

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 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	Approved Incentives by Governing Board
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).
17	FOREIGN	FC Account for Non-Resident.

	EXCHANGE	
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