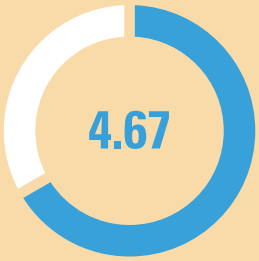
UNITED NATIONS
الاسكوا
ESCWA

Shared Prosperity Dignified Life

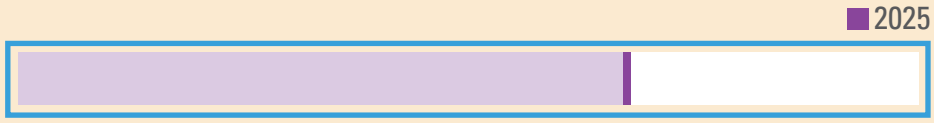
Country profile
TUNISIA

ARAB BUSINESS LEGISLATIVE FRAMEWORKS



Developed

FOREIGN DIRECT INVESTMENT

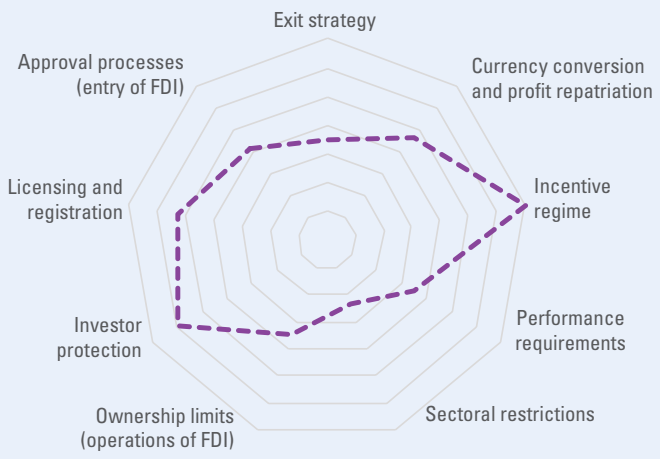


Very weak | Weak | Basic | Moderate | Developed | Strong | Very strong

COMPONENTS	2025
Approval processes (entry of FDI)	4.20
Licensing and registration	5.25
Investor protection	6.00
Ownership limits (operations of FDI)	3.50
Sectoral restrictions	2.33
Performance requirements	3.50
Incentive regime	7.00
Currency conversion and profit repatriation	4.67
Exit strategy	3.50

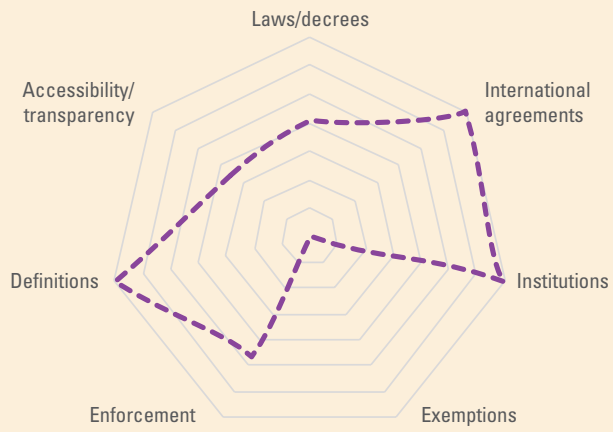
COMPONENTS

2025



ELEMENTS

2025



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

Moderate

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



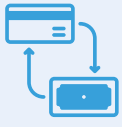
Investment regulatory framework



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 Tunisia 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 investment in Tunisia is governed by Investment Law No. 71 of 2016, which aims to promote investment and support the creation and development of enterprises in line with national economic priorities. This law is supplemented by a series of implementing government decrees that detail its procedures and regulatory mechanisms.



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 legal framework governing investment in Tunisia recognizes the existence of specialized institutional bodies responsible for organizing, monitoring and enforcing regulatory policies related to investors. In this context, the Tunisia Investment Authority was established pursuant to Investment Law No. 71 of 2016, and its mandates were defined by Government Decree No. 388 of 2017, in particular article 7 thereof, which entrusts the Authority with proposing investment-related policies and reforms and monitoring their implementation, overseeing investment operations, including the granting of authorizations, the completion of administrative procedures, the handling of investors' petitions, and the collection and dissemination of investment-related data, as well as the preparation of evaluation reports on investment policy. These functions are exercised with a view to ensuring the effective

and practical enforcement of the regulatory framework governing investment. This role is complemented at the strategic level by the Higher Investment Council, established pursuant to articles 11 and 12 of the Investment Law, which defines the State's investment policy and strategy and supervises and evaluates the activities of the authority, thereby reinforcing an integrated institutional framework for the governance and oversight of regulatory policies related to investors.

As part of its commitment to improving the business environment, Tunisia has signed several international agreements aimed at facilitating trade and securing investments. These include distinct bilateral free trade agreements meant to encourage the trade of commodities and offer legal protections for mutual investments with Algeria and Libya.



Licensing and registration

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

The legal framework governing the conduct of commercial and economic activities in Tunisia regulates registration and licensing requirements, capital requirements, and the mechanisms adopted to streamline administrative procedures. In this context, any commercial or economic activity must be registered in advance, either as a sole proprietorship or as a commercial company in accordance with the Commercial Code. No minimum capital requirement applies to sole proprietorships, while capital requirements for companies are determined according to their legal form, including a minimum capital of 1,000 Tunisian dinars (TND) for limited liability companies and TND 5,000 for public limited companies. These rules apply equally to domestic and foreign investors.

With regard to streamlining licensing and registration procedures, the Investment Law establishes clear mechanisms for procedural facilitation through the creation of a "single point of contact for investors" within the Tunisia Investment Authority pursuant to article 15 of Investment Law No. 71 of 2016, enabling the processing of investment declarations and the legal establishment of enterprises through a single unified file and the issuance of a filing receipt within one working day. This framework was further strengthened by the introduction of article 15 bis in 2019, which established a Commission of Authorizations and Approvals mandated to decide on all authorization and approval requests related to investment projects under the authority's remit, thereby enhancing administrative coordination and accelerating licensing processes.

However, the legal framework governing investment in Tunisia does not provide for a statutory cost-benefit analysis requirement for the evaluation of foreign investment projects or investment policies.



Investor protection

This assessment component reviews the legal protections available to foreign investors in Tunisia, 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.

To protect foreign direct investors, Tunisia has several mechanisms at hand.

According to article 7 of Investment Law No. 71 of 2016, foreign investors shall receive treatment equal to that accorded to Tunisian investors, particularly with respect to the rights and obligations provided under the law. Article 8 ensures the protection of the investor's intellectual property rights and assets. Assets may be expropriated only in the public interest, in accordance with due legal process, without discrimination based on nationality, and in return for fair and equitable compensation.

Article 23 provides that any dispute arising between the Tunisian State and a foreign investor in relation to the interpretation or application of the provisions of this law shall be resolved through conciliation procedures, unless one of the parties waives this right in writing. The parties are free to agree on the procedures and rules governing the conciliation. In the absence of such agreement, the United Nations Commission on International Trade Law (UNCITRAL) Conciliation Rules shall apply. A concluded conciliation agreement shall have the force of law and must be executed in good faith and without delay.

If conciliation fails, article 24 allows the parties to resort to arbitration pursuant to a specific agreement. In the absence of such agreement, Tunisian courts shall retain jurisdiction over the dispute.

The legal protection framework applicable to foreign investors in the context of disputes is further reinforced through the accession of Tunisia to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID).



Ownership limits

This assessment component examines the extent to which Tunisian 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.

Regarding foreign equity participation and prior approval requirements, Tunisia does not apply a general 49/51 ownership rule in the agricultural sector. Foreign investors may hold up to two-thirds of the share capital of companies operating in agriculture, aquaculture, and offshore fishing activities along the northern coastline and in high-sea areas (from Bizerte to Tabarka). While foreign investors are prohibited from owning agricultural land, they may use such land through lease arrangements, provided that the land does not form part of the company's share capital. Investment projects in these activities are subject to a declaratory requirement only, consisting of the filing of an investment declaration with the Agricultural Investment Promotion Agency (APIA), without any prior authorization requirement.

More broadly, the legal framework governing foreign investment establishes a differentiated regime for real estate acquisition based on the nature of the property. Investment Law No. 71 of 2016 recognizes the freedom of investors, including foreign investors, to acquire, lease and use non-agricultural real estate for the purpose of carrying out or continuing direct investment activities, subject to land-use planning and urban development regulations. By contrast, the ownership of agricultural land remains prohibited, reflecting policy considerations related to land sovereignty and food security. These restrictions do not constitute a general barrier to foreign investment, as foreign investors are permitted to access and use non-agricultural real estate, particularly in the industrial and tourism sectors.



Sectoral restrictions

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

Investment in Tunisia is governed by the principle of freedom of investment, subject to compliance with the applicable legislative and regulatory framework. Accordingly, article 10 of the Investment Law requires investors to comply with the legislation in force, particularly laws relating to competition and transparency, and to provide the information required for the implementation of the law. In this context, Competition Law No. 36 of 2015 governs market competition and consumer protection and applies to all economic actors, including the State, with the objective of preventing monopolistic practices and anti-competitive conduct and promoting market efficiency. While foreign investors may engage in economic and investment activities on an equal footing with domestic investors, certain activities remain subject to prior

authorization for regulatory or public interest reasons. Article 3 of Government Decree No. 417 of 2018 identifies sectors that are subject to prior authorization by competent administrative authorities, including natural resources, land, air and maritime transport, telecommunications, banking and insurance. These authorization requirements reflect sector-specific regulatory controls and do not constitute prohibitions on investment.



Performance requirements

This assessment component examines whether Tunisian 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.

The investment framework in Tunisia includes legislative measures that promote export-oriented activities and impose specific labour-related requirements on investment projects, including those established through foreign direct investment. In this regard, article 67 of Law No. 8 of 2017 amending the Personal Income Tax and Corporate Tax Code provides that two-thirds of income derived from export activities are deductible from the taxable base, a tax incentive applicable to exporting enterprises regardless of ownership structure and aimed at encouraging export-led investment.

In parallel, Investment Law No. 71 of 2016 establishes labour market requirements intended to protect the national workforce, notably by allowing enterprises to recruit foreign employees while limiting their proportion to a maximum of 30 per cent of the total workforce, with this ceiling reduced to 10 per cent from the fourth year of operation, thereby linking investment operations to domestic employment considerations.

However, the legal framework does not set out explicit education or workforce development policies specifically designed to attract or retain foreign direct investment. There are also no clear statutory criteria in the legislation that require the State to assess the opportunity costs, effectiveness or efficiency of foreign direct investment strategies through formal evaluation mechanisms.



Incentive regime

This assessment component reviews the legal framework governing investment incentives in Tunisia, 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 Tunisian Investment Law No. 71 of 2016 establishes an explicit framework for financial incentives which is applicable to direct investment. Article 19 defines the main categories of investment grants, including incentives aimed at enhancing value added and competitiveness, promoting employment development, supporting regional development, and advancing sustainable development.

The law further provides a specific incentive regime for projects of national importance. Under article 20, these projects may benefit from a package of incentives, including the deduction of profits from the corporate income tax base for a period of up to ten years, an investment grant covering up to one third of the total investment cost, including internal infrastructure expenditures, and State participation in the financing of infrastructure works. Article 20 also provides that projects of national importance and the ceiling of the investment grant are determined by government order.

In implementation of these provisions, Government Decree No. 389 of 2017 specifies, under article 1, the rates, ceilings and conditions applicable to investment grants under the Investment Law, as well as the criteria and ceilings applicable to projects of national importance. The decree defines these projects on the basis of several criteria, including a minimum investment cost of TND 50 million or the creation of at least 500 permanent jobs within three years (article 16). It further sets the ceiling for the investment grant at one third of the total investment cost, up to a maximum of TND 30 million (article 17).

Finally, the Investment Law grants the Higher Investment Council decision-making authority regarding incentives for projects of national importance. Government Decree No. 389 of 2017 provides that incentives under article 20 of the Investment Law are awarded by government order, upon the opinion of the Higher Investment Council.

Currency conversion and profit repatriation

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

Article 9 of Law No. 71 of 2016 gives investors the right to repatriate profits and capital brought into Tunisia in an exchangeable currency after all taxes and debts have been paid. In this context, article 7 of Government Decree No. 417 of 2018 assigns the Central Bank of Tunisia the responsibility of handling licensing requests related to foreign currency transfers abroad, as stipulated under article 9 of the Investment Law.

Exit strategy

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

The Investment Law does not contain specific provisions governing investor exit or mergers and acquisitions. Liquidation and dissolution procedures are governed by the general rules of the Commercial Law.

RECOMMENDATIONS

- Codify a clear procedure for the foreign acquisition or leasing of agricultural land and long-term leases.
- Reduce land-surface-based real-estate restrictions affecting investment. Where limitations related to superficies rights exist, ensure that they are narrowly tailored and transparent.
- Develop training for judges on international investment law and arbitration.
- Introduce legally defined evaluation criteria that require the periodic assessment of opportunity costs, effectiveness and efficiency of FDI strategies, with publicly reported results.
- Enhance alignment between FDI policies and education and training systems by embedding skills-development and training objectives into investment support measures.
- Introduce amendments to the Investment Law recognizing the right of investors to exit the country and repatriate liquidation proceeds.