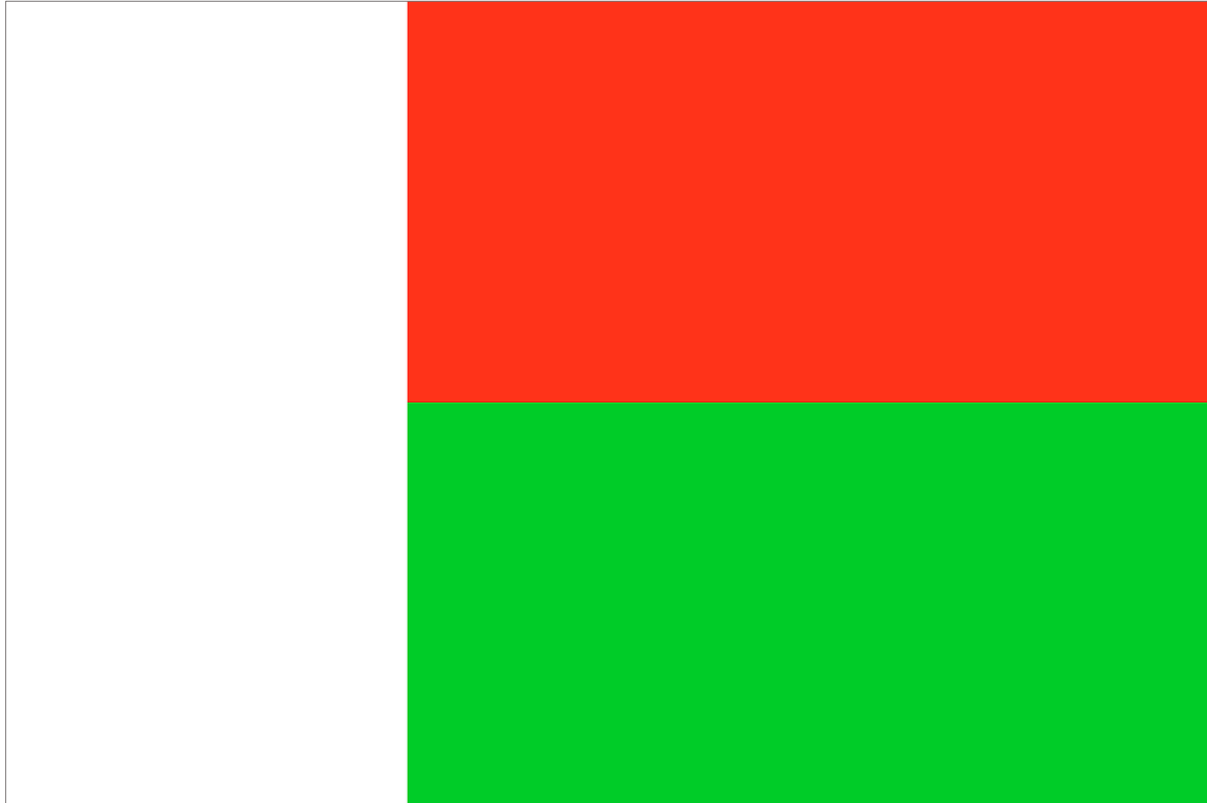


## Fact Sheet: Madagascar



In this fact sheet, we have summarised answers to frequently asked questions about this country in one document for you. This information is not economic data, but rather statements on a wide range of practical topics that influence business activities within the country. In this publication, you will find basic information on:

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## Trade

The republic of Madagascar is Africa's largest island, which is in the Indian Ocean, about 420 km east of the coast of Mozambique and is separated from the African continent by the Mozambique Channel. Madagascar shares maritime borders with Comoros, France (Mayotte and Réunion), Mauritius, Mozambique and Seychelles.

With an area of 587,000 km<sup>2</sup>, the island is slightly larger than France and has a population of 31.2 million people (2023). The capital and largest city is Antananarivo, and the spoken languages are Malagasy and French. The Malagasy Ariary (MGA) is the local currency of Madagascar with Euro being the most accepted foreign currency, but US dollars and Great Britain Pound can easily be changed. As of 17 January 2025, 1 Euro = 4830.48 MGA.

Madagascar is a semi parliamentary republic with a popularly elected president, a bicameral legislature (Senate and National Assembly), prime minister, and cabinet. Madagascar has a constitution dating from 11 December 2010 and a civil law system based on the old French civil code.

Traditionally, the economy has been based on the cultivation of paddy rice, coffee, vanilla and cloves. Yet despite a wealth of natural resources and a tourism industry driven by its unique environment, it remains one of the world's poorest and is heavily dependent on foreign aid. It has also faced devastating cyclones that have further added to economic hardships.

### Contact persons and relevant authorities

#### [Ministry of Industrialisation and Trade](#) (Ministere de l'Industrialisation et du Commerce) – MIC

*Role:* Implementing state policy in terms of export promotion, management of competition, monitoring of supply for the benefit of the national economy. MIC is also responsible for the competitiveness and integration of Madagascar into the global economy.

#### [Ministry of Economy and Finance](#) (Ministere de l'Economie et des Finances) – MEF

*Role:* The Ministry of Economy and Finance is responsible for designing, steering, monitoring and analysing the State's public finances and economic policy, in line with the country's general policy. It oversees the planning, coordination and evaluation of medium and long-term development programmes at all levels, as well as the coordination of development cooperation.

The ministry's main departments are the Budget and Finance Directorate General (DGBF), the Tax Directorate General (DGI), the Treasury Directorate General, the National Statistics Institute (Instat), the Customs Directorate General (DGD), the Financial Control Directorate General (DGCF) and the Public Procurement Regulatory Authority.

### Contact details of the Ministry of Economy and Finance - MEF

Tel: (+261) 20 22 336 20

General Secretariat

Antaninarenina Building, Door 204

### Contact details of the Tax Directorate General - DGI

Email: [dgimpots@moov.mg](mailto:dgimpots@moov.mg) / [communication.dgimpots@gmail.com](mailto:communication.dgimpots@gmail.com)

Tel: (+261) 50 85 287 08 / 32 12 015 03

Immeuble de l'économie et des Finances

4ème étage - porte 420

Antaninarenina Antananarivo

Website: <https://www.impots.mg/index.html>

### Contact details of the Customs Directorate General – DGD

Email: [assistance@douanes.mg](mailto:assistance@douanes.mg)

Immeuble des Finances, Rue Général Rabehevitra

Antaninarenina

BP 262 Antananarivo – Madagascar

Website: <https://www.douanes.gov.mg/>

### Chamber of Commerce and Industry of Antananarivo (Chambre de Commerce et d'Industrie d'Antananarivo) – CCIA

*Role:* The CCIA aims to represent the interests of Companies in trade, industry and services at the public authorities and contributes to the economic development of Analamanga region and the country.

The CCIA is a public institution serving professional purposes, under the technical supervision of the Ministry of Commerce and under the financial supervision of the Ministry of Finance and Budget.

The CCIA is managed by business owners elected by the Community Firms in its district, whose mandate last 4 years. It covers 134 Communes spread over 8 Districts in the Region of Analamanga.

### Contact details:

Tel: (+261) 20 22 202 11 / 12

20, rue Henry RAZANATSEHENO, Antananarivo - Madagascar

BP: 166

### The Economic Development Board Madagascar – EDBM

*Role:* The EDBM is the national investment promotion agency of Madagascar whose objective is strengthening the competitiveness of the private sector, increasing direct foreign investment, making improvements in the business environment and facilitating the business climate in the country.

Attached to the Presidency of the Republic, the EDBM is the institutional expression of the Government's desire to boost economic growth and create jobs.

The EDBM is the entry point, for anyone looking for business opportunities.

### Contact details

Email: [edb@edb.mg](mailto:edb@edb.mg)

Tel: +261 20 22 681 21

ANTANANARIVO MADAGASCAR RAMANANTSOA

Antaninarenina, EDBM Building, Avenue Gal Gabriel

## Trade Information

Customs airports:	Ivato International Airport, Nosy Be International Airport
Customs harbours:	Port of Toamasina, Port of Ehoala
ISO currency code:	MGA
Customs tariff:	Harmonised system, customs clearance according to CIF value
ISO country code:	MG

## Preferential trade relations with the EU

An Interim Economic Partnership Agreement with reciprocal preferential treatment between the European Union and Eastern and Southern Africa (EU-ESA iEPA) was signed by Mauritius, Seychelles, Zimbabwe and Madagascar in August 2009 and was approved by the European Parliament in January 2013.

## Special provision for a selected group of goods

Madagascar's government is striving to make most standards mandatory within the next few years but meanwhile continues using a mix of voluntary and mandatory standards.

The Madagascar Bureau of Standards ([Bureau des Normes de Madagascar - BNM](#)) is responsible for drafting, implementing, and enforcing standards and certification in Madagascar. The BNM works with various testing laboratories to ensure compliance in Madagascar. Technical regulations and standards developed by the different laboratories are published in the National Gazette (Gazette nationale) of the Republic of Madagascar.

## Contact Details:

Tel: +261 20 22 279 70

E-mail: [bnm@mcc.gov.mg](mailto:bnm@mcc.gov.mg); [bnm@bnm.mg](mailto:bnm@bnm.mg)

06 bis, rue Rainandriamampandry, Soarano, Zip 101, Madagascar

## List of existing trade agreements

<a href="#">AfCFTA</a> (2019)	African Continental Free Trade Area	The agreement establishing the African Continental Free Trade Area (AfCFTA) entered into force in 2019 and since the beginning of 2021, member states have been trading on the basis of the AfCFTA. As of February 2024, Madagascar is one of the 54 signatories to AfCFTA. However, the Malagasy government has yet to ratify the landmark agreement.
<a href="#">AGOA</a> (2000)	African Growth and Opportunity Act	A unilateral programme that gives African countries, including Madagascar, duty-free access to the US market.

[Comesa Free Trade Area](#) Common Market for Eastern and Southern Africa (COMESA)

COMESA promotes regional integration through trade for its 21 African member states. This organization includes Trade Promotion, the formation of a Customs Union and the establishment of a Free Trade Area (FTA) into its priority areas. The FTA was established in October 2000 when nine of the member States namely Djibouti, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe eliminated their tariffs on COMESA originating products, in accordance with the tariff reduction schedule adopted in 1992.

[COMESA-EAC-SADC \(2024\)](#) Tripartite Free Trade Area (TFTA)

The TFTA consists of 29 Member/ Partner States across the three Regional Economic Communities (RECs) namely COMESA, EAC and SADC. The objective is to enhance market access, address multiple memberships and further the objectives of cooperation, harmonization, and coordination of Policies.

[ESA-UK EPA](#) Economic Partnership Agreement

The states covered by the ESA-UK EPA are Madagascar, Mauritius, Seychelles, Zimbabwe.

[EU-ESA iEPA \(2013\)](#) Interim Economic Partnership Agreement

The EU-ESA iEPA makes it easier for people and businesses from the two regions to invest in and trade with each other, and to spur development across Eastern and Southern Africa.

[IOC \(1984\)](#) Indian Ocean Commission

An inter-governmental organisation that groups the following countries to promote cooperation: Comoros, Madagascar, Mauritius, Reunion (France) and Seychelles. The main objectives of the IOC are to strengthen diplomatic, economic and commercial ties. At present, only Mauritius and Madagascar are

granting trade preferences under the IOC regime.

<a href="#"><u>OACPS</u></a> (1975)	Organisation of African, Caribbean and Pacific States	79 Member States from Africa, the Caribbean and the Pacific. OACPS strives to achieve the sustainable development of its Members and their progressive integration into the world economy. There is also a longstanding partnership between OACPS and the EU (OACPS-EU).
<a href="#"><u>SADC</u></a> (1992)	Southern African Development Community	A regional economic community of 16 member states with the aim of strengthening regional integration, promoting poverty reduction in Southern Africa through economic development and ensuring peace and security. Madagascar was admitted as a Member State in 2005.
<a href="#"><u>WTO</u></a>	World Trade Organization	Madagascar has been a member of the WTO since 1995.

### Bilateral Investment Treaties

According to the U.N. Conference on Trade and Development, Madagascar has bilateral investment agreements with Belgium, China, France, Germany, Mauritius, Norway, Sweden, and Switzerland. It has other Investment Agreements with the European Union and COMESA.

### Import Regulation

The essential procedures and documentation for importing to Madagascar are as follows:

- Final invoice - (3 types)
  - Invoice agreed with the supplier.
  - Invoice at FOB price without freight.
  - Invoice at FOB price with freight (CIF invoice) - tax base is the CIF price.
- Waybill - (bill of lading if by sea and air waybill (AWB) if by air)
- Packing list
- Import permit - not a document as such but a set of administrative obligations that the importer must respect to continue his import activity.
  - be registered in the commercial register (RCS).
  - have an up-to-date NIF card (Tax Identification Number).
  - be domiciled in Madagascar.
  - have a bank domiciliation.
- Import authorization - For each import operation, an authorization must be requested from the relevant ministry - for certain goods.
- Certificate of origin
- BSC or cargo tracking slip - BSC is an Internet system to track cargo destined for Madagascar.

- Hire a freight forwarder - an ordinary person cannot make a customs declaration. One must go through a CAD (Accredited Customs Broker). Never hire a freight forwarder until you have collected all the necessary documents.
- At the port, a certain fee must be paid before any on-site verification, this is called port fees such as landing fees, handling fees.
- The verification is done first by scanning the goods. Only if the result is suspicious is it necessary to open the container and the goods.
- If everything is in order, the file goes to the liquidation section, to the payment of duties and taxes. After payment, the freight forwarder can proceed to issue the exit voucher and remove the goods.
- Upon leaving the port or airport, the freight forwarder receives the customs clearance certificate. This document will serve as proof in the event of an inspection during its journey from customs to the warehouse of the importing company.

*Depending on the nature of the products, certain goods to be imported may be subject to authorization, license, quality or packaging rules, standardization or special formalities. Documentation may also vary depending on the country of origin or destination.*

Most imports into Madagascar do not require an import license, except for a limited group of items that are specifically regulated by the Malagasy government. The importation of products such as weapons, explosives, and drugs are subject to prior authorization, as are diamonds, precious stones, gold or platinum jewellery, and vanilla.

### **How to register as an importer**

- Any person or organization that wishes to start importing to Madagascar can do so by following the procedures or standards established by government authorities, including the EDBM (Economic Development Board Madagascar).
- Register in the trade register and to hold the license corresponding to your activity.
- Madagascar Customs (douane malgache), is the official authority responsible for efficiently collecting taxes on goods, implementing customs policies and facilitating legitimate trade.
- The importer must ensure that they have prepared all the import documents required to complete customs formalities and meet all requirements and regulations.
- Documents may need to be prepared in a special manner to comply with the requirements of the country of import or export.

For more information on import to Madagascar see the [Portail d'informations Commerciales](#) Website.

### **Key import products in Madagascar**

- Rice
- Sugar
- Diesel Oil
- Cement
- Wheat Flour
- Flour
- Cooking Oil



### Contact details of the Customs Directorate General – DGD

Email: [assistance@douanes.mg](mailto:assistance@douanes.mg)

Immeuble des Finances, Rue Général Rabehevitra

Antaninarenina

BP 262 Antananarivo – Madagascar

Website: <https://www.douanes.gov.mg/>

### Finding a commercial agent/distributor

The AHK Southern Africa supports the search for potential local business partners, such as representatives and distributors, as part of its service portfolio.

## Visa Regulations and Immigration

The Directorate of Immigration and Emigration (La Direction de l'Immigration et de l'Emigration) of the Ministry of the Interior ([Ministere de l'Interieur de Madagascar](#)) is responsible for implementing migration policy, coordinating state actions in the area of migration, managing and issuing travel documents for nationals and residence permits for foreigners, ensuring the control of foreigners, promoting international relations and partnership with the various migration entities.

Information on visa matters is also available from the Madagascar Ministry of Foreign Affairs ([Ministère des Affaires Etrangères](#)) and the Economic Development Board Madagascar ([EDBM](#)).

The Embassies of Madagascar in foreign markets like the [Embassy of Madagascar in Berlin](#) also provide support and advice on visa issues.

German passport holders **require a visa** to enter Madagascar.

For stays of more than 30 days, a visa subject to a fee must be applied for at the Embassy of Madagascar in the respective home country (For Germans: Embassy of Madagascar in Berlin) before entering the country. If the visa is to be extendable on site in Madagascar, it is advisable to apply for a corresponding visa in the 'Transformable' category at the time of application.

### Visa on arrival

For a stay of up to 30 days, a visa issued on arrival at the international airport of Antananarivo-Ivato, but also at all other airports with international connections (Nosy Be, Antsiranana, Toamasina, Tuléar, etc.) is sufficient.

- For a stay of less than 15 days: 0.00€ (a 10€ fee for border control formalities remains)
- For a stay of less than 30 days: 20,00 €
- For a stay of 31 to 60 days: 25,00 €
- For a stay of 61 to 90 days: 35,00 €
- For a one-month visa that can be transformed into a long-term visa in Madagascar: 35,00 €

### Types of visa available in Madagascar

- Non-Immigrant Visa / not transformable / short stay:
  - Tourist visa



- Mission visa
- Business visa
- Internship visa
- Cruise visa
- Visa events
- Sailor visa
- Medical care visa
- Visa for Association or NGO
- Scientific research visa
- Film shooting visa
- Immigrant Visa / transformable / long stay :
  - Visa for Association or NGO
  - Study visa
  - Investor visa
  - Religious mission visa
  - Mission visa
  - Family Reunion for the spouse and children of a foreign citizen visa
  - Family Reunion for the spouse and children of a Malagasy citizen visa
  - Retired person visa
  - Expatriate worker visa
  - Scientific research visa
- Special Visa:
  - Diplomatic or courtesy visa
  - Diplomatic or courtesy visa family reunification

The list of documents to be provided varies according to the requested type of visa.

The processing time for a visa application file is 10 working days, upon receipt of the complete file. Any incomplete file will be automatically rejected.

For more information and requirements (in English, German and French) on the above-mentioned visas, see the Embassy of Madagascar in Germany website: <https://botschaft-madagaskar.de/en/visa-3/>

Offences against Madagascar's entry and residence regulations are severely punished. Offenders face heavy fines and even prison sentences.

## Labour Laws

The Ministry of Labor, Employment, Civil Service ([Ministre du Travail, de l' Emploi et de la Fonction Publique](#)) is responsible for the design, implementation and monitoring of the application of the Government's Policy on Labor, Employment, Civil Service and Social Laws in Madagascar.

Madagascan labour legislation is governed by the new Labour code - Law No. 2024-014 of August 14, 2024, supplemented by other Laws and Decrees, such as:

- Hygiene, Safety and Environment Code - Law No. 94-027
- Social Protection Code - Law No. 94-026
- Minimum Hiring and Seniority Salaries by professional category – Decree No. 2016-232

All documents and information can be found on the Ministry's website:

<http://mtefpls.gov.mg/textes-travail/>

<http://mtefpls.gov.mg/textes-et-lois-sociales/>

## Taxes and Duties

The authority responsible for taxes and duties is the Tax Directorate General ([Direction Generale des Impots – DGI](#)).

In Madagascar, taxes can be classified into two distinct categories. On the one hand, there are national taxes and on the other hand, local taxes. National taxes include taxes on wages and similar income, direct and indirect taxes, but also registration fees and transfer fees. While local taxes include property taxes and taxes on built-up areas. The fiscal year is from January 1st to December 31st.

**The most important taxes are:**

- Corporate taxes
- Income tax
- Value Added Tax (Taxe sur la Valeur Ajoutée' - TVA)

### Corporate taxation in Madagascar

#### 1. Income Tax (*Impôt sur les Revenus - IR*)

- Annual tax established based on income or results achieved during the financial year.
- Mandatory if annual turnover  $\geq$  400 Million Ariary.
- Before May 15 of the following year (financial year ending December 31).

#### Calculations

##### *Provisional payment upon creation*

- 100,000 Ariary (exporters of agricultural and forestry products).
- 200,000 Ar (activities in the context of education or those of the health profession).
- 500,000 Ar (agricultural, craft, industrial, mining, hotel, tourist activities).
- 1,000,000 Ar (other companies).

##### *Minimum annual tax collection*

- 100,000 Ariary (exporters of agricultural and forestry products).
- 200,000 Ar (activities in the context of education or those of the health profession).
- 500,000 Ar + 1 p.100 \* Annual turnover excluding tax (agricultural, craft, industrial, mining, hotel, tourist activities).
- 1,000,000 Ar + 1 p.100 \* Annual turnover excluding tax (other companies).

#### 2. Synthetic Taxes (IS)

- Taxable base consisting of the turnover achieved during the financial year ended.
- Mandatory if annual turnover < 400 million ariary.
- No VAT liability.
- Tax rate at 5%, minimum 3% if tax reduction: -> 2% reduction in the amount of purchases of goods and services duly invoiced -> 2% reduction in declared salary costs, with IRSA payment.
- Before March 31 of the following year (financial year ending December 31).

### Calculations

#### *Provisional payment upon creation and minimum collection*

- 16,000 Ariary (primary sector, smallholders, transporters without vehicles).
- 50,000 Ar (artisans, eateries, small traders).
- 100,000 Ar (tourism activities, mining, service providers).
- 150,000 Ar (liberal professions, multiple activities, others).

### **3. Income Tax on Wage and Similar Income (*Impôt sur les Revenus Salariaux et Assimilés* - IRSA)**

- Amount withheld by the company from the salaries paid to its employees during the month and to be paid by it to the tax authorities. Income tax for equal or minority managing partners.
- Monthly payment: within the first 15 days of the following month.
- Bimonthly payment if monthly amount < 50,000 Ariary.
- Authorization for payment per semester for taxpayers subject to the IS regime.

### Calculations

- Salary up to 350,000 ariary: 0% gross salary
- Bracket above 350,000 ariary: 20% of gross salary
- Minimum collection: 2000 ariary

### **4. Income Tax on Movable Capital (IRCM)**

- Annual tax that applies to income from movable assets (interest, income and all other products from bonds and loans, etc.).
- Company on the actual regime IR.
- Annual payment: before May 15 of the following year (financial year ending December 31).

### Calculations

- Tax rate = 20%

### **5. Direct and indirect taxes**

- Direct taxes: Value-added tax (TVA) and transaction tax (TST).
- Indirect taxes: Excise duties, various customs duties, and taxes on manufactured tobacco, alcohol, and gambling.

#### **Value Added Tax (*Taxe sur la Valeur Ajoutée*' - TVA)**

- Determined based on the margins or turnover achieved during the monthly period with the option of deducting taxes on its charges.
- TVA liability is mandatory if turnover  $\geq$  400 Million Ariary.
- Monthly payment: no later than the 15th of the month following the tax period.

### Calculations

- Tax rate = 20%, 0% on export.

### **Corporate Obligations in Madagascar**

- Social security
- Health Coverage
- Vocational training

For further information please see the [Orinasa.edbm.mg](https://orinasa.edbm.mg) website on the Taxation system (part of the Economic Development Board Madagascar - EDBM and with the collaboration of the General Directorate of Taxes): [https://orinasa.edbm.mg/Articles\\_7](https://orinasa.edbm.mg/Articles_7)

### Income tax rates in Madagascar:

Individuals are subject to business income tax (*Impôt sur les Revenus* - IR), or to salary income tax (*Impôt sur les Revenus Salariaux et Assimilés* - IRSA), depending on the nature of the revenue earned.

- For IRSA purposes, an individual resident in Madagascar, either Malagasy or of a foreign nationality, is liable on worldwide income.
- For IR purposes, an individual who is not resident in Madagascar is liable only on income from Malagasy sources.

### Salary income tax (IRSA)

- Income range up to 350,000 Malagasy ariary (MGA): 0%
- Income range from MGA 350,001 to MGA 400,000: 5%
- Income range from MGA 400,001 to MGA 500,000: 10%
- Income range from MGA 500,001 to MGA 600,000: 15%
- Income range above MGA 600,000: 20%

In all cases, regardless of the income, the minimum salary income tax payable is MGA 3,000.

### Individual business income tax (IR)

- Up to 400 million MGA: 5% (with a possible reduction of 70%) of the annual turnover, called 'synthetic tax'. With a minimum tax of 16,000 or 150,000 MGA depending on the activity.

Basic producers, such as farmers, foresters, and intermediaries operating with the said producers in the sales chain, are subject to synthetic tax on their income from their activities regardless of the MGA 400 million threshold. Individual members of cooperative societies are personally subject to IR (income tax) or to synthetic tax.

- Beyond 400 million MGA: taxed in the same way as businesses (income tax on profit)

### Double Tax Treaty with Germany

There is no Double Tax Treaty between Madagascar and Germany and there are currently no negotiations on a first-time agreement.

## Business Establishment and Investment Incentives

The Economic Development Board Madagascar ([EDBM](#)) is the national investment promotion agency of Madagascar whose objective is strengthening the competitiveness of the private sector, increasing direct foreign investment, making improvements in the business environment and facilitating the business climate in the country. The EDBM is attached to the Presidency of the Republic.

It offers dedicated aftercare services for investments and end-to-end investor support services which include:

- Expertized investment managers per sector.
- Advisory service for investment projects.
- Connecting with public and private sector.
- Support and facilitation from the pre-establishment to post-establishment or aftercare phase.

## EDBM – One-Stop Shop

EDBM has a one-stop shop for investment facilitation which aims to ease the costs of doing business. It brings together ten ministerial services and offers the following services in one place:

- Formalities for creating and modifying a business
- Issuance of authorisations for tourist establishments
- Granting of employment authorisations for foreign employees
- Issuance of long-stay visas for investors, workers and their families
- Granting of Transformable Visas
- Granting of approval for free zones and companies
- Information on land acquisitions

## Why Madagascar?

- Wide Market access
- Qualified and bilingual labour
- Ready infrastructure (Ports, Airports, Railways, Roads, Internet)
- Investment regulatory framework (see: <https://edbm.mg/cadre-juridique/> )
- An abundant endemic natural resource
- Strategic location of the island

Sectors with high growth potential and in which Madagascar has comparative advantages:

- Agriculture
- Light export industry such as Textile/Clothing
- Infrastructure/PPP (Public-Private Partnerships)
- Mining (Nickel, ilmenite and graphite - intended)
- Information and Communications Technologies (ICT)
- Tourism
- Renewable Energy

EDBM has developed guides for investors with insights, studies and analysis on the country, markets and opportunities. These can be read here: <https://edbm.mg/guides/>

There is also an Investor's guide edited by COMESA Regional Investment Agency (RIA):

<https://comesaria.org/blog/riaresources/madagascar-doing-business-guide-2024/>

## Special Economic Zones (SEZs)

SEZs, are geographically designated areas of a country set aside for specifically targeted economic activities, supported through incentives.

Madagascar has Special Economic Zones. However, the implementation of these zones is still in progress, and many of them are not yet operational. SEZs are part of Madagascar's broader strategy to attract private investment, particularly in industry, services, and agriculture. While the SEZ framework is legally defined, a lack of decrees and implementation regulations has delayed their actual realization.

Agricultural zones (ZIA) have been more active, focusing on dairy and cereal production, but they have faced significant challenges with land access and conflicts with local communities.

## Company Registration

### Forms of Businesses

The following can be registered in Madagascar:

- Public limited companies (SA)
- Limited Liability Companies (SARL)
- General partnership (SNC)
- Simple Limited Partnership (SCS)

### Company Registration Process

The company registration process is done through EDBM, which provides facilitation services.

Online at <https://orinasa.edbm.mg/> :

1. Create a Personal Account and activate it.
  - Fill out the form that is proposed to you. Fields with an asterisk must be completed.
  - At the end of the entry, click on the "Register" button to confirm your registration.
  - An email will be sent to you to activate your account with the entry of your password.
  - It is advisable to check your spam or junk mail.
2. Register the business: create own file online.
  - Complete the requested forms regarding: the information of the company to be created; the partners and/or managers who constitute it at creation; the location of the head office.
  - Fill in all mandatory fields, marked with an asterisk.
  - The data entered must be identical to those in your documents.
  - Orinasa.edbm.mg automatically generates some of the legal documents for the creation of a company from the information entered.
  - Download them and sign them as is to attach them to the file to be filed.
  - You can save your data at any time and return to complete the file by logging in.
3. General validation of the file (approximately 24 hours - depending on the working days of the EDBM) and payment of fees.
4. Company registration.

### OR Reception/Delivery of the required files at the Front Office of EDBM

A detailed list of required documents can be found here: [https://edbm.mg/guichet-unique\\_creation-de-societe/](https://edbm.mg/guichet-unique_creation-de-societe/)

And the forms and templates can be downloaded here: <https://edbm.mg/creation-de-societe/>

Some activities (gastronomy, mining, etc.) require authorization or a prior declaration.

## Company Registration Fees

Registration of statutes (Enregistrement des statuts)	0.5% of the share capital (minimum collection: Ar 10,000)	
Registration of commercial lease (Enregistrement du bail commercial)	2% of the total rent amount during the lease term	
Power of Attorney (PV-Procuration)	2,000 Ar	
Registration in the Trade and Companies Register (Registre du Commerce et des Sociétés - RCS)	16,000 Ar	
Statistical registration (STAT)	40,000 Ar	
Income Tax (Impôts sur les Revenus - IR)  or Synthetic Tax (Impôt Synthétique - IS)	<p><b>if IR option</b></p> <p>100,000Ar for taxable persons carrying out agricultural, craft, industrial, mining, hotel, tourist or transport activities.</p> <p>320,000Ar for other companies.</p>	<p><b>if option IS</b></p> <p>16,000 Ar for farmers, breeders, fishermen, small miners, transporters using non-motorized vehicles (cart, rickshaw, pirogue, etc.).</p> <p>50,000 Ar for artisans, tavern owners, small producers.</p> <p>100,000 Ar for mining artisans, artists and similar workers, traders, hoteliers, service providers, restaurateurs.</p> <p>150,000 Ar for liberal professions and others, multiple activities, Others.</p>

### Contact details of the Economic Development Board Madagascar – EDBM

Email: [edbm@edbm.mg](mailto:edbm@edbm.mg)

Tel: +261 20 22 681 21

ANTANANARIVO MADAGASCAR RAMANANTSOA

Antaninarenina, EDBM Building, Avenue Gal Gabriel

Website: <https://edbm.mg/>

A dedicated team led by the Director of Investor Services, Mrs Adriannie TAMOHA, [dsi@edbm.mg](mailto:dsi@edbm.mg), will be available to assist interested German investors.



## Banking and FOREX

### Banking System

Madagascar's banking system is overseen by the Central Bank of Madagascar ([Banky Foiben'i Madagasikara](#) - BFM), which serves as the primary monetary authority and custodian of the nation's foreign exchange reserves. The first objective of the BFM is to ensure the internal and external stability of the currency.

The banking sector in Madagascar operates under a regulatory framework designed to ensure financial stability and customer protection. In July 2020, Parliament passed new banking and insurance laws aimed at enhancing transparency, mandating IT system security, and providing tools to detect money laundering and terrorist financing.

Although Madagascar has a relatively stable financial system, financial intermediation remains limited, with the country ranking 132nd out of 190 nations for "Getting Credit" in 2020.

According to the Africa Business Guide from Germany Trade and Invest (GTAI), there are problems with financing business in Madagascar due to a lack of capital in the state and the private sector.

For international transactions, Madagascar uses several payment methods including open account, letter of credit, cash in advance, and documentary collection. Credit cards such as Visa, MasterCard, American Express, Eurocard, and Diners Club are accepted in Madagascar, with Visa being the most widely used. However, their use is generally limited to major banks, large department stores, and hotels.

### Investment System

Madagascar's Investment Law of 2023, Law No. 2023-002, establishes a legal framework to promote and regulate investments within the country. The law aims to create a conducive environment for both domestic and foreign investors, ensuring transparency, legal certainty, and equal treatment.

This legal framework reflects Madagascar's commitment to fostering a favourable investment climate, encouraging sustainable economic growth, and integrating into the global economy.

For more information about Law No. 2023-002 please see [here](#).

The Government of Madagascar openly encourages foreign direct investment. However, according to the U.S. Department of State the investment environment is becoming increasingly difficult. Challenges often stem not from the legal framework itself but from its inconsistent implementation. Although the laws allow foreign ownership and are generally non-discriminatory toward foreign businesses, these companies often face extra licensing and tax scrutiny, along with unexplained delays in securing government approvals.

For detailed information, please see the full report by the US Department of State here: <https://www.state.gov/reports/2023-investment-climate-statements/madagascar/>

Capital and financial transactions (transactions involving investments, placements, financing, and generally the acquisitions, constitutions or transfers of assets or entering commitments) require the prior authorisation from the Ministry of Finance. The following capital transactions and financial operations are free of charge but must be declared to the Ministry of Finance: Transfers of shares,

company shares, goodwill or assets, liquidation bonus shares, expropriation compensation for foreign investors.

### **General Overview / Presence of Foreign Banks**

The financial sector comprises 12 commercial banks, many of which are subsidiaries of foreign banks based in Mauritius, France, and mainland Africa. The top four banks account for more than 86% of assets and deposits.

However, the banking penetration rate, like access to a bank account or mobile money service for adults, is around 18 percent, thus being among the lowest in sub-Saharan Africa.

The banking system in Madagascar includes the following commercial banks:

- Bank of Africa (BOA)
- BNI Madagascar
- BMOI (Banque Malgache de l'Océan Indien)
- MCB Madagascar (Mauritius Commercial Bank)
- SGB (Société Générale Madagasikara)
- SBM Madagascar (State Bank of Mauritius)
- ABM (Accès Banque Madagascar)
- BGFI Bank Madagascar
- BBM (Baobab Banque Madagascar)
- BM Madagascar (Banky First)
- SIPEM (Société d'Investissement pour la Promotion des Entreprises à Madagascar)
- M'Vola Bank

### **Opening a bank account in Madagascar:**

The procedures and requirements for opening a bank account in Madagascar varies depending on whether it is for a company, an individual enterprise, an individual, or a foreigner.

For resident individuals, the process is simple. Required documents include:

- Copy of CIN (Carte d'Identité Nationale) or resident card (some banks require certified copies).
- Proof of address (less than three months old).
- Proof of income.
- Certificate of employment.
- Initial deposit.

Foreigners who are not residents in Madagascar need to provide:

- Passport copy.
- Proof of residence abroad.
- Proof of income.
- Initial deposit.

Some banks may impose additional conditions, such as a minimum income or regular monthly payments (e.g., a minimum of €500).

Requirements can vary between banks, so it is advisable to contact the bank directly or visit their official website for specific details.

## FOREX

The daily exchange rate in Madagascar is set by the interbank foreign currency market (MID). Currency exchange services, including forex bureaus and bank kiosks, are available at major banks in Antananarivo and at the airport. Foreign currency can also be exchanged in most large towns and cities. ATMs are accessible in major urban areas, but they dispense only the local currency, the Ariary.

Madagascar's foreign exchange (FOREX) policies are governed by the Central Bank of Madagascar ([Banky Foiben'i Madagasikara](#) - BFM), which oversees exchange rate policy and regulations. The Central Bank implements a managed floating exchange rate system, allowing the Malagasy ariary (MGA) to fluctuate based on market conditions while intervening to prevent excessive volatility. Additionally, the Central Bank monitors capital flows to manage balance of payments and ensure compliance with monetary policy objectives.

The Ministry of Economy and Finance, through the Public Treasury Department ([Tresor Public Malagasy](#)), also plays a role in managing foreign exchange services. They provide guidelines and services related to foreign exchange to ensure alignment with national economic policies. Restrictions on foreign currency transfers are enforced at the state and commercial bank level with close monitoring by the Finance Ministry.

Foreign exchange regulations in Madagascar are designed to facilitate international trade and investment while maintaining financial stability. These regulations include among other things:

- Foreign exchange transactions must be conducted through authorized intermediaries, such as licensed banks and financial institutions.
- Transfers from one foreign currency account to another foreign currency account are not permitted between residents, except in cases provided for by laws or regulations.
- Foreign exchange controls are in place, requiring overseas earnings to be declared and repatriated to Madagascar.

Madagascar adheres to the IMF's Article VIII framework (International Monetary Fund), which prohibits direct government restrictions on the use and availability of foreign exchange. However, new regulations, such as limiting eligibility for foreign currency-denominated accounts and imposing higher reserve requirements (24% for foreign currency deposits compared to 11% for Ariary-denominated deposits), indicate a shift toward a more restrictive environment.

Faced with declining revenues and foreign exchange levels, the Madagascan government implemented policies in 2022-2023 aimed at boosting revenues and foreign exchange from exports. However, these measures negatively affected the country's export performance and further strained foreign exchange reserves. In 2023, the government intensified restrictions on the outflow of Euros and U.S. Dollars due to a worsening foreign exchange shortage. These actions have disrupted the operations of foreign investors. Additionally, according to the Africa Business Guide by Germany Trade and Invest (GTAI), Madagascar's central bank instructed businesses to close their foreign currency accounts in June 2023, exacerbating the challenges.

Businesses and investors should be aware that, although Madagascar promotes foreign investment, its foreign exchange market is subject to regulatory changes. Keeping up to date with current policies and partnering with authorized financial institutions can help navigate the FOREX landscape in Madagascar effectively.

Any violation or attempted violation of the provisions of exchange regulations are noted, prosecuted and punished under the conditions set out in the Exchange Code.

For more detailed information on Madagascar's exchange regulations:

- [Foreign Exchange Policy and Regulation](#) - Central Bank of Madagascar
- [Exchange Regulations](#) – Public Treasury Department

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