

# Tax exemption of Free Zones and Promotion Zone at Special Economic Zone

## BENEFITS FOR INVESTORS

In the SEZs - free zones, promotion zones and other zones exist.

Under Chapter 1, Section 3 of SEZ Law 2014, free zones shall be deemed to be situated outside the country. Free zones are mainly focused on export-oriented markets and includes manufacturing, transportation, and wholesale areas that are entitled to customs duty and other tax exemptions relating to goods in the SEZs and the goods imported to this zone.

Promotion zones are mainly based on the domestic market and the markets in SEZs. In this zone, investments can be made in manufacturing, housing, departmental stores, banking, insurance, schools, hospitals and recreational places.

Tax exemption of Free Zones and Promotion Zone	
SEZ LAW	
FREE ZONES	PROMOTION ZONES
Income tax exemption for the first seven years	Income tax exemption for the first five years
After seven years, 50% relief of current legal income tax rates for five years	After five years, 50% relief of current legal income tax rates for the second five years

Tax exemption of Free Zones and Promotion Zone

SEZ LAW

<p>After 12 years, 50% relief of current legal income tax for profit that is reinvested within one year as a reserve fund for the next five years</p>	<p>After 10 years, 50% relief of current legal income tax for profit that is reinvested within one year as a reserve fund for the next five years</p>
<p>Exemption from commercial tax or valued-added tax</p>	<p>For the first five years, exemptions from customs duties and other relevant taxation on production machinery and replacement parts; and construction materials for building the business's own facilities, such as factories, warehouses and offices</p>
<p>Exemptions from customs duties and other relevant taxation on imports of raw materials for production machinery instrument and necessary spare parts for production; construction material for building such as factories, warehouses and own offices and motor vehicles</p>	<p>For the resources listed above, 50% relief of the custom duties and other taxation the next five years</p>
	<p>The customs and other taxation shall be paid for the importation of raw materials and other goods for production</p>

## Tax exemption of Free Zones and Promotion Zone

### SEZ LAW

The exemptions of customs duties and other relevant taxation on the import of trading goods, consignment goods, motor vehicles and other materials which are essential for a business's free-tax wholesale trading, export trading and services of provision and transportation

For the resources listed above for, the option to apply for a refund of customs duties and other taxation paid on importing them, if the goods they help produce are exported abroad or into a Free Zone

The option to apply for exemption on import tax or value-added tax for goods imported from a local or Promotion Zone to a Free Zone for the investor of Free Zone

Exemption of commercial tax and value added tax during the relevant relief period provided in the Special Economic Zone Law

In all other cases, businesses shall regularly pay the customs and other taxes upon importing raw materials and other goods for production