

Incentives & Benefits for Developers

| SL | Incentive | Proposal for Governing Board Approval |
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| 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 th year tax exemption will be 70% in 11 th year and 30% in 12 th year. But the tax exemption will not be applicable from 13 th 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 | Proposal for Governing Board Approval |
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| 1 | TAX HOLIDAY | For all Economic Zones Income Tax Holiday (ITH)- – 1 st and 2 nd year 100%, 3 rd year 80%, 4 th 70%, 5 th 60%, 6 th 50%, 7 th 40%, 8 th 30%, 9 th 20% and 10 th year 10%. |
| 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 st 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). |

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| 17 | FOREIGN EXCHANGE | FC Account for Non-Resident. |
| 18 | FOREIGN EXCHANGE | FC Account for both local and joint venture industry. |
| 19 | JOINT VENTURE | Joint venture allowed |
| 20 | ROYALTIES | Royalty, technical fees will be exempted from income tax. |
| 21 | CAPITAL GAINS | Tax exemption on capital gain. |
| 22 | SHARE TRANSFER | Share transfer allowed. |
| 23 | WORK PERMITS | Work permits – No restrictions on issuance of work permits on project related foreign nationals and employees but limited up to 5% of total employees. |
| 24 | RE-INVESTMENT | Re-investment of remittable dividend to be treated as new foreign investment. |
| 25 | RESIDENT | Resident visa for investment of US\$ 75000 or more. |
| 26 | CITIZENSHIP | Citizenship for investment of US\$ 500000 or more |