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# 2025 Sierra Leone Investment Climate Statement

## Executive Summary

Sierra Leone, with an estimated population of 9.3 million people, is located on the coast of West Africa between Guinea in the north and northeast, Liberia in the south and southeast, and the Atlantic Ocean on the west, with a land area of 27,703 square miles and a humid tropical climate.

Sierra Leone offers significant investment potential across numerous sectors. The country is rich in mineral reserves and natural resources with:

- a favorable tropical climate,
- fertile soil advantageous for agriculture,
- extensive continental shelf with multiple varieties of fishery resources,
- a natural environment offering touristic prospects, and
- vast mineral resources, especially:
    - iron ore,
    - diamonds,
    - gold,
    - rutile,
    - ilmenite,
    - lithium,
    - coltan, and
    - bauxite.

Opportunities for foreign investment also exist in:

- energy,
- water
- telecommunications, and
- other infrastructure.

Foreign direct investment (FDI) is crucial to the country's economic recovery. Therefore, successive governments prioritized both outreach and policy reforms to drive FDI into the country.

Opportunities for public-private partnership projects in energy, water, telecommunications, and other public infrastructure abound. Investors benefit from several preferential trade agreements. These include:

- preferential and largely duty-free access to the Mano River Union market of more than 50 million,
- duty-free access for qualifying goods under the Economic Community of West African States (ECOWAS) market of over 350 million, and
- progressive tariff liberalization under the African Continental Free Trade Agreement (AfCFTA) of about 54 African countries with a combined population of more than one billion.

The country also benefits from the European Union's Everything but Arms initiative and the United States African Growth and Opportunity Act (AGOA).

President Julius Maada Bio of the Sierra Leone People's Party (SLPP) was re-elected for a second term in June 2023 in an election that credible international and domestic observers found was marred by logistical challenges and irregularities that called into question the integrity of the election results. An internationally facilitated mediated dialogue with the opposition All People's Congress (APC) has reduced interparty tensions, created a number of vehicles for ongoing dialogue, and yielded a bipartisan plan for electoral reform to improve the legal and regulatory framework for elections moving forward.

The Government of Sierra Leone has based its Medium-Term National Development Plan 2024-2030 around the so-called "Big Five Game Changers:"

- food security and investment in agriculture;
- human capital development;
- youth employment;
- improved public service; and
- technology and infrastructure, especially in digitizing the financial sector and expanding the power sector.

The government has taken actions to improve the country's investment climate, including the enactment of the Arbitration Act 2022 and the establishment of the National Investment Board (NIB) to facilitate investment by streamlining business registration and offering support services.  Additionally, incentives such as tax holidays, duty exemptions on imported capital goods, and reduced land costs for industrial use make Sierra Leone an attractive investment destination.

There are, however, remaining legislative, institutional, and regulatory challenges to investment, including in the areas of:

- governance and rule of law,
- dispute resolution, and
- finance.

Poor quality and limited public infrastructure also pose significant investment challenges as the country lacks the capacity necessary to support many commercial activities.  Challenges similarly persist in areas such as:

- corruption,
- availability of skilled labor,

- access to land, and
- contract enforcement.

Sierra Leone is highly vulnerable to external economic shocks and has a somewhat challenging macroeconomic environment. An International Monetary Fund program approved in November 2024 was intended to support inclusive growth through macroeconomic policy reforms and targeted social spending; confront corruption; and strengthen governance, institutions, and the rule of law. The program has successfully brought down inflation and established currency exchange rate stability. However, it has been less successful in bolstering debt sustainability, addressing fiscal deficits, and rebuilding hard currency reserves. The government's failure to control spending adequately, its penchant for domestic borrowing, and its inability to increase revenues lie at the heart of the program's challenges.

## Section 1. Openness to, and Restrictions upon, Foreign Investment

## Policies Supporting Foreign Direct Investment

The Government of Sierra Leone welcomes FDI. There is a desire for investment in all economic sectors, especially in infrastructure and energy, as the government has prioritized private sector-led economic growth and development for the country. The Government of Sierra Leone's Medium-Term National Development Plan (2024-2030)—based on the Bio Administration's "Big Five Game Changers" and aligned with the United Nations 2030 Agenda for Sustainable Development—established a growth agenda to support food security and investment in agriculture; human capital development; youth employment; improved public services; and technology and infrastructure. Of these priorities, the government's Feed Salone initiative is the flagship program of the new plan, with a focus on agricultural development. Other priority sectors include:

- mining,
- energy,
- technology,
- infrastructure, and

- tourism.

The government also encourages public-private partnerships for major infrastructure projects in:

- energy,
- water,
- road,
- port, and
- telecommunications

and investments in local industries like:

- agro-processing,
- other value-addition industries, and
- small enterprise development.

The plan also seeks to address the legislative, institutional, and regulatory impediments to inward investment for a more investor-friendly environment.

Sierra Leone allows foreign investors to compete on the same terms as domestic firms, per the National Investment Board Act of 2022. The Act also established a unified regulatory framework for investment, offering special incentives for strategic investments, outlining investor obligations, and ensuring protections such as property rights, fund transfers, and dispute resolution options including international arbitration. The Act also created the NIB to streamline investment facilitation and promotion across priority sectors. The NIB assists with:

- registering businesses,
- obtaining permits, and
- providing market intelligence.

The NIB also:

- informs investors about available incentives,
- organizes networking events, and
- provides aftercare services to help existing investors navigate operational challenges and expansion plans.

Additionally, the Arbitration Act of 2022 established the Sierra Leone Arbitration Center, regulated third-party funding, and formally acceded Sierra Leone to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention).

However, some distinctions exist, particularly in land ownership laws, where foreign investors are restricted to leasehold agreements rather than outright ownership. Additionally, the Sierra Leone Local Content Agency Act of 2016 imposes employment quotas and procurement preferences to promote the hiring of Sierra Leonean nationals and local sourcing of goods and services. While these measures apply to all businesses, foreign investors may face stricter compliance scrutiny. Navigating bureaucratic and regulatory processes can also be more complex for foreign investors, though Sierra Leone offers international arbitration mechanisms to resolve disputes.

Sierra Leonean authorities substantially tightened macroeconomic policies in 2024, with a focus on restoring macroeconomic stability, and have since seen the exchange rate stabilize and inflation decline significantly. Nonetheless, the remaining adjustment required to keep debt on a sustainable path is significant, financing needs are high, and foreign reserves have fallen.

## Limits on Foreign Control and Right to Private Ownership and Establishment

Sierra Leone does not impose broad, economy-wide statutory limits on foreign ownership or control other than certain registration formalities, allowing foreign investors to fully own and control businesses in most sectors. However, restrictions exist for land ownership and in specific industries.

The Mines and Mineral Development Act of 2022 regulates mining activities with specific provisions for the protection of the environment and the interests of local communities.  Small mining investments require a minority partnership with a Sierra Leonean company.  Export licenses are required only for certain goods and materials.  The export of gold and diamonds must comply with internationally accepted standards such as Kimberley Process certification. The permits required to export goods such as cocoa and coffee are issued automatically and at no cost.  The Sierra Leone National Carrier Ratification Agreement Act of 2012 mandates the use of the Sierra Leone National Shipping Company for 40 percent of all goods imported or exported from Sierra Leone.  The Petroleum Act of 2011 restricts petroleum exploration and production licenses to companies registered or incorporated in Sierra Leone.  Sierra Leone has also identified certain restrictions on foreign investment in its Schedule of Specific Commitments to the General Agreement on Trade in Services from August 1995, which established limited restrictions on the business services, financial services, and maritime and airport sectors.  Foreign investors are generally prohibited from owning freehold land and can only acquire leasehold interests for up to 50 years, with option for renewal, subject to government approval.

The Local Content Policy adopted in 2012 requires investors to utilize local goods and services in place of imported ones, promote the employment of citizens, and develop the human capacity of these citizens through training.  According to the Local Content Agency Act of 2016, failure to follow the policy will result in the denial of investment incentives.  More information is available below in the "Performance and Data Localization Requirements" section.

The legal system generally treats foreign investors in a non-discriminatory fashion, though investors comment that judicial application of the laws is often subject to financial and political influence.

## Other Investment Policy Reviews

The World Trade Organization conducted a Trade Policy Review (TPR) of Sierra Leone in 2025, assessing Sierra Leone's trade and investment environment, with recommendations focused on trade facilitation, regulatory reforms, and ensuring a stable business climate.

## Business Facilitation

The government established the National Investment Board (NIB) in 2022 to coordinate, facilitate and promote business investment in Sierra Leone. The Board aims to simplify the bureaucracy and regulations for businesses, build trust and credibility in the registration process, and enhance a predictable and transparent investment climate that drives responsible investment. The NIB consists of three directorates:

- the business registration and facilitation directorate;
- the public private partnership directorate; and
- the investment and export promotion directorate.

The NIB supports investors by providing advisory services and information on various investment incentives, facilitating registration, licensing, and permits, and offering aftercare support. The Directorate of Business Registration and Facilitation within the National Investment Board oversees and regulates the registration, incorporation, operation, and compliance of companies and businesses within the country. Application forms for the registration of a business can be found on the NIB's website. Additional information on the services provided by the NIB can also be found on its official website. The government, with the support of development partners, provided for enhanced investment in critical infrastructure in its fiscal year 2025 budget in areas such as energy, transport, and technology, which are essential to business facilitation and physical and digital connectivity. Moreover, the government engages in public-private dialogue through business roundtables and forums to address investor concerns and promote economic growth.

Sierra Leone is a member of the World Trade Organization's Joint Initiative on Investment Facilitation for Development.

## Outward Investment

Sierra Leone has no program to promote or incentivize outward investment and places no restrictions on such activity.

## Section 2. Bilateral Investment Agreements and Taxation Treaties

A list of Sierra Leone's International Investment Agreements, including Bilateral Investment Treaties, Treaties with Investment Provisions, and Investment Related Instruments, can be found on the UN Trade and Development Investment Policy Hub.

Sierra Leone's preferential trade agreements include the European Union's Everything but Arms Initiative, with the United States African Growth Opportunity Act (AGOA), and the African Continental Free Trade Agreement (55 African member states). Sierra Leone also has preferential trade agreements with ECOWAS (12 member states) and the Mano River Union (four member states). Sierra Leone is a member of the OECD Inclusive Framework on Base Erosion and Profit Shifting and is party to the Inclusive Framework's October 2021 deal on the two-pillar solution to global tax challenges. Sierra Leone also benefits from a Trade and Investment Framework Agreement with the United States, signed in 2014.

Sierra Leone does not have a bilateral income taxation treaty with the United States. However, in recent years, the government has implemented several revenue administration reforms and has taken steps to further modernize its operations. The National Revenue Authority aims to optimize revenue collection while reducing the cost of collection and burden of compliance through adopting new business processes and procedures that are supported by modern Information Technology (IT) systems. The Finance Act of 2025 amended Sierra Leone's tax regime in 2025, and the government's Medium Term Revenue Strategy describes planned reforms for:

- tax policies,
- legislation, and
- administration.

# Section 3. Legal Regime

## Transparency of the Regulatory System

The Government of Sierra Leone has implemented numerous policies to foster market-based competition.  Regulatory reforms have been introduced to create a level playing field for both domestic and foreign market participants.

The Sierra Leone Parliament is the country's supreme legislative authority, enacting bills that the President then signs into law.  The judiciary interprets and applies the laws to ensure impartial justice and provides a mechanism for dispute resolution.  However, the regulatory system is not entirely consistent with international norms.  Laws and regulations are developed at the national level, and the Constitution requires publication of proposed laws and regulations in a government journal, the Sierra Leone Gazette, for 21 days.  The Sierra Leone Gazette serves as the official platform for publishing key regulatory actions, including new laws and government notices.  Full text of bills, amendments, acts, and other legislative documents are also published to Parliament's website.  While there is not a strict legal requirement for mandatory public consultation before enacting all legislation in Sierra Leone, the government has been increasing efforts to include public input in the legislative process, including investment laws and regulations.  Oversight and enforcement mechanisms include independent regulatory bodies, parliamentary committees, and judicial review processes to ensure adherence to administrative procedures.

A series of legislative reforms have been carried out since the World Trade Organization's second Trade Policy Review in 2017 to create a conducive business environment and attract FDI.  These include the:

- Arbitration Act,
- Environmental Protection Agency Act,
- Anti-Money Laundering Act,
- Banking Act,

- Bank of Sierra Leone Act,
- Extractive Industries Revenue Act, and
- several Finance Acts.

To strengthen the legal, regulatory, and institutional frameworks, Sierra Leone:

- established the National Investment Board, Fast-Track Commercial Court, Credit Reference Bureau, and Corporate Affairs Commission;
- revised the legislation of company activities, and
- developed the Local Content Policy.

Sierra Leone has taken steps to promote and improve regulatory transparency. The Right to Access Information Commission was established in 2014 to make government records available to the public and imposes a penalty for failure to make information available. Sierra Leone joined the Open Government Partnership (OGP) in 2014, an initiative that empowers citizens to fight corruption and promotes transparent and accountable governance. The OGP, now led by the National Council for Civic Education and Development (NaCCED), made significant progress in education, access to justice, and the creation of an open Parliament, aiming to assure citizens of government's commitment to provide for the public and to consolidate democracy. Its National Action Plan for 2024-2028 outlines goals to enhance participatory governance, facilitate the process of institutionalizing a community-based justice system, strengthen government support for service delivery, and increase public integrity.

The Companies Act of 2009 requires the application of International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Sierra Leone (ICASL). The ICASL has delegated this responsibility to the Council for Standards of Accounting, Auditing, Corporate and Institutional Governance (CSAAG), which operates under the aegis of the Sierra Leone Accountability Foundation (SLAF). The SLAF was intended to be an independent standard-setting and monitoring body for the accounting and auditing profession; however, as of 2019, the SLAF is not operational. The CSAAG has nonetheless adopted the IFRS for public interest entities such as:

- listed companies,
- banks,
- non-bank financial institutions, and
- insurance companies.

The CSAAG also adopted IFRS for small and medium-size enterprises (SMEs). All entities that are not required to use IFRS or the national public benefit entity standard are permitted to use the IFRS for SMEs. As new and revised IFRS are issued, the standards become effective in the country.

As of 2014, amendments to the Companies Act stipulate that small companies are not required to have their financial statements audited. All other companies must have their annual financial statements audited. While the Companies Act also contains extensive provisions on auditors' obligations and their appointment, it does not specify which auditing standards are to be applied for audits. De facto, the ICASL is the body responsible for setting auditing standards and states that the International Standard on Auditing (ISA) as issued by the International Auditing and Assurance Standards Board (IAASB) are to be applied. Under the ICASL Act of 1988, only firms and individuals who have been licensed by the ICASL are authorized to conduct audits. Sierra Leone became a member of the Extractive Industries Transparency Initiative (EITI) in 2008, established the Sierra Leone Extractive Industries Transparency Initiative (SLEITI), and became compliant with EITI rules in 2014. In 2019, the EITI Board agreed that Sierra Leone had made meaningful progress in implementing the EITI Standards. In 2022, SLEITI achieved an overall score of 87.5 percent in implementing the 2019 EITI standard comprising stakeholder engagement, transparency, outcomes, and impacts.

Recent regulatory reforms relevant to foreign investors include streamlining business registration through a one-stop shop and an online portal, implementing an electronic tax filing system, reducing corporate tax rates for certain sectors, and revising legislation surrounding foreign direct investment to offer incentives such as tax holidays and duty exemptions. To counter pervasive corruption, the government has also implemented strengthened anti-corruption measures, including enhanced powers for the Anti-Corruption Commission (ACC) and whistleblower protections have also improved regulatory enforcement.

The government is generally transparent regarding public finances and debt obligations. In 2024, the Ministry of Finance published the General Purpose Financial Statements (GPFS) of the Consolidated Fund within three months of the end of the fiscal year, with complete information on debt obligations, including those of state-owned enterprise (SOE) and public corporations. However, the statement did not include information on contingent liabilities, guarantees, and on-lending. The government is currently reviewing the Public Debt Management Act of 2011 to improve fiscal transparency.

## International Regulatory Considerations

Sierra Leone is a member of the ECOWAS and aligns certain national regulations with regional frameworks to promote economic integration and facilitate trade within the bloc. This harmonization helps ensure consistency in trade policies, investment regulations, and business standards across member states. While Sierra Leone is bound by ECOWAS laws, there are instances where it has been found to have failed to comply with ECOWAS court rulings.

The country incorporates several international norms and standards into its regulatory system, referencing frameworks such as the International Financial Reporting Standards (IFRS) for financial reporting, the International Organization for Standardization (ISO) for product and service quality, and other globally recognized benchmarks. These standards help align Sierra Leone's regulatory environment with international best practices, making it more accessible to foreign investors.

Sierra Leone joined the General Agreement of Tariff and Trade (GATT) in 1961 and the World Trade Organization (WTO) in 1995. Sierra Leone is committed to the multilateral trading system and has not notified the WTO of any inconsistent measures with the WTO's Trade-Related Investment Measures (TRIMs) obligations. It acceded to the International Convention on the Simplification and Harmonization of Customs Procedures, otherwise referred to as the Revised Kyoto Convention in 2015. It became a contracting party to the International

Convention on the Harmonized Commodity Description and Coding System (HS Convention) in 2015. It replaced its pre-shipment inspection with a destination inspection in 2009 and notified the WTO of its ratification of the Agreement on Trade Facilitation in May 2017. The Customs Act of 2011 upheld the WTO Customs Valuation Agreement, which prohibits the use of arbitrary or fictitious values. However, it has not notified the WTO of its sanitary and phytosanitary legislation required for the international movement of any plant materials or products or any state-trading activity.

Sierra Leone joined the WTO in 1995 and established a diplomatic mission to the WTO in 2005. It is not a signatory to any plurilateral agreements concluded under the WTO. Sierra Leone has ratified six multilateral investment agreements, including the International Centre for Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA) Conventions, so that foreign investments in Sierra Leone are covered against non-commercial risks such as currency transfer risks, expropriation risks, risks of war and civil disturbance, and repudiation risk.

## Legal System and Judicial Independence

The legal system is derived from the English common law system, but local courts apply customary law to many disputes outside of the capital, Freetown. The courts provide a venue to enforce property and contract rights. The country does not have a consolidated written commercial or contractual law, and disparate pieces of legislation sometimes lead to the uneven treatment of commercial disputes. In 2010, Sierra Leone created a Fast-Track Commercial Court to reduce the duration of commercial cases to as low as six months. In 2017, Sierra Leone hosted a commercial law summit to address gaps in the justice system, resulting in concrete recommendations in critical areas, including arbitration, anti-corruption and bribery, public-private partnerships, and reform of the court process.

The Superior Court of Judicature consists of the Supreme Court, the Court of Appeal, and the High Court, while the lower courts consist of the magistrate court and the local courts. The independence of the judiciary in Sierra Leone is guaranteed by the Constitution. However, there have been occasional reports of executive interference. The courts are also plagued by backlogs, limited judicial capacity, and are known to be subject to political and financial influence. Regulations and enforcement actions in Sierra Leone are appealable and adjudicated through the national court system. This legal framework allows businesses and individuals to challenge regulatory decisions, though concerns over delays and judicial inefficiencies persist.

Foreign investors have equal access to the judicial system, which does provide a legal avenue for dispute resolution. Sierra Leonean courts may acknowledge foreign judgment from specific jurisdictions with reciprocal enforcement arrangements, including:

- Ghana,
- Nigeria,
- Guinea, and
- The Gambia.

Generally, Sierra Leonean courts do not apply foreign law, but foreign judgments can be enforced when registered with the High Court. However, registration may be refused when enforcement is contrary to public policy.

On depositing its instrument for accession to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), Sierra Leone became the 166th state party to the Convention, which came into force in January 2021. The Arbitration Act of 1960 was repealed and replaced with the Arbitration Act of 2022, which incorporated the New York Convention regarding awards made in Sierra Leone. Recommended during the inaugural Commercial Law Summit of May 2017, the accession has provided a path to dispute resolution through arbitration without interference from local courts and ensured the consistent and predictable enforcement of arbitral awards.

There have been complaints regarding domestic court processes, including allegations of lack of transparency and potential bias. Efforts are ongoing to improve the judicial system, including initiatives to enhance judicial independence, efficiency, and accessibility for all stakeholders.

## Laws and Regulations on Foreign Direct Investment

The primary law concerning foreign direct investment in Sierra Leone is the National Investment Board Act of 2022, which includes provisions on special incentives for investors, investor obligations, investor protection, transfer of funds, and settlement of disputes. This legislation also established the National Investment Board, a one-stop shop for investment promotion and facilitation to enhance ease of doing business. The Companies Act of 2009, the Registration of Business Act of 2007, and their subsequent amendments are the primary laws governing the registration of all businesses before commencing operations. The Business Registration and Facilitation Directorate of the National Investment Board oversees and regulates business registration, incorporation, operation, and compliance with the Registration of Business and Companies Acts.

The Arbitration Act of 2022 provides for enforcing and recognizing arbitral awards, an important tool to protect investors and promote foreign direct investment in Sierra Leone.

Sierra Leonean authorities do not screen, review, or approve foreign direct investments. Companies must register to do business in Sierra Leone, and there are no reports that the registration process has blocked investments or discriminated against U.S. investors. In the case of investment guarantees, the government established specific procedures with the U.S. government in agreements signed on December 28, 1962, and November 13, 1963, whereby Sierra Leone authorities approved external investment guarantees in Sierra Leone. The Sierra Leone Investors Guide provides additional information about laws and regulations applicable to foreign investment.

## Competition and Antitrust Laws

Sierra Leone does not have a competition law. Instead, the Ministry of Trade and Industry addresses anti-competitive business practices and works with the ECOWAS Regional Competition Authority to promote fair competition. A Competition Policy and a Consumer Protection Policy have been in place since 2012. The authorities indicate that it is not unusual for firms to use their dominant market position to manipulate prices. Predatory pricing, price fixing, and tying and bundling are also frequent. Actions taken by the Ministry to address such issues include fines, injunctions, and forced divestitures. A Consumer Protection Act was adopted in 2020, and a National Consumer Protection Commission was established to safeguard consumer rights and enforce fair market practices. While prices are primarily market-determined, the Government regulates prices for rice, fuel, and flour. Telecommunications, electricity, and water prices require regulatory approval. The prices and charges on goods and services provided by government departments, public institutions, and companies owned in majority by the Government are generally regulated.

## Expropriation and Compensation

The Constitution authorizes the government to confiscate property only when necessary, in the interest of national defense, public safety, order, morality, town and country planning, or the public benefit or welfare. In such cases, the Constitution guarantees the prompt payment of adequate compensation, with a right of access to a court or other independent authority to consider legality, determine the amount of compensation, and ensure prompt payment. There is no history of expropriation in Sierra Leone, though the government has threatened such action against a foreign investor following a dispute under arbitration in an international tribunal.

## Dispute Settlement

### *ICSID and New York Convention*

Sierra Leone is a member of both the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention, also known as the Washington Convention) and the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. Additionally, Sierra Leone enacted the Arbitration Act of 2022 to provides for the enforcement of awards under both the 1958 New York Convention and the ICSID Convention. This legislative framework ensures that arbitral awards obtained by foreign investors in international arbitration can be recognized and enforced within Sierra Leone.

### *Investor-State Dispute Settlement*

Investment disputes in Sierra Leone can take a long time to resolve, given the slow pace of bureaucracy and substantial court backlogs. The Embassy is aware of several past investment disputes involving U.S. companies, but all cases that have been brought to the Embassy's attention have been resolved. The local courts in Sierra Leone recognize and enforce foreign arbitral awards issued against the government. There have been isolated instances of extrajudicial actions against foreign investors, such as unwarranted inspections and fines. However, these actions are not widespread and are typically addressed through legal channels.

### *International Commercial Arbitration and Foreign Courts*

Sierra Leone acceded to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) in 2020. In 2022, the Convention, as well as the ICSID Convention, was domesticated through the Arbitration Act of 2022. The new Arbitration Act also introduces an arbitration regime consistent with modern international standards, and establishes the country's first arbitral institution, the Sierra Leone International Arbitration Centre.

The National Investment Board Act of 2022 allows investment disputes to be referred to arbitration following procedures provided under the Arbitration Act of 2022; rules of procedure for arbitration of the International Centre for the Settlement of Investment Disputes; or within the framework of any applicable bilateral or multilateral investment agreement to which the Government of Sierra Leone and the country the investor is from are parties. Judgments of foreign courts can be enforced under the Foreign Judgments (Reciprocal Enforcement) Act 1960, provided the country has a bilateral or reciprocal enforcement treaty with Sierra Leone. The Public-Private Partnership Act of 2014 also provides for international arbitration in Sierra Leone.

## Bankruptcy/Insolvency Regulations

The Bankruptcy Act of 2009 establishes a process of bankruptcy for individuals and companies. Bankruptcy is a civil matter, but it may disqualify an individual from holding certain elected public offices and practicing certain professions. The Bankruptcy Act of 2009 also encourages and facilitates reorganization as an alternative to liquidation. The Companies Act sets out the procedure for winding up a company. This can be done voluntarily, by the court or subject to the supervision of the court. The Bankruptcy Act sets out the circumstances under which a firm may be liable to have a "bankruptcy petition" presented to it or a receiving order or "adjudication of bankruptcy" made against it.

After passing the Credit Reference Act in 2011, Sierra Leone established a Credit Reference Bureau within the Bank of Sierra Leone, mandating all financial institutions to give all information regarding loan applications for credit history checks. The credit history checks will detail all outstanding loans, when and where a loan was taken, and the repayment history guiding financial institutions in their loan decision. The Bureau operates a digital identification system to control credit information and ensure citizens have secure and complete ownership of their data and information, transforming the financial inclusion landscape.

## Section 4. Industrial Policies

### Investment Incentives

The Investment and Export Promotion Directorate of the National Investment Board (NIB) compiles information about the benefits and incentives available in various sectors. These exemptions are available on an equal basis to both foreign and domestic investors and include:

- tax exemptions for agriculture and aquaculture activities;
- duty-free import of agricultural inputs
- exemption from income derived from investment in poultry, livestock, and ruminant businesses
- income tax exemptions for those engaged in investment in tourism;
- tax relief for the employment of expatriate staff for the purpose of tourism development;

- income tax exemptions for businesses registered in Sierra Leone with at least 20 percent Sierra Leonean ownership;
- import tax exemptions for quality products such as solar and other renewable energy-related products;
- low-energy or energy-efficient appliances;
- liquid petroleum gas, photovoltaic system equipment;
- plants, agro-processing equipment, agro-chemicals, and machinery; and
- investment incentives for renewable energy projects.

Some agricultural incentives have different threshold requirements depending on whether an investor is foreign or domestic.  These incentives are offered on a case-by-case basis, and they include:

- income tax exemptions,
- import duty exemptions,
- goods and services tax exemptions, and
- incentives for special economic zone investors.

The Public-Private Partnership Directorate of the NIB promotes and facilitates private sector involvement in moving forward the country's development plan, especially in public utility services.  The PPP Directorate works with the private sector—both foreign and domestic—to advance investment projects in priority sectors such as energy, fisheries, health, and housing. The Sierra Leone government has no history of providing financing to foreign or domestic investment projects; however, it has been willing to provide tailored project-specific investment incentives on the basis of specific investment or concession agreements ratified through parliament.

## Foreign Trade Zones/Free Ports/Trade Facilitation

Sierra Leone has established several Free Trade Zones (FTZs) and Special Economic Zones (SEZs) to promote trade and investment. These zones offer special tax treatment, including exemptions from customs duties and Goods and Services Taxes (GST), as outlined in the Customs Act of 2011, as well as streamlined regulatory procedures. Foreign-owned firms have the same investment opportunities as domestic entities within these zones. Since the last report, there have been efforts to expand and improve the infrastructure within these zones to attract more investors.

Sierra Leone opened West Africa's first tax-exempt economic zone in 2011 as part of the government's attempts to make the country more attractive to foreign investment. In April 2023, Parliament ratified the establishment of the Koya Industrial Zone, a public-private partnership with Arise Integrated Industrial Platforms (Arise IIP), a developer and operator of industrial parks with projects throughout West Africa.

## Performance and Data Localization Requirements

The Sierra Leone Local Content Agency Act 2016 promotes both domestic and foreign investors' utilization of domestic content. The Act applies to the following sectors:

- mining,
- industrial,
- petroleum,
- manufacturing,
- agriculture,
- transportation,
- maritime,
- aviation,
- tourism,

- public works,
- fisheries,
- health, and
- energy.

The local content policy is meant to boost the economy by leveraging the power of local industries and citizens through their participation in the economy.  It targets several issues, including:

- Employment of nationals: All foreign businesses must employ Sierra Leoneans, at least 20 percent of the managerial and 50 percent of intermediate positions.  After five years, this ratio must increase to 60 percent for managerial and 80 percent for intermediate positions.

- Preferential Treatment: Preference in government contracting and access to investment incentives will be granted to a foreign business that partners with Sierra Leonean businesses over foreign companies with no equity share owned by Sierra Leonean entities.

- First Consideration: Foreign businesses must give Sierra Leoneans first consideration for employment and training.

- Use of local goods and services: Firms should give preference to Sierra Leonean goods when they are of equal or comparable value.  Companies must use specific amounts of local materials in critical sectors, but if there is inadequate local capacity to meet the law's target, the Ministry of Trade and Industry may issue a waiver.

- National preference in contracts: The policy first considers Sierra Leonean companies for mining and petroleum awards and licenses and public works contracts.  The policy also offers domestic firms a preferential margin in government and private procurements.

The Local Content Agency enforces the local content policy.  Companies must submit local content plans to demonstrate compliance, and violations are subject to fines, the loss of investment incentives, and civil forfeiture.

Sierra Leone does not have specific requirements for foreign IT providers to turn over source code or provide access to encryption.  There are no specific measures in Sierra Leone that prevent or restrict companies from freely transmitting customer or business-related data outside the country, and the country currently has no data protection legislation.  There are no rules requiring servers, data storage, and/or cloud-based processing services be located within the country.

## Section 5. Protection of Property Rights

### Real Property

There are two systems of land tenure in Sierra Leone.  The Western Area, which includes Freetown, operates under a freehold system.  In the provincial areas outside the Western Area, the land is governed under a leasehold system where local communities retain ultimate control. Foreigners cannot own land under either system but can lease land to a maximum size of 15,000 hectares (37,066 acres) for agriculture and 10,000 hectares (24,711 acres) for mining for up to 50 years, with option for renewal.  In leasehold areas, the chiefdom, town, or village area land committees have oversight responsibility over land in the provinces, and investors wishing to invest on any land subject to customary law are required to comply with the processes and procedures set out in the Customary Land Rights Act of 2022.  The Customary Land Rights Act explicitly provides for the protection of customary land rights, the elimination of discrimination under customary law, and the management and administration of land subject to customary law.  This Act also establishes guidelines on Investor-Induced Displacement and Resettlement; it requires investors to obtain free, prior, and informed consent (FPIC) of adult male and female members of affected communities in cases in which customary lands are being acquired for investment.

The Constitution protects property rights, but the rule of law is fragile and uneven across the country. Mortgages and liens are possible but rare and generally involve high-interest rates and short loan periods. There is no land titling system, and traditional justice systems still supplement the national government's judiciary, especially in rural areas.

The Land Administration system inhibits successful resolution of disputes. The survey system is manual, and land survey technologies are outdated and inaccurate. Property management procedures are lengthy, unreliable, expensive, and do not guarantee the protection of the property user and or owner's rights. In Sierra Leone, property ownership does not automatically revert to other claimants, such as squatters, if the property is legally purchased but unoccupied. However, prolonged absence and lack of maintenance may lead to disputes, and legal action may be required to resolve such issues.

Sierra Leone is a contracting party to the 2001 Cape Town Convention on Mobile Equipment (CTC) and the Protocol on Matters Specific to Aircraft Equipment (Aircraft Protocol). There have been no significant disputes reported under the CTC involving Sierra Leone, as of the latest available information.

## Intellectual Property

The Office of the Administrator and Registrar-General (OARG) is responsible for the registration of trademarks and patents, while the Sierra Leone Intellectual Property Organisation (SLIPO), under the Ministry of Culture and Tourism, is responsible for copyright matters, including registration.

The main intellectual property rights laws in Sierra Leone include The Copyright Act, 2011; The Patents and Industrial Design Act, 2012; and the Trade Marks Act, 2014.

Sierra Leone has been a member of the World Intellectual Property Organization (WIPO) since 1986 and a member of the African Regional Intellectual Property Organization (ARIPO), the common intellectual property body for English-speaking African countries, since 1980. As a member of the WTO, Sierra Leone is bound by the Agreement on Trade-Related Aspects of

Intellectual Property Rights (TRIPS). It is also a party to the Madrid Protocol, Paris Convention, and Patent Cooperation Treaty.

Despite its recognition of international standards, Sierra Leone's intellectual property protection is limited. Legal structures are weak, and government enforcement is minimal due to resource and capacity limitations. Agencies responsible for enforcement include the Sierra Leone Police and the National Revenue Authority.

For companies who may wish to seek advice from local attorneys who are experts in Sierra Leonean law, the U.S. Embassy in Sierra Leone provides a list of local lawyers.

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles.

## Section 6. Financial Sector

### Capital Markets and Portfolio Investment

Limited capital market and portfolio investment opportunities exist in Sierra Leone. Sierra Leone's stock market is over a decade old but remains relatively inactive. The number of listings, as well as participation in the stock market, remains insignificant. Growth is hindered by:

- inadequate support from the government,
- low levels of engagement among the general populace,
- limited participation by foreign investors, and
- high levels of corruption.

While the country has a fairly liberalized financial system, domestic credit to the private sector by banks as a percentage of GDP is extremely low; loans are offered at extremely high interest rates. Private sector access to credit on the local market is limited for both domestic and foreign investors. There is only one credit bureau in Sierra Leone, which covers a small portion of the population, and there are efforts to expand access to credit through digital identification and ledger systems.

## Money and Banking System

Sierra Leone's banking sector, supervised by the central bank of Sierra Leone, consists of:

- 13 commercial banks,
- 88 foreign exchange bureaus,
- 17 community banks,
- 64 microfinance institutions,
- two discount houses,
- a home mortgage finance company,
- a leasing company,
- four mobile financial services providers, and
- a stock exchange.

Bank branches exist throughout the country, with activity concentrated in Freetown. The commercial banking sector is characterized by poor performance with significant financial vulnerability. The penetration of banking services in Sierra Leone is relatively low, with a significant portion of the population remaining unbanked. However, efforts are being made to expand financial inclusion through mobile banking and other innovative financial services. The use of mobile money has become increasingly popular. Other electronic payments and ATM usage are available in urban areas but limited in rural settings. Telecommunications companies are upgrading to enhance mobile money services and e-commerce specifically, and the Central Bank launched a national payment switch in 2025 to facilitate interoperability between financial institutions and to make payments faster, safer, and more efficient.

Sierra Leone's finance sector is vulnerable to shocks, particularly due to high concentration of assets in government securities and the reliance on external funding. Weaknesses include a high degree of dollarization, potential vulnerabilities from government arrears, and the need for further development of the financial sector.

Foreign banks are permitted to operate in Sierra Leone, but they must establish a subsidiary and obtain a license from the Central Bank before engaging in banking business. The Banking Act of 2011 outlines these requirements. Foreign individuals and companies are permitted to establish bank accounts but they may be required to provide additional documentation, such as proof of residency or a valid work permit, depending on the bank's policies. In July 2022, the Bank of Sierra Leone redenominated the leone to simplify accounting records and reduce cash volumes needed for transactions. The redenomination eliminated three zeros from the old leone and created a new 20 leone denomination equivalent to 20,000 old leone. The old leone is no longer a legal tender.

## Foreign Exchange and Remittances

Foreign Exchange The National Investment Board Act of 2022 guarantees foreign investors and expatriate employees the right to repatriate earnings and the proceeds of the sale of assets. There are no restrictions on converting or transferring funds associated with investments, including remittances, earnings, loan repayments, or lease payments, so long as these transactions are done through official channels. Funds associated with any form of investment can be freely converted into any world currency.

In August 2019, the government mandated the exclusive use of the leone for all contracts and payments, prohibited individuals and other entities from holding more than $10,000 or its equivalent in any foreign currency, and required that travelers declare foreign currencies of more than $10,000 or its equivalent. Violation of these directives is punishable by law as stipulated in the 2019 Bank of Sierra Leone Act. The law was amended in 2023 to allow for the use of other currencies besides the leone as a medium of exchange in specific circumstances.

With the approval of the Bank of Sierra Leone, investors can withdraw any amount from commercial banks and transfer the funds into any freely convertible currency at market rates, and the exchange rate is market-determined. While the value of the leone depreciated sharply in 2022, exchange rates have remained relatively stable since 2023. Sierra Leone is a member of the West African Monetary Zone and has committed to the ECOWAS roadmap for introduction of a common currency, the ECO. While ECOWAS leaders have repeatedly endorsed both the ECO and the convergence criteria for its launch set out by the West African Monetary Institute, this common currency venture has repeatedly been delayed.

### *Remittance Policies*

The Sierra Leone National Investment Board Act of 2022 guarantees that investors are allowed to transfer funds relating to their investment through official channels in any convertible currency. This law provides that investors may freely repatriate proceeds and remittances. The U.S. Embassy is not aware of any recent complaints from investors regarding the remittance of investment returns or any planned policy changes on this issue.

### Sovereign Wealth Funds

Sierra Leone does not have a sovereign wealth fund.

## Section 7. State-owned Enterprises

Sierra Leone has more than 20 state-owned enterprises (SOEs) mainly active in the utilities, transport, and financial sectors. There is no official or comprehensive government-maintained list of SOEs. However, notable examples include the:

- Guma Valley Water Company,
- Sierra Leone Telecommunication Company,
- Electricity Distribution and Supply Authority,
- Electricity Generation and Transmission Company,
- Sierra Leone Broadcasting Corporation,
- Rokel Commercial Bank,
- Sierra Leone Commercial Bank, and

- Sierra Leone Produce Marketing Company.

Some of these SOEs are governed by an independent board of directors, while government ministries supervise others.

Additionally, the government is actively working toward the launch of a Mineral Wealth Fund, which would act as a wholly state-owned company to which rights to certain undeveloped mineral reserves would be officially transferred through act of parliament. Under the current draft regulations intended to govern fund operations, the fund would have an independent Board of Directors empowered to seek and participate in joint ventures with foreign and domestic firms to develop the mineral resources under its control on a production-sharing model. A portion of the proceeds from these investments would be returned to the government for use in both its current and development account budgets.

Sierra Leone is not a party to the Government Procurement Agreement within the WTO Framework. SOEs may engage in commerce with the private sector, but they do not compete on the same terms as private enterprises, and they often have access to government subsidies and other benefits. SOEs in Sierra Leone do not play a significant role in funding or sponsoring research and development, and do not compete internationally.

## Privatization Program

The National Commission for Privatization was established in 2002 to facilitate the privatization of various SOEs. With support from the World Bank, the Commission has focused on privatizing the country’s seaport operations and other unsuccessful public enterprises, including a BOT public-private partnership agreement with the airport. The Commission continues to seek investments in public-private partnerships for SOEs with significant infrastructure, including telecommunications, energy, and housing. In 2024, the government announced plans to privatize telecommunications SOE Sierratel following an audit of the parastatal’s current assets and liabilities. Privatization processes are open to foreign investors and could be integrated into plans for better capitalizing the stock exchange in Freetown via new equity listings. This program does not typically utilize public bidding processes.

## Section 8. Corruption

Corruption poses a significant challenge in Sierra Leone and is particularly endemic in government procurement, the award of licenses and concessions, regulatory enforcement, customs clearance, and dispute resolution. Sierra Leone is a party to the United Nations Convention Against Corruption (UNCAC). The Anti-Corruption Commission (ACC), established in 2000, has the authority to investigate and prosecute acts of corruption by individuals and companies. The Anti-Corruption Act of 2008, as amended by the Anti-Corruption Act of 2019, makes it criminal to offer, solicit, or receive a bribe. This law applies to all appointed and elected officials, close family members, and companies, whether foreign or domestic. The 2019 amendment increased the powers of the ACC in the fight against graft. It protects witnesses and whistleblowers and provides sanctions for failing to submit asset declarations on time or falsified, inaccurate, or misleading information. It empowers the commissioner to prevent contracts that are not of national interest and increases penalties for offenses under the Act. Since then, the ACC has steadily pursued arrests, repayments, and convictions in private and public sectors. Since 2018, the ACC reports having recovered over $3.5 million dollars in misappropriated funds and prosecuted cases of corruption leading to convictions of present and former public officials and private citizens. The Chief Justice established a Special Court to adjudicate corruption cases while the ACC signed several information-sharing agreements with key government institutions, including the Audit Service Sierra Leone and the Financial Intelligence Unit. The ACC also conducted a substantial review of public offices and public education and outreach activities across the country. In early 2022, the ACC introduced a reward and incentive scheme for informants, whistleblowers, and citizens who support the ACC in the fight against corruption; the ACC is currently focused on corruption alleged in the 2023 audit report for Sierra Leone. However, some observers have accused the ACC of targeting opposition politicians while failing to investigate credible allegations of corruption against the ruling SLPP party, including those close to the president. Challenges such as limited resources, political interference, and the need for greater public trust in the Commission's work remain.

Further, Sierra Leone's progress in its fight against corruption has stagnated. In 2024, Sierra Leone ranked 114th out of 180 countries on Transparency International's Corruption

Perceptions Index, dropping from 108th place in 2023. In March 2020, the government completed the Commission of Inquiry probing corruption allegations into the previous government of former President Koroma. A white paper was released to implement the recommendations of the reports, but the Ministry of Justice has done little to pursue these recommendations. The ACC's National Anti-Corruption Strategy 2024-2028 outlines plans to strengthen accountability and transparency, bolster government coordination and capacity, embed social justice principles in policies, strengthen relationships with civil society, and enhance governance and service delivery in utility agencies.

Sierra Leone has established laws and regulations to counter conflict-of-interest, particularly in awarding contracts and government procurement. The Public Procurement Act of 2016 is the primary legislation governing public procurement and includes provisions to counter conflict-of-interest. Public officials involved in procurement processes are required to disclose any potential conflicts of interest, and the Act prohibits favoritism, nepotism, and any form of bias in the awarding of contracts. The Anti-Corruption Act complements the Public Procurement Act by addressing broader issues of corruption and conflict-of-interest in public office. The National Public Procurement Authority (NPPA) oversees public procurement processes and ensures compliance with the Public Procurement Act, while the ACC investigates and prosecutes corruption and conflict-of-interest cases. Despite the robust legal framework, challenges such as limited resources, political interference, and selective enforcement persist.

The Audit Service Sierra Leone (ASSL), Sierra Leone's supreme audit institution, is mandated to audit the public accounts of all MDAs in Sierra Leone. The Audit Service Act of 2014 mandates the Auditor General of ASSL to act independently and not be directed or controlled by any person or authority. However, the ASSL's operational and financial independence is tenuous. In 2022, the Ministry of Finance published a roadmap for financial autonomy for the ASSL which has not yet been realized. The ASSL frequently notes that the Ministry of Finance does not allocate sufficient resources for the ASSL to perform its functions, though this a common challenge across government institutions in a constrained fiscal environment. The institution has broad discretion to conduct compliance, financial, and performance audits as it deems necessary. The Audit Service Act of 2014 gives the ASSL adequate powers to obtain timely and direct access to the entire annual executed budget. However, in practice, the ASSL frequently does not receive some of the requested documentation from the MDAs which it audits. MDAs often are not able to produce documents in a timely manner. The Finance Acts of 2023 and 2024 include provisions that if the ASSL requests documents from a public official, and they are not produced within a certain timeframe, action can be taken against that official.

The Auditor-General makes its report available to Parliament for review and makes copies available on its website. The 2023 Audit Report presented a comprehensive narrative, detailed analysis of the findings, recommendations, and conclusions obtained from conducting financial, compliance, performance and information systems audits in ministries, departments and agencies. For the last two years, Parliament has conducted hearings in response to the ASSL's report, stepping up in their engagement as an oversight body.

### Resources to Report Corruption

- **Anti-Corruption Commission**

  Francis Ben Kelfala, Commissioner

  Cathedral House

  3 Gloucester Street, Freetown

  **Telephone:** +232 78 832131 & +232 78 321 321

- **Transparency International Sierra Leone**

  Lavina Banduah, Executive Director

  20 Dundas Street, Freetown

  **Telephone:** +232 79 060985 & +232 76 618348

## Section 9. Political and Security Environment

Sierra Leone is a constitutional republic with a directly elected president and a unicameral legislature. In June 2023, the incumbent Sierra Leone People's Party (SLPP) presidential candidate, Julius Maada Bio, won a second term in the fifth cycle of presidential elections since the country's decade-long civil war ended in 2002. Credible international and domestic observers found the elections were marred by logistical challenges and irregularities that called into question the integrity of the election results. An internationally facilitated mediated dialogue with the opposition All People's Congress (APC) has reduced inter-party tensions, created vehicles for ongoing dialogue, and yielded a bipartisan plan for electoral reform to improve the legal framework for elections moving forward.

The Sierra Leone Police, supervised by the Ministry of Internal Affairs, is responsible for law enforcement and maintaining security within the country, but it is poorly equipped and lacks sufficient investigative and forensic capabilities. The Republic of Sierra Leone Armed Forces (RSLAF) is responsible for external security and has some domestic security responsibilities to assist police upon request in extraordinary circumstances. The RSLAF reports to the Ministry of Defense and the Office of National Security. Civilian authorities maintain effective control over the security forces. However, violent crimes, such as robbery and assault, occur frequently in Sierra Leone, especially in Freetown. Local police often lack the resources to effectively address serious criminal incidents. Demonstrations and protests occur in Sierra Leone and occasionally result in violence.

There are increased safety hazards and security concerns at night, especially outside of the Freetown peninsula. U.S. government employees under Chief of Mission authority are restricted from traveling outside the capital after dark and are unable to provide emergency services outside of Freetown at night.

There is tension between social, political, and cultural institutions over power and resources. Policies and positions are sometimes sought for control over public finances.

Sierra Leone has a history of politically motivated violence, civil disturbances, and coup attempts, most notably during the 1991–2002 civil war. The conflict, driven by political corruption, economic inequality, and control over diamond resources, saw the Revolutionary United Front (RUF) launch a brutal insurgency against the government, leading to mass killings, mutilations, and the widespread use of child soldiers. Since the war's end in 2002, the country has made strides toward democratic governance, though political tensions remain. Election-related violence has occurred, with clashes reported during the 2007, 2012, 2018, and 2023 elections. Protests due to economic hardships, such as the August 2022 demonstrations against inflation and government policies, have resulted in violent confrontations with security forces. Additionally, incidents like the November 2023 armed attack on a military armory highlight ongoing security concerns. While Sierra Leone has largely maintained stability, the political climate remains sensitive, especially during election periods.

Sierra Leone's relations with the neighboring countries of Guinea and Liberia are largely peaceful. Guinean armed forces took control of the area surrounding the border town of Yenga in Kailahun District in 2001 as part of an effort to assist Sierra Leone in clearing the area of rebels belonging to the RUF. Since that time there have been multiple agreements between the two countries stating that this territory should be returned to Sierra Leone. However, as of April 2025, Guinean armed forces personnel continue to maintain a presence in the area and are accused by Sierra Leone of harassing the local population and interfering with their traditional farming and fishing activities. ECOWAS and the Mano River Union have both attempted to mediate the dispute without definitive success.

## Section 10. Labor Policies and Practices

Sierra Leone's labor force is informal, unregulated, and needs more specialized skills. Over 80 percent of laborers work in the informal sector, representing an estimated 42 percent of GDP in 2018, predominantly in subsistence or other small-scale agriculture. Business transactions in the informal economy are typically based on informal arrangements and personal relationships, which can create challenges for U.S. and other foreign businesses.

Sierra Leone's labor force was devastated by the country's civil war of 1991-2002, and the formal employment sector has yet to recover to pre-war levels. The war led to significant migration out of the country and destroyed the nation's education system—the World Bank estimated adult literacy at 49 percent in 2022. Businesses report significant shortfalls in skilled professionals due to limited vocational training. While the government has developed technical and vocational education and training and other human capital development programs alongside donor partners, foreign investors find recruiting and training enough workers challenging. Youth unemployment is persistently high and will continue to grow due to high birth rates and changing demographics. On the other hand, unskilled labor is widely available, especially in sectors such as agriculture, construction, and mining, which can be advantageous for labor-intensive industries. Foreign workers play a limited role in the labor market, primarily occupying specialized positions that require skills not readily available locally. Foreign employees must obtain work permits from the Ministry of Labor and Social Security, and most countries' nationals must have visas.

In 2016, Sierra Leone enacted the Sierra Leone Local Content Agency Act, which stipulates quotas for investment in and employment of Sierra Leonean citizens in corporations operating in the country. In 2023, Sierra Leone enacted the 2023 Employment Act, which consolidates and improves existing labor laws, promoting equal opportunity, eliminating discrimination, and ensuring fair terms and conditions of employment. It also enacted the 2023 Work Permit Act and the 2023 Overseas Employment and Migrant Workers Act which aims to regulate employment, protect worker rights, and ensure fair labor practices, particularly for immigrant workers and those seeking employment overseas.

Minimum wage is 800 leones (approximately $36) per month and applies to all workers, including those in the informal sector. The law requires paid leave and overtime wages, but enforcement is ineffective, and there is no prohibition on excessive compulsory overtime. Employers can dismiss workers with limited notice and severance. Government policies regarding the hiring of Sierra Leonean nationals are described above in the "Performance and Data Localization Requirements" section.

The Industrial Relations and Union Act of 2024 allows workers to join independent unions without prior authorization, conduct legal strikes, and bargain collectively. The Ministry of Labor and Social Security estimates that approximately 35-40 percent of workers in the formal economy are unionized, including agricultural workers, mineworkers, and health workers. The law allows unions to conduct their activities without interference, and the government generally respects this right. However, employers have reportedly intimidated workers in some private industries to prevent them from joining a union, and there is no legal protection against employers discriminating against union members. Unions have the right to strike, although the government requires 21-day prior notice. Collective bargaining is widespread in the formal sector, and most enterprises are covered by collective bargaining agreements on wages and working conditions.

The law limits child labor, allowing light work at age 13, full-time nonhazardous work at age 15, and all work at age 18. Child labor is more prevalent in agriculture, artisanal gold and diamond mining, granite quarrying, sand mining and construction, domestic service, street hawking, begging, charcoal burning, and fishing. The laws against child labor are not effectively enforced. The Ministry of Labor and Social Security attributes the ineffective enforcement to a lack of funding and the inherent difficulties of monitoring child labor in the informal sector. More broadly, there are serious questions of compliance in law or practice with international labor standards in Sierra Leone that may pose a reputational risk to investors, including issues related to child labor, forced labor, and occupational safety and health. These gaps can impact the reputation of companies operating in Sierra Leone and may require investors to implement robust compliance and monitoring mechanisms to ensure adherence to international labor standards.

## Section 11. U.S. International Development Finance Corporation (DFC) and Other Investment Insurance or Development Finance Programs

DFC operates in Sierra Leone under a bilateral agreement from 1961 and has partnered with the private sector to fund crucial projects to support Sierra Leone's economic development. As of 2024, Sierra Leone is the sixth-largest market in DFC's Africa portfolio, with a total of $725.5 million in active commitments across sectors including energy, forestry, financial services, critical infrastructure, and telecommunications. Looking ahead, there is strong potential for expanded DFC activity in Sierra Leone, particularly in the infrastructure, critical minerals, energy, agriculture, health, and financial services sectors.

## Section 12. Contact for More Information

Economic and Commercial Section

U.S. Mission Sierra Leone

Southridge-Hill Station

Freetown, Sierra Leone

Telephone:  +232 99 105 500

Contact Us