

## BENEFITS FOR INVESTORS : Simulation

1 TND ≈ 0.3 € (SEPTEMBER 2021)

### 1- Projects of national interest

Are considered projects of national interest, projects meeting ONE of the following criteria:

- Minimum investment cost equal to fifty (50) million Dinar
- Creation of minimum of 500 jobs in a 3 year period as from the effective date of the operation of the project

*NB: These incentives shall be granted by a governmental decree following the approval of the High Investment Council*

#### Incentives

Projects of National Interest may benefit from the following incentives:

- **Deduction of the benefits from the tax basis** (10% for wholly exporting enterprises) in the limit of **10 years** period
- An **investment grant** within the limit of **1/3** of the investment cost of the project including internal infrastructure expenses
- State participation to the coverage of infrastructure expenditure

### 2- Priority sectors

Sectors characterized by their strategic nature and their ability to raise the growth pattern or have high employment capacity and priority according to the development plans (Including Automotive sector)

#### Incentives

- **Premium** for the improvement of value-added and competitiveness: **15% of the approved investment** cost with a maximum amount of 1 million Dinar
- **Premium** for the development of employment capacity: Total payment of **employers' social contribution** by the state for the first **3 years** as from the effective date of operation of the project for the salaries paid to Tunisian employees hired for the first time permanently.

### 3- Encouragement of Export

Are considered as wholly exporting, companies that sell all their goods or products or provide all their services abroad, or those who provide all their services in Tunisia and that are used abroad.

***NB:** Such enterprises may sell part of their production or provide part of their services on the local market within the limit of 30% of their export turnover in the previous calendar year.*

#### Incentives

- The **suspension of value added tax** on imported and local purchases of materials, products and services giving entitlement to deduction and necessary for the execution of export transactions.
- **Total deduction from the income tax** base for persons or corporate income tax, income or profits reinvested in the subscription to the initial capital or capital increase in fully exporting companies, within the limit of the income or profit subject to tax.
- Profits from export operations are subject to **corporation tax** at a reduced rate of **15 %**.
- **Deduction from the income tax** base of two-thirds of income from exports, and exceptional profits.

### 4- Economic Performance

Are eligible for Economic performance grants:

- Material investments in mastering new technologies and improving productivity
- Intangible investments
- Research and development expenditures
- Employee training expenditures leading to certification of skills

#### Incentives

- Material investments in mastering new technologies and improving productivity: Economic performance grant equal to **50%** of approved investment component with a maximum amount of 500.000 Dinar
- Intangible investments: Economic performance grant equal to **50%** of approved investment component with a maximum amount of 500.000 Dinar
- Research and development expenditures: Economic performance grant equal to **50%** of approved investment component with a maximum amount of 300.000 Dinar
- Employee training expenditures leading to certification of skills: Economic performance grant equal to **70% of employee training expenditures** leading to certification of skills in accordance with international standards with a maximum annual amount of 20.000 Dinar per enterprise

## 5- Regional Development

### Blue Area (First Group of Regional Development Area)

*See the map of the regional development areas hereafter*

#### Incentives

- **15% of the approved investment cost** with a maximum amount of **1.5 Million Dinar** for investment project located in the first group of the regional development areas
- **65% of the total cost of the infrastructure** with a maximum of **10%** of the approved investment cost and a maximum amount of **1 million Dinar** for industrial projects located in the first group of regional development areas
- **Total payment of employers' social contribution** by the state for the first **5 years** as from the effective date of operation of the project for the salaries paid to Tunisian employees hired for the first time permanently
- **Total deduction** of corporate tax for the first **5 years** as from the effective date of operation
- Are **fully deductible**, the income or profits reinvested in the subscription to the initial capital or its increase of the enterprises established in regional development areas

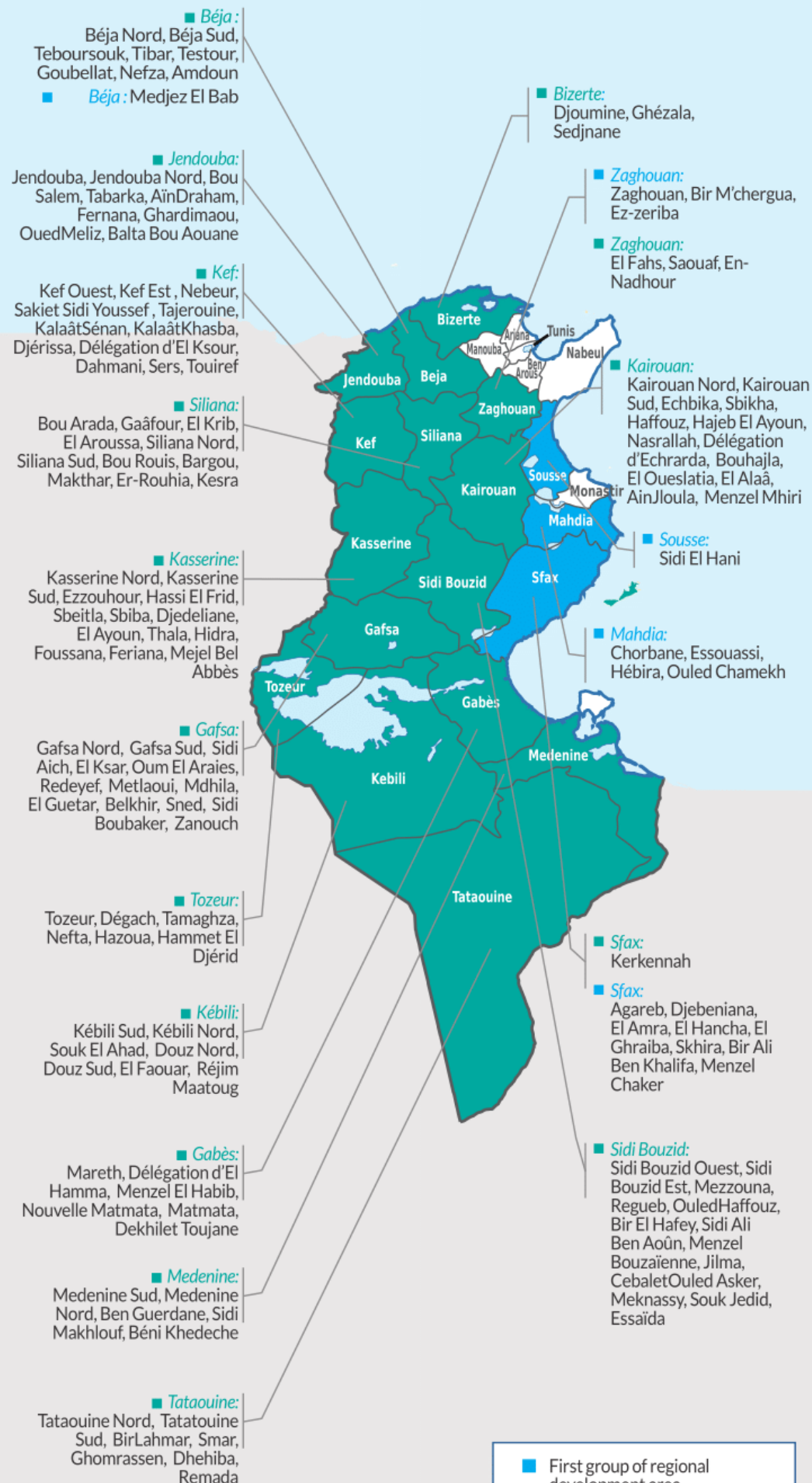
### Green Area (Second Group of Regional Development Area)

*See the map of the regional development areas hereafter*

#### Incentives

- **30%** of the approved investment cost with a maximum amount of **3 Million Dinar** for investment project located in the first group of the regional development areas
- **85% of the total cost of the infrastructure** with a maximum of **10%** of the approved investment cost and a maximum amount of **1 million Dinar** for industrial projects located in the first group of regional development areas
- **Total payment of employers' social contribution** by the state for the first **10 years** as from the effective date of operation of the project for the salaries paid to Tunisian employees hired for the first time permanently
- **Total deduction** of corporate tax for the first **10 years** as from the effective date of operation
- Are **fully deductible**, the income or profits reinvested in the subscription to the initial capital or its increase of the enterprises established in regional development areas

## Regional development areas



## Conditions and procedures of benefit of the premiums and the required deadlines

- The deposit of the investment declaration before starting the realization of the direct investment operation
- The adoption of a financing scheme of the project including a minimum own capital of 30% of the investment cost
- The holding of a regular accountancy in accordance with the accounting system of the enterprises, and this for the companies as well as for the natural persons exercising a commercial or non-commercial activity as defined by the tax regulation in force.
- The realization of investments by using new equipment or imported used equipment provided they are evaluated by competent technical services.
- The tax situation of the investor shall be in good standing at the date of deposit of the application for the benefit of the advantage and during the period of benefit of the advantage.
- The creation of at least ten permanent jobs for the projects created under the title of the economic sectors and priority sectors.

The benefit of the advantage relating to the taking in charge by the State of the employers' contribution to the legal social security scheme under the title of the wages paid to the employees of Tunisian nationality is also subordinated to the respect of the following conditions:

- The concerned enterprise is not in suspension of activity.
- The concerned enterprise, shall declare during all the period of the benefit of the advantage of the wages of the employees concerned by this measure on the basis of the wages paid during the concerned period, and shall deduce and pay the quota of the contributions to the charge of the employees,

The investor who wishes to benefit from the premiums shall submit a written request to the Tunisian investment authority or the relevant investment structure and territorially competent according to the cases, at latest one year as from the date of deposit of the investment declaration supported by a feasibility study of the project.

### Sources :

- Investment Law: Law N°71 of 2016 promulgated on the 30<sup>th</sup> of September 2016
- Financial incentives Decree: Decree N° 389 of 2017 promulgated on March 9, 2017