

## Incentives & Benefits for Developers

SL	Incentive	Approved Incentives by Governing Board
1	TAX HOLIDAY	Income tax exemption on income derived from the business development of EZ in a block of 10 years in 15 years. After expiry of 10 <sup>th</sup> year tax exemption will be 70% in 11 <sup>th</sup> year and 30% in 12 <sup>th</sup> year. But the tax exemption will not be applicable from 13 <sup>th</sup> year.
2	VAT ON ELECTRICITY	Exemption of VAT on electricity or taxes on sale, of self generated or purchased electric power for use of processing area of EZ (for 10 years).
3	VAT ON LOCAL PURCHASE	All purchase excluding petroleum product from Domestic Tariff Area (DTA) shall be exempted from VAT, sales tax etc.
4	SUBSIDY	One time capital subsidy up to 50% of cost incurred for setting up Central Effluent Treatment Plant (CETP).
5	CUSTOM DUTY	Exemption from custom/excise duties for development of EZs.
6	STAMP DUTY	Exemption of stamp duty and registration fees for registration of EZ land but limited to first transaction only.
7	STAMP DUTY	Exemption of stamp duty for registration of loan/credit document.
8	INCOME TAX- OTHERS	Exemption from dividend tax.
9	INCOME TAX- OTHERS	Exemption of income tax on service charges

## Incentives & Benefits for Investors/EZ users

SL	Incentive	Approved Incentives by Governing Board
1	TAX HOLIDAY	For all Economic Zones Income Tax Holiday (ITH)- 100% for 1st , 2nd and 3rd year, 80% for the 4th year, 70% for the 5th year, 60% for the 6th year, 50% for the 7th year, 40% for the 8th year and 20% for the 10th year.
2	CUSTOM DUTY	Duty free import of raw materials, construction materials, capital machineries, finished goods.
3	INCOME TAX- OTHERS	Exemption from dividend tax (After tax holiday over)
4	REPATRIATION	Full repatriation of capital and dividend.
5	FREE FLOW FDI	No ceiling of FDI.
6	BACKWARD LINKAGE	100% backward linkage raw-materials and accessories to sell for export oriented industries ( EOI) in Domestic Tariff Area( DTA).
7	LOCAL SALE	20% sale of finished product to DTA (From Export Processing Area -EPA).
8	SUB CONTRACTING	Sub-contracting with DTA allowed.
9	STAMP DUT Y	50% exemption of stamp duty and registration fees for registration of leasehold land/ factory space.
10	VAT	80% exemption of VAT on all utility services consumed inside the zone.
11	CUSTOM DUTY	Duty exemption on Export.
12	CD ON VEHICLE	Exemption of CD for import of 2 vehicles within 1 <sup>st</sup> 5 years for foreign investors ( for one time).
13	DOUBLE TAXATION	Exemption of double taxation subject to Double taxation agreement.
14	IT INDIVIDUAL	50% Rebate of income tax on salary income of expatriates for 5 years
15	CUSTOM BOND	Consider EZ as custom bonded area.
16	FOREIGN EXCHANGE	FC loan availability (To ease business activity).
17	FOREIGN	FC Account for Non-Resident.

	<b>EXCHANGE</b>	
<b>18</b>	<b>FOREIGN EXCHANGE</b>	<b>FC Account for both local and joint venture industry.</b>
<b>19</b>	<b>JOINT VENTURE</b>	<b>Joint venture allowed</b>
<b>20</b>	<b>ROYALTIES</b>	<b>Royalty, technical fees will be exempted from income tax.</b>
<b>21</b>	<b>CAPITAL GAINS</b>	<b>Tax exemption on capital gain.</b>
<b>22</b>	<b>SHARE TRANSFER</b>	<b>Share transfer allowed.</b>
<b>23</b>	<b>WORK PERMITS</b>	<b>Work permits - No restrictions on issuance of work permits on project related foreign nationals and employees but limited up to 5% of total employees.</b>
<b>24</b>	<b>RE INVESTMENT</b>	<b>Re-investment of remittable dividend to be treated as new foreign investment.</b>
<b>25</b>	<b>RESIDENT</b>	<b>Resident visa for investment of US\$ 75000 or more.</b>
<b>26</b>	<b>CITIZENSHIP</b>	<b>Citizenship for investment of US\$ 500000 or more</b>