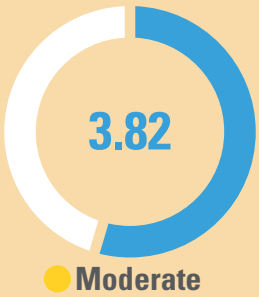
UNITED NATIONS
الاسكوا
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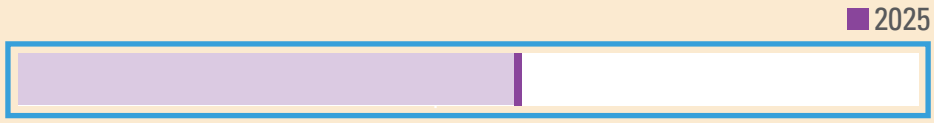
Shared Prosperity Dignified Life

Country profile
SUDAN

ARAB BUSINESS LEGISLATIVE FRAMEWORKS



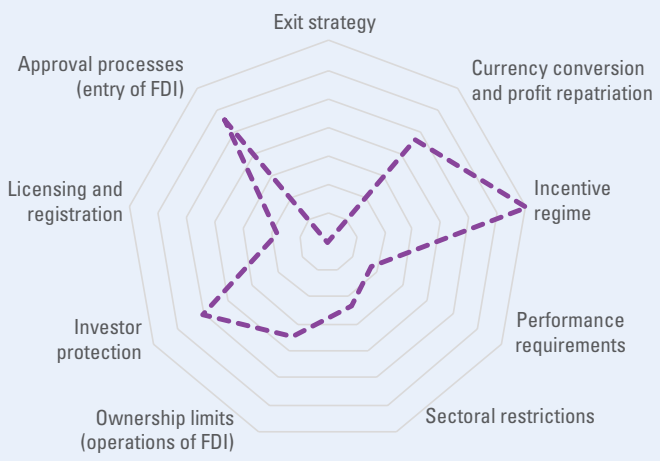
FOREIGN DIRECT INVESTMENT



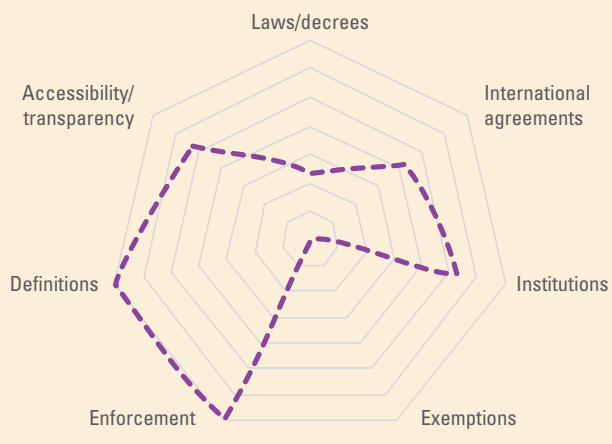
Very weak · Weak · Basic · Moderate · Developed · Strong · Very strong

COMPONENTS	2025
Approval processes (entry of FDI)	5.60
Licensing and registration	1.75
Investor protection	5.00
Ownership limits (operations of FDI)	3.50
Sectoral restrictions	2.33
Performance requirements	1.75
Incentive regime	7.00
Currency conversion and profit repatriation	4.67
Exit strategy	0.00

COMPONENTS



ELEMENTS



Note on methodology: The foreign direct investment (FDI) pillar was fully revised in 2023 following a legal and methodological review and first applied in the 2025 assessment. The 2020 edition assessed the macroeconomic enabling environment for investment. The revised methodology shifts to a business-conducting perspective, assessing the regulatory treatment of foreign investment.

2020 EDITION

Weak

Foreign direct investment framework assessment

Macroeconomic enabling environment lens

The 2020 assessment examined whether the country's **macroeconomic policies** provided a stable foundation for investment, whether the **investment regulatory framework** set clear rules of engagement, how far **incentivization schemes** attracted foreign capital, the extent to which **bilateral treaties** offered investors legal certainty, and whether **banking regulations** enabled the financial operations required for investment.



Macroeconomic policies



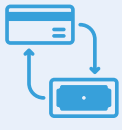
Investment regulatory framework



Incentivization schemes



Bilateral treaties



Banking regulations

This country profile is prepared based on the legal and regulatory framework in force as at April 2025.

This country profile assesses the foreign direct investment (FDI) framework of the Sudan based on the nine FDI assessment components adopted under the Arab Business Legislative Frameworks methodology. The analysis is structured to ensure that each component is examined against its specific definition and indicators, supported by relevant legal and regulatory evidence.

Foreign direct investment in the Sudan is primarily governed by the Investment (Encouragement) Act of 2021, which establishes the legal, institutional and policy framework governing investment entry, licensing, guarantees, incentives and investor protection within the State.



Approval processes

This assessment component examines the mechanisms and institutional arrangements governing the authorization of FDI, the applicable regulatory requirements, and the legal basis for international investment commitments and access to bank financing.

The investment framework of the Sudan establishes a centralized institutional structure responsible for organizing and supervising investment activities. Article 6(1) of the Investment (Encouragement) Act of 2021 establishes the Investment and Private Sector Development Authority and the units it supervises. Article 7(1) designates the authority as the supreme competent body for investment affairs, mandated to approve investment policies, determine priorities and sectors, supervise implementation, and monitor the performance of affiliated units. This provides a formal monitoring and regulatory body for investor-related policies.

International and regional investment agreements are expressly recognized and incorporated into the domestic legal order. Article 34(2) provides for the application of the Unified Agreement for the Investment of Arab Capital

in the Arab States (1980). This establishes a legislative basis for the governance and enforcement of bilateral and multilateral investment commitments. Access to finance is supported through the conditional use of project assets as collateral. Under article 24(1)(c), investors may mortgage the project, equipment, machinery or means of transport for the purpose of securing financing necessary for the implementation of the project, subject to prior written approval by the Minister of Investment and International Cooperation and the applicable regulations.

Article 21(2) authorizes the Ministry of Investment and International Cooperation to determine service fees and returns, and article 21(4) prohibits the imposition of administrative fees on investment projects without prior ministry approval.

However, the law does not expressly establish a dedicated registration fee regime specifically applicable to foreign investors.



Licensing and registration

This assessment component reviews the legal and regulatory framework for the licensing and registration of foreign investment projects in the Sudan, with particular attention to transparency and predictability in administrative procedures, land use and ownership conditions, and streamlining of registration processes.

Article 22(1) of the Investment (Encouragement) Act of 2021 provides that the determination of minimum invested capital for foreign investors shall be set out in the implementing regulations. Article 22(2) requires foreign investors to deposit earnest money of at least $250,000, or its equivalent, prior to licensing, for use in project implementation following approval.

The licensing and registration framework incorporates procedural streamlining through a "single window" mechanism. Article 9(1) establishes a single window within the Ministry of Investment and International Cooperation composed of coordinators from competent authorities, and article 9(2) requires similar mechanisms at the State level. Article 26 mandates the issuance of an Investment Procedural Gui de specifying conditions, procedures and timelines for land allocation, approvals, permits and licenses, and provides for its publication in electronic form.

The law regulates the allocation and use of land for investment projects but does not impose explicit surface-area or quantitative limitations. It also does not prescribe a cost-benefit analysis requirement as part of the investment approval process.



Investor protection

This assessment component reviews the legal protections available to foreign investors in the Sudan, including statutory guarantees, access to dispute resolution mechanisms, and the role of domestic courts and arbitration frameworks in ensuring the enforcement of investor rights and investment-related obligations.

The legal framework establishes enforcement mechanisms applicable to investment activities. Article 37(1) of the Investment (Encouragement) Act of 2021 authorizes the Minister of Investment and International Cooperation to impose administrative sanctions in cases of non-compliance, including written warnings, partial or full withdrawal of incentives and exemptions, suspension of operations, and cancellation of the investment license. These measures provide supervisory and corrective enforcement tools.

The law provides statutory guarantees for investors. Article 19(1) grants all investments fair and equitable treatment. Article 19(2) ensures that foreign investors receive treatment equivalent to that accorded to national investors. Article 19(3) protects invested capital from arbitrary or discriminatory measures.

Dispute settlement mechanisms are expressly regulated. Article 34(1) provides that investment disputes shall be referred to the competent court unless the parties agree to arbitration or conciliation. Article 34(2) confirms the application of the Unified Agreement for the Investment of Arab Capital in the Arab States (1980), the Arab Convention on the Settlement of Investment Disputes (1974), the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID) (1965), the Organization of Islamic Cooperation (OIC) General Agreement for Economic, Technical and Commercial Cooperation (1977), and other relevant treaties to which the Sudan is party, in relation to disputes arising directly under those agreements. This establishes access to international treaty-based arbitration.

Judicial capacity is supported through specialized adjudication. In this regard, article 35 mandates the Chief Justice to establish specialized courts to hear investment-related disputes.

The Sudan acceded to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958) on 26 March 2018, enabling the recognition and enforcement of foreign arbitral awards.

However, the law does not contain provisions requiring a formal cost-benefit analysis or impact assessment to be conducted as part of investment promotion or approval processes.



Ownership limits

This assessment component examines the extent to which Sudanese legislation imposes ownership limits, foreign equity restrictions, or screening and prior approval mechanisms on foreign investment operations, including restrictions related to acquisition of real estate or participation in certain economic activities.

The Investment (Encouragement) Act of 2021 does not establish foreign equity caps, ownership ceilings, or screening rules limiting foreign shareholding (such as 49/51 requirements). No statutory restrictions on foreign equity participation are identified.

Article 24(2) imposes restrictions on real estate allocated to investment projects by prohibiting the sale or mortgage of project land prior to full investment, subject to regulatory conditions. This constitutes a limitation on the disposal of investment-related land.



Sectoral restrictions

This assessment component reviews sector-specific regulations that affect foreign direct investment in the Sudan, focusing on market access limitations, competition-related considerations, and exceptions justified on grounds.

Competition and market regulation are governed by the Competition Regulation and Anti-Monopoly Law No. 7 of 2009, which establishes the legal framework for preventing anti-competitive practices and promoting a fair market environment. The law applies generally to all market participants.

Sectoral access limitations are provided under the investment legislation. Article 18 of the Investment (Encouragement) Act of 2021 establishes a "special investment list" identifying certain sectors and economic activities that are not open to foreign investment, as determined by the Investment and Private Sector Development Authority upon the Minister of Investment and International Cooperation's recommendation. This constitutes statutory market entry restrictions for foreign investors.



Performance requirements

This assessment component examines whether Sudanese investment legislation or policies impose performance-related obligations on foreign investors, such as requirements related to employment, skills

development, export promotion, or compliance with social and labour standards.

Article 28 of the Investment (Encouragement) Act of 2021 allows investors to allocate part of their annual profits to community development, education, training and research activities, with the amounts allocated for such activities being deductible from the tax base. These measures constitute voluntary corporate social responsibility arrangements and do not establish specific education or labour development policies aimed at promoting or attracting foreign direct investment.

The law does not provide export-promotion measures linked to FDI, nor does it establish cost-benefit or efficiency assessment requirements for FDI strategies.



Incentive regime

This assessment component reviews the legal framework governing investment incentives in the Sudan, which includes defining incentive schemes in legislation, specifying the adopted incentive regime, and identifying the competent authorities responsible for administering and implementing these incentives.

The Investment (Encouragement) Act of 2021 establishes statutory incentive schemes. Article 20 provides customs exemptions on capital equipment imports, business profit tax exemptions for up to five years from the commencement of commercial production, value-added tax exemptions on capital equipment, preferential land allocation, and the possibility of additional preferential incentives determined in accordance with the national investment map and regulations.

Article 20 further specifies the duration and criteria for benefiting from incentives, linking eligibility to capital recovery periods and approved feasibility studies.

Implementation and administration of incentives are entrusted to competent authorities. Article 20 assigns land allocation and related privileges to the Investment Land Operations Chamber and authorizes the authority to grant preferential incentives. Article 21(2)–(4) empowers the authority to determine and regulate fees and administrative charges applicable to investment projects.



Currency conversion and profit repatriation

This assessment component examines the legal provisions governing currency conversion and the repatriation of profits by foreign investors in the Sudan, including guarantees for capital transfers, the role of financial and banking authorities, and applicable capital control measures.

The Investment (Encouragement) Act of 2021 does not expressly grant foreign investors a statutory right to currency conversion or the transfer of profits and capital. Article 27(1) provides for the establishment of the National and Foreign Investment Insurance Guarantee Company and includes, among its objectives, insurance coverage against risks related to currency transfer restrictions. This provision mitigates transfer risks through insurance but does not constitute a legal guarantee of free convertibility or repatriation.

Under the Central Bank of Sudan Act, oversight of capital movements and banking activities falls within the mandate of the Central Bank of Sudan in its capacity as the competent monetary authority responsible for regulating foreign exchange operations and supervising the banking sector.



Exit strategy

This assessment component assesses the legal framework governing the exit of foreign investors from the Sudanese market, focusing on provisions related to divestment, liquidation, mergers and acquisitions.

The Investment (Encouragement) Act of 2021 provides a regulated framework governing the disposal and transfer of investment projects. Article 24 requires prior written approval of the Minister of Investment and International Cooperation for the assignment, transfer or dissolution of an investment project.

However, the law does not contain explicit provisions regulating mergers and acquisitions or a standalone exit regime addressing liquidation procedures or capital withdrawal.

RECOMMENDATIONS

- Clarify, through procedural guidance, how disputes falling under treaties referred to in article 34(2) are identified and processed within the domestic system.
- Require licensed projects to submit periodic workforce composition and training reports through the single window to monitor compliance without adding new approval layers.
- Define, by regulation, the conditions under which foreign workers may be employed, including skills-gap justification and approval procedures, to ensure predictability and alignment with domestic labour objectives.
- Introduce implementing regulations establishing clear minimum local-employment or training ratios for investment projects to operationalize the workforce development principle.
- Introduce a regulatory requirement mandating periodic cost-benefit and performance evaluations of national investment strategies and incentives, with defined indicators and reporting duties.
- Issue implementing regulations detailing eligibility criteria and application procedures for tax and customs incentives under article 20.
- Clarify in legislation, or through cross-references to foreign-exchange regulations, the legal conditions and procedures governing currency conversion and profit remittance, as these rights are not expressly provided in the act.
- Define clear administrative procedures and timelines for project transfer, dissolution or ownership changes under article 24 to operationalize exit pathways without adding new approvals.