

FUPROID

The Funds of Promotion and Industrial Decentralization (FUPROID) set by article 45 of the act n° 73-82 of 31st December 1973 and stating the finances act for management, have for object:

- Creation of a new generation of promoters;
- Promotion as well as creation and development of Industrial Small Businesses;
- Implementing measures to encourage regional development.

Eligible Activities

- For new promoters

- Manufacturing industries figuring in annexe 1 of decree n° 94-492 of 28th February 1994, as modified and completed by the subsequent texts, and namely decree n° 2004-2129 of 2nd September.
- Service activities figuring in annexe 1 of decree n° 94-538 of 10th March 1994, as modified and completed by the subsequent texts, namely decree n° 2005-166 of 26th January 2005.

- For Small Businesses

- Manufacturing industries figuring in annexe 1 of decree n° 94-492 of 28th February 1994, as modified and completed by the subsequent texts, and namely decree n° 2004-2129 of 2nd September.
- Service activities figuring in annexe 1 of decree n° 99-484 of 1st March 1999, as modified and completed by the subsequent texts, namely decree n° 2005-165 of 26th January 2005

● Concerned Investments

Are eligible:

- Creation investments whose global cost, including trading capital, do not exceed 4 million-dinars (new promoters and Small Businesses)
- Extension investments, providing that the enterprise global investment including the net fixed assets, do not exceed 4 million-dinars (Small Businesses)
- Extension investments carried out by enterprises which are initially financed by FUPROID (new promoters) or by FONAPRA (smaller trade) under the same conditions above-mentioned.

The New Promoters:

● Definition of new promotor:

Material persons having a Tunisian nationality whether gathered in society or not are considered new promoters, who:

- Have the required experience or qualifications;
- Personally and at full-time assume the responsibility for the project's management;
- Do not have at their disposal sufficient proper estate, personal or real;;
- Carry out their first investment project.

● **In case the investment amount is > 500 000 TD including FR:**

- FUPROID profit-sharing:

1 st Sum up to 1 MD	2 nd Sum from 1 MD to 4 MD
Distribution of the Joint Stock: - Promotor: Min 10% of min joint stock - Fuproid: Max 60% of min JS - Sicar: Min 10% of min JS - Other shareholders: balance (be it 20%)	- Promotor: Min 20% of min additional joint stock - Fuproid: Max 30% of min additional JS - Sicar: Min 20% of min additional JS - Other shareholders: balance (be it 30%)
Joint stock can in no case exceed 50% of the project cost.	

- Financial advantages:

1/- Bonus for planning and technical assistance: 70% of the planning cost levelling off at 20.000 TD

2/- Investment bonus: 10% of the tools value levelled off at 100.000 TD

3/- Taking in charge the building-plot or the industrial building cost: 1/3 of the building-plot or the industrial building price levelled off at 30.000 TD

4/- Immaterial investments bonus: 50% of the cost of immaterial investments

5/- Bonus for technological investments of priority: 50% of prior technological investments levelled off at 100.000 TD

6/- Taking in charge the patronal contribution to the legal system of the social security for the first 05 years of positive activity.

- Advantages to new promoters implanted in regional zones of development:
- Regional zone of development:

Adding to the financial advantages stated in points 2, 3, 4, and 5 in paragraph A.2-2 above-mentioned, projects implanted in regional zones of development benefit by:

- Investment bonus: 15% of the investment amount, excluding FR, levelled off at 450.000 TD
- Regional zone of development of priority:

Projects that are implanted in regional zones of development of priority benefit by:

- Investment bonus: 30% of the investment amount, excluding FR.

**The cumulating bonuses can in no case exceed 25% of the investment cost
(Art.62)**

● In case the investment amount is \leq 500 000 TD including FR:

Financial advantages and the advantages granted as encouragement to regional development above-mentioned in paragraphs A.2-2 and A.2-3 remain unchanged.

The new promotor can opt for:

- Either FUPROID profit-sharing: see paragraph A.2-1

Going through the medium of a SICAR operating within the FUPROID is compulsory.

- or Fuproid allocation:

The intervention of a SICAR operating within the FUPROID regarding the joint stock is no more obligatory.

The minimum share of the new promotor remains as much as 10% of the minimum capital.

In order to be studied, the record should reach the API through the medium of a bank operating within the Exchequer for FUPROID management.

Allocation is equal to 60% of minimum capital.

● Condition to profit-sharing retrocession or Fuproid allocation:

Profit-sharing retrocession or allocation imputed on the resources of FUPROID will be worked out to the advantage of new promoters with a nominal rise of 3% and this in a time-limit not exceeding 12 years.

● The Small Businesses:

● In case the investment is $>$ 500 000 TD including FR:

- FUPROID profit-sharing:

1 st Sum up to 1 MD	2 nd Sum from 1 MD to 4 MD
Joint Stock: - Fuproid: Max 30% of JS - Sicar: Min equal to Fuproid profit-sharing and strictly beyond 50% of the joint stock	- Fuproid: Max 10% of additional JS - Sicar: Min equal to FUPROID profit-sharing

- Financial advantages:

1/ - Bonus for planning and technical assistance: 70% of the planning cost levelling off at 20.000 TD

2/ - Immaterial investments bonus: 50% of the cost of immaterial investments

3/ - Bonus for technological investments of priority: 50% of prior technological investments levelled off at 100.000 TD

- Advantages granted to Small Businesses implanted in regional zones of development:

- Regional zone of development:

Adding to the financial advantages stated in points 2 and 3 in paragraph B.1-2 above-mentioned, projects implanted in regional zones of development benefit by:

1/- Investment bonus: 15% of the investment amount, excluding FR, levelled off at 450.000 TD

2/- Taking in charge the patronal contribution to the legal system of the social security for the first 05 years of positive activity.

- Regional zone of development of priority:

Adding to the financial advantages stated in points 2 and 3 in paragraph B.1-2, projects that are implanted in regional zones of development of priority benefit by:

1/- Investment bonus: 25% of the investment amount, excluding FR, levelled off at 750.000 TD

2/- Taking in charge the patronal contribution to the legal system of the social security for the first 05 years of positive activity.

- Condition to Fuproid profit-sharing retrocession:

Profit-sharing retrocession on the resources of FUPROID will be worked out to the advantage of Small Businesses with a nominal increase at the rate of Tunisia Central Bank offers in a time-limit not exceeding 12 years.

**The cumulating bonuses can in no case exceed 25% of the investment cost
(Art.62)**

In case the investment is ≤ 500 000 TD including FR:

Financial advantages and the advantages granted as encouragement to regional development above-mentioned in paragraphs B.12-2 and B.1-3 remain unchanged.

- Fuproid profit-sharing or allocation:

Small Businesses can opt either for:

- Fuproid profit-sharing: see paragraph B.1-1

Going through the medium of a SICAR operating within the FUPROID is compulsory.

- Or Fuproid allocation:

The intervention of a SICAR operating within the FUPROID regarding the joint stock is no more obligatory.

The refundable allocation is granted to one or several shareholders in the project among the material persons having a Tunisian nationality who provide a proper funds' share equal to 10% of the minimum capital.

In order to be studied, the record should reach the API through the medium of a bank operating within the Exchequer for FUPROID management.

- Condition to Fuproid allocation retrocession:

Retrocession of the allocation imputed on the resources of FUPROID will be worked out to the advantage of Small Businesses with a nominal rise of 3% and this in a time-limit not exceeding 12 years.

Allocation is equal to 30% of minimum capital.

JURIDICAL EXECUTIVE

Acts

- **Article 45 of act n° 73-82 of 31st December 1973** states the creation of Funds of Promotion and Industrial Decentralization (FUPROID).

- **Inciting to Investment Code enacted by act n°93-120 of 27th December 1993**, as modified and completed by the subsequent texts, and namely articles 44, 45, 46 (new) and once more 46 of act n° 2004-90 of 31st December 2004, stating the finance act for the year 2005.

Decrees

- **Decree n° 78-578 of 9th June 1978**, states refusing to control the industrial decentralization and promotion funds, as modified and completed by subsequent texts and namely decree n° 2003-1919 of 1st September 2003.
- **Decree n° 94-489 of 21st February 1994**, fixing the minimum rate of proper funds, as modified by decree n° 99-472 of 1st March 1999.
- **Decree n° 94-538 of 10th March 1994**, states encouragement to new promoters' investments, as modified and completed by subsequent texts and namely n° 2005-166 of 26th January 2005.
- **Decree n° 94-539 of 10th March 1994**, states bonus assessment, lists of activities and infrastructure projects and eligible collective tools for encouragements regarding regional development, as modified and completed by subsequent texts and namely decree n° 2004-1471 of 29th June 2004.
- **Decree n° 99-483 of 1st March 1999**, states demarcation of zones of encouragement to regional development, as modified and completed by decree n° 2004-2177 of 14th September 2004.
- **Decree n° 99-484 of 1st March 1999**, states encouragement to Small Businesses, as modified and completed by subsequent texts and namely decree n° 2005-165.

List of eligible service-activities with the help of the Government regarding new promoters and Small Businesses:

- Computer Services:
 - Software maintenance and development.
 - Machines allowances and computer services.
 - Technical assistance, study and computer engineering.
 - Data banks and view data processing services.
 - Seizure and data processing.
- Planning, counsel, expertise and assistance services
 - Audit and expertise relating to book-keeping.
 - Audit and expertise relating to energy.
 - Audit and expertise relating to technology.
 - Economic, juridical, social, technical and administrative studies.
 - Audit maintenance.
 - Marketing study.
 - Quantitative and qualitative control and expertise.
 - Planning and counsels of industrial and commercial priority.
 - Enterprises certification.
 - Technical analyses
 - Trials studies in the environment field.
- The R and D department.

○ Professional formation.

○ Other services

- Maintenance of tools and fittings.
- Fitting out industrial factories.
- Electronic installation of telecommunication.
- Renovation and reconditioning of industrial and non-industrial items and material.
- Industrial engineering.
- Industrial laundry-room.

List of eligible service-activities only with the help of the Government regarding encouragement to new promoters:

○ Production services and cultural industries.

- Cinematography, theatre and TV production.
- Restoration and animation of archaeological and historic monuments.
- Museums' creation.
- Graphic Arts.
- Design.
- Photography activities, video reportage, film recording and development.
- Production of audio-visual tapes.
- Cultural centres.

List of immaterial investment

○ Marketing assistance.

○ Technical assistance in:

- CAM, computer assisted manufacture.
- CAMM, computer assisted maintenance management.
- CAPM, computer assisted production management.
- Quality.
- CAC, computer assisted conception.
- Scallop.

○ Integrated software positioning.

○ Method offices.

○ HACCP certification (analysis of hazards and the critical points in order to control them).

○ ISO certification.

○ Certification of products to the Tunisian norms and those of foreign countries.

○ Marking European Commission EC.

○ Supporting laboratories.

- Tools gauging.
- Certificates acquisition.
- Software acquisition:
 - CAM, computer assisted manufacture.
 - CAMM, computer assisted maintenance management.
 - CAPM, computer assisted production management.
 - Quality.
 - CAC, computer assisted conception.
 - CAD, computer assisted draughtsmanship.
 - Integrated scallop.
- Support assistance.
- Setting a HACCP system (analysis of hazards and the critical points in order to control them).
- Setting a security management system, SMS.
- Setting an environment managing system, EMS.
- Setting a quality management system, QMS.
- Web Sites.

List of technical investment having a priority aspect

- Material of conception: station for computer assisted conception and computer assisted draughtsmanship (CAC / CAD),
- Station for computer assisted production management and computer assisted maintenance management (CAPM,CAMM),
- Researches and Development material,
- Laboratory material, excluding tools and small material such as laboratory glass-ware, consumable products and production material.