

INCENTIVES FOR THE MANUFACTURING AND SERVICES INDUSTRIES IN MALTA

Introduction

The Business Promotion Act (BPA) - Act IV of 2001 – has amended and substituted the Industrial Development Act (IDA) which had been with us since 1988 and which had, all told, served well the functions for which it had been enacted. Regulations have been issued under the BPA by LN135 of 2001.

Malta Enterprise (ME)

The Malta Development Corporation recently renamed Malta Enterprise (ME), founded in 1967 by Act of Parliament, is the exclusive Government agency entrusted with promoting and supporting a quality business environment in Malta for both foreign and local enterprises in the manufacturing and services sectors.

Besides being responsible for 10 Industrial Estates around Malta and Gozo and a Technopark for high technology industries, the ME is responsible for implementing the Government's industrial policy thereby enabling the growth of some 200 foreign and 300 Maltese enterprises.

The Incentive Package: Types of Companies

For an exhaustive list of Companies that qualify to benefit from the incentives under the BPA please refer to **Appendix 1**.

Incentives: General

Please refer to **Appendix 2** for a detailed list of the incentives provided for under the BPA and the types of companies qualifying for such incentives.

Application procedure and powers of the ME

Interested parties are to apply to the ME on the appropriate form. A declaration signed by all the directors or, alternatively, by the company secretary stating that throughout the relevant

accounting period the company is eligible to qualify for the incentives shall, in all cases, be attached to the application. Applicant's auditor is also to confirm that to the best of his knowledge and belief the director/company secretary's declaration is correct. If an application is successful, the ME will issue a certificate confirming the eligibility of applicant and setting out the conditions to be satisfied by the enterprise within 60 days from receipt of all requested information. The certificate shall be deemed to constitute a contract between applicant and the MDC/Government of Malta.

The ME reserves the right to request any additional information necessary in the circumstances and may also visit the premises. The ME may also, in particular:

- ◆ examine the books, documents, premises and all other things and matters of applicant as may be necessary to ensure that the assistance is being applied for the purpose for which it has been given; and
- ◆ request that financial statements be submitted to it on a quarterly basis or at such shorter intervals as the ME may determine.

The ME may revoke the incentives granted to an enterprise if such enterprise fails to comply with any of the conditions attached to the grant of any incentive. An appeal from any such decision lies by the aggrieved party to an independent and impartial Appeals Board constituted under the BPA. An appeal from a decision of the Appeals Board may be made to the Court of Appeal on a point of Law.

An enterprise shall only be entitled to benefit from the incentives listed in the BPA if, with the submission of its income tax return for every year of assessment in respect of which it claims a benefit, it submits:

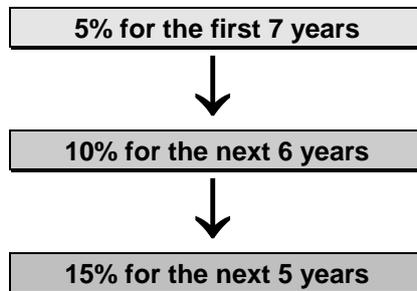
- ◆ a declaration signed by all the directors confirming that throughout the relevant accounting period the enterprise's trade or business consisted solely of permissible activities and that it is not disqualified from benefiting from such incentives*; and
- ◆ a declaration signed by the enterprise's auditor stating that to the best of his knowledge and belief, the directors' declaration is correct.

Fiscal incentives explained

* Additional requirements apply if the declaration is signed by the company secretary.

(i) Reduced Rates of Income Tax

'Target Sector Companies' may benefit from the following highly favourable rates of tax:



These reduced rates of income tax are applicable until year of assessment 2021 or such earlier date as the Minister responsible for industry may determine.

The ME shall confirm in writing to each qualifying enterprise the minimum number of years (which cannot exceed 10 years) of assessment for which the reduced rates of tax apply. The ME may not earlier than 12 months prior to the expiry of such minimum period renew such confirmation for a period exceeding 5 years.

Profits which are taxed at reduced rates are not subject to further taxes upon a distribution of such profits to the shareholders.

Enterprises carrying out waste treatment or biotechnology should have their project approved by the ME prior to qualifying for this incentive.

Undertakings which are **not** eligible to benefit from this incentive are those whose activities consist of:

1. retail sales. For this purpose, an enterprise shall be deemed **not** to sell by retail if its sales of goods or services are made to:

- a person who carries on a trade and who either resells such goods or services or else who makes use of such goods or services for the purpose of his trade; or
 - a person, other than an individual, who uses those goods or services for the purpose of an undertaking carried on by such person.
2. dividing, sorting, packaging, mixing without changing the character of the goods, drying, labelling or such other similar process or any combination of such processes to goods which are acquired in bulk merely to prepare such goods for sale or distribution;
 3. spurious assembly*;
 4. the installation, commissioning or assembly of goods on site where the said goods have not been manufactured by the enterprise which is installing, commissioning or assembling such goods on site;
 5. the repair, maintenance, preservation, improvement, reconditioning, refurbishing or restoration of any goods or any combination of such activities where such activities do not impose on such goods a change in their character;
 6. companies which do not revoke their right to benefit from IDA-export based incentives; and
 7. the mere expansion, duplication or replacement of a trade or business formerly carried on by any related company in Malta.

(ii) Investment Tax Credits

Tax payable can be reduced substantially (or, indeed, eliminated altogether) by Investment Tax Credits calculated as the higher of:

- 50% (or up to 65% in the case of SMEs) of the company's investment on qualifying expenditure (being tangible fixed assets and technology or know-how as defined in the BPA); or
- 50% (or up to 65% in the case of SMEs) of the first 2 year wage cost of new jobs created in Malta as a result of an investment project.

Unutilised investment tax credits may be carried forward and increased by 7% or such other rate as the Minister may prescribe. In addition, an enterprise entitled to claim such benefit may, at its option, defer the claiming of such benefit, or part thereof, in any one year of

* i.e. (i) where the final assembled good is clearly recognisable from the individual components or parts from which it is assembled without regard being had to any exterior casing of the good and (ii) the components and parts from which the good is assembled are such that the good is nearly complete and the assembly work and the supervision of such assembly work only require the employment of almost exclusively unskilled workers.

assessment to one or more subsequent years of assessment but, in that case, no increase shall operate.

For an enterprise to be eligible for Investment Tax Credits based on job creation:

- an individual must have been employed during the '*employment qualifying period*'[#]; and
- employment must not be in replacement of another employee; and
- employment must not be terminated before the lapse of 5 years.

Part-time jobs are to be converted into the equivalent of full-time jobs.

Undertakings wishing to claim an Investment Tax Credit based on job creation must attach the following to the application to be submitted to the ME:

1. details of the investment project and of the individuals employed for ME's approval;
2. for each year comprised in the '*employment qualifying period*' the company has to submit further details consisting of:
 - further amounts invested;
 - termination of employees;
 - new employees (new jobs created);
 - new employees (replacing existing ones); and
 - wage cost on which tax credit is to be claimed.

Chargeable income relieved from tax is once more to be allocated to the *Maltese Taxed Account* which means that distribution of profits are also exempt in the hands of the shareholders.

Where a company is charged to tax at different rates, the investment tax credit shall first be deemed to have relieved that part of the income which has been taxed at the lowest rate.

Worked example: an enterprise (not being an SME) having a qualifying expenditure of € 400,000, wage costs amounting to € 200,000 and benefiting from Reduced Rates of Income Tax of 10%.

	Year 1	Year 2	Year 3	Year 4	Year 5
--	--------	--------	--------	--------	--------

[#] This is the period commencing 183 days before the assets pertaining to the project are first employed up to the 3rd anniversary of the completion of the project.

Investment	400				
Profit	150	200	250	300	350
Tax @ 10%	15	20	25	30	35
Investment tax credit	(15)	(20)	(25)	(30)	(35)
Investment tax credit @ 50%	200				
B/F	0	185	165	140	110
Utilised	15	20	25	30	35
Unutilised	185	165	140	110	75
C/F	185	165	140	110	75

(iii) Reduced Rates of Tax on Re-invested Profits

Tax on profits and gains which are set aside and re-invested in projects approved by the MDC is reduced to **19.25%**. Naturally, the ME will ascertain that funds set aside are, indeed, used for the said purpose.

(iv) Investment Allowances

Tax deductions applicable to enterprises that incur expenditure in acquiring plant and machinery and industrial buildings or structures in addition to normal tax depreciation are provided as follows:

- plant and machinery -- 50% of the investment; and
- industrial buildings or structures -- 20% of the investment.

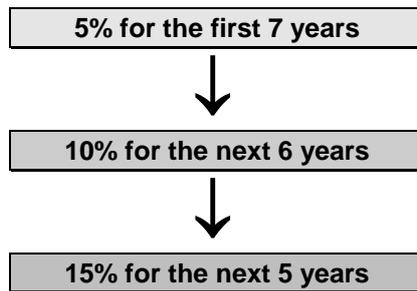
These tax deductions operate provided that:

- the asset is first used in Malta#;
- the allowance is claimed in the year the asset is first used by the company in its trade or business;
- the asset is owned by the company; and
- no allowance has been claimed by any person in respect of the same asset by a related company.

Not applicable to industrial buildings and structures.

(v) Value Added Incentive Scheme

Undertakings may benefit from reduced rates of tax on a portion of their profits to be calculated according to a formula laid down in the BPA according to the increase in value added of their activities. The reduced rates of tax are as follows:



This scheme is applicable until year of assessment 2021 or such earlier date as the Minister responsible for industry may otherwise determine.

The ME shall confirm in writing to each qualifying company the minimum number of years (which cannot exceed 10 years) of assessment for which the scheme applies. The ME may not earlier than 12 months prior to the expiry of such minimum period renew such confirmation for a period not exceeding 5 years.

A company shall only qualify for the Value Added Incentive Scheme if:

- the amount of value added resulting from the company's audited financial statements for the relevant accounting period exceeds the average amount of value added as shown in that company's financial statements covering the base period;
- it was entitled to benefit from this incentive throughout the base period and the relevant accounting period;
- it does not sell by retail and is not simply involved in a spurious assembly or in a process without changing the character of the goods;
- its trade or business does not include the preparation and production of '*food in the course of catering*' as defined in the BPA; and
- its trade or business does not involve the mere expansion, duplication or replacement of a trade or business formerly carried on by any related company in Malta.

(vi) Tax Treaties

Malta's vast network of double taxation treaties (DTTs) [*Kindly view our fact sheet entitled 'RELIEF FROM DOUBLE TAXATION' for more information on Malta's tax treaties*] ensure that profits generated in Malta are either exempt from tax in the country of residence of the investor or that such a jurisdiction will provide a tax credit for the Malta tax spared as a consequence of the incentives Maltese legislation offers.

The benefits provided for under the BPA are exempt from income tax. Profits exempted from income tax are also exempt from such tax in the hands of the shareholders.

Moreover, where any benefit under the BPA is granted to a partnership in terms of the Companies Act, 1995, and, accordingly, the partners and not the partnership itself are taxable on any income of such partnership, any such benefit shall also be due to the partners personally.

Non-Fiscal incentives explained

(i) Incentives for job creation

An enterprise may benefit from a tax deduction based on full-time job creation when:

- it employs a '*qualifying individual*' for a period of, at least, 3 years; and
- it proves to the satisfaction of the ME that such employment is **not** in replacement of another employee whose employment was terminated by the enterprise.

A '*qualifying individual*' is an individual who either:

- (1) has been registered as unemployed for at least 2 years; or
- (2) has been registered as unemployed for at least 1 year and is over 40 years of age; or
- (3) has been registered as unemployed for 1 year and is registered as disabled with the Employment Training Corporation (ETC); or
- (4) has been made redundant as a consequence of a restructuring programme undertaken by an enterprise with which he was employed[#]; or
- (5) is employed with a public sector related entity[#].

The tax deduction is equivalent to a percentage of the wage cost according to the table below:

[#] The previous employer must confirm in writing that the post vacated by the said individual need not be replaced. Subject to approval of the MDC, the incentives may also operate in the event of a secondment arrangement between the enterprise and the public sector entity.

Qualifying individual	Wage cost applicable	Without training programme	With training programme*
(1), (2) and (4)	12 months	65%	100%
(3)	12 months	200%	200%
(5)	24 months	150%	200%

It should be noted that:

- wage cost includes gross emoluments and the employer's share of social security contributions;
- wage costs cannot exceed 125% of the individual's main employment in the previous 12 months or 24 months, as the case may be, prior to his employment with the enterprise in question or, alternatively, an amount to be established by the ETC in the case of (1) and (2) above; and
- an enterprise may opt to be given a cash grant if the employee was previously employed in the public sector.

(ii) Research and development expenditure

A qualifying company is entitled to deduct an amount equivalent to 120% of the expenditure incurred but the total deduction is limited to 5% of the turnover of the company for any year of assessment. Carry forward is allowed.

(iii) Accelerated depreciation

A deduction in respect of wear and tear on assets is available. These are as follows:

- plant and machinery -- 33.33%
- industrial buildings and structure -- 5%

(iv) Export Incentive Scheme

Additional profits related to increases in export sales derived by a qualifying company over sales of a base period are exempt from tax.

(v) Investment Incentive Scheme

Increased export sales proportionately attributable to a qualifying percentage (of expenditure on qualifying assets to total sales) is subject to reduced rates of tax. Applicant must, together

* Approved by the MDC details of which are to be submitted before the expiration of 60 days from the date on which the individual was employed.

with the appropriate application, submit supporting documentation consisting of *inter alia* copies of statements, business plans and financial projections to the ME.

(vi) Soft loans

Enterprises investing money on:

- tangible fixed assets (e.g. land, buildings, plant & machinery); or
 - the acquisition or development of technology or know-how,
- may benefit from loans of up to 75% of the expenditure incurred if the ME is satisfied that such investment may contribute to the development of Malta's economy.

The interest rate to be charged by the ME shall be 2.5% less than the minimum discount rate established by the Central Bank of Malta (CBM) subject to a minimum of 2.5% per annum. Repayment of both the principal and interest shall be secured by a general hypothec over the enterprise's property present and future in addition to any other security which the ME may require. The ME may accept a prime bank guarantee in lieu of or in addition to such general hypothec.

Unless otherwise agreed, a 2-year moratorium on capital repayments shall apply (i.e. for the first 2 years of the duration of the loan the enterprise shall only be required to pay interest on the loan). The loan, however, has to be settled in full within 10 years from the date on which the first loan amount was received.

If a loan has been granted by the ME by instalments, the ME may, at its absolute discretion and without prejudice and in addition to any other right laid down in the BPA, withhold any portion of the loan still outstanding in case of any breach by the enterprise of the conditions attached to the loan or of the BPA.

The benefits derived by the enterprise are exempt from income tax. In this case, the benefit is the difference between the interest rate charged by the ME and that normally charged by a bank as determined by the ME.

(vii) Loan interest rate subsidies

Where the ME is satisfied that the activities of an enterprise may contribute to the development of Malta's economy, the ME may agree to subsidise the rate of interest payable on a loan issued by a bank or other licensed financial institution obtained in order to acquire

additional assets (being qualifying expenditure as defined in the BPA) for which a soft loan has not been granted. The interest subsidy cannot be applied to interest incurred on soft loans. The subsidy shall be such as to ensure that the rate of interest effectively borne by the enterprise is not less than 2.5% less than the minimum discount rate established by the CBM subject to a minimum of 2.5%.

(viii) Loan guarantees

The ME may, if it is satisfied that the activities of an enterprise may contribute to the development of Malta’s economy, guarantee loans taken by enterprises from banks and other licensed financial institutions to finance the acquisition of such additional assets (being qualifying expenditure) to be employed in the enterprise’s trade or business. The guarantee cannot exceed 75% of the expenditure incurred. The ME will only accept to give guarantees to banks and other licensed financial institutions.

(ix) Exemption from import duties

Plant, machinery and equipment as well as materials, accessories and components to be used for processing may be imported duty free.

(x) Training assistance

A training grant may be given if a *full-time* employee engaged for an indefinite period undergoes a training programme approved by the ME. Depending upon whether an enterprise is classified as a ‘*large*’ or a ‘*small and medium*’ enterprise, such assistance may vary from 35% to 80% of the eligible costs involved according to the table below:

	General Training	Not General Training
SME	80%	45%
LARGE	60%	35%

General Training means training involving tuition which is not applicable only or principally to the employee’s present or future position in the enterprise but provides qualifications and skills that are largely transferable to other enterprises or fields of work thereby improving the employee’s employability. Eligible costs are trainer’s fees/costs, trainers’ and employer’s travel expenses, materials and supplies, depreciation of tools and equipment to the extent that they are used for the training project and personnel costs relating to the employee.

(xi) Work permits

Indefinite work permits are granted to shareholders holding more than 40% of the equity. Work permits are also granted to specialists for definite periods according to company requirements.

(xii) Provision of immovable property

Industrial buildings available in areas of 250 sq. m. to 3,000 sq. m. and undeveloped land may be leased out by the ME to prospective entrepreneurs at subsidised rates. The usual rates for the first years is €4.1 per square metre for buildings and € 0.55 cents per square metre for undeveloped land.

All industrial estates are fully serviced with asphalt roads, water, electricity, telephone and fax connections. Each factory has an adjoining administration block with adequate office space and staff facilities. Minor modifications and additions to the standard factory may be carried out by Government employees, the cost of which is passed on to the tenant by way of additional rent. Factories are also provided with adjoining areas for future expansion.

SMEs and Micro-enterprises

Over and above the incentives which are available to qualifying companies (including SMEs) SMEs, in particular, qualify for additional incentives. Accordingly, SMEs that require the assistance of experts in a particular field may apply to the ME for a grant which cannot exceed 50% of the costs incurred. Grants shall not be given in respect of expert services which are of a continuous nature or are provided periodically and relate to the enterprise's usual operating expenditure such as routine consultancy services or advice.

Likewise, where the ME is satisfied that an SME may benefit from participation in fairs and exhibitions, it may give such an enterprise a grant not exceeding 50% of the costs of renting, setting up and running the stand. Such a grant may only be provided in respect of the first participation of an SME in a particular fair or exhibition.

Late payments due to micro-enterprises by SMEs, large companies and/or any public authority shall carry with it a penalty, i.e. additional interest due from the day the debt falls due until

such day as the debt is settled at the rate of 6 percentage points above the minimum discount rate.

SMEs employing an average of 5 employees and having a turnover that does not exceed € 582,344 are entitled to the following additional incentives:-

- costs incurred on information technology are considered an allowable deduction if made in the same year when such costs were incurred;
- a tax exemption on profits realised in the years 2002 – 2004 when such profits are re-invested in new projects in the purchase of new machinery etc.; and
- VAT refunds due are to be effected within 30 days from the date of submission of the relative VAT returns provided these are sent on time.

Finally, Malta has recently ratified the European Charter for SMEs.

Interest subsidy for hotel refurbishment

The Government will subsidise 2% points of the rate of interest agreed to between lending banks and owners/operators of licensed hotels with 100 bedrooms or less who wish to refurbish and/or add facilities to their hotels. The amount borrowed for refurbishment purposes is capped at € 349,406 while, for those who wish to refurbish as well as add facilities and small extensions, the limit of a bank loan taken for such purposes is set at € 582,344. Repayment of these loans would be over a maximum period of 10 years from the date of the loan. Projects undertaken may, *inter alia*, include the introduction of environmentally friendly methods as well as systems that cater for the conservation and recycling of energy and water resources. Applications from owners/operators interested in benefiting from this scheme must be received by the end of December, 2003.

New obligations

The ME is entrusted with *inter alia* the following duties:

- confirming the granting of certain incentives which under the IDA were of an automatic nature;
- determining the number of years for which certain incentives are granted;

- determining the eligibility or otherwise of companies for the incentives granted under the BPA;
- verifying whether the provisions of the BPA have been complied with;
- ascertaining that a beneficiary has not carried out any disqualifying activities;
- providing the State Aid Monitoring Board with any information as may be required; and
- informing the Department of Inland Revenue whether the benefits claimed have been properly calculated.

Enterprises claiming benefits under the BPA should forward a copy of their income tax return to the MDC within three (3) months from having filed such return with the Department of Inland Revenue.

One should note that all MDC staff are bound by oath of secrecy.

Malta: an ideal investment location

Building on the experience acquired through the implementation of the IDA, the BPA introduces greater scope and flexibility to the incentives available for the promotion of business and covers a much more extensive range of qualifying sectors and activities than before.

Indeed, the driving force behind the BPA is to allow Malta to remain a competitive investment location whilst, at the same time, reflecting Malta's international commitments to bodies like the WTO, OECD and the EU.

APPENDIX 1

The benefits contemplated under the BPA shall be due to and obtained by enterprises carrying out, in Malta, the following trade or business:

(i) 'Qualifying companies'

These are undertakings (including SMEs) carrying out any one or more of the following activities:

1. fisheries or large-scale aquaculture;
2. agriculture, stock farming or large-scale horticulture;
3. the rendering of services by a company to non-resident persons or to a company that derives not less than 95% of its total sales revenue from export, whether the service is performed or rendered in Malta or from Malta, provided such service is prescribed by the Minister to be a qualifying export service;
4. rendering of a qualifying support service as may be prescribed by the Minister;
5. export of goods or services produced or provided by other 'qualifying companies';
6. research and development programmes¹;
7. activities set out in section 11² of the Malta Freeports Act and carried on mainly in a freeport as defined by the said Act, by a company licensed under the Act ***[KINDLY REFER TO OUR FACT SHEET ENTITLED 'THE MALTA FREEPORT' FOR MORE DETAILS]***;

¹ Defined as 'a programme for systematic investigation or research carried out in any field of science or technology through experiment or analysis and includes:

(a) basic research comprising activities undertaken for the advancement of scientific or technological knowledge;
(b) applied research where a final specific application is in view; and
(c) development involving the use of the results of basic or applied research as aforesaid for the purpose of creating new or of improving existing material, devices, products or processes, but excludes routine or periodic design, testing and analysis of equipment or products for the purpose of quality or quantity control, and routine or periodic alterations to existing products or processes'.

² These activities include those of:

(i) labelling, packaging, sorting, warehousing, storage, exhibition or assembly of any goods, materials, commodities, equipment, plant or machinery; or
(ii) rendering of any services which are ancillary or complementary to the above activities; or
(iii) any activity concerned solely with the conduct of a Freeport including, but not limited to, stevedoring, wharfage, operation of terminals and container handling.

8. the operation of catering establishments, guesthouses, hostels, hotels and holiday premises as defined in the *Malta Travel and Tourism Services Act* and falling within such categories as may be prescribed or the undertaking of any project beneficial to the tourism industry as may be prescribed; and
9. production of feature films, television films, advertising programmes or commercials, and documentaries.

(ii) 'Manufacturing and Related Services Companies'

These are undertakings (including SMEs) carrying out any one or more of the following activities:

1. the production, manufacture, improvement, assembly, processing, repair, preservation or maintenance of any goods, materials, commodities (including computer software), equipment, plant or machinery; or
2. the rendering of services of an industrial nature analogous to the activities referred to above, including the repair, maintenance, commissioning, installation, inspection or testing of plant, machinery or equipment and the recycling or treatment of waste material.

(iii) 'Target Sector Companies'

These are undertakings (including SMEs) carrying out any one or more of the following activities:

1. manufacturing activities involving manufacture of:
 - pharmaceuticals, medicinal chemicals and botanical products;
 - rubber and plastic products;
 - fabricated metal products excluding machinery and equipment;
 - machinery and equipment;
 - office machinery and equipment;
 - electric machinery and apparatus;
 - radio, television and communication equipment and apparatus;
 - medical, precision and optical instruments, watches and clocks;
 - motorcycles;
 - jewellery and related articles;
 - recycling;

- chemicals and chemical products;
 - musical instruments;
 - sports goods;
 - games and toys; and
 - building of pleasure and sporting boats.
2. repair, improvement, maintenance of aircraft, yachts, motorboats[#], turbines, containers[^] and gantry cranes, quay cranes, reach stackers, tug masters and large fork lifters;
 3. repair, maintenance, installation and commissioning of marine electrical and electronic systems;
 4. software development;
 5. development and maintenance of information and content mainly for international dissemination through electronically accessed media including the internet, the world wide web, WAP services, interactive television, compact discs and intranets;
 6. research and development, including the design or development of goods or the development of production processes or methods;
 7. waste treatment^{*};
 8. freeport activities as defined above;
 9. biotechnology^{*}; and
 10. production of audio-visual productions consisting of feature films, television films, advertising programmes or advertisements, and documentaries.

[#] Having a length of, at least, 8m which are not used in a trade or business consisting of the transportation of passengers or goods.

[^] Which are no more than 15 feet in length and used for the transportation of merchandise.

^{*} Waste treatment is defined as *'physical, thermal, chemical or biological processes, including sorting, that change the characteristics of the waste in order to reduce its volume or hazardous nature, facilitate its handling or enhance recovery and shall include waste management'*.

^{*} Comprising (i) the production or development of intellectual property or goods and (ii) the rendering of services resulting from, or related to, the study, research, discovery, application, modification or development of living organisms or materials derived from them.



Emmanuel Mallia and Associates
A D V O C A T E S

APPENDIX 2

The incentives stipulated under BPA are categorised according to the table below:

Qualifying Companies	Manufacturing and Related Services Companies	Target Sector Companies
✓ <u>reduced rates of tax on re-invested profits</u>	✓ <u>Reduced rates of tax on re-invested profits</u>	✓ <u>Reduced rates of tax on re-invested profits</u>
✓ <u>Investment allowances</u>	✓ <u>investment allowances</u>	✓ <u>Investment allowances</u>
✓ <u>incentives for job creation</u>	✓ <u>incentives for job creation</u>	✓ <u>Incentives for job creation</u>
✓ provision of factories	✓ provision of factories	✓ Provision of factories
✓ relief from customs duty	✓ relief from customs duty	✓ Relief from customs duty
✓ work permits for expatriates	✓ work permits for expatriates	✓ Work permits for expatriates
	✓ <u>value added incentive scheme</u>	✓ <u>Value added incentive scheme</u>
	✓ soft loans	✓ Soft loans
	✓ Loan interest rate subsidies	✓ Loan interest rate subsidies
	✓ Loan guarantees	✓ Loan guarantees
	✓ training assistance	✓ Training assistance
	✓ <u>research and development expenditure</u>	✓ <u>Reduced rates of income tax</u>
	✓	✓ <u>investment tax credits</u>

Note: Those incentives which are of a fiscal nature are in underline and italics font.

EMA

Emmanuel Malla and Associates
A D V O C A T E S