Investing in Africa

A guide to tax / incentives in Africa

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Overview - Investing in Africa

Introduction

The purpose of this guideline is to build a greater understanding the landscape of incentives offered by African countries, both to local and foreign investors. Based on the 2017 IMF Data Mapper, there has been a 4.6% change in the Real GDP growth rate for emerging markets and developing economies.

According to the World Bank Group *Doing Business 2017* report, Mauritius is the top-performing African country (ranked 49 out of 190 total countries). The continent has seen great improvements, for example the average number of days needed to start a business dropped from 37 to 27 in five years. The continent is also the second-highest adopter of reforms, behind Europe and Central Asia. Some examples of said reforms include introducing and improving data portals in Nigeria, Rwanda, and South Africa. For a second consecutive year, Kenya was among the top 10 improvers.

Global trend towards regionalism

When conducting a survey on the tax/cash incentives that African countries avail to both local and foreign investors, it is also important to understand this against the background of the political and economic trade relations between African countries, as well as that between Africa and other regional trading blocks outside of Africa.

In this context, an understanding of the various trade agreements that African countries have entered into and the ability to traverse the unique complexities of each trade agreement, is necessary in order for business to understand the level of access for their products into and within Africa. This, together with the extent of costs associated to get such products to the markets that need them – is essential in any supply chain operating within Africa.

A shift towards diversification

It is clear that many African countries specifically offer tax incentives to stimulate the manufacturing, agricultural, and industrial base in their respective countries, with some more advanced economies also offering incentives to localise financial services industries. A case in point is Kenya and Cameroon which provides tax breaks for companies that list on its stock exchange. South Africa, Nigeria and Morocco are notably the only countries in Africa that offer cash grants in addition to tax incentives, all of which require prior approval by government.

We have noticed a recent trend in more African countries attempting to diversify their economies to shift away from an over-reliance on extractive industries and to branch into mainstream industries such as manufacturing and value-added services industries. African countries appear to be introducing new or revised incentives, seemingly to compete more favourably for both local and foreign direct investment.

We are happy to answer any queries you may have, and look forward to building a lasting relationship with you - giving your business the best possible advantage in an ever-increasing competitive environment.

Southern Africa

Green Point stadium, Cape Town

Angola

	Tax incentive			
	PIL **Tax incentives**	**PIL** **Extraordinary tax benefits**	**Industrial Tax Code Tax Benefit regarding the Reinvestment of Voluntary Reserves**	**Micro, Small and Medium Businesses Law (MSMB)**
Minimum Investment required	• **Foreign investments** - total amount equal or higher than the amount in Kwanzas corresponding to USD 1 Million; • **Domestic investments** - total amount equal or higher than the amount equivalent in Kwanzas corresponding to USD 0.5 Million.	Investments with a total amount equal or higher than the amount in Kwanzas corresponding to USD 50M may benefit from extraordinary tax benefits. **Criteria:** • Create 500 or 200 jobs for Angolan citizens, in Zone A or B, respectively.	Profits which were taken to reserves and reinvested, within the following three fiscal years, in new facilities or equipment for manufacturing or administrative activities.	None
Maximum benefit available	100% tax reduction on Industrial Tax, Real Estate Transfer Tax ("Sisa") and Tax on Invested Capital for a period of 10 years (the percentage of reduction is based on a certain score given to each investment project depending on its compliance with the requirements set in the PIL.	To be negotiated with the relevant Authorities, and expected to be more beneficial than the standard PIL Tax Incentive.	Up to 50% of the investment amount may be deducted to the taxable income.	A reduction of the standard Industrial Tax rates may apply: • Micro businesses – the Industrial Tax is replaced by the payment of 2% over gross sales, regardless of the economic zone. • Small and medium businesses – reduction of 50% for Zone A, 35% for Zone B, 20% for Zone C and 10% for Zone D. Exemption from Consumption Tax over raw and subsidiary materials Exemption from Stamp Duty applied to micro businesses.
Type of benefit	Tax reduction	Extraordinary Tax benefits	Tax deduction	Exemption and tax reduction
Training Benefit	None			
Timeframe / How to claim	The incentive is available for a period between 4 to 10 years and can only be claimed after the approval of the investment project	The incentive can only be claimed after approval of the investment project.	The deduction is divided in the three years following the conclusion of the investment.	The reduction of Industrial Tax is available for 5 years for Zone A, 3 years for Zone B and 2 years for Zone C and D.

Angola (cont.)

	Tax incentive			
	PIL Tax incentives	**PIL Extraordinary tax benefits**	**Industrial Tax Code Tax Benefit regarding the Reinvestment of Voluntary Reserves**	**Micro, Small and Medium Businesses Law (MSMB)**
Good to know	**Criteria for the granting of tax benefits:** • Investment amount; • National jobs creation; • Investment location; • Angolan shareholders participation; • Domestic value-added; • Export-oriented production; • Agricultural, livestock, and agro-industries; • Investment location (Zone A or Zone B). **Zone A:** Province of Luanda and the head municipalities of the Provinces of Benguela, Huíla and the municipality of Lobito. **Zone B:** Provinces of Cabinda, Bié, Cunene, Huambo, Cuango Cubango, Lunda-Norte, Lunda-Sul, Moxico, Zaire, Bengo, Cuanza-Norte, Cuanza-Sul, Malanje, Namibe and Uíge and the other municipalities of the Provinces of Benguela and Huíla. Entities registered in the Special Economic Zones may also benefit from the following benefits: • Exemption of customs duties on exportation of goods produced in the SEZ; • Exemption of customs duties on the importation of goods incorporated in the production process for a period of 5 years; • Exemption of customs duties on the importation of machinery or other equipment used in the offices for a period of 10 years.	The law is not entirely clear whether the limits related to the PIL regarding the percentage of reduction and its duration period should also be applicable to the extraordinary tax benefits.	Taxpayers must submit an application to the General Tax Administration before the end of February of the following year after the conclusion of the investment, with supporting documentation.	Only Angolan entities that comply with the provisions of the MSMB Law are eligible to be granted with these tax incentives. **Zone A:** provinces of Cabinda, Zaire, Uíge, Bengo, Cuanza-Norte, Malanje, Cuando Cubango, Cunene e Namibe; **Zone B:** provinces of Cuanza-Sul, Huambo e Bié; **Zone C:** provinces of Benguela, except the cities of Lobito and Benguela, and the province of Huíla, except the city of Lubango. **Zone D:** provinces of Luanda and cities of Benguela, Lobito and Lubango.

Botswana

	Tax incentive			
	International Financial Services Centre (IFSC)	**Manufacturing Development Approval Order**	**Development approval order**	**Tax agreements**
Minimum Investment required	None			
Maximum benefit available	• A reduced corporate tax rate of 15% applies to approved activities. • No withholding tax on dividends, interest, royalties and management or consultancy fees paid to a non-resident. • Capital gains on disposal of qualifying foreign shareholdings are exempt. • Dividends from qualifying foreign participation are exempt. • Investors exempt from capital gains tax on divestment.	A reduced corporate tax rate of 15% and additional deductions as prescribed by the Minister.	• The Minister of Finance may issue a development approval order granting additional relief to any project which he considers would be beneficial to the development of the Botswana economy or to the economic advancement of its citizens. • Any order issued will specify the types and rates of additional tax relief to be granted to the project in question.	• The Minister of Finance and Development planning can enter into an agreement with any taxpayer. • Once the agreement is approved, a reduced tax rate, additional deductions and exemptions prescribed by the Minister, would be available.
Type of benefit	Tax reduction, Tax exemption	Tax reduction, Tax deduction		Tax reduction, Tax deduction, Tax exemption
Training Benefit	200% tax deduction for approved citizen training, only to the extent to which such expenditure is not entitled to reimbursement.			
How to claim / Timeframe	The Company has to obtain certification first.	The Company has to apply for and the Minister has to issue the Manufacturing Development Order before the incentives can be enjoyed.	The company has to apply for and the Minister has to issue the development Order before the incentives can be enjoyed.	The agreement has to be approved by resolution of the National Assembly.
Good to know	Certification is dependent on the level of participation of citizens in management and training of citizen employees.	The economic significance of the project is a major determining factor in the award of a Manufacturing Development Approval Order. In addition, consideration will be given to the plans or facilities in place for the training of citizens and localization plans of non-citizen held positions.	The economic significance of the project is a major determining factor in the award of a Development Approval Order. In addition, consideration will be given to the plans or facilities in place for the training of citizens and localisation plans of non-citizen held positions.	The agreement can only be amended or cancelled by the National Assembly.

Malawi

	Tax Allowances		
	Claimed once-off	**Claimed Annually**	**Export Processing Zones (EPZ)**
Minimum Investment required	None.		
Maximum benefit available	**Initial allowances** Initial allowances are available on capital expenditure during the year of acquisition at the following Rates: (i) Industrial buildings, improvements, railway line 10% (ii) Farm fencing 33.33% (iii) Machinery 20% (iv) Automobiles forming part of a commercial hire fleet 20%. **Investment allowances** • There is also an additional of 15% allowance for investment in designated areas of the country. • Loss carry forward of up to six years. • Manufacturing companies may also deduct operating expenses incurred up to 25months prior to the start of the operations. • There is also duty draw back when dealing in non-traditional exports for all raw materials including packaging when registered with Malawi Export Promotion Council.	**Annual allowances** Annual allowances are available for qualifying assets on a declining balance basis at the following Rates: • Industrial buildings, farm improvements & railway lines 5% • Farm fencing 10% • Heavy machinery and installations 15% • Light machinery 10% • Trucks and tractors 33.33% • Light commercial vehicles 25% • Motor vehicles 20% • Commercial Buildings costing more than K100 million 2.5% **Export allowance** A registered exporter, shall in every financial year during which he exports products of Malawi, be entitled to an income tax allowance of 25 percent of his taxable income derived from his export sales.	• Capital Equipment and raw materials are duty free. • No excise tax is imposed on purchase of raw materials and packaging materials made in Malawi. • No Value Added Tax, to enjoy this you need to be operating in the designated areas.
Minimum Investment required	None.		
Maximum benefit available		**Transport allowance** An additional allowance may be granted of 25 percent of the international transport costs incurred by a taxpayer for his exports whether produced by manufacturing in bond or otherwise, but other than exports of products specified in the Schedule to the Export Incentives (Exclusion) Order made under the Export Incentives Act. **Mining allowance** A person carrying on mining operations incurs mining expenditure in any year of assessment shall be entitled to an allowance equal to 100 percent of such expenditure in the first year of assessment	
Type of benefit	Tax deduction		
Training benefit	None		

Mozambique

	Tax incentive							
	Foreign or National General Investment	**Basic Infra-structure**	**Manufacturing and Assembly Industry**	**Agriculture and Fishing**	**Hotel and Tourism**	**Large Dimension Projects**	**Special Economic Zones**	**Industrial Zones / Freeports**
Minimum Investment required	MZN 2,500,000 (1 USD = 68.0000 MZN)	MZN 2,500,000	Annual turnover over MZN 3,000,000 and add value to the product of more than 20%	MZN 2,500,000	MZN 2,500,000	MZN 12,500,000	MZN 2,500,000	MZN 2,500,000
Maximum benefit available	• Accelerated depreciation (more than 50%) for eligible assets; • Tax credit of 5%-10% of the investment; and • Exemption for customs duties and VAT on K class equipment.	• CIT reduction: 80% on the first five years- 60% between sixth and tenth year- 25% between eleventh to fifteenth year. • Exemption for customs duties and VAT on K class equipment.	Exemption of customs duties of material necessary for the production or assembly, including raw material.	• CIT reduction: 80% until 31 December 2015- 50% between 2016 to 2025. • Exemption for customs duties and VAT on K class equipment.	• Accelerated depreciation (more than 50%) for eligible assets; • Tax credit of 5%-10% of the investment; • Exemption for customs duties and VAT on K class equipment plus other equipment necessary for the project	• Accelerated depreciation (more 50%) for eligible assets; • Tax credit of 5%-10% of the investment done; • Exemption for customs duties and VAT on all equipment necessary for the project.	• CIT reduction: exemption on the first five years- reduction of 50% between sixth and tenth years- reduction of 25% for the rest of the project life. • Exemption for customs duties and VAT on equipment necessary for the project.	• CIT reduction: exemption on the first ten years- reduction of 50% between eleventh and fifteenth years- reduction of 25% for the rest of the project life. • Exemption for customs duties and VAT on equipment necessary for the project including goods and materials.
Type of benefit	Tax deduction							
Training Benefit	Training costs up to 5%-10% of the taxable profit.	None		Training costs up to 5%-10% of the taxable profit.			None	

Mozambique (cont.)

<table>
<tr><th></th><th colspan="8">Tax incentive</th></tr>
<tr><th></th><th>Foreign or National General Investment</th><th>Basic Infra-structure</th><th>Manufacturing and Assembly Industry</th><th>Agriculture and Fishing</th><th>Hotel and Tourism</th><th>Large Dimension Projects</th><th>Special Economic Zones</th><th>Industrial Zones/ Freeports</th></tr>
<tr><td>Good to know</td><td>• Need to apply for pre-approval before company can claim. The process takes around 3 months.
• Benefits valid for 5 years.</td><td>• Need to apply for pre-approval before company can claim. The process takes around 3 months.
• The benefit is available for 5 years for the customs duties and 15 year for CIT.</td><td>• Need to apply for pre-approval before company can claim. The process takes around 9 months.
• Benefit is available for the project period.</td><td>Need to apply for pre-approval before company can claim. The process takes around 6 months.</td><td>Need to apply for pre-approval before company can claim. The process takes around 9 months.</td><td>Need to apply for pre-approval before company can claim. The process takes around 12 months.</td><td colspan="2">• Need to apply for pre-approval before company can claim. The process takes around 6 months.</td></tr>
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Namibia

	Tax incentive		
	Export Processing Zone (EPZ) Tax Incentives	**Registered Manufacturers Tax Incentives**	**Exporters of manufactured goods Tax Incentives**
Minimum Investment required	None		
Maximum benefit available	• Exemption from: VAT, CIT, Stamp and Transfer duty, Customs and Excise duty, No duty or tax on any goods exported from Namibia; and • Exemption from import VAT charged on the import of raw materials and machinery used in the manufacturing process.	• An additional 25% deduction on any expenditure incurred directly in the manufacturing process; • An additional 25% deduction of transportation cost incurred by road or by rail; • Building allowance of 20% in the first year and the balance at 8% per year over the ensuing 10 years; and • An additional 25% deduction of expenditure incurred as a result of marketing for exportation purposes.	A deduction of 80% of taxable income (excluding the exporting of fish and meat products).
Type of benefit	Tax exemption	Tax deduction	
Training Benefit	75% refund of expenditure incurred in training Namibian citizens.	An additional deduction of 25% from income will be allowed on approved technical training expenses.	None
Good to know	• Tax incentives are of unlimited duration. • No strikes or lock-outs are allowed in an EPZ thus the enterprises should enjoy industrial calm. EPZ enterprises are allowed to hold foreign currency accounts in local banks and they are free to locate their operations anywhere in Namibia.	• Tax incentives are limited to the period the enterprise retains its manufacturing status. • A physical inspection of the premises is required before manufacturing status can be granted.	Registration with authorities is required.

South Africa

	Tax Incentives (Table 1)				
	Research and Development ("R&D") Tax Incentive (Section 11D)	**Greenfield and Brownfield Expansion projects (Section 12I)**	**Special Economic Zones**	**Energy Efficiency Tax Deduction (Section 12L)**	**Employment Tax Incentive**
Minimum Investment required	None	Greenfield projects: • R50 million. Brownfields: • R30 million.	None, however project needs to be located in a designated SEZ.	None	None, but need to be an employer duly registered for Pay As You Earn ("PAYE") and must employ employees earning between R2 000 to R6 000 per month.
Maximum benefit available	Unlimited benefit. 150% tax deduction on qualifying expenditure at a corporate tax rate of 28%. This is effectively an additional 14% tax saving on qualifying expenditure with no upper cap or limit on the allowed expenditure.	R98 million to R252 million net tax benefit.	15% corporate tax rate, accelerated 10 year allowance on buildings, VAT and Customs relief and the Section 12I tax incentive is available as well as an employment tax incentive to hire more people.	The deduction is calculated at 95 cents per kilowatt hour of energy efficiency savings or energy efficiency savings equivalent.	• Reduction in 50% of PAYE during each month of the first 12 months in respect of which an employer employs a qualifying employee; and • Reduction in 25% of PAYE during each of the 12 months after the first 12 months that the same employer employs the qualifying employee.
Type of benefit	Tax deduction				
Training Benefit	Not applicable.	R36 000 per employee up to a maximum of R30 million.	None		
How to claim / Timeframe	From 1 October 2012, the effective 14% tax saving can only be claimed from the date a pre – approval application form has been lodged with the DST.	A Company needs to submit an application, which must be approved before contracting for or acquiring any assets.	The SEZ Act was promulgated on 9 February 2016, and is currently effective.	The energy efficiency savings have to be measured and confirmed by a certified and accredited body.	The incentive is available from 1 January 2014 to 28 February 2019.

South Africa (cont.)

	Tax Incentives (Table 1 – continued)				
	Research and Development ("R&D") Tax Incentive (Section 11D)	**Greenfield and Brownfield Expansion projects (Section 12I)**	**Special Economic Zones**	**Energy Efficiency Tax Deduction (Section 12L)**	**Employment Tax Incentive**
Good to know	The time frame for pre – approval from date of lodgement is generally about 9 months, with expenditure qualifying from the date of lodgement of the pre – approval application to the DST.	The time frame for approval from date of lodgement is generally at least 2 -3 months.	Various zones have been identified across South Africa: • Dube Trade Port; • Richards Bay; • Saldanha Bay; • Atlantis; • Upington; • Harrismith; • Johannesburg (x2); • Rustenburg; • Tubatse; • Port Elizabeth; • East London; and • Messina.	• No deduction is allowed if the taxpayer receives a concurrent government benefit in respect of energy efficiency savings; and • A deduction for captive renewable energy is only allowed under section 12L if the kilowatt hours of energy output of the respective captive power plant is more than 35% of the kilowatt hours of energy input in respect of that year of assessment.	• Eligible employers must employ qualifying employees who are between 18 to 29 years old at the end of the month the incentive is claimed, and who have South African Identity documents or asylum seeker permits; and • Age limit is not applicable if the employee renders their services to an employer who operates in a SEZ.

South Africa (cont.)

	Government Grants (Table 2)			
	Aquaculture Development and Enhancement Programme ("ADEP")	**Critical Infrastructure Program (CIP)**	**Business Process Services (BPS) (e.g. call centre / shared services)**	**Film Incentive**
Minimum Investment required	None, but need to conduct activities that fall under the Standard Industry classifying code (SIC) 132 (fish hatcheries and fish farms) and SIC 301 and 3012 (production, processing and preserving of aquaculture fish).	None	Create at least 50 new jobs in South Africa over a three year period and maintain the jobs for a period of five years.	• R 12 Million for foreign Films. • R 2.5 Million for South African Films.
Maximum benefit available	The grant ranges between 25% and 45% of the cost for a new, upgrade or expansion project (based on a point scoring system), capped at R40 million.	Cash grant of between 10% to 30% of investment, Capped at R30 million.	• Average cash incentive of R22 000 to R34 000 per job retained (2014 to 2023). • 20% bonus if more than greater than 400 but less than 800 jobs created. • 30% bonus if more than greater than 800 jobs created.	20% - 50% of production expenditure and up to 5%- 25% of Post production Expenditure. Capped at R50 million.
Type of benefit	Cash grant			
Training Benefit	None			
Good to Know	• Claim application must be submitted to the DTI at least 2 months before commencement of operations, for grant to be disbursed. • Projects will be granted an incentive payment and disbursement period based on their investment spread as: (i) Projects with a proposed one year investment are granted an incentive, and disbursement over two six monthly periods (ii) Projects with a proposed two year investment are granted an incentive payment and disbursement over four six monthly periods.	• Applications must be submitted 3 months before start of construction of infrastructures; and • Incentive applies to both mining and manufacturing industries. • Applicants claim is linked to a scorecard, measuring level of investment and percentage of black ownership.	• Must commence commercial BPS operations no later than six months from the approval date. • The 50 new jobs created must be retained.	• The incentive consists of three categories: – Foreign Film and Television Production and Post-Production incentive; – South African Film and Television Production and Co-Production incentive; and – South African Emerging Black Filmmakers incentive. • Applications must be submitted before commencement of principal photography or post production.

Swaziland

Swaziland does not offer cash grants to companies. There is no capital gains tax in Swaziland.

	Tax Incentives				
	Development Approval Order (DAO)	**Duty free access for capital goods and machinery**	**Rebates for raw material**	**Building Initial Allowance**	**Special Economic Zones (Industrial Zones/Freeports)**
Minimum Investment required	None				Government has identified two areas (Royal Science and Technology Park and the King Mswati III International Airport) that have been earmarked as Special Economic Zones.
Maximum benefit available	10% maximum CIT payable for 10 years. No withholding tax on dividends paid. Reduced CIT rate by 17.5% (normal rate is 27.5%).	Exemption of equipment and machinery from duties only those imported for purposes of manufacturing or direct operations.	Exemption from import duty on raw material used to manufacture goods to be exported outside the Southern African Customs Union (SACU).	Industrial Building Allowance. Initial allowance of 50% of the actual cost of a building, for the first year and 4% thereafter.	
Type of benefit	Tax Reduction	Tax exemption		Upfront reduction in tax.	
Training Benefit	Yes (Available for Research and Development)	None			
Timeframe/ How to Claim	10 years (Renewable)	On importation Completion of documents at border. Private clearing agents available to assist taxpayers		Written application to Swaziland Revenue Authority (SRA) on commencement of project and inspection of completed project by SRA.	
Good to Know	Also includes relief from dividend withholding tax for the same 10 year period. The normal rate is 15% but this can be reduced through the application of various Double Tax Agreements.	Administered under the SACU Common External Tariff (CET) Framework.	N/A	In respect of buildings other than hotels and improvements if such building is wholly/mainly used for the purpose of housing machinery or plant for the year of assessment during which the building is first used. Similar allowances are available for hotel buildings and plant and machinery used in a manufacturing process	Government is currently working on the legislation to ratify these areas and the additional benefits to be made available.

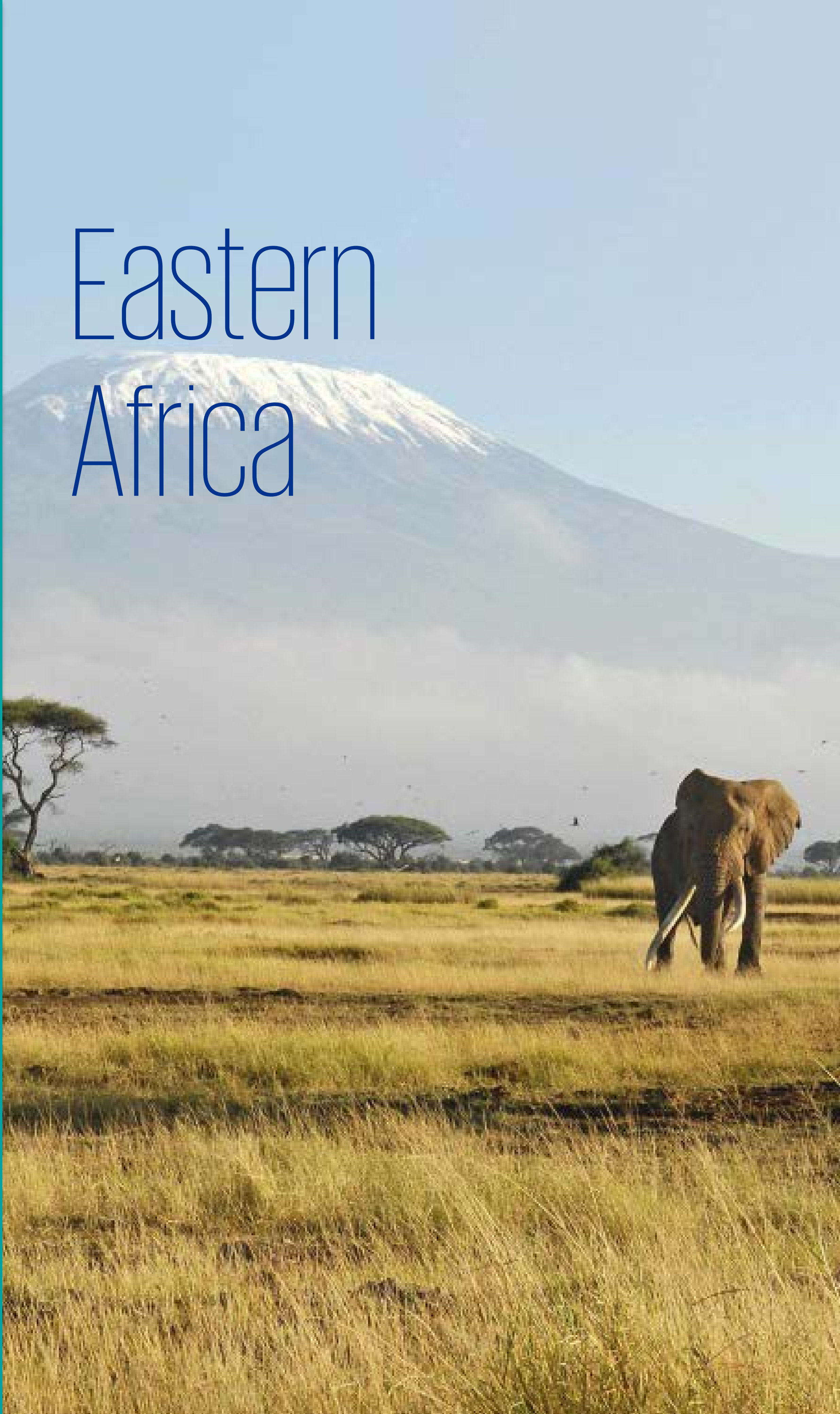
Zambia

	Tax incentive		
	ZDA investment incentives	**Special Economic Zones (Industrial Zones/Freeport's)**	**Industry Specific Incentives**
Minimum Investment required	Currently $500k, (please note that this may be been increased to $2.5m per latest proposed amendment of ZDA bill).	Multi-facility economic zones or industrial parks are located both in Lusaka and the Copper belt. Investment in rural areas also qualifies for incentives.	None
Maximum benefit available	• 0% corporate income tax for 5 years; • Dividend withholding tax at 0% for 5 years; • Improvement allowances of 100% on certain capital expenditure; and • The suspension/deferment of import duties and import VAT on plant and machinery for 5 years.	ZDA incentives as described across are only available in the approved multi-facility economic zones, industrial parks or rural areas.	• 10% corporate income tax rate (35% standard rate) and increased capital allowances; • The export of non-traditional goods benefits from a 15% corporate income tax rate; • The manufacture of certain fertilizers benefits from a 15% corporate income tax rate; and • Rural enterprises benefit from a 30% corporate income tax rate for the first 5 years.
Type of benefit	Tax reduction		
Training Benefit	None		
Good to Know	In order to claim these, the investment must initially be approved by the Zambia Development Agency, and then confirmed by the Zambia Revenue Authority. The incentives are available for 5 years from the commencement of the business. Please also note that companies listed on the Lusaka Stock Exchange can benefit from slightly reduced corporate income tax rates in the year after listing, provided that certain conditions are met.		

Zimbabwe

	Tax Incentives		
	Build, own, operate and transfer (BOOT or BOT)	**Industrial Park Developer**	**Manufacturing exporter**
Minimum Investment required	None, but usually encompasses large scale construction projects such as construction of roads, infrastructure, etc.	None, but needs to operate in an approved industrial park.	None, but needs to conduct manufacturing operations in Zimbabwe and, in any year of assessment, 30% or more of its total manufacturing output is exported from Zimbabwe.
Maximum Benefit available	The rate of tax for BOOT or BOT operations is 0% in the first five years, 15% in respect of the second five years and then 25% thereafter.	Taxed at 0% in first five years and 25% thereafter.	Company which exports between 30% to 41% of its output will be taxed at the preferential rate of 20%. If the Company exports more than 41% but less than 51% , the CIT rate drops to 17.5%; If the company exports more than 51%, then the CIT rate comes down to 15%.
Type of benefit	Tax reduction	Tax exemptions, Tax reduction	Tax reduction
Training Benefit	None		
Good to know	An approved BOOT or BOT arrangement is a contract / arrangement approved by the Commissioner-General, to construct an item of infrastructure for the state or a statutory corporation, and the right to operate or control it for a specified period, (after which period the ownership or control is transferred or restored to the state or the statutory corporation).	"Industrial park" means any premises or area which is approved by the Minister by statutory instrument and in which two or more persons, independently of the industrial park developer, carry on the business of: manufacturing or processing goods for export from Zimbabwe; or manufacturing or processing components of goods which are intended for export from Zimbabwe.	Percentages of a company's manufacturing output are calculated by quantity or volume rather than according to value.

Eastern Africa



Mount
Kilimanjaro
Tanzania

Burundi

	Tax incentive		
	Profit Tax discount of 2%	**Profit Tax discount of 5%**	**Special Economic Zones (Industrial Zones/ Free ports)**
Minimum Investment required	• Registered and employing between 50 to 200 Burundians.	• Registered and employing more than 200 Burundians.	None
Maximum Benefit available	• Profit Tax discount of 2%.	• Profit Tax discount of 5%.	• 0% Corporate Income Tax (CIT)
Type of benefit	Tax exemption		• Reduced Corporate Income Tax (CIT).
Training Benefit	None		
Good to know	• Losses are carried forward for 5 years.		

Ethiopia

Industries applicable for incentives include, but are not limited to, Manufacturing, Agro-industries, ICT, Textiles, Timber, Chemical and Pharmaceutical, Food and Minerals. Non- fiscal incentives are given to all investors who produce export products.

	Tax incentive			
	Income Tax Holidays	**Regional Income Tax deductions**	**Non Fiscal (Export) Incentives**	**Customs Duty Exemptions**
Minimum Investment required	None, but an investor must be engaged in manufacturing, agribusiness; generation, transmission and supply of electrical energy; and ICT.	None, but an investor must establish a new enterprise in one of the following regions: Gambella; Benshangul/ Gumuz; Afar; Somali; Guji and Borena Zones (in Oromia); or South Omo Zone, Segen (Derashe, Amaro, Konso and Burji) Area Peoples Zone, Bench-Maji Zone, Sheka Zone, Dawro Zone, Keffa Zone, Konta and Basketo Special Woredas (in Southern Nations, Nationalities and Peoples Region).	None, but must be designated as either a 'producer exporter', 'indirect producer exporter', 'raw material supplier' and 'exporter'.	• None, but all foreign investors in Ethiopia are required to invest at least US$ 200,000 (or an equivalent amount in Ethiopian birr at the prevailing exchange rate) in a single investment project; and • Investor must be engaged in manufacturing, agribusiness, generation, transmission and supply of electrical energy; and ICT.
Maximum benefit available	Income tax exemptions for a period ranging between 1 and 9 years, depending on the specific activity and the location of the investor.	30% income tax deduction for three consecutive years after the expiry of the tax holiday period, as shown on the left hand column, under "Income Tax Holidays".	• Qualifying investors are allowed to import machinery and equipment necessary for their investment projects through a suppliers' credit.	100% exemption from customs duties and other taxes levied on: • importation of capital goods and construction material; and • imports on spare parts (the value of which is not greater than 15% of the total value capital goods).
Type of benefit	Tax exemption	Tax deduction	Suppliers Credit, Tax exemption	Customs Duty Exemption
Good to Know	• Companies that incur losses during the income tax holiday period are allowed to carry forward such losses for half of the income tax holiday period after the expiry of the holiday period, however the period may not exceed a 5-year income tax period. • The tax holidays may be extended for an additional period of 2 years subject to meeting certain export requirements.	An investor who expands or upgrades his existing enterprise and increases its production or service capacity by at least 50%, or introduces a new production or service line at least by 100% percent of an existing enterprise, may be entitled to the income tax exemption on the left hand column, under "Income Tax Holidays".	Business enterprises that suffer losses during the income tax exemption period can carry forward such losses, following the expiration of the income tax exemption period, for half of the tax exemption period but up to a maximum of 5 years.	• Although no particular time frames are given for approval, approvals must be obtained in advance before such importation of duty free goods. • The incentive is available for the importation of spare parts is limited to a period of 5 years.

Kenya

Kenya provides a number of incentives, especially for investors in the manufacturing sector. However, the recently enacted Special Economic Zone Act extends incentives to other sectors including services which are established in designated zones.

	Tax Incentive				
	Export Processing Zones (EPZ)	**Special Economic Zones (SEZ)**	**Nairobi Stock Exchange (NSE) Listing Incentive**	**Investment Deduction (ID)**	**Employment Tax Incentives**
Minimum Investment required	None, but need to be located in a designated EPZ.	None, but need to be located in a designated SEZ.	20% issued shares.	100% ID no minimum investment is required. 150% ID in an area outside major cities and a minimum investment of KES 200 million is required.	None
Maximum benefit available	10 year corporate tax holiday and 25% tax rate for next 10 years. Withholding tax holiday on dividends and other remittances to non-residents. Exemption from VAT and customs import duty on inputs and stamp duty. Exemption from VAT registration. Exemption from payment of excise duty. 100% investment deduction on new buildings and machinery within the EPZ.	Reduced corporate tax rate at 10% for the first 10 years and 15% for the next ten years.	Corporate tax rate at 20% for first 5 years after listing 40% or more issued shares.	150% Deduction on qualifying cost of investment for investments outside the three major cities.	Tax exemption on overtime, bonuses and retirement benefits for employees earning and income of less than KES 11,180 per month.
Type of benefit	Tax exemption and tax reduction	Tax exemption	Tax reduction	Tax deduction	Tax exemption
Training Benefit	Taxpayers registered with the National Industrial Training Authority (NITA) contribute monthly Industrial Training Levy and are entitled to a reimbursement of training costs so long as the training is carried out by NITA Certified Trainers.				

Kenya (cont.)

	Tax Incentive				
	Export Processing Zones (EPZ)	**Special Economic Zones (SEZ)**	**Nairobi Stock Exchange (NSE) listing incentive**	**Investment Deduction (ID)**	**Employment Tax Incentive**
Timeframe	10-20 years	10-20 years	3 – 5 years depending on %age of listed shares.	None	None
Good to Know	Manufacturing, commercial or service activities may be undertaken in an EPZ. May be 100% foreign owned. Licensing of EPZ done by EPZ Authority of Kenya.	SEZs may include free trade zones, industrial parks, free ports, ICT parks, science and technology parks, agricultural zones, tourist and recreational zones, business service parks and livestock zones. Licensing of SEZs done by Special Economic Zones Authority.	Company that lists 20% issued shares enjoy 27% corporate tax for the first three years. Company that lists 30% issued shares enjoy 25% corporate tax for first five years. Company that list 40% issued shares enjoy 20% corporate tax for first five years.	Available to qualifying investments (infrastructure or development). Investments located within Nairobi, Mombasa, Kisumu qualify for 100% deduction.	This is effective from 1 January 2017.

Mauritius

Some of the government incentives include a single corporate income tax rate ("CIT") of 15 percent; exemption from customs and excise duties on import of equipment and raw materials; exemption from tax on payment of dividends, no capital gains tax; a low 5% registration duty on registration of notarial deeds; free repatriation of profits, dividends, and capital; and reduced tariffs for electricity and water for vulnerable people.

	Tax incentive(Table 1)			
	Global Headquarters Administration	**Global Treasury Activities**	**Global Legal Advisory Services**	**Non Citizen individuals**
Minimum Investment required	No minimum threshold of investment required. However, the applicant must provide at least 3 of the following services to at least 3 related corporations to benefit from this licence: • It must also employ 10 professionals with at least two at managerial positions and incur annual expenditure of MUR 5 million (approx. USD 143k)	No minimum threshold of investment required. However, the applicant must provide at least 3 of the following services to at least 3 related corporations to benefit from this licence: • Arrangement for credit facilities, including credit facilities with funds obtained from financial institutions in Mauritius or from surpluses of network companies • Arrangement for derivatives Corporate finance advisory • Credit administration and control • It must employ four professionals with at least one at managerial position and incur annual expenditure of MUR 2 million (approx. USD 58k)	No minimum threshold of investment required. However, the applicant should be an entity which is licensed or registered as a law firm in a foreign country and should ensure the following: • The applicant should appoint at least five lawyers • The parent law firm is qualified, licensed or regulated as a firm entitled to practice law in its home jurisdiction; • 2 foreign lawyers qualified in the foreign jurisdiction in which the applicant is registered in should practice the law of that jurisdiction and are employed by or are part of the entity; and • The applicant has a physical establishment in Mauritius.	• Minimum investment required is USD 25 million in Mauritius; or • A company wholly owned by a non-citizen investing not less than USD25 million in the company
Maximum Benefit available	8-year tax holiday	5-year tax holiday	5-year tax holiday	5-year tax holiday

Rwanda

The 2015 Investment promotion law came with new incentives that are critical towards driving the growth of key priority sectors: exports, energy, ICT, transport and logistics, health, manufacturing, financial services, tourism and affordable housing.

	Tax Incentives (Table 1)			
	Preferential corporate income tax rate of zero per cent (0%)	**Preferential corporate income tax rate of fifteen percent (15%)**	**Corporate income tax holiday of up to seven (7) years**	**Corporate income tax holiday of up to five (5) years**
Minimum Investment required	An international Company with headquarters or regional office in Rwanda, fulfilling investment requirements such as invest at least: • USD 10,000,000, in both tangible or intangible assets, in Rwanda. • Provide employment and training to Rwandans • Conduct international financial transactions of at least 5,000,000 USD a year. • Use equivalent of at least 2,000,000 USD in Rwanda as well as others requirements. • Set up actual and effective administration and coordination of operations in Rwanda	• An investor exporting at least 50% of its turnover or investing in one of the Economic priority sector, such as Information Communication Technology (ICT), Transport, Energy, • A registered investor, exporting at least 50% of turnover of goods and services produced in Rwanda, including business processing outsourcing. • A registered investor undertaking one of the following operations: energy generation, transmission and distribution from peat, solar, geothermal, hydro, biomass, methane and wind. This incentive excludes an investor having an engineering procurement contract executed on behalf of the Government of Rwanda. • A registered investor in the sector of transport of goods and related activities whose business is operating a fleet of at least five (5) trucks registered in the investor's name, each with a capacity of at least twenty (20) tons.	An investor investing at least 50,000 USD and contributing at least thirty percent (30%) of this investment in form of equity in the Economic Priority Sectors, such as Energy, Tourism, Health, Manufacturing, ICT and Export related investment projects.	Microfinance institutions approved by National Bank of Rwanda (BNR) are entitled to a tax holiday of five years (5 years) from the time of their approval, which may be renewed.

Rwanda (cont.)

	Tax Incentives (Table 1 - cont.)			
	Preferential corporate income tax rate of zero per cent (0%)	**Preferential corporate income tax rate of fifteen percent (15%)**	**Corporate income tax holiday of up to seven (7) years**	**Corporate income tax holiday of up to five (5) years**
Maximum Benefit available	• Preferential corporate income tax rate of zero per cent (0%) • The investor is exempted from capital gain tax • The refund of VAT paid by investors is done within 15 days upon receipt of the request • An investor and his/her dependents are issued with a residence permit, when he/she invests at least 250,000 USD may recruit three foreign employees without further formalities.	• Preferential corporate income tax rate of fifteen percent (15%) • The investor is exempted from capital gain tax • The refund of VAT paid by investors is done within 15 days upon receipt of the request • An investor and his/her dependents are issued with a residence permit, when he/she invests at least 250,000 USD may recruit three foreign employees without further formalities.	• Corporate income tax holiday of up to seven (7) years • The investor is exempted from capital gain tax • The refund of VAT paid by investors is done within 15 days upon receipt of the request • An investor and his/her dependents are issued with a residence permit, when he/she invests at least 250,000 USD may recruit three foreign employees without further formalities.	• Corporate income tax holiday of up to five (5) years • The investor is exempted from capital gain tax • The refund of VAT paid by investors is done within 15 days upon receipt of the request • An investor and his/her dependents are issued with a residence permit, when he/she invests at least 250,000 USD may recruit three foreign employees without further formalities.
Type of benefit	Tax Deduction		Tax Holiday	
Training Benefit	Not applicable			
Good to know	• It has to be an international company which has its headquarters or regional office in Rwanda. • All registered investors shall not pay capital gains tax, and all foreign investors are entitled to immigration assistance.	• Application of the incentives is applied during the registration Process. • The Ministerial Order will come to list all Specific sectors which will be subjected to this Incentive.	• Applications must be submitted 60 days before start of production. • The Ministerial Order will come to list all Specific sectors which will be subjected to this Incentive.	• Application must be approved by the National Bank of Rwanda (BNR). • This period may be renewed upon fulfilling conditions prescribed in the Order of the Minister in charge of finance.

Rwanda (cont.)

	Tax Incentives (Table 2)	
	Special Economic Zones (Industrial Zones/ Free ports)	**Accelerated Depreciation**
Minimum Investment required	None	• Invest in Business Assets worth at least USD 50,000 in sectors such as Exports, manufacturing, telecommunications, agro-processing, education, health, tourism, construction etc. And keep the asset at least for 3 years • Transport excluding passenger vehicles with less than nine (9) people seating capacity; • Tourism investments worth at least one million eight hundred thousand United States Dollars (USD 1, 800, 000); • Construction projects worth at least one million eight hundred thousand United States dollars (USD 1,800,000); • Any other sectors provided the investment is worth at least one hundred thousand United States dollars (USD 100,000); • The investor is required; to keep the assets for at least three years after benefiting from the accelerated depreciation; to inform the Commissioner General of the Rwanda revenue authority of the disposal of the business assets in case such disposal is made before three years. • Where an investor makes the disposal of such assets before the expiration of three years, he/she has pay the difference from the reduction of corporate income tax caused by the accelerated depreciation as well as any applicable penalties and interests. However, the investor will not be liable to pay any amount where it is determined that such disposal was the effect of natural calamities, hazards or any other involuntary reason.
Maximum Benefit available	• The investor is exempted from customs taxes and duties for products used in Export processing zone, Pay corporate Income at a rate of 0%, exemption from withholding tax, tax free repatriation of profit. • The investor is exempted from capital gain tax • The refund of VAT paid by investors is done within 15 days upon receipt of the request • An investor and his/her dependents are issued with a residence permit, when he/she invests at least 250,000 USD may recruit three foreign employees without further formalities.	• Accelerated Depreciation rate of 50% for the first year for new or used assets. • The investor is exempted from capital gain tax • The refund of VAT paid by investors is done within 15 days upon receipt of the request • An investor and his/her dependents are issued with a residence permit, when he/she invests at least 250,000 USD may recruit three foreign employees without further formalities.
Type of benefit	Reduced Corporate Income Tax (CIT), VAT refunded within 15 days and benefits of duty free or free trade zones.	Tax deduction
Training Benefit	Not applicable	
Good to know	• The investor need to be located in a designated SEZ (located in Kigali) investing in products for Export purposes. • A special Economic Zone was prepared in Kigali, the Government calls upon investors to establish their industries.	When the assets is disposed before the expiration of 3 years, the investor need to inform the commissioner General of the tax administration.

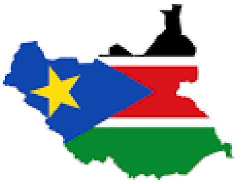
Somaliland

The Somaliland Government operates a tax incentive scheme in respect of foreign investments in 11 key sectors. These incentives are based on Somaliland Companies Law and laws pertinent to the Promotion, Protection and Guarantees of Foreign Investments in that jurisdiction.

- Investment that puts productive use country's human and natural resources;
- Investment that introduces innovative technology;
- Investments that generate foreign exchange or substitute imports;
- Agriculture;
- Livestock;
- Fishing;
- Minerals;
- Oil & gas;
- Industries that use local inputs (machinery, equipment and material);
- Utilities (water and energy);
- Tourism.

Tax incentives can include a three year tax holiday extendable on agreement and a subsequent 50% reduction in taxes payable for a further period of the same duration. More detailed guidance and advise on tax and foreign investments and legal matters in Somalia are available from Africa Legal Risk Control Ltd.

South Sudan



	Tax incentive		
	Agriculture and agribusiness	**Quarrying and mining**	**Priority areas**
Minimum Investment required	None		
Maximum benefit available	100% allowance on scientific research, repairs and minor capital equipment, 75% for plant and machinery set up in least developed areas, 25% for start up costs incurred in setting up equipment, 40% for start up costs incurred in setting up equipment in least developed areas, 20% for the first year in which the industrial buildings (commercial buildings excluded), 30% farmworks deduction, special wear and tear allowances ranging from 10% to 40%*		
Type of benefit	Capital allowances, deductions in respect of training, scientific research, industrial building deductions, exemption from duty on importation of agricultural material*	Capital allowances, deductions in respect of training, scientific research*	
Timeframe	Capital allowances time frame dependent on allowance granted for each type of asset, six years for training, three years for scientific research*	Lifespan of the quarry/mine ,capital allowances time frame dependent on allowance granted for each type of asset, six years for training, three years for scientific research*	Capital allowances time frame dependent on allowance granted for each type of asset, six years for training, three years for scientific research*
Training Benefit available	100% cost on training allowance granted on training a South Sudan citizen. This incentive will not go beyond six years*		
Other practical comments – where applicable	General investment in agriculture shall not exceed 30 years. Renewal will be subject to agreement between the government and the investor.*	None	
	All investments are subject to the investor obtaining the investment certificate from the South Sudan Investment Authority*		
	Investments with quicker returns have a shorter period of enjoying concession periods*		
	No cash grants provided by the Government of South Sudan*		
Note	*The Taxation Amendment Act 2016 which was to take effect from 20 December 2016 repealed all the above tax incentives. The repeal is attributable to dwindling cash reserves as a result of declining petroleum revenues and civil unrest. However, there is no communication on the implementation date for the repeal.		

Tanzania

The incentives are structured according to the lead and priority sectors including; Agriculture & Livestock, Tourism, Manufacturing, Commercial Building, Transportation, Broadcasting and Telecommunication, Natural Resources, Financial Institutions, Energy, Human Resources Development, Economic/ Infrastructure.

<table>
<tr><th></th><th colspan="3">Tax incentive</th></tr>
<tr><th></th><th>Export processing zones (EPZs)</th><th>Special Economic Zones (SEZ)</th><th>Other incentives</th></tr>
<tr><td>Minimum Investment required</td><td>For EPZ User Licence, the minimum capital is US$ 500,000 for foreign investors and US$ 100,000 for local investors. The investment must be new and the project needs to be located in a designated EPZ.</td><td>For SEZ User Licence, the minimum capital is US$ 500,000 for foreign investors and US$ 100,000 for local investors.</td><td>• Qualifying investments are investments made in the priority sectors with an investment capital amount of above US$ 100,000 in the case of local investors and above US$ 500,000 in the case of foreign investors.
• Special strategic investment status may be granted to project, which meet among other criteria of which, a minimum investment capital of not less than US$ 300,000,000 is required.</td></tr>
<tr><td>Maximum benefit available</td><td colspan="2">• Exemption from payment of corporate tax for 10 years;
• Exemption from payment of withholding tax on rent, dividends and interest for 10 years;
• Reduction of customs duty, VAT and any other tax payable on raw materials and goods of a capital nature;
• Exemption from payment of all local taxes and levies imposed on goods and services produced or purchased in the EPZ for a period of 10 years;
• Exemption from VAT on utility and wharfage charges; and
• No stamp duty.</td><td>A certificate of incentives guarantees:
• fiscal stability for a 5-year period, i.e. protection against adverse changes in taxation legislation; and
• the right to transfer outside the country 100% of profits (including foreign exchange earned) and capital.</td></tr>
<tr><td>Type of benefit</td><td>Tax exemptions</td><td>Tax reduction</td><td>Tax reduction</td></tr>
<tr><td>Training Benefit</td><td colspan="3">None</td></tr>
<tr><td>Timeframe / How to claim</td><td colspan="2">For certain type of taxes, you will need to show the certificate of incentives issued by the EPZ or SEZ and an application letter in order to claim exemption. However, for certain tax exemption, there is no pre-approval requirements.</td><td>An application must be submitted to the TIC.</td></tr>
<tr><td>Good to know</td><td>Only holders of licences granted by the EPZA may:
• Conduct a business or undertake a retail trade in an EPZ in respect of any goods manufactured in, or imported into, such EPZ;
• Remove goods manufactured in an EPZ for any purpose other than conveyance to another EPZ or export into a foreign market, or for purposes of processing such goods only; or
• Use goods manufactured in an EPZ for consumption in such EPZ or in any other EPZ.</td><td>The investment must be new and the project needs to be located in a designated SEZ.</td><td>The Investment Act ("IA") provides for issuance of "certificates of incentives" to qualifying investors who have made applications for such certificates to the TIC.</td></tr>
</table>

Uganda

	Tax Incentives Table 1		
	Collective Investment Scheme	**Agro-processors**	**Exporters of finished goods**
Minimum Investment required	None		Exports greater than 80% of the total production.
Maximum benefit available	Income of the collective investment scheme to the extent that it is distributed to the participants in the scheme is exempted from income tax	Income of a person for a year of income that is derived from agro-processing is exempted from income tax	A person who derives income from exportation of finished consumer or capital good is exempted from income tax for a period of 10 years.
Type of benefit	Tax exemption		Tax holiday
Training Benefit	N/A		
Good to know	In order to qualify, the participants create an arrangement in which they pool property (including money). They then become owners of the property in order to receive income from such an arrangement. The participants do not have day to day control over the management of the property but may be consulted	• A person shall not qualify for this exemption if they or their associate has carried on agro-processing of a similar or related agricultural product in Uganda. • To qualify, a person should apply and be issued with a certificate of exemption issued by the Commissioner. This certificate will be issued if the person is compliant and is valid for one year and may be renewed annually. • The person should as well invest in plant and machinery that has not been previously used in Uganda by any person in agro-processing to process agricultural products for final consumption. • The person processes agricultural products grown or produced in Uganda.	To qualify, a person should apply and be issued with a certificate of exemption issued by the Commissioner for both new and existing investments in accordance with the regulations. The certificate is valid for ten years.

Uganda (cont.)

Tax Incentives Table 2					
	Capital Allowances	**Withholding Tax**	**Foreign Tax Credits**	**VAT (exempt supplies)**	**VAT (zero rated supplies)**
Maximum benefit available	• Start up cost spread equally over 4 years (25% of the cost per annum). • Scientific research expenditure is an allowable tax expense (100% of the cost) • Training expenditure is an allowable expenditure. (100% of the cost) • Industrial building deduction for a qualifying building that is put to use in a year of income is an allowable for tax purposes. (5% of the cost per annum on a straight line basis) • Depreciable assets are classified as specified in the law and enjoy wear and tear between 20% - 40% of the cost on a reducing balance basis. • Losses on disposal of property, plant and equipment is an allowable expense for tax purposes.	Exemption from 6% withholding tax on goods and services	A resident taxpayer is entitled to a foreign tax credit for any foreign income tax paid by the taxpayer in respect of foreign-source income which is included in the gross income of the taxpayer.	VAT is exempted from the supply of; • social welfare services; • financial services • education services • burial and cremation services; • betting, lotteries and games of chance • passenger transportation services (other than Tour and Travel operators) • dental ,medical and veterinary goods • photosensitive semiconductor devices, including photo-voltaic devices, whether or not assembled in modules or made into panels; light emitting diodes; solar water heaters, solar refrigerators and solar cookers • life jackets, lifesaving gear, head gear and speed governors • machinery, tools and implements suitable for use only in agriculture • postage stamps • unimproved land • life, health, micro and re-insurance insurance services; • unprocessed foodstuffs, unprocessed agricultural products • veterinary, medical, dental and nursing services • precious metals and other valuables to the Bank of Uganda for the State Treasury • by way of sale, leasing or letting of immovable property, other than; (i) a sale, lease or letting of commercial premises (ii) a sale, lease or letting for parking or storing cars or other vehicles; (iii) a sale, lease or letting of hotel or holiday accommodation; (iv) a sale, lease or letting for periods not exceeding three months; or (v) a sale, lease or letting of service apartments • petroleum fuels subject to excise duty,(motor spirit, kerosene and gas oil), spirit type jet fuel, kerosene type jet fuel and residual oils for use in thermal generation to the national grid.	The following supplies are zero rated; • Export of goods or services from Uganda as part of the supply; • international transport of goods or passengers and tickets for their transport • drugs and medicines • seeds, fertilizers, pesticides, and hoes; • sanitary towels and tampons and inputs for their manufacture. • educational materials • leased aircraft, aircraft engines, spare engines, spare parts for • aircraft and aircraft maintenance Equipment. • Cereals grown and milled in Uganda.

Uganda (cont.)

	Tax Incentives Table 2 (cont.)				
	Capital Allowances	**Withholding Tax**	**Foreign Tax Credits**	**VAT (exempt supplies)**	**VAT (zero rated supplies)**
Minimum Investment required	None				
Type of benefit	Tax deduction	Tax exemption	Tax deduction	Tax exemption	Tax exemption
Training Benefit	Only training expenses relevant to an employee's line of work is allowable.	N/A			
Good to know	• The Income Tax Act specifies the conditions necessary to qualify for these allowances. • The Act provides for other tax allowable expenses but subject to fulfilment of the conditions therein.	This exemption applies to a person who has regularly complied with their tax obligation for at least a period of three years	• The amount of the foreign tax credit of a taxpayer for a year of income shall not exceed the Ugandan income tax payable on the taxpayer's foreign-source income for that year. • Separate computations are to be made for foreign-sourced income for which the credit applies and the other income from foreign sources.	The VAT Act provides more insight on some of these exempted supplies	The VAT Act provides more insight on some of these supplies

Uganda (cont.)

	Tax Incentives Table 3		
	VAT Deferment	VAT (exempt supplies)	VAT (zero rated supplies)
Minimum Investment required	The VAT to be deferred should be more than USD 4,000.	Not applicable.	
Maximum benefit available	The VAT which is payable at importation is deferred for	VAT is exempted from the supply of; • social welfare services; • financial services • education services • burial and cremation services; • betting, lotteries and games of chance • passenger transportation services (other than Tour and Travel operators) • dental ,medical and veterinary goods • photosensitive semiconductor devices, including photo-voltaic devices, whether or not assembled in modules or made into panels; light emitting diodes; solar water heaters, solar refrigerators and solar cookers • life jackets, lifesaving gear, head gear and speed governors • machinery, tools and implements suitable for use only in agriculture • postage stamps • unimproved land • life, health, micro and re-insurance insurance services; • unprocessed foodstuffs, unprocessed agricultural products • veterinary, medical, dental and nursing services • precious metals and other valuables to the Bank of Uganda for the State Treasury • by way of sale, leasing or letting of immovable property, other than; (i) a sale, lease or letting of commercial premises (ii) a sale, lease or letting for parking or storing cars or other vehicles; (iii) a sale, lease or letting of hotel or holiday accommodation; (iv) a sale, lease or letting for periods not exceeding three months; or (v) a sale, lease or letting of service apartments • petroleum fuels subject to excise duty,(motor spirit, kerosene and gas oil), spirit type jet fuel, kerosene type jet fuel and residual oils for use in thermal generation to the national grid.	The following supplies are zero rated; • Export of goods or services from Uganda as part of the supply; • international transport of goods or passengers and tickets for their transport • drugs and medicines • seeds, fertilizers, pesticides, and hoes; • sanitary towels and tampons and inputs for their manufacture. • educational materials • leased aircraft, aircraft engines, spare engines, spare parts for • aircraft and aircraft maintenance Equipment. • Cereals grown and milled in Uganda.
Type of benefit	Tax deferment	Tax exemption	Tax exemption
Training Benefit	N/A		
Good to know	This facility is available for imports of Plant and Machinery for use in the production of taxable goods	The VAT Act provides more insight on some of these exempted supplies	The VAT Act provides more insight on some of these supplies

Uganda (cont.)

	Tax Incentives Table 4				
	Tax on International Payments	**Double Taxation Agreements**	**Duty draw back for exporters**	**Duty Remission**	**Manufacture under bond**
Minimum Investment required	None				
Maximum benefit available	Interest paid by a resident company to a non-resident person in respect of debentures is exempt from tax	Uganda has Double Taxation treaties with United kingdom, Zambia, Denmark, Norway, South Africa, India, Italy, Netherlands and Mauritius. Entities that are domiciled in these Countries enjoy a reduced rates of Withholding tax subject to the conditions therein.	Customs undertakes to refund all or part of any import duty paid on material inputs imported to produce for export or used in a manner or for a purpose prescribed as a condition for granting duty draw back. Duty may be refunded on raw materials imported and used on the goods locally produced for export.	The Council of Ministers of the East African Assembly has powers to grant a remission of duty on goods imported for the manufacture of goods in a Partner State. Some of the goods currently considered include; ▪ 90% remission on sugar for industrial use imported by Manufacturers. ▪ 100% remission on Inputs for the manufacture of exercise books and other essential goods; Stranded wire used in manufacture of tyres- Treads for cold retreading used in the retreading of tyres; Packaging Materials for use in the manufacture of goods for export; Raw materials for use in manufacture of aluminum cans for the dairy industry.	Manufacturer can apply to the Commissioner to be issued a license to hold and use imported raw materials intended for manufacture for export in secured places without payment of taxes
Type of benefit	Tax exemption	Tax reduction		Tax exemption	Tax deferment
Training Benefit	N/A				
Good to know	This exemption only applies where the debentures were issued by a company outside Uganda for the purpose of raising a loan outside Uganda; the debentures were widely issued for the purpose of raising funds for use by the company in a business carried on in Uganda or the interest is paid to a bank or a financial institution of a public character; and the interest is paid outside Uganda.	The benefit is available only where the recipient of the income is the beneficial owner and possesses economic substance in that country.	The claimant has to show that the products were exported	An investor can apply to the council of ministers to be considered for duty remission their operations are in line with government policy	It makes available working capital, which would have been tied up through paying duties immediately after importation. The annual license fee for a bonded factory is $1,500 per calendar year or on pro rata basis if issued within a calendar year.

Uganda (cont.)

	Tax Incentives Table 5				
	Free Trade Zone	**0% Import Duty**	**Carry Forward Losses**	**Stamp Duty Exemption**	**National Social Security Fund Obligations**
Minimum Investment required	Adequate capital	None		None	
Maximum benefit available	All goods entering a free port zone shall be free from import duties and taxes, will be considered to be outside the customs territory of Uganda and will not be subject to the usual customs control. Uganda has already started operationalizing the first free zone. The Law and regulations that shall govern the zone are already operational.	Investment in any of the listed sectors will generally afford various duty exemption regimes subject to the restrictions in the law; ▪ Aircraft operators ▪ Ships and Other Vessels ▪ Manufacturers ▪ Hotel, Tourism and Tour operations ▪ Hospitals, clinics and diagnostic laboratories ▪ Mining and petroleum operations ▪ Agriculture sector ▪ Education ▪ Security ▪ Transport ▪ Importers of goods originating from COMESA region ▪ Importers of goods originating from the East African Community.	The tax law in Uganda provides for unlimited carry forward of assessed tax losses subject to the restrictions therein.	Exemption from the requirement to pay stamp duty on transfers between associated companies	The Managing Director of the Fund may exempt any employer who applies to him or her from payment of a standard or special contribution or both in respect of an employee employed by such employer subject to the conditions in the law.
Type of benefit	Tax reduction		Tax deduction	Tax exemption	Tax exemption
Training Benefit	N/A				
Good to know	The company must be registered for the sole purpose of operating a Free Zone in Uganda; The company must have an adequate equity base or able to access capital to enable it develop a Free Zone or operate in a Free Zone; The intending investor who seeks the license to operate in a Free Zone must be commercially viable and must be based on a suitable and credible business plan;	It is important to approach a tax advisor for details on the particular items which enjoy 0% import duty.	The general right to carry forward tax losses indefinitely is restricted where, during a year of income, there has been a change of 50% or more in the underlying ownership of a company, as compared with its ownership in the previous year.	This exemption is subject to limitations in the law and clarity need be obtained from a tax advisor for proper guidance on how to make us of this exemption	This exemption is available where the employee is not ordinarily resident in Uganda, and is liable to contribute to the Fund. Secondly such a person contributes to another scheme outside Uganda with similar characteristics with the Fund.

Central Africa

Ouarzazate
Solar Power
Plant in
Morocco

Chad

	Tax incentive
	Tax reduction for investments
Minimum Investment required	Minimum 60 Million FCFA.
Maximum benefit available	40% of the invested amounts shall be deducted from the taxable base for personal income tax and corporate income tax.
Type of benefit	Tax reduction
Training Benefit	None
Timeframe	Investors have a two years deadline to realize the investment.
Good to know	Delay in processing to be expected.

Democratic Republic of Congo

	Tax incentive (Table 1)		
	Common regime (Law N°004/2002)	**Mining regime (Law N° 007/2002)**	**Regime applicable to strategic partnership on the value chain (Decree N°13/049)**
Minimum Investment required	US$ 10 000	Not applicable	US$ 15 000 000
Maximum Benefit available	▪ Exoneration on benefits and profits; ▪ Exoneration of the fundamental tax on the built and non-built surface areas used for the project of investment ; ▪ Exoneration of the entry rights of equipment and other materials ; ▪ Exoneration of exit rights of finished products ; ▪ Exoneration of proportional rights at the time of the constitution of the corporation and the increase of the share capital to finance the approved project. NOTE: The investor is held to pay for the administrative tax of 2% at the time of the importation of the equipment and materials and the VAT of 16%. This tax is repayable by the Government Tax Authority (DGI) or recoverable for the companies that collect the VAT.	CUSTOMS ADVANTAGES : ▪ Total exoneration of all customs rights on the exportation of salable products (in relation with the mining project); ▪ Payment of the expenses and royalties in remuneration for the services returned on the exportation of salable products or goods of temporary exportation for perfection, but in the limit of 1% ; ▪ Customs Rights of 2% on goods having a strictly mining vocation before the effective exploitation of the mine, and 5% after ; ▪ Customs Rights of 3% on fuels, lubricants, reactive and edible destined to the mining activities, during the whole length of the project ; - Temporary admission exempt of customs for 6 months (extendable 2 times) on the imported equipment destined to be re-exported. FISCAL ADVANTAGES : ▪ The buildings situated inside of the mining concessions are not submitted to the land tax ; ▪ The vehicles used exclusively within the mining project are exonerated of the tax on vehicles and the special tax of road circulation ; ▪ The interests paid on the loans in foreign currency are exonerated of the income tax; the dividends are imposed to the rate of 10% ; ▪ The rate of the tax on the benefits and the profits are of 30% ; ▪ The rate of the Exceptional Tax on Remunerations of Expatriate (IERE) is of 10% in matters of mining. Otherwise, the IERE is here a deductible load of the tax on the benefits and profits (IBP).	▪ Suspension of the value-added tax in interior regime as well as on the importation, on the materials and building materials, on equipment, spare parts, inputs and the raw materials destined exclusively to the project ; ▪ Suspension of the value-added tax on the benefits of service done in the setting of the exploitation bound directly to the project. ▪ Suspension of the value-added tax on the intermediate products and/or finished, as well as on the benefits of services produced by the company ; ▪ Exoneration of the rights and taxes at the importation of goods, inputs, raw materials and equipment destined for the project ; ▪ Knocking off of the taxes collected by the initiative of the different ministries and taxation services at the central, provincial and local levels by way of interdepartmental decree ; ▪ Lightening of the costs of the remuneration for some benefits in the institutional setting ; ▪ Eligibility to the statute of privileged partner vis-à-vis fiscal services ; ▪ Application of the preferential tariffs of energy by kilowatt/hour.
Type of benefit	Tax reduction		
Training Benefit	Not applicable		

Democratic Republic of Congo (cont.)

	Tax incentive (Table 1 - continued)		
	Common regime (Law N°004/2002)	**Mining regime (Law N° 007/2002)**	**Regime applicable to strategic partnership on the value chain (Decree N°13/049)**
How to claim / Timeframe	Duration of benefits: ▪ Economic region A (Kinshasa): 3 years as from the signing of the interdepartmental decree of approval of the project for the right of entry and the property tax, and from the beginning of exploitation for the corporation tax ; ▪ Economic region B (Bas Congo, Lubumbashi, Likasi and Kolwezi) : 4 years ; ▪ Economic Region C (other Provinces, cities and towns of the country): 5 years.	There is no limit to the duration of the benefit available, provided the company complies with its obligations.	The length of the fiscal and customs advantages is of four (4) years. It can be extended following the importance of the investments and their amortization programme.
Good to know	Approval frequency: Only once, except for the projects to be implemented in different production sites or of different nature. The investor is held to pay for the administrative tax of 2% at the time of the importation of the equipment and materials and the VAT of 16%. This tax is repayable by the Government Tax Authority (DGI) or recoverable for the companies that collect the VAT.	Visit https://www.mines-rdc.cd/fr/ to download the mining code and others important documents.	The above mentioned incentive as per the decree, are subject to the conditions below for them to be maintained : 1. Increase and maintain production and products derived during the period of economic promotion of the industrial unit in the context of investment; increase and maintain its production equipment in good working conditions and develop the network of local suppliers through local organizations in order to ensure income distribution on all the value chains and throughout the territory concerned by the project; 2. Make efforts to rationalize its management and increase its productivity in order to reach the comfort zone and to pass positive results at the end of the duration of preferential tax and customs advantages; 3. Ensure its contribution to the national economy for the national economy for its tax obligations, when the benefits are terminated; 4. Propose and implement a plan of supervising producers so that production meets international standards; 5. Ensure that the maximum available local raw materials is obtained with the objective of reaching 70% of stock of the supply at the end of the first exemption; 6. Payback to the community in the form of social investments, the gross operating margin.

Democratic Republic of Congo (cont)

	Tax incentive (Table 2)	
	Regime applicable to Agriculture sectors (LAW n0 11/022)	**Regime applicable to Electrical energy sectors (Decree n° 15/009)**
Minimum Investment required	Not applicable	
Maximum Benefit available	Charges bound to the maintenance of the road that connects the concession of the agricultural operator to the public highway are tax base-deductible ; - Agricultural operators benefit from a preferential tariff in the consumption of water, electric energy and the oil products ; - Self-generated water and energy aiming at agricultural exploitation is exempt of all taxes and duties ; - The industrial agricultural operator is allowed to constitute in exemption of tax, a provision not exceeding 3% of the turnover of the exercise for the rehabilitation of exploitable arable land, and the prevention of major risks and agricultural calamities. This provision is used in the time limit of two years or if not available it is restored in the tax base of the year that follows the expiration of the above-mentioned time limit : - With the exception of administrative royalties, the agricultural importation inputs designated exclusively to the agricultural activities are exonerated of the duties and taxes at the importation; - Agricultural products are exonerated of duties and taxes at the exportation ; - Royalties and expenses in remuneration for the services returned by public organisms working at the borders cannot exceed 0.25% of the value of the exported products ; - Built and non-built surface areas affected exclusively to the agricultural exploitation are exempted of the property tax ; - The Tax exemption of all rolling stock affected exclusively to the agricultural exploitation.	▪ Suspension of customs duties and value added tax on import of equipment, material, tools and spare parts; ▪ Suspension of customs duties and value added tax on import of electrical energy; ▪ Export of energy is submitted to 1% rate
Type of benefit	Tax reduction/ tax exemption	
Training Benefit	Not applicable	
How to claim / Timeframe	The benefit is available for the timeframe as specified in the contract between the beneficiary and the state.	The benefit is available for a duration of 4 years.
Good to know	The corporate income tax is charged at the normal rate (35%) while the CIT for a family is charged at 20%	

Republic of Congo

Tax incentives are grouped in two main categories : The Preferential Regime and, The Incentives Regime cover activities such as farming, mining, industrial, commercial and service in respect of the laws and regulations of the country.

The conditions to the eligibility are various and among them there is the creation of permanent employments which operate at least 280 days per year.

	THE PREFERENTIAL REGIME		
	General Regime "R"	**Special Regime "S"**	**Preferred development area**
Investment required	XAF 100,000,000	[XAF 30,000,000 – XAF 100,000,000]	N/A*
Benefits	During The Setup Phasis (Duration: The entire setup phasis + The first 3 years of operation)		
	▪ Customs benefits applicable to export activities ▪ Suspension of customs duties for activities concerning the research of natural resources ; ▪ Reduction of 50% of registration fees for creation of companies, capital increase, companies' merger, transfers of share etc.		
	During The Operations Phasis (Duration: 3 years from the end of the Setup Phasis)		
	▪ Exemption of Corporate tax or, Tax on personal income ▪ Permission to proceed with degressive/accelerated amortization ▪ Permission to defer negative results on the 3 following exercises ▪ Application of VAT at 0% rate on exported goods		

**Although a Preferred development area regime is mentioned in the Investment Charter, it is not yet applicable in Congo*

	THE INCENTIVE REGIME			
	INCENTIVE FOR EXPORT	**INCENTIVE FOR REINVESTMENT**	**INCENTIVE FOR CREATIE/ACTIVITIES IN DIFFICULT ACCESS ZONE**	**INCENTIVE FOR CULTURAL AND SOCIAL INVESTMENT**
Conditions	Export at least 20% of the production	Perform new investments of at least 1/3 of the existing fixed-assets	▪ Create a new company ▪ Be approved for Regime G or S	▪ Be approved for Regime G or S ▪ Perform social and cultural investment
Benefits	▪ Customs benefits applicable to export activities ▪ Exemption on the export of manufactured goods ▪ Application of VAT at the 0% rate for exported goods	Tax allowance of 50% applicable on Corporate / Personal Income Tax	Tax allowance of 50% applicable on Corporate / Personal Income Tax	Tax relief for social and cultural investment
Duration	N/A	Three Years (from the completion of the investments)	Two Years (from the company's 3rd year)	To define by a Ministerial Decree

São Tomé and Príncipe

The Investment Projects carried out under this benefits are irrevocable during the period of its duration, cumulative with any others of a financial nature and are subject to the conclusion of an Administrative Investment Agreement.

	General Tax Incentives		
	Customs Duties	**Income Tax**	**Modernization and Introduction of New Technologies**
Minimum Investment required	€ 50,000.00 / € 250,000,00 / € 5,000,000,00	€ 50,000.00 / € 250,000,00 / € 5,000,000,00	€ 50,000.00 / € 250,000,00 / € 5,000,000,0
Maximum Benefit available	• 50% or Total exemption from payment of import duties on goods and equipment intended to launch new activities or expansion of any ongoing activity. • The applicable exemption depends on the amount of minimum investment required.	• Investments carried out for the purpose of developing new activities are subject to a 10% Corporate Income Tax (IRC) over the taxable income or over 50% of the taxable income • The applicable exemption depends on the amount of minimum investment required.	• The amount invested in specialized equipment and in state-of-the-art technology for the development of authorized business activities, shall benefit during the first five (5) years, from the date of commencement of activity, of a deduction to the taxable income for IRC purposes, up to a maximum of 50% of the taxable income's amount. • The applicable deduction is reduced to up to 25% if the investment is between € 50,000.00 and € 249,999.00.
Type of benefit	Tax Deduction		
Training Benefit	Not Applicable		
Good to know	Only applicable if the goods to be imported are not produced within national territory or, if being produced, do not meet the quality / price requirements and the specific characteristics and functionality required for the investment project.	• The normal Corporate Income Tax rate is 25%. • The start of operations is the time at which the operations to obtain income giving rise to taxation are commenced.	The same deduction shall apply, under the same conditions, on Personal Income Tax (IRS), but only in relation to income from activities belonging to category B (Business and Professional Income).

São Tomé and Príncipe (cont.)

	General Tax Incentives (continued)		
	Training	**Stamp Tax Incentive**	**Sisa Tax Exemption**
Minimum Investment required	€ 50,000.00 / € 250,000,00 / € 5,000,000,00	€ 50,000.00 / € 250,000,00 / € 5,000,000,00	€ 50,000.00 / € 250,000,00 / € 5,000,000,00
Maximum Benefit available	The costs related to professional training of São Tomé employees' shall be deducted from the taxable amount for the purposes of calculating IRC, when related to authorized ventures.	Amendments to the local company's by-Laws shall be exempted from stamp tax during the first five years counted from the beginning of the operations	Total exemption of Sisa Tax (Real Estate Transfer Tax) regarding the immovable property acquisition.
Type of benefit	Tax Deduction	Tax Exemption	
Training Benefit	Yes	Not applicable	Not applicable
Good to know	Not Applicable		

	Agriculture, Agro-industry, Livestock and Fishing Tax Incentives				
	Customs Duties	**Income Tax**	**Modernization and Introduction of New Technologies**	**Accelerated Depreciation Benefit**	**Training**
Minimum Investment required	€50,000.00	€50,000.00	€50,000.00	Not applicable	€50,000.00
Maximum Benefit available	• Full exemption from import duties on goods and equipment intended exclusively for the implementation of the project. • Full exemption from export duties regarding export and re-export operations of products generated by the investment	The investments in these areas benefits, in the first seven (7) years after its implementation, from a 50% IRC rate reduction.	The amount invested in specialized equipment and in state-of-the-art technology for the development of authorized business activities, shall benefit during the first five (5) years, from the date of commencement of activity, of a deduction to the taxable income for IRC purposes, up to a maximum of 50% of the taxable income's amount.	An accelerated depreciation is allowed regarding the investments made in the Tourism, Education, Health and New Technologies sectors and in any other export-oriented sectors.	The costs related to professional training of São Tomean shall be deducted from the taxable amount for the purposes of calculating IRC, when related to authorized ventures.
Type of benefit	Tax Deduction			Accelerated Depreciation	Tax Deduction
Training Benefit	Not Applicable				Yes
Good to know	Upon approval by the competent authority of a provisional list to be submitted to the Customs Directorate.	At the end of the term, the new projects will still be entitled, during two (2) years, to a 25% reduction of taxable income, and subject to a 10% Corporate Income Tax (IRC).	The same deduction shall apply, under the same conditions, on Personal Income Tax (IRS), but only in relation to income from activities belonging to category B (Business and Professional Income).		Not Applicable

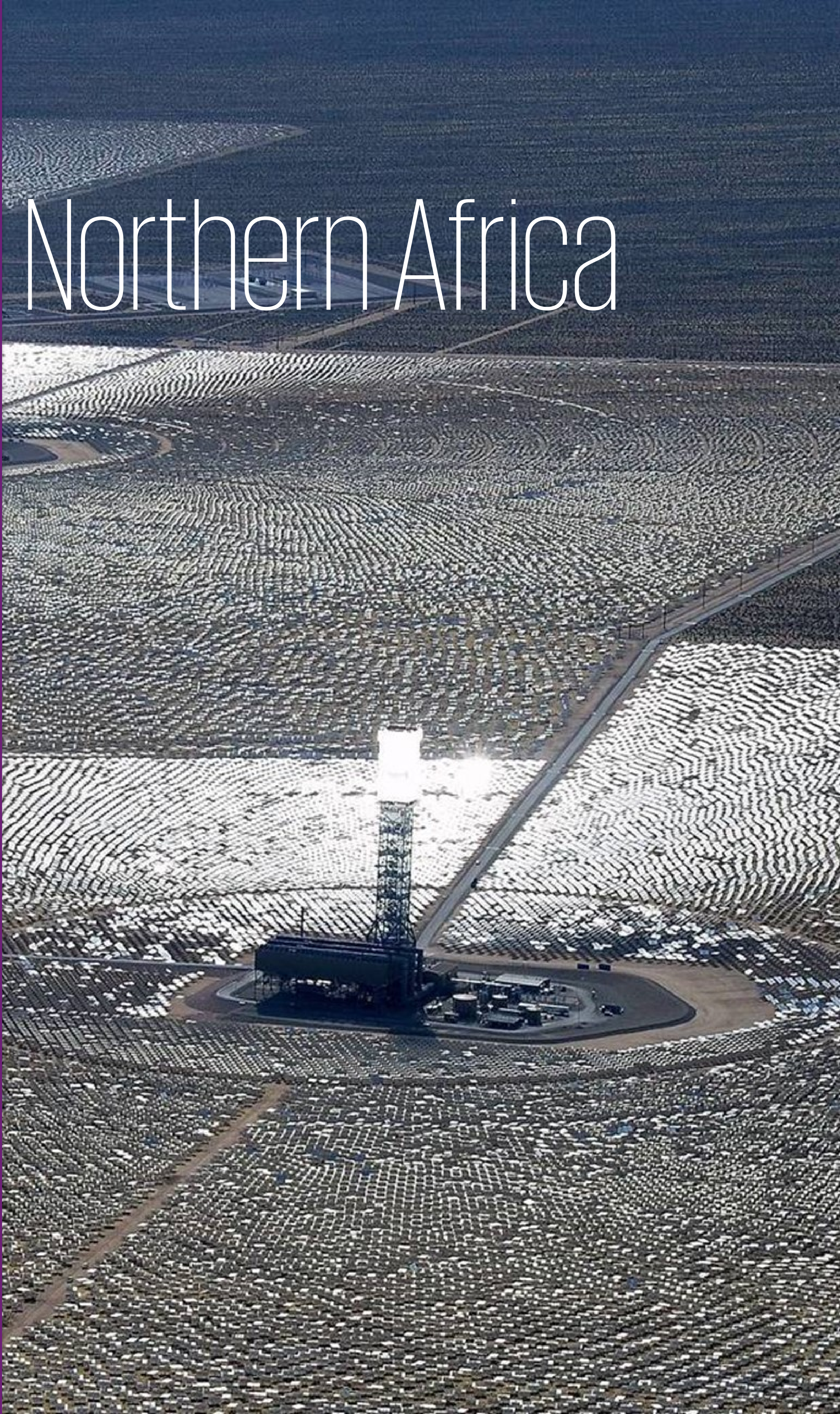
São Tomé and Príncipe (cont.)

	Tourism and Hospitality				
	Customs Duties	**Income Tax**	**Reinvestment**	**Accelerated Depreciation Benefit**	**Training**
Minimum Investment required	€50,000.00	€50,000.00	€50,000.00	Not applicable	€50,000.00
Maximum Benefit available	The rehabilitation, construction, expansion or modernization of hotel units and their complementary or related parts, which main purpose is the production of tourism services, as well as the development of rural and / or ecological tourism shall benefit from an exemption from import duty on goods and equipment intended exclusively for the implementation of the project.	Investments carried out for Tourism and Hospitality purposes are subject to a 12% Corporate Income Tax (IRC).	• The reinvested capital benefits from a deduction to the taxable amount of 30% of the value of the profits invested in the financial year up to the fifth financial year following reinvestment • Applicable only to projects creating at least twenty (20) jobs, and for a period of seven (7) years from the exploration's start.	An accelerated depreciation is allowed regarding the investments made in the Tourism, Education, Health and New Technologies sectors and in any other export-oriented sectors.	The costs related to professional training of São Tomean shall be deducted from the taxable amount for the purposes of calculating IRC, when related to authorized ventures.
Type of benefit	Tax Deduction			Accelerated Depreciation	Tax Deduction
Training Benefit	Not Applicable				Yes
Good to know	The investments on rehabilitation, construction, expansion or modernization of barns, lawns, casinos and other similar units when not added to any of the units previously referred, car rental, travel agencies, tour operators and alike are excluded of the mentioned tax benefits, being able to benefit from the ones mentioned on table 1.	Not Applicable	• The reinvestment is the application, in whole or in part, of net profits obtained in an after-tax period in the expansion, diversification or modernization of installed capacity. • Upon the expiration of the 7 year period, the new enterprises covered by this benefit are entitled to a 10% Corporate Income Tax (IRC).		Not Applicable

São Tomé and Príncipe (cont.)

	Special Benefits	
	Large-scale projects	**Special Development Areas**
Minimum Investment required	USD 10,000,000.00	€ 50,000,00
Maximum Benefit available	• Ventures and infrastructure projects of public interest carried out under a Concession, may benefit from exceptional incentives, regarding import duties, withholding tax, IRC or IRS, Stamp Duty	New developments located in the geographical areas called Special Development Zones (ZED), and depending of the activity may benefit from the following: • Customs Duty Exemption; • Reinvestment, among others.
Type of benefit	Tax Deduction	
Training Benefit	Not Applicable	
Good to know	• To be granted by the Council of Ministers, on a proposal from the Minister responsible for the area of Finance and upon the conclusion of an investment agreement between the State and the promoter of the project, to be approved by the Council of Ministers, which will set the scope and objectives of the incentives to be granted and the penalties for non-compliance by the promoter. • Applicable for a seven (7) years from the implementation period, tot being cumulative with other benefits.	These benefits are granted by the Government through administrative investment contracts and are not cumulative with other benefits

Northern Africa



Ouarzazate Solar Power Plant in Morocco

Egypt

Tax incentives

Incentives under the investment Law No. 8 for 1997

Overall Summary of Country Information

- No limitation/restrictions for foreign investors ownership after obtaining security clearances from the national security agencies (and they have to pay the value of their shares in the company in foreign convertible currencies);
- Unless for some specific sectors are restricted (i.e. Importing for the purpose of trading in Egypt require 51% at least Egyptian participation, Acting as a commercial agent) and;
- Locations restricted (i.e. Sinai Governorate, however doing business in Sinai and certain strategic area require 55% at least Egyptian participation and a prior approval from the relevant authorities.).
- The companies and establishments shall not be nationalized or confiscated.
- Sequestration shall not be imposed administratively on the companies and establishments nor shall their property and funds be distained, seized, retained in protective custody, frozen or confiscated.
- No administrative quarter shall interfere in pricing the companies and establishments' products, nor in determining their profits.
- No administrative quarter shall cancel or stop the license granted for using the realties of which the usufruct rights is licensed to the company or the establishment wholly or partially, except in case of infringing the license conditions.
- The companies shall have the right to possess and own building lands and built realties as necessary for exercising their activities and expanding them, whatever the nationality or place of residence of the partners, or the percentage of their partnership.
- The companies and establishments shall have the right to import by themselves or via third parties whatever they need for their establishment, expansion or operation, comprising production inputs and requisites, materials, machines, equipment, replacement and spare parts, and means of transport as suitable to the nature of their activities, without need for recording in the Register of Importers.
- The companies and establishments shall have the right to export their products by themselves or through middlemen without being licensed therefore and without need for recording themselves in the Register of Exporters.
- The imported machinery and equipment necessary for establishment the project shall be subject to flat rate of 2% of the value.
- The labour -intensive investment projects, the projects that are trying to intensively use the local component in their products, the projects that invest in the field of logistic services or internal trade development, electricity (production , supply and distribution thereof) e.g. traditional energy, new and renewable energy, agriculture projects, land , maritime , rail-ways transportation projects, or the projects that hold investments in remote areas and less favoured regions intended for development , shall be granted facilities and additional non-tax incentives, including:
  - Authorize the establishment of special custom outlets for the exportations and importations of the investment project in agreement with the Minister of Finance.
  - Grant discounted prices or facilitations in the settlement of the value of the used energy.
  - Refund the value of supplying utilities to the land allocated for the investment project or a part thereof to the investor after operating the project.
  - Charge part of the cost of the employees' technical training to be borne by the government.
  - Charge the employee's share and the employer's share in the social insurance or a part thereof, for a certain specified period, to be borne by the government.
  - Dispose land and real estates solely owned by the government or those owned by public corporate bodies.

Libya

	Tax Incentives	
	Incentives under the Law 9 of 2010	**Incentives under Free Trade Act of 2000**
Minimum Investment required	The Investment Authority Committee shall determine the minimum capital that conforms with the nature of the activity.	No minimum is required.
Maximum benefit available	▪ Exemption from customs duties, import fees, service charges and other fees and taxes of a similar nature on the importation of machinery, equipment; ▪ Exemption from all fees and taxes for a period of 5 years, on facilities, spare parts, transport means, furniture, requirements, raw materials, publicity and advertising items, related to the operation and management of the project; ▪ Exemption from CIT for a period of 5 years; ▪ Exemption of the returns of shares and equities, arising from the distribution of the investment project's interests; ▪ Exemption from interest arising from the project's activity if re-invested; ▪ Exemption from all documentary records, registers, transactions, agreements that are made, ratified, signed or used by the investment project, from the stamp duty; and ▪ Carry-forward of losses sustained within the exemption period to subsequent years.	Projects and incomes resulted in free zone whether by natural persons or companies are exempted from tax and fees. Are also exempted from tax and duties all the transactions, assets, loans, cash transfer and credit movement in the free zone. This exception does not break right of authority, that provide service of facilities in the free zones, to get a return.
Type of benefit	Tax exemption	
Training Benefit	None	
Good to know	Other incentives are available, subject to a decision from the Investment Authority Committee, to offer for the investment projects, tax privileges and exemptions for a period, not exceeding 3 years, or other additional privileges, if those projects prove that: • They contribute to the achievement of food security. • Utilize measures that are capable of achieving abundance in energy or water or contribute to environmental protection. • Contribute to the development of the area.	▪ All projects, funds and goods in transit owned by the investors and users in the free zone, are considered private funds whatever is the owner, and can not be seized only by law or an effective judicial instruction in Libya. ▪ It is not allowed nationalize, confiscate, divest the projects based in free zones except by law and with a fair compensation.

Morocco

	Tax Incentives			
	Entities established in Casablanca Finance City	**Specific incentives granted to important projects**	**Export Promotion and hotel incentives**	**Business activities within Export free zones (EFZs)**
Minimum Investment required	A minima of the turnover with foreign companies between 20% and 60%.	Investments exceeding 100 Million MAD (Other criteria are taken into account).	None	
Maximum benefit available	• National or international headquarters are subject to reduced corporate tax at a rate of 10%; • Profit relating to export turnovers are fully exempt from CIT during the first 5 years of operations and subject to 8.75% for the following years; • Gross salaries and wages paid to employees are subject to income tax on salaries at a rate of 20% during 5 years; and • Foreign exchange facilities.	• Up to 20% participation of the Government in the expenses (i.e. external infrastructure expenses, land acquisition, vocational training); • Exemption from customs duties on equipment imported; and • Exemption from VAT.	• Profit relating to export turnovers are fully exempt from CIT during the first 5 years of operations. The applicable CIT rate is 17.5%.	• Exemption from CIT for the first 5 years and applicable rate of 8.75% for the following 20 years; and • Exemption for the dividends paid to non-residents.
Type of benefit	Tax reduction	Tax exemption, Cash grant	Tax exemption	
Training Benefit	Yes. Refund of part of vocational training.	Yes. Contribution up to 20% for professional training costs.	Yes.Contribution to professional training costs may be available depending on the sector of activities.	Yes. Contribution to professional training costs may be available depending on the sector of activities
Good to know	• Need to apply for pre-approval before company is incorporated. • Casablanca Finance City ("CFC") is a financial area governed by the law 44-10 where financial and non-financial companies carrying out national or international activities can be located.	• Need to apply for pre-approval before company can claim. • The incentives are granted to important investments under an agreement signed with the Government.	N/A	Need to apply for pre-approval before company can claim.

Tunisia

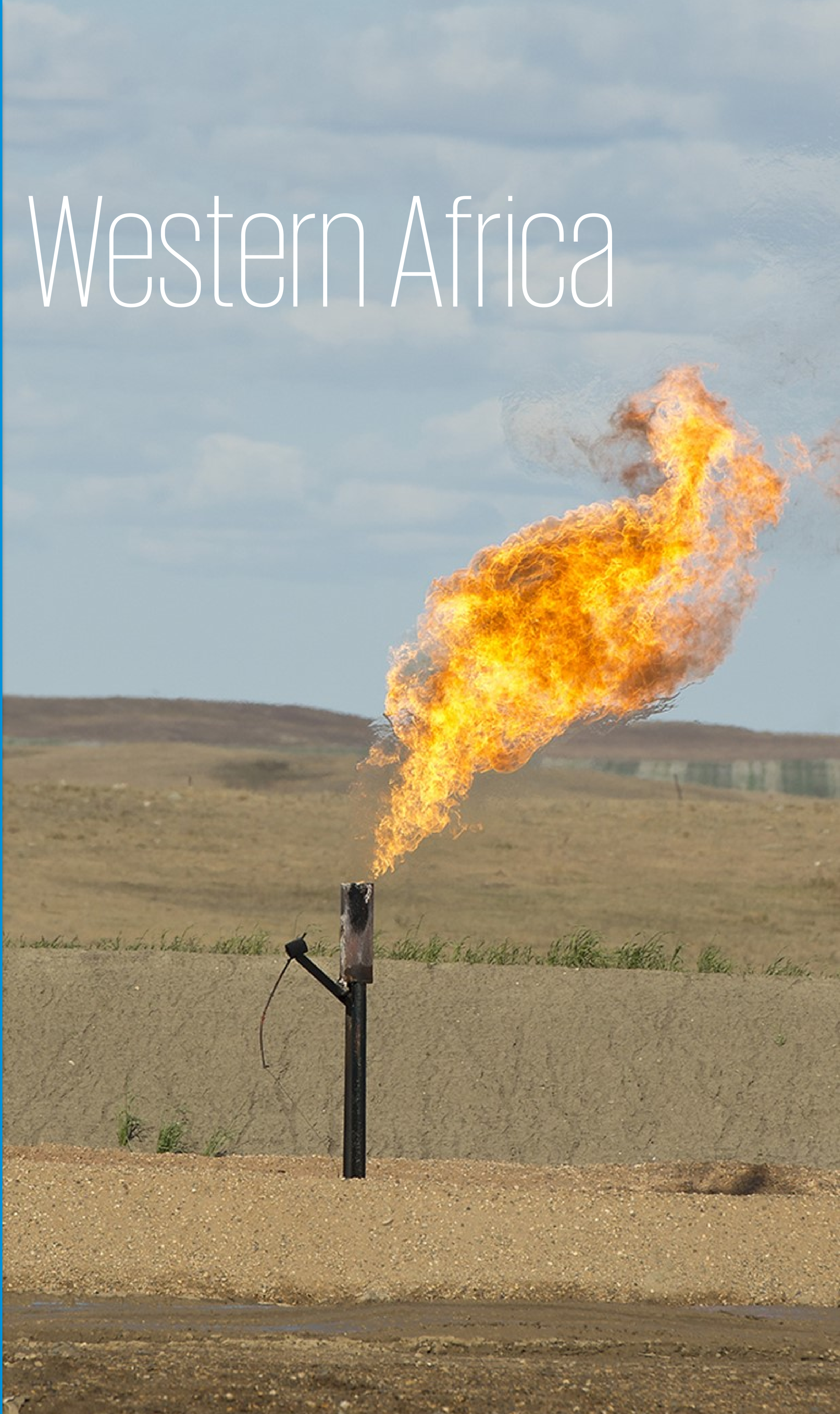
Tunisia has adopted in September 2016 a new investment law which sets out the legal statutory regime of investment made by individuals or legal persons, Tunisians or foreigners, residents or non residents in all economic activities. The tax incentive system, adopted in February 2017 and applied since 1st April 2017 is devoted to sectors of national interest such as agriculture, regional development, export, support activities and technological and innovative investment

	Tax Incentives				
	General Tax incentives	**Tax incentives for fully exporting companies (Industry and services)**	**Regional developments Incentives**	**Technology and research Promotion Incentives**	**Agricultural Developments Incentives**
Minimum Investment required	None, but a minimum of equity ranging between 10% or 30% of the investment costs is required (depending on the category of the investment).	None, but a minimum of equity ranging between 10% or 30% of the investment costs is required (depending on the category of the investment).	None, but a minimum of equity ranging between 10% or 30% of the investment costs is required (depending on the category of the investment).		None, but a minimum of equity of 10% or 30% of the investment costs is required (depending on the category of the investment).
Maximum benefit available	• Depressive Income tax rate during the four first years • Customs duties exemption on importation of equipment; • VAT limited to 6% on importation of equipment; and • VAT Suspension and consumption duty on the local acquisitions of equipment during the period of investment	• Reduced Corporate Income Tax rate of 10% on export profits; • Full exemption from corporate tax on reinvested profits; • VAT and Customs duties exemption on importation of the goods and products, necessary for the export activities of the company; • Local VAT suspension on any purchases of goods and services required for the export activity of the entity; • VAT zero rate on their exports; and • Exemption of payroll taxes.	• Income tax exemption on profits for 10 or 5 years depending on the regions and a reduced Corporate Income Tax rate of 10% on export profits; • Income tax exemption on reinvested profits; • Exemption of some payroll taxes; and • Social security contribution exemption of 100% for 10 or 5 years.	• Bonus 50% up to 300KD for investment in Applied Research and Technology Laboratories, patents • Bonus 50% up to 300KD for projects with clean technologies • Bonus for energy saving investment and development of renewable energies: Bonus generally ranging between TND 2500 and TND 500 000 (generally between 20% to 70% of the investment); • Reduction of Customs duties to the rate of 10% or full exemption (depending of the investment); and • VAT Suspension. .	• Tax exemption on reinvested profits; • Full tax exemption for the 10 first years of operation; • VAT suspended on imported capital goods that have no locally-made similar counterparts; and • State Contribution may also apply to infrastructure expenses to develop areas meant for fish farming and for cultivation using geothermal water.

Tunisia (cont.)

	Tax Incentives				
	General Tax incentives	**Tax incentives for fully exporting companies (Industry and services)**	**Regional developments Incentives**	**Technology and research Promotion Incentives**	**Agricultural Developments Incentives**
Type of benefit	Tax exemption	Tax exemption, Tax reduction			Tax exemption
Training Benefit	None			Full or partial coverage by the State of training staff costs.	None
How to claim / Timeframe	An application process submitted to The Tunisian Investment Authority or APII *(Agency for the Promotion of Industry and Innovation)* needs to be followed with the Tax authorities mainly for the VAT suspension.	▪ An application process submitted to The Tunisian Investment Authority or APII *(Agency for the Promotion of Industry and Innovation)* needs to be followed with the Tax authorities mainly for the VAT suspension ▪ Time frame of 10 Years for the reduced Corporate Income tax rate incentive.	An application process needs to be followed with the competent authorities.	An application process needs to be followed with the competent authorities.	An application process needs to be followed with the Tunisian Investment Authority or APIA *(Agency for Agricultural Investment Promotion)*
Good to know	The Tunisian Investment Authority or APII *(Agency for the Promotion of Industry and Innovation)* generally delivers the decision granting the incentives within one month.		The granting of the national social security incentives may take three months.		

Western Africa



Gas flair:
Niger Delta
Nigeria

Cameroon

	Tax Incentives				
	PPP Contracts	Stock Exchange sector	Youth employment promotion	Incentives for private investments	Industrial Free Zone & Special Free Zone
Minimum Investment required	None.			5 million to 25 Million XAF	None, but need to carry out its activities under the free zone regime.
Maximum benefit Available	• Registration free of charge for deeds and conventions entered into during the first 5 years of the exploitation phase, and 5% reduction in the CIT rate; • VAT is borne by the public entity; and • Taxes and custom duties is borne by the public entity.	• Tax reduction of 20% for a period of three years for capital increase representing 20% of the share capital; • Tax reduction of 25% for a period of three years for spin-offs representing 20% of the share capital; and • Tax reduction of 28% for a period of three years from the date of listing for capital increase or spin-off representing less than 20% of the share capital.	• Firms falling under the actual earnings tax system which recruit Cameroonian graduates below 35 years for first-time jobs on open-term contract basis shall be exempted from taxes and contributions on the salary paid to such youths.	Exoneration from VAT, reduced rate of 5% on custom duties, 50% reduction on registration duties, 50% to 75% reduction on CIT, 50% to 75% reduction on tax on income from stocks and shares.	Tax exemption over the first ten years of operation, customs exemptions on exports.
Type of benefit	Tax reduction		Tax exemption	Tax exemption/ reduction	Exemption from direct taxes
Training Benefit	None				
Good to know	Delay in processing are more frequent.	• Effective 1 January 2012. • Possibility of cumulating the stock exchange system with other systems such as reinvestment, public-private partnership.	• This measure shall apply with effect from 1 January 2016 and shall be valid for a three (3) year period.	• Delays in processing are more frequent. • In addition, approval may be denied to an investor in competition with one or more other investors benefiting from the incentives, provided that the investor qualifies.	N/A

Ghana

	Tax Incentives				
	Tax incentives (available to companies in specific industries for specified number of years)	**Incentives available to companies engaged in agro-processing and cocoa by-products**	**Location incentives (manufacturing companies <u>excluding</u> agro processing/cocoa by-products)**	**Ghana free zones (industrial zones/ freeports)**	**General investment incentives on registration with the Ghana Investment Promotion Center (GIPC)**
Minimum Investment required	Generally, there is no minimum capital requirement to start business in Ghana. However a non-Ghanaian or foreigner desiring to do business in Ghana is required to register with the Ghana Investment Promotion Council (GIPC) and comply with the minimum investment requirements shown in last column. *The minimum capital requirement, however, does not apply to Companies set up solely for export trading or manufacturing.*			No minimum capital required.	• For Joint Ventures with Ghanaian partners, a minimum contribution of USD 200,000 in cash or capital goods. • For wholly owned foreign ventures, the minimum equity is USD 500,000 in cash or capital goods. • For trading companies, the minimum equity is US$1,000,000 in cash or capital goods.
Maximum benefit available	• Tax payable at the rate of 1% of chargeable income for the <u>specified number of years</u> after which they will pay a standard rate of 25% CIT; • The indicated number of years varies for different industries / sectors. (Refer "Timeframe" below.)	• New companies are taxed at 1% for the first 5 years. • Subsequently, a 25% tax rebate if located in the regional capitals of the country, and 50% tax rebate if located elsewhere, applies. This does not apply to companies located in Accra and Tema.	• 25% Tax rebate for companies in the regional capitals; and • 50% Tax rebate for manufacturing companies located elsewhere.	• 100% exemption from direct and indirect taxes on all imports and exports; • 100% exemption from payment of income tax on profit for 10 years; • Minimal customs formalities; and • Total exemption from payment of withholding taxes on dividends arising out of free zone investments.	Automatic Immigrant Quota available: • For **One** expatriate when equity invested is over US$50,000 and not more than US$250,000; • For **Two** expatriates when equity is over US$ 250,000 and not more than US$500,000; • For **Three** expatriates when equity is over US$ 500,000.00 and not more than US$700,000; and • For **Four** expatriates when equity is more than US$700,000. Special Incentives are negotiated for identified strategic/major Investments with a minimum value of US$50,000,000 in specified priority sectors upon satisfying certain conditions.
Type of benefit	Tax reduction	Tax rebate and Tax reduction	Tax rebate	Tax exemption / Tax reduction	Automatic Immigrant Quota
Training Benefit	None				

Ghana (cont.)

	Tax Incentives (continued)				
	Tax incentives (available to companies in specific industries for specified number of years)	**Incentives available to companies engaged in agro-processing and cocoa by-products**	**Location incentives (manufacturing companies excluding agro processing/cocoa by-products)**	**Ghana free zones (industrial zones/ freeports)**	**General investment incentives on registration with the Ghana Investment Promotion Center (GIPC)**
How to claim/ Timeframe	• The time frame applicable for the benefit differs for each respective industry or sector: - Agriculture: 5-10 years - Rural Banking: 10 years - Waste Processing: 7 years - Real Estate (low Residential housing): 5 years - Approved Unit Trust Scheme and Mutual Fund, Venture Capital Financing: 10 years - Venture Capital Financing: 10 years	Refer "Maximum benefit available" above.	None	First 10 years	Upon registration with GIPC
Good to know	• Unrealised losses can be carried forward for between 3 to 5 years (5 years are for priority sectors and 3 years for all other sectors). • Priority sectors are: Mining and Mineral Operations; Petroleum Operations; Energy and Power; Manufacturing; Farming; Agro-processing; Tourism and Information and Communication Technology.	N/A		• A condition for the grant of a free zone license is that the licensed entity must export at least 70% of its output. • 30% output is allowed on the domestic market. • A free zone enterprise could be wholly-owned by a foreigner.	• The minimum capital requirement does not apply to portfolio investment and an enterprise set up solely for export trading and manufacturing. • Free transferability of convertible currency through an authorised dealer bank of capital, dividend, interest and fees net of all taxes.
	All Companies are entitled to an additional deduction based on wages and salaries paid to a fresh graduates employed from recognised Ghanaian tertiary institutions. A deduction of up to 50% salaries and wages paid to the fresh graduates is available where these persons form at least 5% of the entity's entire work force.				

Ivory Coast

Tax incentives are granted under two regimes, namely the declaration regime and the approval regime. The Code provides for specific incentives available to eligible enterprise depending on the location of their business site. For this purpose, the Ivorian territory is divided into three zones: A (Abidjan district), B (cities with at least 60,000 inhabitants) and C (cities with less than 60,000 inhabitants and special economic zones).

	Tax Incentives				
	Tax incentive under the General Tax Code	**Tax incentive under the investment code**		**Tax Incentives under the mining code and the petroleum code**	**Special Taxation for free zone**
		Approval regime	**Declaration regime**		
Minimum Investment required	At least XOF 10 million for reinvestment	From XOF 200 million to XOF 1 billion	No minimum investment is required to benefit from this regime	No minimum investment is required	No minimum investment is required
How to claim	Through a file to fill in with details of investments addressed to the Director of the tax offices	Through a documented file including a business plan adressed to the CEPICI (centre de promotion des investissements en Côte d'Ivoire)	Through a documented file including a business plan adressed to the CEPICI	Through the drafting of a petroleum or mining contract	Through the installation of an entity and activities in the Free Zone area
Type of benefits	Tax deductions				
Maximum benefit available	Tax reduction on industrial and commercial profits reinvested in the activity in Ivory Coast. Tax exemption provided for companies set up for the purpose of taking over companies in a difficult situation. Tax exemption for profits derived from the exploitation of mineral deposits.	Exemption of eligible companies are as follows and mainly depend of the level of investment and realisation of these investments : - 40% or 50% reduction of customs duties payable on the importation of the equipment used for purpose of the project;	Exemption of eligible companies are as follows and mainly depend of the area where the company is situated: - Corporate income tax; - Business licence duty and trading licence duty;	Exemption from : - VAT and, - additional tax imports for companies purchases involved in exploration or production of oil, gas or minerals and for mining companies.	Total exemption for most taxes. There is only a specific tax to pay, after 5 years, based on the annual turnover (rate is 1%).

Ivory Coast (cont.)

	Tax Incentives (continued)				
	Tax incentive under the General Tax Code	Tax incentive under the investment code		Tax Incentives under the mining code and the petroleum code	Special Taxation for free zone
		Approval regime	Declaration regime		
Maximum benefit available (cont.)	Tax exemption on gains realised from the sale of fixed assets if reinvested within 3 years. Tax rate reductions available for small and medium-sized companies that register with specific entities called "centres de gestion agrees".	- VAT; - Corporate income tax; - Business licence duty and trading licence duty; - Real estate tax; - registration duty on increase of the capital; - Various rates reduction of the employer contribution on payroll taxes.	- Real estate tax; - registration duty on increase of the capital; - 80% or 90% reduction of the employer contribution on payroll taxes.	In addition to the above, during the exploration and exploitation phases, petroleum and mining industries are exempt from: - payroll tax; - Corporate income tax; - registration duties applicable to in-kind or cash share-capital contribution; - real estate tax.	A "royalty" payment of 2,5% of the annual turnover is also required.
Good to know	Enterprises may apply for a reduction in tax on industrial and commercial profits. The investment period must not exceed two years. The reduction for reinvested profits is granted for profits reinvested in extension, diversification or modernization projects. The reduction granted is capped at 35% for Abidjan zone and 40% for the others region.	The incentives under the approval regime are granted according to the location of the business site (zones A,B and C). The exemptions in zone A are granted for 5 years. The exemptions in zone B are granted for 8 years. The exemptions in zone C are granted for 15 years. The exemptions are reduced by 50% up to 25% on the final 2 years before the end of the exemption periods. These incentives may not be combined with sector-specific investment programs, such as those for mining and hydrocarbons.	The exemptions in zone A are granted for 5 years; The exemption in zone B are granted for 8 years; The exemption in zone C are granted for 15 years ; Companies eligible for these exemptions must keep regular accounts under the OHADA standards and will be assessed on actual profits. The exemptions are reduced by 50% up to 25% on the final 2 years before the end of the exemption periods. These incentives may not be combined with sector-specific investment programs, such as those for mining and hydrocarbons.	Exemptions granted to the mining and petroleum industries may benefit to their subcontractors as well.	The Free zone, named VITIB, is located in Bassam near the economic capital (Abidjan). The free zone is limited to biotechnology and communication companies (NTIC) that must obtain a licence issued by the company called VITIB SA.

Liberia

	Tax Incentives (Table 1)			
	Manufacturing Section 16(C)	**Energy Section (C)**	**Housing Section 16(C)**	**Exportation (Section 16)**
Minimum Investment required	The minimum investment capital required is US$500,000.00.		The minimum investment capital required is US$500,000.00	The minimum investment capital required is US$500,000.00.
Maximum benefit available	The aggregate of up to 30% of the purchase price of the qualifying asset(s). (Section 204)			
Type of benefit	Incentive deduction			
Training Benefit	None			
How to Claim/ Timeframe	To request tax incentive certification, an investor must apply to the LNIC and the LNIC will conduct an evaluation of the certification request and will forward said request to the Minister of Finance & Development Planning and maximal 15 working day for approval/rejection.			
Maximum benefit available	▪ A certified investment entitled to the special tax incentive is up to period of five (5) years subject to continuing oversight. ▪ The incentive allows exemptions from GST and Import Duty of medical, educational and supplies purchased in direct use or in connection with the investment activity intended to be placed in service within a year, equipment and machinery, specialized vehicles, capital spare parts and other specialized capital goods that are purchase for use directly in the investment activity and intended to be placed into service immediately upon purchased, and automobiles, small trucks, and fuels are prohibited from exemptions under this provision. Section 16.5(b) ▪ For investment exceeding USD$10 million and subject to the president and legislative approvals, incentives may be allowed for period up to fifteen (15) years. Section 16.3 (C)			

Liberia (cont.)

	Tax Incentives (Table 2)					
	Information Technology (Section 16)	**Banking (Section 16)**	**Poultry (Section 16)**	**Horticulture (Section 16)**	**Agricultural – food crop cultivation and processing including cocoa and coffee (Section 16)**	**Small and medium scale rubber and oil palm cultivation and processing (Section 16)**
Minimum Investment required	The minimum investment capital required is US$500,000.00.					
Maximum benefit available	The aggregate of up to 30% of the purchase price of the qualifying asset(s). (Section 204)					
Type of benefit	Incentive deduction					
Training Benefit	None					
How to Claim/ Timeframe	To request tax incentive certification, an investor must apply to the LNIC and the LNIC will conduct an evaluation of the certification request and will forward said request to the Minister of Finance & Development Planning and maximal 15 working day for approval/rejection.					
Maximum benefit available	▪ A certified investment entitled to the special tax incentive is up to period of five (5) years subject to continuing oversight. ▪ The incentive allows exemptions from GST and Import Duty of medical, educational and supplies purchased in direct use or in connection with the investment activity intended to be placed in service within a year, equipment and machinery, specialized vehicles, capital spare parts and other specialized capital goods that are purchase for use directly in the investment activity and intended to be placed into service immediately upon purchased, and automobiles, small trucks, and fuels are prohibited from exemptions under this provision. Section 16.5(b) ▪ For investment exceeding USD$10 million and subject to the president and legislative approvals, incentives may be allowed for period up to fifteen (15) years. Section 16.3 (C)					

Nigeria

	Tax incentives (Table 1)						
	Pioneer Status Incentive (PSI)	**Work Experience Acquisition Program Relief**	**Employment Tax Relief**	**Infrastructure Tax Relief (ITR)**	**Bonds & Short Term Government Securities** (bonds issued by corporate bodies and supranational also inclusive)	**Companies engaged in gas utilisation (Downstream Operations)**	**Gas utilization incentive program (Upstream operations)**
Minimum Investment required	Capital expenditure of not less than ₦10 million to qualify for the pioneer status incentive.	Minimum net employment of 5 new employees, for a minimum of 2 years.	Minimum net employment of 10 employees in the relevant assessment period.	None			
Maximum benefit available	• 3-5 year income tax holiday; • Dividends paid out of pioneer profits shall be tax exempt when distributed to the Company's shareholders.	Exemption from CIT up to 5% of assessable profit in the tax year in which the company qualifies.	Exemption from CIT up to 5% of assessable profit in the tax year to which the profits relate but limited to the gross emoluments paid to qualifying employees.	CIT exemption of 30% of cost incurred in providing infrastructure or facilities of a public nature.	Gains from acquisition / disposal and interest earned by holders of the securities above are tax exempt.	• Tax free period of 3 years renewable for 2 years or 35% investment allowance. • Additional investment allowance of 15% (only where the company chooses the tax free period). • Accelerated capital allowance. • Tax free dividend during the tax free period.	• Gas income is subject to tax at the rate of 30%. • Gas transferred from a Natural Gas Liquid (NGL) facility to the gas-to-liquids facilities is subject to 0% Petroleum Profits Tax and 0% royalty.

Nigeria (cont.)

	Tax incentives (Table 1 – continued)						
	Pioneer Status Incentive (PSI)	**Work Experience Acquisition Program Relief**	**Employment Tax Relief**	**Infrastructure Tax Relief (ITR)**	**Bonds & Short Term Government Securities** (bonds issued by corporate bodies and supranational also inclusive)	**Companies engaged in gas utilisation (Downstream Operations)**	**Gas utilization incentive program (Upstream operations)**
Type of benefit	Tax holiday of 3 to 5years, accelerated capital allowance, tax free dividend.	Tax exemption[1]			Tax exemption	Tax holiday of 3 to 5 years, accelerated capital allowance, tax free dividend and interest deductibility.	Tax exemption, Tax reduction.
Training Benefit	None						
How to Claim/ Timeframe	Within the pioneer period.	Only claimable in the third year of employment of the new employees retained.	Can only be utilised in the first tax year in which employees were first employed.	Claimed in the assessment period in which infrastructure or facility is provided, over 2 assessment periods.	Exception is for a 10 year period from 2 January 2012.	There is a statutory requirement for companies engaged in gas utilisation to obtain Ministerial approval to claim interest deductions.	Within every fiscal year of filing tax returns.
Good to Know	Federal Ministry of Industry Trade and Investment (FMITI) is currently reviewing the scope and implementation of pioneer status incentive administration and the enabling laws in Nigeria Also, the Nigerian Investment Promotion Commission collects a processing fee of 2% of projected profits and existing companies applying for PSI are required to have additional investment up to 200% of company's original investment.	Relief cannot be carried forward to other tax years.	At least 60% of those employees must be individuals without prior work experience and employed within 3 years of graduating from schools or vocation. Relief cannot be carried forward to another tax year.	To qualify for the exemption, the infrastructure facilities must be completed and be in use by both the Company and the public. Any unutilised portion can be utilised within 2 subsequent assessment periods.	Interest on federal government bonds enjoys indefinite exemption from CIT & Capital Gains Tax.	Grant of tax holiday is subject to confirmation that company is engaged in gas utilisation.	Investment required to separate crude oil and gas from the reservoir into usable products is also considered as part of oil field development.

[1]*These reliefs will expire on 26 April 2017, unless extended by the Nigerian Government. Qualifying companies with financial year-ends of between 1 January and 26 April 2017, will be entitled to claim the reliefs in full in the corresponding tax year; while companies with financial year-ends of between 27 April and 31 December will claim prorated reliefs to reflect the basis period up to 26 April 2017.*

Nigeria (cont.)

	Tax incentives (Table 2)				
	Free Trade Zones (FTZ)	**Export Credit System**	**Agro-Allied Industry**	**Deep Offshore and Inland Basin Production Sharing Contracts Fiscal Incentives**	**Mining of Solid Minerals**
Minimum Investment required	In practice, the minimum investment varies from one FTZ to another depending on the approved activities.	Current minimum value of annual export turnover is ₦5 million. This is subject to review from time to time by the Nigerian Export Promotion Council (NEPC).	None		
Maximum benefit available	• Exemption from all federal, state and local government taxes, levies and rates. • Approved enterprises to import free of all duties any capital and consumer goods, raw materials, components, or articles to be used in respect of any approved activity within the zone. • Repatriation of foreign capital investment and 100% foreign ownership allowable.	Tax credit for qualifying export companies.	• Exemption from payment of minimum tax. • Lower income tax rate of 20 percent where the total gross sales (turnover) is below ₦1 million. • Agro-allied plant and equipment enjoy accelerated capital allowances. • No restriction on the capital allowance claimable.	• Investment Tax Credit (ITC) at 50% of Qualifying Capital Expenditure (QCE) for Production Sharing Contracts (PSC) signed pre- July 1998. • Royalty rate of 10% for companies operating in the Inland Basin and graduated royalties rate for companies in Deep Offshore operations (ranging from 0% to 12% depending on water depth).	• Tax holiday of 3 years renewable for 2 years. • Exemption from customs and import duties in respect of plant, machinery equipment and accessories imported exclusively for mining operations. (However, the plant and equipment can only be disposed of locally upon payment of the applicable customs and import duties). • Accelerated capital allowance on mining expenditure (95% initial allowance and retention of 5% until asset is disposed).

Nigeria (cont.)

	Tax incentives (Table 2 – continued)				
	Free Trade Zones (FTZ)	**Export Credit System**	**Agro-Allied Industry**	**Deep Offshore and Inland Basin Production Sharing Contracts Fiscal Incentives**	**Mining of Solid Minerals**
Maximum benefit available (cont.)	• No import and export license required and remittance of profits and dividends earned by foreign investors in the export free zone allowable.				• Actual amount incurred out of reserves made for environmental protection, mine rehabilitation, reclamation and mine closure shall be tax deductible, subject to certification by an independent qualified person.
Type of benefit	Tax exemption	Tax Credit[1] (against future duty payments)	Lower income tax rate for total gross sales (turnover) below ₦1 million / Minimum tax exemption	Tax credit	Grant
Training Benefit	None				
How to claim / Timeframe	Entire period of operating within the export free zone.	Applications must be submitted to the authority, along with evidence of full repatriation of export proceeds.	Within every fiscal year of filing tax returns.	Within every fiscal year of filing tax returns.	Only claimable in the first three (3) years of operations.
Good to Know	• The 2 major legislation that regulate FTZ in Nigeria are; Nigeria Export Processing Zone Act (NEPZA) and Oil & Gas Export Free Zone Act (OGEFZA). • Rent-free land at construction stage, thereafter rent shall be determined by authority.	In practice, qualifying exporters must have fully repatriated all proceeds within 180 days from the day of export.	Tax exemption of the interest earned by Banks from agricultural loans subject to certain conditions.	Petroleum Investment Allowance (PIA) at 50% of QCE for PSCC's signed after July 1998.	A company may also be entitled to claim an additional rural investment allowance on its infrastructure cost, depending on the location of the company and the type of infrastructure provided.

[1]These reliefs will expire on 26 April 2017, unless extended by the Nigerian Government. Qualifying companies with financial year-ends of between 1 January and 26 April 2017, will be entitled to claim the reliefs in full in the corresponding tax year; while companies with financial year-ends of between 27 April and 31 December will claim prorated reliefs to reflect the basis period up to 26 April 2017.

Sierra Leone

Additional incentives can be given if applied for by investors, however any agreement granting tax breaks and incentives to a taxpayer is required to be ratified by the Parliament in order to have the force of law.

	Tax Incentives			
	Research and Development expenses	**Refinery**	**Investment and employment incentive**	**Infrastructure**
Minimum Investment required	For the purposes of income tax, any expenses incurred on research and development by an investor, shall be eligible for deduction from profits of 100% of the cost incurred up to the extent of the profit of the same year the expenditure is made but any unclaimed amount shall not be available for future deductions.	A minimum investment of $20,000,000 into a petroleum refinery project and employing at least fifty Sierra Leonean citizens shall be eligible for the following relief.	"Registered Businesses in SL that are at 20% Sierra Leonean owned are entitled to corporate tax exemption if over a given period, they have certain amount of local employees and invest specified amounts of funds."	"Income derived from any undertaking under the Public-Private Partnership Infrastructure Projects in excess of $20 Million shall enjoy a corporate tax relief for fifteen years. the importation of plants, equipment and other inputs, shall be duty-free. "
Maximum Benefit available	Up to 100% of the cost incurred is tax deductible in the same year	None	None	None
Type of benefit	Tax Deduction	Tax Relief and Exemption	Tax Exemption	Tax Relief
Training Benefit	Expenses on training of local staff in approved training programmes, shall be eligible for deduction from profits of 100% of the cost incurred up to the extent of profits of the same year the expenditure is made, however, unclaimed amounts shall not be available for future deduction.	None	In terms of income tax, expenses on training of local staff in an approved training programmes shall be eligible for deduction from profits of 100% of the cost incurred up to the extent of profits of the same year the expenditure is made.	Cost incurred up to 100% of training local staff is tax free in the same year. for the purpose of Income Tax
Good to know	Such a provision may be revised in subsequent Finance Acts, but will remain in force till repealed or amended.			

	Tax Incentives	
	Donation into Skills Development Fund	**Employment of Women**
Minimum Investment required	For the purposes of income tax, any investor who makes a donation into the Skills Development Fund, shall be eligible for 100% deduction of the donation from profits for the same year that the donation is made, but any unclaimed amount shall not be available for future deductions.	For the purpose of the income tax any employer who employ a female personnel in managerial role or management position will be eligible for a tax credit of 6.5% of PAYE of that employee from the period 1 January 2016 to 31 December 2018.
Maximum Benefit available	Up to 100% of the cost incurred is tax deductible in the same year	6.5% tax credit of the PAYE of the employee will be allowed for the employer.
Type of benefit	Tax Deduction	Tax Relief
Training Benefit	A tax deduction is applicable.	This is an allowable tax deduction for the employer.
Good to know	Such a provision may be revised in subsequent Finance Acts, but will remain in force till repealed or amended.	

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