

INDUSTRIES ENCOURAGEMENT ACT

(Italics = Effective July 1, 2010)

INVESTMENT TYPE

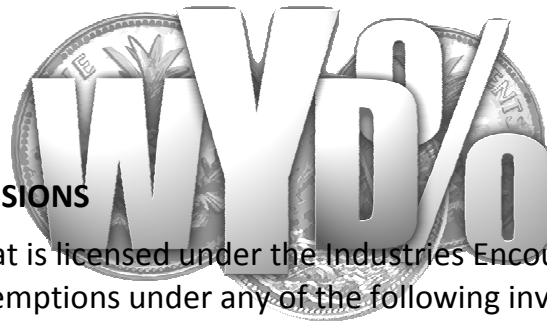
Any type of legal manufacturing enterprise.

CONCESSIONS

- 1) No Import duty and no Stamp tax to be paid *for five (5) years from the date the manufacturer is designated an approved manufacturer of an approved product* on building materials, tools, plant equipment, pipes, pumps, conveyor belts or other materials or appliances (excluding equipment used to make wooden door frames, molding, cement tiles or cement blocks) to construct, alter, reconstruct or extend the factory. *At the end of the five-year period the manufacturer may apply to import materials, supplies & equipment at a Customs duty rate of 10%. (In July 2008 Import tax & Stamp tax were amalgamated for all imports except alcoholic beverages.)*
- 2) No Import duty and no Stamp tax to be paid on materials used for plant construction and equipment on a one-time basis at startup. (In July 2008 Import tax & Stamp tax were amalgamated for all imports except alcoholic beverages.)
- 3) No Import duty and no Stamp tax to be paid on approved raw materials;
- 4) No Export tax to be paid for 15 years;
- 5) No Income tax for 15 years on profits and gains;
- 6) No Real Property tax to be paid for 15 years on factory premises.

Every precaution has been taken to provide accurate information. www.bahamastaxesonline.com and its advertisers assume no responsibility for errors or omissions contained herein. Nor is any liability assumed for damages resulting from the use of this information. Information last updated: July 2010

What's Your Duty% 2010/11 Digest



LIMITS TO CONCESSIONS

1) Any business that is licensed under the Industries Encouragement Act cannot benefit from exemptions under any of the following investment laws:

- Agricultural Manufactories Act
- Spirits and Beer Manufacture Act
- Hotels Encouragement Act
- Cement Industry (Encouragement and Control) Act
- Hawksbill Creek, Grand Bahama (Deep Water Harbor and Industrial Area) Act

2) Licensed manufacturers must have written approval of the Minister responsible for industries encouragement to take factory out of production within ten (10) years of operation;

3) Import duty and Stamp tax concessions are conditional on imports being used exclusively in the licensed manufacturing business.

CONTACT AGENCY

Ministry of Finance