

INCENTIVES AVAILABLE FOR EXPORTERS





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PRESENTATION OUTLINE

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- › INTRODUCTION
 - › FACILITATORY ROLE OF JTI
 - › SUBSTANTIAL BENEFITS AVAILABLE
 - › PROGRAMMES IN DETAIL
 - › QUESTIONS AND ANSWERS
 - › CONTACT DETAILS FOR FURTHER INFORMATION
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Incentives Available to Exporters

EXPORT OF GOODS

- › Export Industry Encouragement Act (EIEA)
- › Jamaica Free Zone Act / Single Entity Free Zone Act
- › Cabinet Decision #3 of 1997
- › Modernization of Industry Programme
- › Accelerated Depreciation/ Special Capital Allowance

EXPORT OF SERVICES

- › Export Industry Encouragement Act (EIEA)
- › Hotel Incentives Act (HIA)
- › Resort Cottages Incentive Act (RCIA)



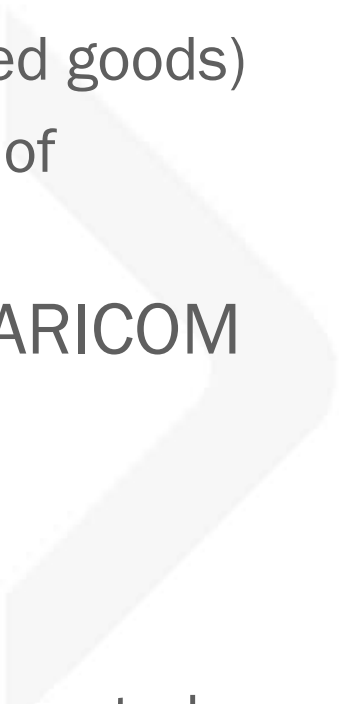


EXPORT OF GOODS



EXPORT INDUSTRY ENCOURAGEMENT ACT (E.I.E.A.)



- › Granted to:
 - A full exporter (exporting 100% of manufactured goods)
 - A partial exporter (exporting a threshold of 5% of manufactured goods)
 - › A minimum of 5% of export sales to Non-CARICOM markets of total sales must be attained
 - › Benefits include:
 - Ten (10) years income tax relief
 - Exemption from Customs duties and GCT on imported raw materials and machinery
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SINGLE ENTITY FREE ZONE STATUS

- › Granted to manufacturers and service providers (in the case of information processing free zones) located outside of the designated free zones
- › Similar benefits to designated free zones
 - Income tax relief on profits
 - Exemption from import duties and licensing
- › Manufacturing firms are permitted to sell up to 15% of their production on the domestic/regional market.



CABINET DECISION #3 OF 1997

- › Incentive for the non-bauxitic industrial minerals sector
- › Benefits include:
 - Ten (10) year tax holiday
 - Exemption from Customs Duties on machinery and equipment
 - Exemption from General Consumption Tax (GCT)
 - Exemption from the payment of withholding tax



MODERNIZATION OF INDUSTRY PROGRAMME (MOI)



- › Granted to manufacturers
- › Instituted to assist manufacturing firms in adopting productivity-oriented techniques.
- › Benefit:
 - Relief from the General Consumption Tax (GCT) levied on machinery and equipment directly related to the manufacturing process.

ACCELERATED DEPRECIATION/ SPECIAL CAPITAL ALLOWANCE

- › Businesses must be certified by the Ministry of Industry, Investment and Commerce in order to benefit from incentive.
- › Benefit:
 - Writing off of the cost of new capital equipment within a two-year period. A certified business is allowed to deduct 50% of the full cost of any new machinery in the year of purchase and a further 50% in the following year.
- › For data processing/system development businesses, at least 20% of gross income must be derived from exports.






EXPORT OF SERVICES



EXPORT INDUSTRY ENCOURAGEMENT (AMENDMENT) ACT, 2001



- › Granted to approved export service providers for supplying designated services.
 - › Benefits:
 - Income tax relief for a period of ten (10) years.
 - Relief from Customs duties and GCT on articles listed in the Third Schedule of the Act.
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HOTEL INCENTIVES ACT (HIA)



- › Granted to hotel enterprises that have:
 - Ten (10) or more bedrooms with facilities for meals and accommodation for transient guests, including tourists.
 - An aggregate number of not less than three hundred and fifty (350) bedrooms and facilities for the holding of conferences.
- › Benefits:
 - Income tax relief
 - Import duty concessions
- › These benefits are granted up to ten (10) years for hotels with 10 or more bedrooms and fifteen (15) years for convention-type hotels



RESORT COTTAGES INCENTIVE ACT (RCIA)

- › Incentive applies only to resort cottages having an aggregate number of not less than ten (10) bedrooms, situated in the same area and owned by the same person.
- › A recognized resort cottage must have:
 - At least two furnished bedrooms
 - A furnished living room
 - Bathroom facilities
 - Facilities for the preparation and consumption of meals
 - Used or intended to be used for the accommodation of transient guests, including tourists for reward
- › Benefits:
 - Income tax relief for up to seven (7) years
 - Import duty concessions on specified items





QUESTIONS??



THANK YOU!



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