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I. The Djiboutian entrepreneurial ecosystem

Foreign investors are drawn to Djibouti due to its strategic positioning along the world's second most heavily traversed maritime route, which facilitates approximately 60% of global maritime transportation. The country serves as a hub for landlocked nations, offering vital connectivity and trade opportunities. Djibouti's political stability, equitable treatment of both its citizens and foreign residents, and its currency pegged to the US dollar, coupled with low inflation rates, render it an attractive destination for foreign investments.

These factors contribute to its appeal despite the challenges confronted by local entrepreneurs. Entrepreneurs encounter substantial hurdles, as economic opportunities are constrained by inadequate levels of investment. This situation is attributed to three (3) key reasons: an unsupportive business environment with limited access to financing and entrepreneurship services, underdeveloped investment promotion for startups, and a labor market mismatch between supply and demand, emphasizing the need for human capital investment.

Djibouti ranks lower than regional peers in various areas, including easiness of taxation, cross-border trade, contract enforcement, access to credit, business creation, electricity access, and property registration. Nevertheless, recently some improvements have occurred in commercial disputes and construction permits.

The Future of Djibouti lies in business environment improvements by government-supported reforms and international cooperation. For recent government interest, areas of improvement are observed in governance and sustainability, as indicated by global governance indices.



1. Startup definition

Definitions of startups and entrepreneurial entities can vary between countries and organizations. Generally, a startup is an innovative venture with a potential of high growth, driven by technology and characterized by having a functional prototype and a scalable, duplicable business model. Startups are founded to explore creative problem statements, often centered around technology, while capitalizing on emerging market opportunities. Iin Djibouti, although a formal legal framework that precisely outlines the parameters of startups within its legislative framework, is currently absent, the government has embarked on a series of regulatory enhancements with the explicit goal of nurturing startup growth. In May 2021, the Ministry of Digital Economy and Innovation was established. Part of its strategy involves creating the regulatory framework "Startup ACT" and incorporating digital regulations in this legal code. These regulations encompass various aspects like cybersecurity, personal data protection, digital payments, e-commerce, and e-banking, marking a significant effort to adapt to the digital age and foster innovation in the country.



2. Promising sectors in Djibouti

Djibouti is relying on its startup ecosystem as an avenue to rebuild its economy and pay off its debts, targeting developing innovations, business procedures and good customer services. The most common technologies in Djibouti's startups revolve around transportation and shipping with more sectors likely to emerge as the ecosystem continues to grow. Djibouti offers a diverse range of investment opportunities in sectors such as tourism, finance, transportation, telecommunications, renewable energy, real estate, fisheries, and livestock.

To position itself as a regional service hub in trade, telecommunications, and finance, the Djiboutian government plans to harness its geostrategic position and infrastructure. This involves enhancing the value of logistics services and making strategic investments in infrastructure, especially through public-private partnerships (PPPs), to stay competitive in the regional logistics landscape.

Added to that, the tourism and fishing industries in Djibouti hold great potential for inclusive growth in the short to medium term. Developing opportunities in livestock farming will require substantial regional engagement. Tourism is the most promising sector in terms of job creation, with possible plans for several new major hotels managed by international chains. However, realizing the country's Vision 2035, which emphasizes tourism as a job creator and foreign exchange generator, requires considerable investments, approximately USD 700 million in private capital, as outlined by Pemandu. Among the three (3) high-potential segments considered in the government's strategy, beach tourism holds the most promise for local tourism, given the regionalization trend triggered by COVID-19. Fishing constitutes another encouraging field for job creation, food security, and exports. Promising marine resources and prospects for processing activities are viable if Djibouti systematically addresses market access barriers in the Ethiopia, Gulf countries and Europe, along with skills and infrastructure limitations. Realizing these opportunities and promoting private sector development necessitates improved municipal infrastructure.

Lastly, Djibouti aims to stimulate entrepreneurship by enhancing human capital and linking with the trade sector for inclusive growth. Micro, Small and Medium Enterprises (MSMEs) should be capable of seizing unique entrepreneurial opportunities arising from Djibouti's geopolitical position and its role as a trade hub. Lessons from the U.S "Djibouti First" initiative for local procurement indicate the importance of enhancing the capabilities and skills of MSMEs to provide goods and services to foreign military bases while meeting quality standards. The entrepreneurial ecosystem needs additional support to create a favorable environment (governance, licensing, public-private dialogue, digital regulation) and to channel the excess liquidity in the financial sector into actual financing.





3. Djibouti's startup scene

Djibouti's top startup industry sectors by number of startups1:

- FinTech
- MedTech (HealthTech)
- AgriTech
- CleanTech

Startup ecosystem in numbers

- Number of operating startups²: +4
- Number of accelerators³: +3
- Number of incubators³: +2
- Funds raised by Startups (H1 2023)4: + USD 10 million

Entrepreneurship and innovation in Djibouti: Rankings

Indicator	Ranking
Economic Freedom ⁵ (2022)	118
Political stability ⁶ (2021)	149
Regulatory quality ⁷ (2021)	153

Further relevant indexes related to innovation and entrepreneurship are currently unavailable for Djibouti.







I. Guiding steps to launch a startup in Djibouti

1. Country specific legal structures

In Djibouti, entrepreneurs can choose between distinct types of legal structures, each tailored to suit their company's specific activities. Each business type possesses unique attributes designed to accommodate distinct economic objectives. Below, are the legal structures particularly suitable for entrepreneurs to contemplate when establishing their startups.

- Joint Stock Company (JSC)
- Limited Liability Company (LLC)
- Simplified Joint Stock Company (SJSC)
- Single-Member Limited Liability Company (SMLLC)
- Sole proprietorship

The recommended legal structure to register a Djiboutian startup is the Limited Liability Company (LLC), composed of a minimum of two (2) shareholders and a maximum of one hundred (100) shareholders, whether natural persons or legal entities. An LLC requires a minimum capital of 1 million Djiboutian franc (DJF) (5,600 USD), and shareholders' liability is limited to their contributions. At least 20% of cash contributions must be made upfront, with the remaining amount paid within five (5) years of registration. On the other hand, the Simplified Joint Stock Company (SJSC) offers a flexible governance structure with limited liability for shareholders and can be established with a single shareholder. For publicly appealing to savings, the required share capital is at least DJF 50 million (USD 280,000), while it is at least DJF 5 million (USD 28,000) for other cases. The capital must be fully subscribed, with half of the cash contribution paid during subscription and the remainder within five (5) years.

When establishing a startup in Djibouti, it is advisable to select a structure that provides benefits such as limited liability for shareholders, flexibility in organizational arrangements, and ease of setup. LLC and SJSC are the preferred legal structures for Djiboutian startups, mainly due to the aforesaid reasons. However, for pre-seed startups, the LLC structure with its lower minimum capital requirement would be the most suitable choice.





2. Legal steps

<u>National Agency for Investment Promotion (NAIP) – Single window</u>: The NAIP is a one-stop shop for foreign investors, providing assistance with all aspects of setting up and operating a business in Djibouti. This includes helping investors to obtain the necessary permits and licenses, identify suitable investment opportunities, and connect with local businesses and partners.

<u>General Tax Directorate (GTD)</u>: The GTD is responsible for administering the tax system in Djibouti. This includes collecting taxes, providing tax advice to businesses and individuals, and enforcing tax laws and regulations.

<u>National Social Security Fund (NSSF)</u>: The NSSF is a social security scheme that provides benefits to workers in Djibouti, such as pension benefits, healthcare benefits, and maternity leave benefits. The NSSF is funded by contributions from employers and employees.

Djiboutian Office of Industrial and Commercial Property (DOICP): The DOICP is responsible for registering and protecting intellectual property rights in Djibouti, such as trademarks, patents, and copyrights. The ODPIC also provides advisory services to businesses on intellectual property matters.

The business creation process given in this document, excluding the issuance of activity approvals, the status, and the capital deposit, is exclusively managed through the single window. This comes following the provisions of the four-party partnership agreement between the four (4) main actors involved in the creation process. The precise sequencing may be influenced by the business' characteristics and the legal framework. Below is an overview of the fundamental legal steps typically required by both locals and foreigners wishing to start a business in Djibouti.





Step 1: Obtain approval for regulated activities

Entrepreneurs are required to receive an approval from the relevant ministry to be authorized to operate within the national territory in regulated activities. These regulated activities or sectors are found in this <u>list</u> of regulated activities in Djibouti.

• Step 2: Establish the social status

At this level of startup creation, entrepreneurs choose a company structure. They establish a new entity known as a "legal entity". The legal entity should be liable for its debts solely based on its own assets, which are distinct from those of the creator and/or the management, in the case of limited liability companies. The establishment of the Memorandum of Association can be done with the assistance of a professional (chartered accountant, corporate lawyer, etc.) or drafted by the entrepreneur.

Status templates are available online for each type of legal entity:

- Social status template for an LLC
- Social status template for a SJSC

Step 3: Open a bank account

Upon obtaining a negative certificate for the business name that the startup will be using (see steps below), entrepreneurs should open a bank account in a bank of their choice. Following the creation of the account, applicants are provided with a certificate to use for the company incorporation. Please note that part of the startup capital must be deposited at the registration level.

Step 4: Submit the documents of creation to the single window

Djibouti established a single window that stations the different agencies relevant to company creation at one place. This single window allows the creation of companies in seventy-two (72) hours. The procedure can be performed online through the website of the <u>Guichet Unique Djibouti (GUI)</u>. If few features of the website were non-operational for submission, please reach out to relevant agencies for support. The submission of the required documents should be done via scheduling an appointment with the <u>NAIP single window office</u>.

To learn about the services offered by the single window, please visit the <u>services section</u> of the website. The following steps apply to both locals and foreigners who have a residence permit in Djibouti.

Steps Ste

- 1 Visit the portal of the <u>One stop shop</u> of the National Agency for Investment Promotion
- 2 Refer to the company creation section, and select view procedures
- 3 Choose a legal entity to view and fill out the necessary forms and documents



- 4 Submit the necessary forms and documents to the office of the NAIP single window
- 5 Proceed to payment

After agency review, collect the following documents:

- The negative certificate
- Receipt from the companies' registry
- Business license and Tax Identification Number (TIN)
- Social security registration notification

Documents

- Business name form
- ⁻ Power of attorney, if applicable
- Payment receipt
- Copy of national ID card, residence permit, or passport (owner/manager)
- Single form for legal entities
- Copy of national ID card or residence permit or passport (shareholders/manager)
- Copy of national ID card or residence permit or passport of employee(s)
- Approval for the activity, if necessary
- Two (2) bank account registered certificates (copy and original)
- Company status (notarized deed or private agreement)
- One (1) picture
- Declaration of honor
- Lease contract for registration (if not applicable, a signed letter of commitment)
- Company status (notarized deed or private agreement)

Ouration

Three (3) days

© Cost

- Company registration fees: 18,000 DJF (100 USD)

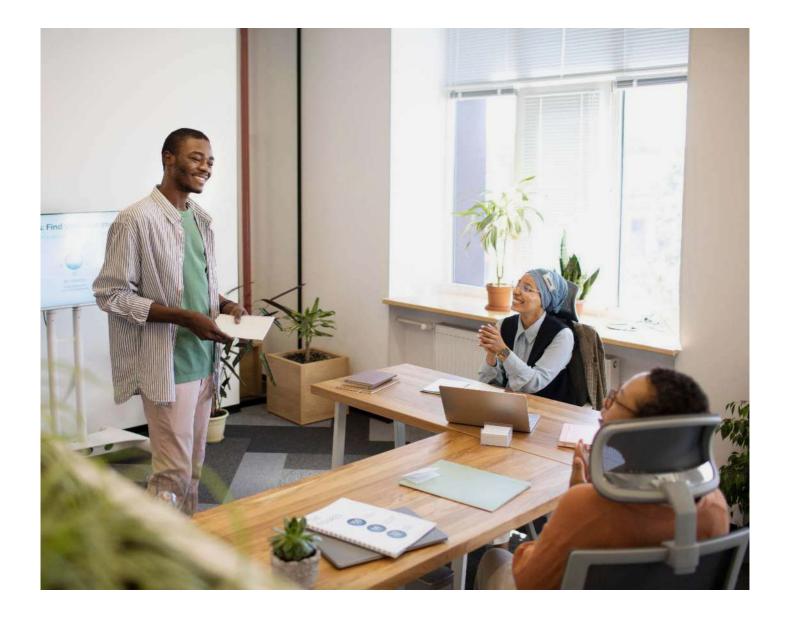
- Negative certificate: 5,000 DJF (28 USD)

- Application fee: 1,000 DJF (5.6 USD)



• Step 5: Deposit the initial capital at the bank

The initial capital (cash contribution) to be deposited depends on the company's legal structure, detailed in "country-specific legal structures" section of this guide below. The bank checks the origin of the funds and the purpose of the initial capital. The parties must submit a document stating their intent to start a new business. Should the capital change, the company's registrar must be notified.





II. Other country-specific considerations

1. Considerations for foreign investors

Foreign investors may establish their own business in the Republic of Djibouti. To do so, they must first obtain a residence permit, which is required to conduct business activities within the territory. A local partner is required only for the activities falling within the list of regulated activities in Djibouti.

Djibouti government highly supports and promotes private sector investment. Both foreign and local investor alike can benefit from 100% foreign ownership and 100% repatriation of capital and profits. Companies are allowed to employ foreign employees. The procedures to submit and receive residence and work permits for foreigners are found in the following <u>link</u>, and will be detailed in the "Labor and immigration regulations and facilitations" section of this guide below.

2. Filing obligations

Filing obligations may vary depending on the type and size of the business entity. Here are the main filing obligations for your startup.

Corporate income tax return

Taxpayers, subject to income tax return, are required to submit a declaration by April 1st of each year. Corporate tax must be paid in two instalments before 1 August and 1 December9. The tax rate is set at 25% of taxable net profit in case of profit and 1% of turnover in case of loss. If the accounting records are maintained in a foreign language, a certified translation by a sworn translator must be submitted. There is no tax on dividends and interest. There is no tax on income earned overseas by local and foreign companies. Tax on royalties is generally 15%.

Value-added tax (VAT) return

VAT is collectable by companies at rate of 10%. VAT return must be submitted on the 1st of each month for the period from the 21st of the previous month to the last day of the month, and on the 21st of each month for the first ten-day period.

It is essential to submit the VAT return every month, even in cases of a credit or no turnover, to avoid under penalty of heavy sanctions. For payment, companies can visit the General Directorate of Taxes and Domains (GDTD) in Djibouti.

Social security contributions

Social security contributions represent 21.5% of total earnings paid. This includes: 5.5% for the family benefits scheme, 7% for the healthcare, 1% for the workplace accident scheme, and 8% for the retirement scheme. Contributions for family benefits and workplace accident are solely the responsibility of the employer. Contributions for the retirement and healthcare schemes are shared between the employer (4%) and the employee (4%). The contribution is levied monthly by the National Social Security Fund. Contributions are due on the 15th day of the following month.



Withholding tax and withholding tax return

Withholding Tax on Rent

Withholding tax is applied to rents paid to owners of built properties, which amounts to 8%. Entities required to collect this withholding tax include private companies, public companies, administrations, state entities, public communities, entities executing projects, and foreign entities established in Djibouti. The tenant must deduct the withholding tax when paying the rent and remit the amount to the tax office within fifteen (15) days of the rent payment.

Withholding tax on service fees

Service fees earned by non-resident service providers established in Djibouti, excluding those engaged in banking, financial institutions, insurance, telecommunications, or hospitality activities, are subject to withholding tax at rate of 15%. Withholding tax is applicable when the payer of service fee is a private company, a corporation, a public entity, an administration, a state entity, a public community, a project-executing entity, or a foreign entity established in Djibouti.

The total withholding tax amount for a given month should be declared and delivered before the 15th of the following month to the Tax Office. The first withholding tax return on service fees should be filed before the 15th of March for withholdings made in February.

3. Financial reporting and auditing regulations

Listed companies are required to have their annual financial statements audited by an external auditor, and the audit reports must be disclosed to the public. Limited liability companies that meet at least two of the following three criteria at the end of a fiscal year are required to appoint at least one statutory auditor: a total balance sheet exceeding 500 million FDJ, a net turnover amounting to more than 250 million FDJ exclusive of taxes, or an average number of employees exceeding 150 during the last completed fiscal year. For more comprehensive details on auditors and financial statements for companies, look at the <u>Djibouti</u> trade code.

The Center for Leadership and Entrepreneurship (CLE), under of the Ministry of Economy and Finance, ensures that the assignment of the external auditor is completed no later than six (6) months after project effectiveness. This will enable the auditor to start field work early so to deliver the audit report and management letter within the deadlines, thereby avoiding any delays in this regard.







I. Government incentives

1. Tax incentives

The following are tax concessions offered to companies operating in Djibouti:

- Companies operating in the free zone are not subject to any direct or indirect taxes or levies (except for VAT where free zone entities are subject to the provisions of the general tax code).
- A tax exemption is granted for a period up to fifty (50) years, starting from the date of license issuance in the free zone.
- Goods imported or manufactured in the free zone are exempt from any customs and fiscal obligations. However, the local market distribution of goods from the free zone is subject to payment of import duties and taxes.
- For an investment with a minimum amount of DJF 5,000,000 (USD 28,000 USD), an investor will benefit from the advantages of regime A, which include the following tax exemptions:
 - Exemption from the domestic consumption tax (DCT) on materials and equipment necessary for the implementation of the investment program, as well as imported raw materials used effectively by the approved company during the first three fiscal years
- For an investment with a minimum amount of DJF 50,000,000 (USD 280,000), an investor will benefit from the advantages of regime B, which include the following tax exemptions:
 - Exemption from property tax for constructions for seven (7) years
 - Exemption from income tax on professional profits from approved activities, for up to seven years
- Exemption from DCT for imported raw materials used during the initial fiscal years
- Exemption from building permit tax for approved investments
- It is pertinent to mention that only investments and companies involved in the specified activities can benefit from the advantages of regimes A and B. Below are some relevant activities:
 - Exploitation, preparation, or transformation of plant or animal-based products, regardless of their origin
 - The establishment and operation of the institutions concerned with the development of tourism, traditional trades, electricity services, electronics, chemistry and shipbuilding, and land, marine and air transport sectors
- Ports and airports activities
- Building, repair and maintenance of transport and fishing boats
- Manufacture or packaging of intensely consumed commodities
- New investments to develop the activities of banks or credit facilities
- Dividends are not subject to tax in Djibouti.



2. Non-tax financial incentives

The Djibouti Sovereign Fund (FSD)

FSD is a sovereign fund and a corporation launched under Law No. 075/AN/20/8ème of March 29th, 2020. The Fund's mandate is to enhance governance and catalyze investments by coinvesting, alongside private investors, in strategic sectors of the economy. It aims to generate long term wealth for future generations, promote inclusivity, and create jobs. The FSD also aims to diversify and modernize the country's economy and boost its growth by leveraging a competitive private sector.

The Djibouti Economic Development Fund (FDED)

FDED was established on July 2nd, 2002, through the presidential decree No. 2002-0133/PR/MEF. The FDED is a state-owned enterprise with a commercial character and a development financing institution. Its mission is to finance private productive projects in priority sectors. Through the creation of the fund, the government confirms its plan to make the private sector the driver of the country's socio-economic development. FDED offers a host of services, a few of them are described as under.

- Promotion of SME financing: This service aims to encourage the funding of SMEs
- Administrative and financial service: This service manages human and general resources, maintains financial records, and oversees the management of financial resources
- Assistance, study, and project analysis service: This service helps to choose projects after feasibility analysis, prepare loan applications, and analyzes applications for compliance
- Legal service: This department offers legal advice to organizations on financial, and administrative matters





II. Labor and immigration regulations and facilitations

Foreign nationals must obtain the following three (3) documents before starting the company creation process in Djibouti:

- Entry visa
- Work permit
- Residence permit

1. Entry visa

An entry visa for Djibouti allows a foreign national to enter and remain in the country for a specified period. Visas are issued by the Djiboutian Embassy or Consulate in the applicant's home country.

Steps Ste

- 1 Visit the Djiboutian e-visa portal
- 2 Make a new request
- 3 Fill in the necessary information and submit the form

Documents

- A color scan of your first passport page
- One (1) high quality color scan of a passport-sized photo (French standards)
- One (1) round trip flight confirmation
- One (1) hotel confirmation, or one (1) personalized letter from the travel agency specifying the travel dates and accommodation information, or one (1) signed and stamped invitation letter from a company in Djibouti, or one (1) signed invitation letter from an individual hosting you

Ouration

Up to one (1) week



Cost

- Stays of up to fourteen (14) days: 2,250 DJF (12.6 USD)
- Stays of fifteen (15) to ninety (90) days: 4,313 DJF (24.1 USD)

2. Work permit

Upon arrival to the Djiboutian territories, the entrepreneur is required to apply for a work permit via the National Agency for Investment Promotion single window.

Steps Ste

- 1 Visit the services section of the one stop shop website
- 2 Go to the work permits and residence permit section
- 3 Select <u>view procedures</u>
- 4 Go to the work permit section to view the requirements
- Submit the necessary forms and documents to the office of the NAIP single window (Address)
- 6 Proceed to the payment
- 7 Collect your work permit

Documents

- A Work permit request form
- Four (4) photos
- A copy of the passport
- Information about the investments, and proof of funds
- A Curriculum Vitae (CV)

O Duration

Three (3) days



S Cost

- 50 DJF (0.28 USD) to 200 DJF (1.12 USD) (depending on the profession)
- ⁻ <u>List of professions and visa fees</u>



3. Residence permit

Steps Ste

- 1 Visit the services section of the one stop shop website
- 2 Refer to the work permits and residence permit
- 3 Select <u>view procedures</u>
- 4 Go to the residence permit section to view the requirements
- Submit the necessary forms and documents to the office of the NAIP single window (Address)
- 6 Proceed to the payment
- 7 Collect your residence permit



Documents

- A residence permit request form
- Four (4) photos
- A copy of the passport
- A copy of the valid work permit, with a validity of at least six (6) months
- A Curriculum vitae (CV)

Ouration

Seven (7) days

Cost

Depending on the continent of origin:

- Africa: 30,000 DJF (168 USD)

- Asia: 35,000 DJF (196 USD)

- America: 45,000 DJF (252 USD)

- Europe: 45,000 DJF (252 USD)





III. Data protection

Personal data are not defined under Djiboutian law. The country does not currently have a comprehensive data protection law in place. Therefore, there are no preset requirements for the collection and processing of data.

IV. Intellectual property

The registration of patents, trademarks, designs, and models is a three-step process performed at the Djibouti Office of Industrial and Commercial Property (DOICP). There are four (4) common types of intellectual property rights: patents, trademarks, copywrite, and trade names. The section below covers the steps entrepreneurs need to know to receive protection under three (3) types based on their relevance to startups. The required documents, duration, and cost depend on the type of intellectual property.

1. Patent

In Djibouti, patents are granted to inventors to cover a broad spectrum of innovations, including inventions, research models, and utility systems applicable in various business and industrial sectors. These innovations can encompass machinery, tools, processes, chemicals, biotechnology, software, and more.

Patents in Djibouti hold a validity for a period of twenty (20) years commencing from the date of filing, or, in cases where priority is claimed, from the date of such claim.

The legal framework governing patents in Djibouti is established by <u>Law No 50/AN/09/6th L of 2009</u>. Commonly, an anteriority search is a highly recommended initial step in the registration process. To do so, use <u>the WIPO patent scope</u> or the <u>European patent office</u>. Further research tools, documentations, and detailed instruction might be provided by the organization in charge of intellectual property in the country, that is, the Office of Industrial Property and Commerce.

Documents

- A duly completed form found in this applicant's guide
- A detailed description of your invention
- An abstract of the technical content
- If applicable, drawings to clarify the invention
- Further documents may apply

Ouration

Twenty-one (21) months



2. Trademarks

In Djibouti, trademark registration is mandatory. Trademarks encompass distinctive symbols, logos, slogans, and brand identifiers associated with a company, business, or product. They serve as unique identities that set apart the startup offerings from competitors in the market. The legal framework for trademark protection in Djibouti is governed by the <u>Law No 50/AN/09/6th L of 2009</u>.

Trademark protection in Djibouti lasts for ten (10) years and includes exclusive usage rights, preventing unauthorized use, legal protection against infringers, and the possibility of opposition during the application process. Trademark owners can renew their registration every ten (10) years to maintain their rights and protection. For detailed instructions on the registration process, visit the closest Office of Industrial Property and Commerce.

Documents

- Four (4) black and white reproductions of the trademark design
- Four (4) color reproductions of the trademark design
- A proof of payment
- A copy of the usage regulations governing the use of the collective trademark
- An authorization to claim priority
- A power of attorney, if necessary
- Further documents may apply

O Duration

One (1) week

Cost

122,500 DJF (686 USD)





3. Industrial Designs

In Djibouti, the regulations for safeguarding designs and models are outlined in <u>Law No 50/AN/09/6th L of 2009</u>. An industrial design registration is valid for a total period of fifteen (15) years from the date of the initial application. Those wishing to oppose an industrial design application have a window of three (3) months from the date of the design's publication in the official gazette to do so. For detailed instructions on the registration process, visit the closest Office of Industrial Property and Commerce.

Documents

- Three (3) copies of graphic or photographic reproductions
- A power of attorney
- A brief description in three copies
- An official copy of the previous filing
- An authorization to claim priority
- A proof of payment
- A guarantee certificate
- Further documents may apply

O Duration

One (1) week

Cost

122,500 DJF (686 USD)





V. Key support organizations and initiatives (not exhaustive)

Accelerators

FasterCapital

Incubators

Centre De Leadership et De l'Entreprenariat (CLE)

Coworking spaces

Regus Salaam Tower

Funding institutions

Agence Djiboutienne de Developpement Social (ADDS)

BCIMR

BOA-Mer Rouge

Fonds Souverain de Djibouti (FSD)

Sufficient Capital



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Appendix

Appendix 1: Launching your startup: key success factors



Addressing market demand

Your startup should provide a compelling solution to a specific problem within a large and eager market. Think of it as a puzzle piece that fits perfectly into the demand landscape. Steve Blank's Customer Development Model can guide you in creating a product or service that customers cannot resist.



Feasibility analysis

Conduct a thorough feasibility analysis. This process empowers you to make informed decisions, spot areas needing improvement, and allocate resources effectively. It is your tool for maximizing your chances of crafting a successful, long-lasting venture.



Market insights

Dive deep into market analysis. Understand the current state of your industry segment and define your target market. A strong grasp of market dynamics is essential for positioning your product or service effectively.



Building a stellar team and network

Source and group a team of multitalented experts. This is one of the fundamental steps to scale a startup. These diverse talents will complement each other and will help you access a strong, interconnected network that can be your secret weapon for gaining support, mentorship, and continuous learning.



Analyzing the competition

Competitive analysis is not just about sizing up rivals; it is a vital part of your strategic planning, systematic research and evaluation of your competitors' strengths and weaknesses. It will quide you into finding your competitive edge and creating your added value ion the market.



Legal Flexibility

The legal form of a startup must allow for flexibility. Choose a legal structure for your startup that offers the flexibility needed for growth. Make it easy for shareholders to join and leave the company and ensure your memorandum of association can adapt to your evolving needs. In fact, the memorandum of association must be drawn up freely and allow the opening of share capital.



Appendix

Appendix 2: What type of support to expect at each stage of a startup lifecycle

	Startup development stages	Government support	Funders support	SSOs support
Outreach	 Idea formation Problem validation Team establishment 	 Promote entrepreneurs hip education Facilitate Ideation: Hackathons, startup Weekends, etc. Promote innovation and entrepreneurs hip culture 	 Financial literacy and entrepreneurs hip awareness programs Networking opportunities to connect with potential mentors, advisors, and industry experts 	 Access to experienced mentors who provide guidance and advice on various aspects of startups Provision of office space, shared facilities, and infrastructure to support the early-stage development of the business
Pre start	 Idea development Business modeling Problem/Solution fit: prototyping Team Formation: access to training and mentorship 	 Offer entrepreneurs hip training and education Facilitate Proof of concept and proof of Business Facilitate Business Modeling Validate MVP 	 Seed funding for idea validation and product development Coaching to refine business ideas and plans Access to incubators or accelerators providing resources, infrastructure, and networking opportunities 	 Assistance in refining the product/service, pricing strategies, and go-to-market plans Support in conducting market research and understanding the target market, customer needs, and competitors



Appendix 31

	Startup development stages	Government support	Funders support	SSOs support
Launch	 Business Creation Early-stage fundraising Initial Go-To market: MVP development 	 Provide Early-Stage Financing Facilitate access to client and Go-To -Market Strategic partnerships Housing Operation set up and labeling 	 Seed funding to launch the business Cover initial operational costs Access to angel investors or venture capital firms Guidance on legal and regulatory compliance Support in building a strong founding team and advisory board 	 Guidance on company registration, intellectual property protection, and legal compliance Support in identifying funding sources, preparing investor pitches Connecting with potential investors
Growth	 Product/Market Fit International Go- To-market Expansion and scaling 	 Facilitate access to Finance Facilitate internationalizat ion via events, strategic partnership, etc. Provide operational support 	 Series A, B, or C funding rounds for scaling operations and market expansion Strategic guidance and industry insights from investors Assistance in negotiating partnerships and strategic alliances Exit strategies and assistance with mergers, acquisitions, or public offering 	 Assistance in scaling operations, managing growth, and overcoming operational challenges Access to industry experts Provide sector-specific knowledge and guidance







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