm oil nuts; livestock; timber

Industries:

petroleum, natural gas, sawmilling

Exports - commodities:

petroleum products, timber

Exports - partners:

Japan 18.8%, France 16.1%, China 11.7%, US 11.3%, Netherlands 7.2%, Spain 7.1%, Italy 5.1% (2012)

Imports - commodities:

petroleum sector equipment, other equipment, construction materials, vehicles

Imports - partners:

Spain 18.4%, China 17.4%, US 11.1%, France 8%, Italy 5.9%, Cote d'Ivoire 5.3%, Brazil 4.4% (2012)

Stock Exchange

The BVMAC, with a primary market and secondary market, was founded in 2003. It is a regional stock exchange, with headquarters in Libreville, Gabon, and it serves the following central African countries: Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea and Gabon

[Guinea](#)

2014 Investment Climate Statement - Equatorial Guinea

2014 Investment Climate Statement

Bureau of Economic and Business Affairs

June 2014

Report

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Executive Summary

Equatorial Guinea (EG) is endowed with abundant oil and gas resources, accounting for over \$12 billion in U.S. investment. The general investment climate in EG, however is undermined by corruption and a burdensome, inefficient bureaucracy. International watchdog organizations consistently give EG one of the world's lowest rankings in various global indices including corruption, transparency, and ease of doing business. These poor ratings underscore the challenging environment in which businesses operate.

The Government of Equatorial Guinea (GREG) is seeking investment in several sectors: **agribusiness; fishing; energy and mining; chemicals, petrochemicals, plastics & composites; travel/tourism;** and **finance**. Most of these sectors are fairly undeveloped. The Equatoguinean domestic market is small, with a population around 750,000, although EG is a member of the Central African Monetary and Economic Union (CEMAC) sub-region, which is home to over 50 million people. The zone has a central bank and a common currency – the CFA franc.

Following rapid economic growth in the early 2000's spurred by the discovery of oil a decade earlier, growth has slowed in recent years as operational oil fields have matured. EG is nearing completion of the first phase of the Horizon 2020 development plan, which emphasized infrastructure construction. Now EG has some of the region's best roads and

other essential infrastructure including development of its ports. In February 2014, the GREG announced plans to improve the ease of doing business by creating a one-stop-shop for investors and entrepreneurs, and creating a body to solve business disputes and a government co-investment fund of \$1 billion. The fund is said to be in place, but the other measures have not been implemented. Recent commercial disputes have involved delayed or non-payment of firms by the GREG.

The judicial system is not independent, as the president is the chief magistrate. Corruption throughout the government, including the judiciary, makes it difficult for a U.S. business to protect its investment, raising the risk of doing business in Equatorial Guinea. Occasionally business disputes are treated as criminal cases.

U.S. citizens do not require visas to enter EG, but visas can be very difficult to obtain for third-country nationals, and generally require a letter of invitation from the GREG, which can take months to obtain. Residency permits can be similarly difficult to obtain and renew. Customs suffers from similar delays and is plagued by corruption.

Despite the many challenges, U.S. businesses, which strictly comply with Foreign Corrupt Practices Act requirements, have had success in the hydrocarbons sector, and some U.S. businesses have found rewards in other sectors. U.S. businesses will continue to seek the many opportunities that exist in Equatorial Guinea, but potential businessmen must understand the risks inherent in such an economy.

1. Openness To, and Restrictions Upon, Foreign Investment

The Government of the Republic of Equatorial Guinea is actively soliciting foreign investment. In February 2014, the government hosted an economic diversification symposium targeted at attracting foreign investment in key sectors to help the country diversify from the hydrocarbons sector, on which the economy currently relies: **agribusiness; fishing; energy and mining; chemicals, petrochemicals, plastics & composites; travel/tourism; and finance.** During the symposium, the government announced plans to make it easier to invest in Equatorial Guinea (EG) by establishing a "one-stop-shop" for investors and simplifying the process to register a business. To date, no changes have been seen in these areas.

Laws/Regulations of FDI

Foreign investment is regulated by at least the following laws: Law No. 7/1992, Law No. 2/1994, Decree No. 54/1994, and Decree 127/2004. There may be other relevant regulations, particularly specific to certain industries. Enforcement of laws and judicial decisions is not reliable or consistent. The judicial branch is heavily influenced by the executive branch, as the President is also the Chief Magistrate of the Republic.

Limits on Foreign Control

Decree 127/2004 stipulates that shareholder capital firms and companies operating in the petroleum sector must have Equatoguinean shareholders (percentage not specified). Foreign companies or companies created by foreigners are required to have at least 35% of share capital held by Equatoguinean partners. Equatoguinean partners must also account

for one third of the representatives on the Board of Directors. In some sectors, investments must be part of public-private partnerships with a government entity.

Screening of FDI

Statutorily, investment permits are approved by the Minister of Economy, Planning and Public Investments.

Equatorial Guinea does not have a single agency that serves as a hub for foreign investors. Investors must work with the relevant ministry to negotiate a contract. Larger deals may rise to the Presidential level. U.S. investors may reach out to the Equatorial Guinea Embassy in the United States for guidance and connection to the appropriate ministry.

Investment Trends

Recent contracts in the hydrocarbons sector generally include less favorable terms than contracts negotiated in past years.

Clearing imported goods and supplies can be a slow and onerous process due to bureaucratic requirements.

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	163 of 177	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	168 of 177	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	166 of 189	http://doingbusiness.org/rankings
World Bank GNI per capita	2012	\$13,560	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Decree No. 54/1994 provides the right to freely transfer convertible currency abroad at the end of each fiscal year. Due to limited financial services, it can occasionally be difficult to execute international transfers.

Local currency is not widely available outside of the Central African Franc zone, but can be relatively easily obtained in country. Equatorial Guinea is an almost entirely cash economy, though credit cards are slowly growing in usage.

3. Expropriation and Compensation

Law No. 7/1992 states that the government will not expropriate foreign investments except when acting in the public interest with fair, just, and proper compensation. The government does not have a record of nationalization or expropriation of foreign investments. The government does have an extensive record of expropriating locally-owned property, frequently offering little or no compensation.

4. Dispute Settlement

Law No. 7/1992 states that disputes that cannot be resolved through direct negotiation by the involved parties shall be referred to Equatoguinean courts. Either party can also submit the dispute to international arbitration. Foreign investors are asked to declare their desired international arbitration venue in their initial application to invest in EG. Arbitration must take place in a neutral location and Spanish will be the official language of the arbitration.

In practice, disputes are generally handled in direct communication with the relevant government ministry. The government is frequently very slow to respond. Decisions often have to be made at the ministerial or presidential level. Local judicial decisions and enforcement are inconsistent and do not necessarily rely on a system of precedent.

Recent investment disputes have centered on non-payment of investors or contractors by the government, or state-owned enterprises. There are few established local mechanisms to compel the government to pay investors, and the Embassy has limited capacity to intervene.

Equatorial Guinea is not a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention - also known as the Washington Convention), although Law No. 7/1992 states that international arbitration may utilize ICSID as the basis of procedure. Equatorial Guinea is not a party to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

The government does not always comply with international agreements which it has signed or international legal decisions.

5. Performance Requirements and Investment Incentives

Law No. 2/1994 offers the following investment incentives, in the form of deductions from taxable income: 50% of the amount paid to Equatoguinean staff in wages, 200% of the cost of training Equatoguinean staff. In February 2014, the government also announced a co-financing fund intended to partner with new foreign investment projects.

On different occasions the government has suggested a minimum percentage of employees which must be Equatoguinean, ranging from 70-90%. This is not consistently enforced. The Ministry of Mines, Industry, and Energy is considering a new national content decree for the hydrocarbons sector, which would require that Equatoguineans hold certain supervisory/management positions. However, that decree is still in the draft stage and a draft has not been made public.

U.S. citizens do not require visas to enter EG. However, obtaining letters of invitation and visas for third country nationals can be difficult and time consuming. Residency permits, which are required for all long-term residents, can be difficult to renew, frequently expiring before the new permit can be issued.

6. Right to Private Ownership and Establishment

See "Limits on Foreign Control" in section 1.

7. Protection of Property Rights

Foreign investors are not permitted to own land or property, but can lease it from the government or others. Property rights are generally recognized and enforced, although a substantial portion of the population does not have formal title to their land. More information about the process of registering property can be found in the World Bank's Doing Business Report: <http://www.doingbusiness.org/data/exploreeconomies/equatorial-guinea/>

Legal structures are weak and enforcement of intellectual property rights is rare. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Embassy point of contact: Matthew Hergott HergottMR@state.gov until January 2015. Then Julie Beberman: BebermanJA@state.gov

Local lawyers list: <http://malabo.usembassy.gov/service/list-of-lawyers.html>

8. Transparency of the Regulatory System

Labor laws are published and are publicly available. Regulations are not consistently applied. Foreign companies are expected to follow every detail of the labor law or face penalties. Enforcement of the labor law on national companies is far less strict.

Bureaucratic procedures are neither streamlined nor transparent, and can be extremely slow for those without the proper connections.

Proposed laws and regulations are not published in draft form for public comment, but are sometimes informally shared with representatives of specific industries for comment.

9. Efficient Capital Markets and Portfolio Investment

The small banking sector can provide limited financing to businesses. Capital markets are virtually non-existent.

10. Competition from State-Owned Enterprises

There are currently a few state-owned enterprises in the **energy & mining** and **information & communication** sectors. The state-owned oil company, GEPetrol, has preferential right of joint ownership in the oil sector.

11. Corporate Social Responsibility

Many U.S. firms operating in Equatorial Guinea have well-developed corporate social responsibility (CSR) programs. The government has expressed appreciation for these efforts and recognized the positive role of U.S. firms. There are no CSR requirements to operate in Equatorial Guinea, and most firms from other countries do not have substantial CSR programs. The Ministry of Mines, Industry, and Energy has established industry-specific regulations which mandate minimum rates of CSR contributions in the sectors it manages. These rates may increase under a new draft regulation that is being considered.

There are no independent NGOs operating in the country that promote or monitor CSR.

12. Political Violence

There have not been recent instances of political violence. President Obiang has been in power since 1979; as such, Equatorial Guinea does not have an established track record of transfer of power. The next presidential elections are expected to take place in 2016.

13. Corruption

Equatorial Guinea has strict laws against corruption, but they are not enforced. Corruption is very common in EG.

No international nongovernmental "watchdog" organization is operating in the country. EG is not a party to the United Nations Convention against Corruption.

14. Bilateral Investment Agreements

Equatorial Guinea has signed Bilateral Investment Agreements with France, Spain, Morocco, and Ethiopia.

15. OPIC and Other Investment Insurance Programs

There are no OPIC programs in Equatorial Guinea.

16. Labor

Local labor is available. The local supply of skilled labor is limited. Professional-level English is not common. Youth unemployment is widespread.

Compared to the United States, labor laws in EG are generally very favorable toward the employee. Aside from a union of small farmers, the government does not recognize any labor unions.

Local government enforcement of labor laws is mostly focused on preventing companies from employing undocumented immigrants.

17. Foreign Trade Zones/Free Ports

None.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

TABLE 2: Key Macroeconomic data, U.S. FDI in Equatorial Guinea

Gross Domestic Product	Year	Amount	Source
Gross Domestic Product (GDP) (Millions U.S. Dollars)	2012	17,700	World Bank http://data.worldbank.org/country/equatorial-guinea
GDP Growth	2007	21%	World Bank http://data.worldbank.org/country/equatorial-guinea
GDP Growth	2008	-3%	World Bank
GDP Growth	2009	1%	World Bank
GDP Growth	2010	-2%	World Bank
GDP Growth	2011	5%	World Bank
GDP Growth	2012	2%	World Bank
Foreign Direct Investment	Year	Amount	Source
U.S. FDI in Equatorial Guinea (Millions U.S. Dollars, stock positions)	2012	2,288	Bureau of Economic Analysis (BEA), U.S. Direct Investment Position Abroad on a Historical-Cost Basis
Host country's FDI in the United States (Millions U.S. Dollars, stock positions)	2012	-3	Bureau of Economic Analysis (BEA), Foreign Direct Investment Position in the United States on a Historical-Cost Basis
Total inbound stock of FDI as % host GDP	2012	12.9%	Calculated using BEA and World Bank data.

Section 5 - Government

Chiefs of State and Cabinet Members:

For the current list of Chief of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

Legal system:

mixed system of civil and customary law

International organization participation:

ACP, AfDB, AU, BDEAC, CEMAC, CPLP (associate), FAO, FZ, G-77, IBRD, ICAO, ICRM, IDA, IFAD, IFC, IFRC, ILO, IMF, IMO, Interpol, IOC, IPU, ITSO, ITU, MIGA, NAM, OAS (observer), OIF, OPCW, UN, UNCTAD, UNESCO, UNIDO, UNWTO, UPU, WHO, WIPO, WTO (observer)

Section 6 - Tax

Exchange control

For further information -

<http://www.guineaecuatorialpress.com/noticia.php?id=982&lang=en>

Treaty and non-treaty withholding tax rates

For further information -

<http://www.guineaecuatorialpress.com/noticia.php?id=982&lang=en>

Methodology and Sources

Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
FATF List of Countries identified with strategic AML deficiencies	Not Listed	AML Deficient but Committed	High Risk
Compliance with FATF 40 + 9 recommendations	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
US Dept of State Money Laundering assessment (INCSR)	Monitored	Concern	Primary Concern
INCSR - Weakness in Government Legislation	<2	2-4	5-20
US Sec of State supporter of / Safe Haven for International Terrorism	No	Safe Haven for Terrorism	State Supporter of Terrorism
EU White list equivalent jurisdictions	Yes		No
International Sanctions UN Sanctions / US Sanctions / EU Sanctions	None	Arab League / Other	UN , EU or US
Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network	>69%	35 – 69%	<35%
World government Indicators (Average)	>69%	35 – 69%	<35%
Failed States Index (Average)	>69%	35 – 69%	<35%
Offshore Finance Centre	No		Yes

Section 3 - Economy

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

Section 4 - Foreign Investment

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

Section 5 - Government

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

Section 6 - Tax

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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