

## DOING BUSINESS WITH SURINAME



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# DOING BUSINESS WITH SURINAME

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## 1. GENERAL INFORMATION

**Official Name:** Republic of Suriname

**Capital:** Paramaribo

**Area:** 163,270 sq km

**Population:** 492,829 (Census 2004)

**Population growth index:** 1.103% (2007 est.)

**Population density:** 3 inhabitants per kilometer sq.

**Official language:** Dutch (official), English (widely spoken), Sranang Tongo (Surinamese, sometimes called Taki-Taki, is native language of Creoles and much of the younger population and is lingua franca among others), Caribbean Hindustani (a dialect of Hindi), Javanese

**Currency:** Surinam dollar (SRD)

**Exchange rate:** The currency rate per US dollar is 2.7317 SRD (2007).

**Climate:** Suriname has a humid, tropical climate with temperatures ranging from 23 degrees Centigrade at night to 37 degrees Centigrade in the afternoon during some months of the year. There are dry and “green” seasons.

**Principal Cities and Population:**  
(2005 est.)

Paramaribo	242, 946
Wanica	85,986
Lelydorp	19,000
Saramacca	25, 980
Nieuw Nickerie	36,639

**Airports:** The Johan Adolf Pengel International Airport, also known as Zanderij International Airport, is the national airport and is located in the town of Zanderij, 40 km south of Paramaribo. Local air traffic also departs from Zorg en Hoop Airport, Paramaribo.

**Ports:** The principal harbour in Suriname is the Nieuwe Haven Seaport in Paramaribo. The “Nieuwe Haven Seaport” handles about 90 percent of Suriname’s imports and exports. Other seaports include Nieuw-Nickerie which handles mainly rice exports, Paramam, Mungo and Smalkalden which handles bauxite exports.

**Holidays:**

New Years Day	Jan 01
Good Friday	Varies
Easter Monday	Varies
Holy Phagwha	Varies
Id’ul Fitre	Varies
Labour Day	May 01
Freedom Day	Jul 01
Independence Day	Nov 25
Christmas	Dec 25
Boxing Day	Dec 26

**Life Expectancy:** Total Population - 73.23 years

**Literacy Rate:** Total Population - 89.6 percent

**Local Time:** UTC-3 (2 hours ahead of Washington, DC during Standard Time)

**Telephone Codes:** 597

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**Health:** Suriname has several modern hospitals and one academic health facility with well trained and skillful doctors and health care workers. Several pharmacies in the city and districts ensure regular and adequate supply of medicines.

Up to date information on correct anti-malaria medicine can be obtained from the Bureau of Public Health in Paramaribo, if visiting the interior.

## 2. THE ECONOMY

### 2.1 Structure of the Economy

The economy is dominated by the mining industry (alumina, oil, and gold), which accounts for more than a third of Gross Domestic Product (GDP). The short-term economic outlook depends on the government's ability to control inflation and on the development of projects in the bauxite and gold mining sectors.

Suriname's economic prospects for the medium term will depend on continued commitment to responsible monetary and fiscal policies and to the introduction of structural reforms to liberalize markets and promote competition.

Prospects for local onshore oil production are good as a drilling program is underway. Offshore oil drilling was given a boost in 2004 when the State Oil Company (Staatsolie) signed exploration agreements with Repsol, Maersk, and Occidental. Bidding on these new offshore blocks was completed in July 2006.<sup>1</sup>

In 2006 alumina accounted for approximately 46.2 percent of total exports. Government income from the oil sector, however, has surpassed that of the bauxite/alumina sector. Suriname's bauxite deposits have been among the world's richest.

The severe shortage of affordable energy sources has hampered Suriname's ability to expand its industries. This goes for the bauxite sector as well. Currently running on diesel-fueled generators, any expansion of operations to include mining and refining reserves from West Suriname will depend on Suriname expanding its energy-generating sources. To alleviate some of Suriname's energy woes, a 14 megawatt (MW) diesel-generated energy plant was built in 2006 and is expected to be expanded to 18 MW in the near future.

The gold mining sector is largely informal, unregulated, and small scale, but constitutes an important part of the informal economy (estimated at as much as 100 percent of GDP).

Suriname has also attracted the attention of international companies interested in extensive development of a tropical hardwoods industry and possible diamond mining. However, proposals for exploitation of the country's tropical forests and undeveloped regions of the interior traditionally inhabited by indigenous and Maroon communities have raised the concerns of environmentalists and human rights activists in Suriname and abroad.

The sector with the most promising outlook for rapid, near future expansion is the oil sector. A 2000 study by the U.S. Geological Survey suggests that there may be up to 15 billion barrels of oil in the Guyana Plateau.

Other export products include bananas, shrimp and fish, rice, and lumber

### 2.2 Recent Economic Performance

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<https://www.cia.gov/library/publications/the-world-factbook/geos/ns.html>

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Average growth of the Surinamese economy since 2003 has exceeded 6 percent per year. The estimate for 2006 is for 6.4 percent growth, while a 5.3 percent expansion is forecast for 2007.

This significant expansion is due to the favourable international context and robust demand for gold, alumina and petroleum, its three main exports. Political stability has contributed to an increase in foreign investment, while fiscal restraint and monetary expansion have boosted domestic demand.

Per capita GDP is expected to exceed US\$ 4,000, more than double the level recorded at the beginning of the decade, helped by the real appreciation of the Suriname dollar (SR\$).<sup>1</sup>

According to estimates, a fiscal surplus equivalent to 1.4 percent of GDP will be recorded in 2006 (compared with a deficit of 1.3 percent of GDP in 2005), since government revenue outstripped expenditure. Tax contributions by primary product exporters were up thanks to high prices on international markets. The government benefited from the transfer of windfall profits earned by the central bank in past financial years, which had been pending. Receipts from excise taxes on tobacco and non-alcoholic beverages also increased.

Expenditure was much lower than projected. The only item that pushed up expenditure was the compensatory bonus for fuel prices awarded to civil servants since the end of 2005.

The Government has taken advantage of these circumstances to relieve the burden on the public debt. Domestic debt

increased nominally owing to higher issues of treasury bonds, among other factors. Practically no new external debt was contracted, however, and the authorities made efforts to solve the problem of arrears. An agreement was reached with the Italian insurance company *Servici Assicurativi del Commercio Estero* (SACE) in September 2006 for the forgiveness of the interest and half of the principal of a longstanding loan. This negotiation is expected to pave the way for the solution of other outstanding international loans and improving access to the international capital market. Overall, public debt diminished from almost 40 percent of GDP to 36 percent, while external debt declined from 22 percent to 20 percent.

There was practically no change in the exchange rate policy and the rate remained at between SR\$ 2.7 and SR\$ 2.8 to the United States dollar. The monetary authorities adopted a more expansionary policy. The interest rate on treasury bonds and the rate paid for the reserve requirement in local currency fell from 12.5 percent to 10 percent. In turn, the reserve requirement was reduced from 30 percent to 27 percent. The portion of the reserve requirement that can be met with mortgage loans was raised from 7 percent to 8 percent. The maximum value of such mortgage loans increased from SR\$ 70,000 to SR\$ 100,000. As a result, the commercial banks were able to reduce the interest rates and increase the flow of credit to the public.

Growth in output was driven by exports of primary products. Bauxite production was up by 20 percent following investments in the new mine at

Kaaimangrassie. Meanwhile, the Rosebel gold mine processed 31 tons of gold ore, 40 percent more than in the previous year.<sup>2</sup>

### 2.3 Balance of payments

In the last decade, Suriname's current account balance was negative in most years. Weak export growth and rising imports contributed to the deficit, as did substantial outflows of private sector investment income. Although substantial remittances flowed into Suriname, they did not prevent the current account deficit from reaching over 13 percent of GDP in 2003 and 2004. Suriname financed the deficit with Dutch development assistance and private sector investment inflows (which doubled in two years to reach US\$152 million in 2004).

However, through 2006, the balance of payments shows a sharp expansion in alumina and gold exports and a considerably lower increase in imports, which resulted in a surplus on the current account for the first time in five years. The central bank's net international reserves strengthened and stood at 2.6 months of import cover in September 2006, compared with 1.6 months in September 2005.<sup>3</sup>

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<sup>2</sup> ECLAC Preliminary Overview of the Economies of Latin America and the Caribbean 2006, Suriname.

<sup>3</sup> ECLAC Preliminary Overview of the Economies of Latin America and the Caribbean 2006, Suriname.

### 2.4 Overview of Trade

Suriname's largest export destination is the European Union (EU), which absorbed 27 percent of the country's total sales in the period 2000-2004, down from an average 35 percent in the early 1990s. This is followed by the United States, with 23 percent, and Norway, with 22 percent. Exports to the Caribbean Community (CARICOM), which Suriname joined in 1995, have grown fourfold in the last decade, and now account for 8 percent of Suriname's total exports. Exports to Canada have grown even faster, from virtually zero to almost 7 percent of total exports (average for 2000-2004). Meanwhile, a drastic decline in exports to Brazil has reduced Latin America's share from 10 percent in the early 1990s to less than 1 percent in 2006.

Suriname's merchandise imports have grown by an average 2.6 percent per year since 1990, compared to import growth of over 10 percent for the Latin America and the Caribbean (LAC) region as a whole. The origin of imports is quite diversified: North America (mainly the United States), Europe (mainly The Netherlands) and Asia (mainly China and Japan) each account for 25-30 percent, with the remaining imports coming from Latin America and the Caribbean (mainly Trinidad and Tobago). Most of Suriname's imports consist of manufactured goods, which are primarily sourced from the European Union (EU) and the United States. The country has a trade deficit with all of its main trading partners except Canada and Norway.<sup>4</sup>

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<sup>4</sup> Jessen, Anneke et. al. Suriname: Trade Sector Policy Note, SEP 2006.

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### 2.4.1 Exports

Exports (2006)--U.S. \$929.1 million: alumina, gold, crude oil, wood and wood products, rice, bananas, fish, and shrimp

Major markets--Norway (23.9%), U.S. (16.8%), Canada (16.4%), France (8.1%), Iceland (2.9%)<sup>5</sup>

### 2.4.2 Imports

Imports (2006) --\$1.1 billion: capital equipment, petroleum, iron and steel products, agricultural products, and consumer goods.

Major suppliers--U.S. (24.4%), Netherlands (14.5%), Trinidad and Tobago (10.5%), Japan (4.3%), China (5.4%), Brazil (3.6%)<sup>6</sup>

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<http://www.state.gov/r/pa/ei/bgn/1893.htm>

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<http://www.state.gov/r/pa/ei/bgn/1893.htm>

## 3. GENERAL MARKETING FACTORS

### 3.1 Distribution and Sales Channels

A local distributor remains the best means to enter the Surinamese market. As the market is relatively small, most foreign exporters resort to building relationships with retail firms rather than establishing a distribution system.

### 3.2 Use of Agents/Distributors

Persons interested in finding an agent or distributor for businesses should contact the following:

- The Surinamese Chamber of Commerce  
(<http://www.surinamedirectory.biz/>)
- The Surinamese Trade and Industry Organization  
(<http://www.parbo.com/>)
- The Surinamese Association of Manufacturers and/or
- The U.S. Embassy

### 3.3 Franchising

The franchise retail businesses in operation are fast food enterprise such as Kentucky Fried Chicken, Pizza Hut, McDonald's and Popeye's Chicken.

### 3.4 Advertising & Trade Promotion

Surinamese advertising is direct and inexpensive. There are three daily newspapers: de Ware Tijd, de West, and Dagblad Suriname, all of which are published in Dutch. There are many AM and FM radio stations and 10 television stations. All accept commercial advertising. In addition, there are several advertising agencies. There are two

annual trade fairs of significance: ITIFAS (a showcase for Surinamese producers) in October and Suri-Flora (a horticultural/ agricultural exhibition) in April. Both shows have grown considerably over the last few years.

### 3.5 Transportation

The Suriname road network consists of asphalted as well as sand roads with a total length of 9,000 kilometers. There is left hand traffic. The National Transportation Company as well as private bus operators provide public bus transportation. In addition, there are several taxi companies as well as street taxis. Several companies in Paramaribo also offer cars, scooters and bicycles for hire. Foreign aircrafts in general use the Johan Adolph Pengel International Airport located about 42 km South of Paramaribo. From the local Zorg en Hoop Airport in Paramaribo, small aircrafts and helicopters depart regularly to interior airstrips. There are 47 airstrips in the interior of which 5 are equipped with paved runways.

Most Surinamese rivers are navigable by ships with drafts up to 7 meters. Suriname has three ports for sea going vessels. The "Nieuwe Haven Seaport" handles about 55 percent of Suriname's non-bauxite exports and most of the countries imports. This port is the hub for a road system, which also serves the interior and is strategically placed on one of the country's navigable rivers. Ease and cost of the port operations are therefore important in serving the main population centers and the underdeveloped interior. The "Nieuwe Haven Port" is currently undergoing a major reconstruction, that is financed by

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the European Union and which will enable this facility to play a key role in the regional logistical framework.<sup>7</sup>

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<http://www.surinameembassy.org/welcome.shtm>  
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## 4. MARKET ACCESS CONDITIONS

### 4.1 Customs Tariffs

Import tariffs for non-CARICOM products range between zero and forty percent. According to the Ministry of Trade and Industry, average import duties are currently between 30 and 40 percent. Licenses are no longer required to import many products and the current trade law is based on the Negative list. There are two special import taxes: the statistics duty, which is one half of one percent of the product's value, and the consent duty, which one and one-half percent of the product's value.<sup>8</sup>

### 4.2 Free Trade Agreements

Suriname became a member of the Caribbean Community (CARICOM in 1995) and is also a member of CARIFORUM. Suriname has made steps to integrate its economy into the regional and global economies. As a member of CARICOM, Suriname has reduced its import tariffs. Given the amount of natural resources, Suriname can play a prominent role in the development of the CARICOM. Suriname joined the Caribbean countries in forming the association of Caribbean States (ACS).<sup>9</sup>

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<http://www.surinameembassy.org/welcome.shtm>  
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<http://www.surinameembassy.org/welcome.shtm>  
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The country has been a full member of the WTO since its establishment in 1995. Suriname is currently as an ACP member negotiating an Economic Partnership Agreement (EPA), with the European Union as part of the Cotonou Agreement. Suriname ratified the Amazon Co-operation Agreement, which aims at the development of the people of the Amazon region (8 countries). Suriname is member of the Organization of American States (OAS) which Headquarter is based in Washington DC.

### 4.3 Non-Tariff Barriers

Non-tariff barriers on both imports and exports include: proof of residency, registration with the Chamber of Commerce, registration numbers from the Inspectorate of Customs, and tax identification numbers from the Tax Authority of the ministry of Finance. Under the 2003 Law on the Movement of Goods, "negative lists" were created for both imports and exports. In theory anything can be imported or exported, unless it is included on the negative lists.

### 4.4 Import Documentation

#### Trade Consignments

When importing products:

- the importer requires a valid importer's licence;
- when ordering goods, the importer must submit to the Institute for import, Export and Foreign Exchange Control, an import and a foreign currency licence (E-82); a CIF proforma invoice in duplicate on

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which the freight and insurance charges are specified separately;

- On importation of the goods the Single Document (clearing) form must be prepared. Within six days after the arrival of the shipment, the goods must to be cleared or it will incur storage cost on expiration of this term.
- The Single Document must be presented to the Tax Office for payment of the indebted import duties, consent and statistics. The form will then be signed by the Customs, stamped and a number and a date will be supplied;
- The Single Document with the import licence, invoice and Bill of Lading, must be presented at the Institute for Import, Export and Foreign Exchange Control. There they make a note that the licence has been used or can be used for another shipment; copies of the afore mentioned documents must be enclosed;
- The Single Document with necessary documents such as invoice, bill of lading and import licence must be presented at Customs, where control of the value, quantity of the goods, import duties paid as well as other particulars will take place. Further, a note is made on the Manifest that the goods have been unloaded;
- The goods (single Document) with the documents should be presented to the officer who is in charge of the delivery of goods in the temporary or in bonded warehouses for which authorization of the shipping company is necessary.
- EA-licence is used only for gift parcels. The EA-licence can be applied for at the Institute for Import,

Export and Foreign Exchange Control;

Exchange margin is paid after approval of the EA-licence.

Import duties can be paid before the approval of the EA-licence. The necessary documents are:

- one Single Document
- one invoice
- Bill of Lading
- appraisal report

The following documents have to be submitted, depending on the type of goods:

### Certificate of Origin

The certificate of Origin (CVO) is a form which is used as an official declaration about the country of origin of a specific dispatch of goods. At the export of the goods a Certificate of Origin is necessary so that the goods could have a preferential treatment (such as without paying import duties, alterations of import of duties).

### **4.5 Labelling and Marking Requirements**

Products must be clearly labeled, with the content, weight, brand and production date, as well as the expiration date of the product clearly visible. This may be done in English. For brewery products this must be done in Dutch and English.

### **4.6 Sanitary and Phytosanitary (SPS) Measures**

Suriname Standards Council c/o  
Ministry of Trade & Industry Havenlaan  
Noord, Nieuwe Haven Postbox 9354  
SR- Paramaribo

#### Health Certificate

This certificate has to be submitted for the import of animals and plants. For the import of animals, a separate licence from the Head of the Veterinary Inspection is required.

#### Phytosanitary Certificate

When importing plants and seeds for sowing, this document to be issued by an authorized organization from the country of origin.<sup>10</sup>

### **4.7 Prohibited and Restricted Imports**

There are prohibited, on quota restricted and on rules aligned goods laid down by the Ministry of Trade and Industry, which may only be imported after special permission of abovementioned Ministry (State resolution 1980 No. 7 and amplified by State resolution 1982 No. 97).

### **4.8 Standards**

Recent measures and policies intended to improve investment policy included the development of the establishment of a Standards Bureau, which would set uniform standards for local and internationally produced goods. The address is as follows:  
Suriname Standards Bureau

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<http://www.parbo.com/business/kvk.html>

## 5. INVESTMENT PROFILE

### 5.1 Investment Incentives Schemes

One of the advantages of doing business in a small country like Suriname, is that it can offer a wealth of investment incentives. Suriname's most recent investment law dealt solely with financial incentives. It is also common for foreign investors to negotiate unique investment-incentive packages agreeable to the government and/or local partners.

Industrial Enterprises - Enterprises with share capital formed under Surinamese law with a certain initial capital investment are eligible for incentives. Qualifying new or existing enterprises in the process of expansion are granted a full or partial exemption from import duty on the importation of capital goods, raw materials, and other goods intended for use in manufacturing, so long as comparable products are not produced locally.

New enterprises can opt for a tax holiday (depending on the size of the initial capital investment) or accelerated depreciation.

The Oil Sector - Import of all equipment and supplies used in petroleum operations is free. Hydrocarbon exports are also exempt from taxes.

Investment Companies - Companies whose sole purpose is acquisition, holding, and management of securities are subject to certain tax benefits.

Agriculture - Annual fees to register a company engaged solely in agriculture,

fishing, or hunting are considerably less expensive.

Inventions - Payments for technical assistance received by patent-holding companies are subject to a reduced tax rate.

Capital Gains - Capital gains and profits arising solely from speculation and not considered as income and are thus not considered in income tax.

### Fiscal Incentives Law

Due to a new investment law published in July 2002, investors are eligible for the following incentives:

- One year income tax holiday with an initial investment of at least \$5,000 or a 6 percent (or 10 percent if at least 80 percent of produced goods/services are exported) reduction in income tax if the investment amounts to at least \$100,000 (Article 4 and 5).
- If at least \$20,000 of investment is made in regions approved by government, net income (for the purposes of income taxes) can be reduced by 20 percent or 10 percent if at least \$1,000 of investment is made in an environmentally protected area (Article 6).
- After the first and up to the ninth year that a company/manufacturer has started, the company is free from the levying of income tax (Article 9) if:
  - profit is from a new business.
  - it is working in agriculture, herding, aquaculture, forestry, mining, or tourism.

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- company doesn't use facilities of Articles 4,5,6,8, or 13.
- if the company complies with rules on investing and number of jobs created.
- No import duty on goods brought in for business resources if import value is at least \$10,000 or on goods used to make a product if value is at least \$5,000 if goods are used within one year (Article 10-11)
- If a investor invests in an area chosen by the government, person who is responsible for taxes may take a tax reduction of 10 percent of the total wages paid to their workers (cannot be greater than income tax taxed on wages) for a total of 5 years (Article 13)

## Limitations

- To benefit from the various incentives, entrepreneurs must submit requests within certain time frames.
- Information submitted to InvestSur is confidential (Article 21).
- Investments of more than USD 50.000.000 for mining of bauxite, hydrocarbon material, gold, and radioactive minerals are eligible for special investment incentives (Article 25).<sup>11</sup>

## 5.2 Foreign Investment Regime

Foreign direct investment is playing an increasingly important role in the development of Suriname's economy. Efforts to modernize the investment law

to further spur investments began with passage of the "2001 Investment Law" in 2002. Perceived shortcomings with this legislation led to the formation of a commission in 2005 made up of government and business representatives who were charged with drafting a revision that better meets the needs of both the local and international business community.

Suriname's membership in CARICOM, its participation in the Caribbean Single Market and Economy (CSME) and its recognition of the effects of increasing globalization has given greater impetus to further trade and investment liberalization. Suriname has also been a member of the WTO since 1995 and although it has not had any formal trade complaints filed against it, it still remains out of compliance with the 2000 deadline to pass and enforce intellectual property protection, which is TRIPS compatible.

## 5.3 Free Trade Zones

### Free Zone Regime

There are no free trade zones in Suriname.

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<http://www.amchamsuriname.org/doingbusinessinsuriname.htm>

## 6. ESTABLISHMENT OF BUSINESSES

### 6.1 Right to Private Ownership

In principle, it is possible for foreigners to acquire private property but foreign investors must first seek permission from the Foreign Exchange Commission. CARICOM nationals are permitted to acquire real estate, but must register it with the Foreign Exchange Commission within 30 days after purchase.<sup>12</sup>

### 6.2 Establishing an Office

#### Licensing

The license fee is approximately US\$10. Applicants must supply a declaration to the tax office indicating that they have no tax arrears; a settlement agreement, a health certificate, a birth certificate, a certificate of credibility, a letter from the owner of the building, and (for a factory, travel agent, tour operator, commission agent or grocer) a bank guarantee. Import and export applications must be submitted at the Ministry of Trade and Industry. Other licenses must be submitted at the local district commissioner's office.

All foreign companies require a license to do business in Suriname, as well as do most other business people, from accountants to goldsmiths to hotels to bakers to shoe makers to travel agents and so on.

#### **Registration**

All businesses except public enterprises and agriculture companies that do not have the form of a limited liability company and societies and foundations that belong to minors must be registered at the Chamber of Commerce and Industry. To register, applicants must submit: a passport photo of the founders/board members/manager and director, their birth certificates, Articles of Association, and list of members (if applicable). To set up a branch office, a letter of appointment is also necessary. An annual registration fee is assessed based on capital investment. Any changes in the corporation's address, functions, or management must be reported to the Chamber of Commerce and Industry.

#### Partnerships

The Chamber of Commerce and Industry can assist manufacturers in finding joint venture partners or financiers, performing feasibility studies and market research and analysis.

Four kinds of partnerships are recognized under Surinamese law:

- Professional Partnerships (maatschap) – mainly used in accounting, law, and medicine. Each partner contributes to the partnership, but remains solely responsible for debts due to misfeasance, unless one partner is given power of attorney or all partners stood to gain from those actions.
- General Partnerships (vennootschap onder firma) – joint liability. Each individual contributes and each is

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<http://www.state.gov/e/eeb/ifd/2006/62381.htm>

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liable for debts. If there is one general partner, his bankruptcy entails bankruptcy of the partnership.

- Limited Partnerships (commanditaire vennootschap) – one or more general partners and one or more limited partners. The limited partners are only liable to the extent they contributed to the assets and participated in management, while the general partners are fully liable, although individual bankruptcies (if there is more than one general partner) do not entail the bankruptcy of the partnership.
- Partnerships Limited by Shares (commanditaire vennootschap op aandelen) – partnership represented by (usually fully transferable) shares. Partners may be general or limited according to the deed.

Professional, general, and limited partnerships are governed by the Civil Code and not considered separate legal entities. Partnerships limited by shares are governed by the Commercial Code of Suriname and are considered separate entities for tax purposes.

### Choice of Business Entity/Structure

Suriname recognizes one-man businesses, open partnerships, limited partnerships, foundations, limited liability companies, cooperative associations, and branch offices.

A joint venture with a Surinamer is usually the easiest way for foreigners to do business in Suriname. A local business partner can help maneuver through some of the complicated trade and investment rules (especially if the

investor does not speak Dutch).

In general, foreign investors and exporters are expected to maintain a higher standard of good business practices.

### The N.V.

The public limited liability company (Naamloze Vennootschap or N.V.) is the only form of stock corporation recognized by Surinamese law and the most common form of business. A NV works like a US small corporation with the shares usually in the hands of a few shareholders. Each incorporator must participate in the capital accumulation, at least 20 percent of which must be subscribed on incorporation.

All NVs start as I.O.s (in oprichting--translated as being set up). It takes at least 3-4 years to change over to be an N.V. and requires the approval of the President of Suriname. One disadvantage of companies starting as an I.O. is that the individuals setting up the business are, during the time they are an I.O., legally responsible until the N.V. is set up and can be taken to court.

The deed of incorporation, which must be written in Dutch, must state the number and value of shares. Before the corporation begins its activities, at least 10 percent of each share must be paid and the President must approve the deed of incorporation, a process which usually involves an investigation by the Ministry of Justice, the Ministry of the Interior, the Chamber of Commerce, and the Inspector of Direct Taxes.

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Reductions in capital are subject to public inspection and must be filed with the Commercial Register and announced in the Official Gazette. Shareholders have a right to object to reductions in the company's capital up to 2 months after it is publicized.

Regulations on voting, stock transfers and meetings should be described in the deed of incorporation. At least one general meeting of shareholders must be held annually. Only shareholders can have voting rights and at least 20 percent of the capital must be represented by voting members.

A general meeting of shareholders may dismiss, suspend, or appoint managing directors and supervisory directors.

Directors can be held liable for improper actions.

Balance sheets and a profit and loss account must be submitted annually to the shareholders for approval along with criteria by which assets had been valued.

A group of shareholders holding at least 20 percent of the stock may request an auditor from the district court to investigate the company's financial affairs.

A corporation may be dissolved by a general meeting of shareholders, on the expiration of its term (if specified in its articles of incorporation, although usually, a corporation's term is infinite), or after a declaration of bankruptcy.

A declaration of bankruptcy made by a general meeting of shareholders must be announced in the Official Gazette and

filed with the Chamber of Commerce and Industry (KKF). After dissolution, a corporation can only wind up its business.

The managing director is responsible for paying the corporation's creditors unless another liquidator is appointed by the declaration of bankruptcy. No redress for wages of former employees is possible after dissolution. Any assets remaining after debts are paid can be distributed to shareholders 2 months after a plan is published in the Official Gazette. Any interested party may oppose the plan and suspend distribution during this time period.

Within one month of the final distribution, an account of the liquidation must be published at the Chamber of Commerce and Industry (KKF) and at another location. Notice of the final account's publication must be published in the Official Gazette.

If within three months of the announcement in the Official Gazette, no suits are brought against the liquidator, the dissolution is considered complete.<sup>13</sup>

### 6.3 Work Permit Requirements

Foreigners who want to work in Suriname first need to apply for a residency permit with the Ministry of Justice and Police, after which they can apply for a work permit at the Ministry of Labor. Through CSME regulations the free movement of artists, media workers, musicians and sports persons of

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<http://www.amchamsuriname.org/doingbusinessinsuriname.htm>

CARICOM origin is arranged. Legislative and administrative steps still need to be implemented for all other CARICOM professionals to move and establish themselves freely.

### **6.4 Intellectual Property Rights (IPR)**

In practice, IPR protection is non-existent. Suriname is officially a member to the following agreements on intellectual property:

- the Paris Convention for the Protection of Industrial Property (1883)
- the Berne Convention for the Protection of Literary and Artistic Works (1886)
- the Hague Convention concerning the International Deposit of Industrial Designs (1925)
- the Nice Agreement concerning the International Classification of Goods and Services for the Purpose of Registration of Marks (1957)
- the Strasbourg Agreement concerning the International Patent Classification (1971)

Suriname is also a member to the World Intellectual Property Organization (WIPO) since 1975. Even though a member of the World Trade Organization (WTO), Suriname has still not ratified the TRIPS Agreement. Any protection under these agreements is limited since they are not yet incorporated into the legislation.

The current legal framework, which dates back to 1912 and 1913, only provides very limited protection for copyrights, trademarks, and patents.

Neighboring rights in copyrights, geographical indications, industrial designs, utility models, layout designs of integrated circuits, undisclosed information, or new plant varieties remain unprotected.<sup>14</sup>

### **6.5 Conversion and Transfer Policies**

There are no restrictions on converting or transferring funds associated with an investment (including remittances of investment capital, earnings, loan repayments, lease payments) into a freely usable currency and at a legal market clearing rate. However, permission is required from the Foreign Exchange Commission of the Ministry of Finance to transfer any funds out of the country.

The period for obtaining permission from the Foreign Exchange Commission may vary depending on the sector and/or the amount. The average transfer period currently in effect is anywhere between two and five days through the Society for Worldwide Interbank Financial Telecommunications (SWIFT) system.<sup>15</sup>

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<http://www.state.gov/e/eeb/ifd/2006/62381.htm>

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<http://www.state.gov/e/eeb/ifd/2006/62381.htm>

## 7. CULTURAL PRACTICES

### 7.1 Business Customs

Business customs in Suriname do not differ significantly from those internationally, although the pace can be a great deal more leisurely. Most businesses are open from about 8 a.m. to 4 p.m., Monday through Friday. Government offices generally are open from 7 a.m. to 2:30 p.m. Meetings with government officials are best arranged in the morning.

Business entertainment largely takes place at dinners and cocktail parties. Business lunches do take place, but not on such large scales. Working breakfasts are rare.

Business suits are worn, but due to the tropical climate, casual clothing is acceptable at most business meetings (except those with senior government officials).

Surinamers prefer establishing a comfortable working relationship first, as opposed to directly tackling business. Given the consensual nature of the Surinamese government, there is often a lengthy consultation process before a decision is reached.

Suriname is one hour ahead of eastern daylight time (two hours ahead of standard). Driving is on the left-hand side of the road.<sup>16</sup>

### 7.2 Entry/Exit Requirements:

Requirements:

- Valid Passport
- Passport must be signed and valid for 6 months from the date of intended travel
- Photocopy of your valid return ticket (if you have one)
- One completed Application form
- Business Letter for business visa
- One (1) recent passport photo
- For children under 18 years, a letter of consent by parents or legal guardian

Application Forms: The forms can be downloaded from the Embassy's website: [www.surinameembassy.org](http://www.surinameembassy.org)

#### Visa Fee:

Tourist Visa US \$100.00

Business Visa US \$100.00

Diplomatic and Official Passport Holders - Gratis