

INCITING TO INVESTMENT CODE

Synthesis (Act n°93-120 of 27th December 1993 - J.O.R.T n°99 of 28/12/93)

The inciting to investment code covers all **activity sectors** except those of mines, energy, internal trade and the financial sector which are determined by specific texts.

As for the industrial activities and services, projects represent the subject of a clearance brought in with API services (Unique Counter or regional offices).

Yet, **some activities are under the sway of authorization** of the ministry to which the activity belongs.

Some service activities, which are not totally exporting, are under the sway of investment higher commission's certifying, when the capital foreign profit-sharing is pertaining to the majority.

The common fiscal benefits, dealt with in articles 7, 8, and 9 of the code are granted upon a mere clearance.

The financial advantages are granted via the concerned minister's decision, after announcement of granting commission.

The additional benefits are granted after notice from investment higher commission.

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The *"Inciting to Investment Code"* grew richer with regulating texts which completed the initial code enacted in 1993. Actually, we have witnessed since 1995 the publication of new texts that modified and brought up new ordering to the initial documents namely in 1999 and 2001 and defined and redefined the regional development zones, new promoters, Small Businesses and new technologies.

The *"Inciting to Investment Code"* reinforced the opening-up of the Tunisian economy over abroad and covered all activity sectors, except those of mines, energy, financial sector and internal trade which are determined by specific texts. Generally, investment is executed on a mere clearance, even if the benefit of the code advantages is inferior, except for totally exporting industries, to introducing the investment document to the competent corporation (*API, APIA, ONTT...*) when studying the financing schemata consisting of the minimum of proper funds.

The code fiscal system is applied to investments carried out in the following activities: agriculture, fishing, manufacturing industries, public works, tourism, handicraft, transport, education and teaching, professional formation, production and cultural animation, youth and child-animation, health, environment protection, real estate promotion, other non-financial activities and services such as information technology, planning, counsel, expertise and assistance services, as well as services related to equipments maintenance and fittings.

Fiscal and Financial Incitement

- ✦ Fiscal disencumbering within the limits of 35% of net returns in favour of the companies which reinvest within themselves.
- ✦ Possibility to opt for regressive amortization system by way of production material and tools.
- ✦ Exoneration of customs duties and equivalent effect taxes and payment of VAT (Value Added Tax) (10%) for the imported tools and which have no similar locally manufactured.
- ✦ VAT suspension for locally manufactured tools which are obtained before starting up the production.
- ✦ VAT payment (10%) for the locally obtained tools after starting up creation investment.
- ✦ Total exoneration of taxes on benefits for the first 10 years for: incomes issuing out of exports, farming projects, regional development projects.
- ✦ 50% off issuing out of buying rates for: export incomes starting from the 11th year for an unlimited duration, the regional development projects for 10 more years.
- ✦ Bonuses for investment: subsidies are granted for: environment protection (20% of fittings cost), regional development (15% or 25% of the project cost depending on the location of implantation), farming development (7% of the project cost plus an additional bonus of 8% for farming projects settled in barren areas and 25% for fishing projects in north coastal ports of Bizerte and Tabarka).
- ✦ Taking in charge the social contributions: the government takes in charge totally the social contributions for a period of 5 years in the following cases: employment of newly graduates of higher education and project set up in zones of encouragement to regional development; the government takes in charge 50% of the social contributions for 5 years for the employment of a second and third work team for enterprises not having continuous action.
- ✦ Taking in charge infrastructure expenses: possibility for the government to take in charge partially or totally, some infrastructure expenses: for fitting up zones aimed at aquaculture and for cultures using geothermics; for projects set up in zones of encouragement (whole zones of Zarzis and Bizerte).
- ✦ Other financial and fiscal benefits are granted as additional advantages and in activities regarded as of priority (exports, regional development, farming development, technology promotion and development research, new promoters and Small Businesses, support investment).