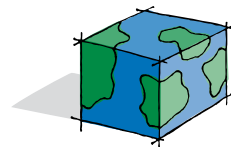


Investment Development
Authority of Lebanon
Presidency of the Council of Ministers



IDAL

INVESTMENT INCENTIVES



IDAL IS DEDICATED TO ATTRACT, FACILITATE AND RETAIN INVESTMENTS IN LEBANON

THE INVESTMENT DEVELOPMENT AUTHORITY OF LEBANON (IDAL) IS THE NATIONAL INVESTMENT PROMOTION AGENCY THAT WAS ESTABLISHED IN 1994 WITH THE AIM OF PROMOTING LEBANON AS A KEY INVESTMENT DESTINATION, AND ATTRACTING, FACILITATING AND RETAINING INVESTMENTS IN THE COUNTRY.

Investment Law No.360 that was enacted in 2001 reinforced IDAL's mission, providing a framework for regulating investment activities in Lebanon, and providing local and foreign investors alike with a range of incentives and business support services.

Investment Law No.360 identified a set of priority sectors that showed the most promising opportunities in terms of their investment potential and impact on socio-economic growth.

Identified Priority Sectors include:

Industry, Agriculture, Agro-Industry, Tourism, Information Technology, Technology, Telecommunication, & Media.

In addition to its role as an investment promotion agency, IDAL is entrusted with the active promotion and marketing of Lebanese exports including but not limited to agricultural and agro-industrial products.

IDAL enjoys financial and administrative autonomy and reports to the President of the Council of Ministers who exercises a tutorial authority over it.

OUR SERVICES

- Providing economic, commercial, legal, industrial and other information relevant for investment decisions.
- Providing information on economic sectors with investment potential.
- Identifying and promoting investment opportunities in various growth promising sectors.
- Mediating contacts between investors and entrepreneurs to identify potential joint-venture opportunities.
- Granting various types of fiscal exemptions and fees reduction to investment projects as stipulated in Investment Law No. 360.
- Participating in the capital of joint-stock companies in specific fields.
- Facilitating the issuance of permits and licenses required for starting and operating a business through coordinating with corresponding public institutions.
- Providing advice on issues affecting the investment climate in Lebanon.
- Arranging for business meetings with officials from both private and public sectors.
- Providing after-care service for investment projects.



OUR INCENTIVES

Incentives Based on Geographical Location & Investment Size

- Fiscal
- Labor Related (Work Permits)

IPZ

Incentives Based on Job-Creation & Investment Size

- Fiscal
- Labor Related (Work Permits)
- Set-up Fees Reduction (Land Registration, Work & Residence Permits, Construction Permits)
- Real Estate Fees

PDC

IDAL grants a set of incentives for investments in key sectors including: Industry, Agriculture, Agro-Industry, Tourism, Information Technology, Technology, Telecommunication, and Media.

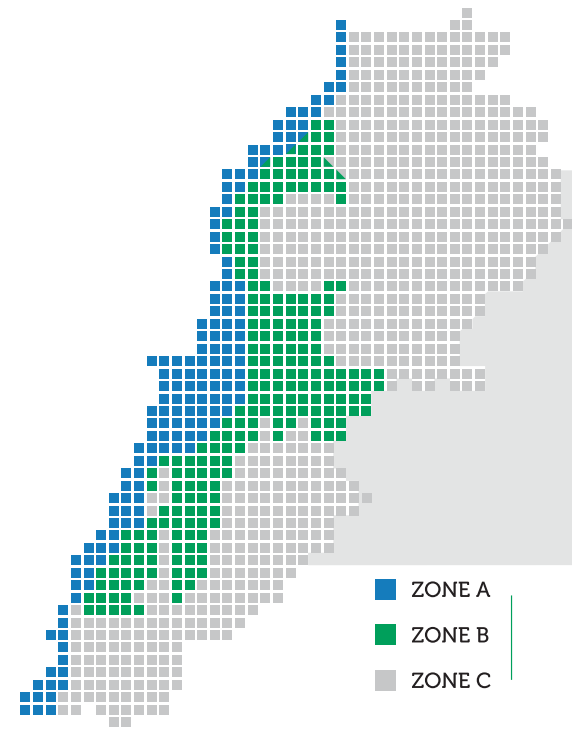
TWO INCENTIVE SCHEMES ARE AVAILABLE:

- 1 Investment Project by Zone (IPZ) scheme:** It is a scheme based on the project's geographical location, investment size and sector type. It provides investors with fiscal related incentives and work permits. This scheme divides Lebanon into three geographical zones (Zone A, Zone B, Zone C).
- 2 Package Deal Contract (PDC) scheme:** It is a scheme based on the project's investment size, number of jobs created, and sector type. It provides investors with fiscal and labor related incentives as well as set-up fees reductions. Under this scheme, the investor is bound by a contract with the Lebanese government represented by IDAL.

INVESTMENT INCENTIVES SCHEMES

1 INVESTMENT PROJECT BY ZONE INCENTIVES GRANTED *Based on Geographical Location and Investment Size*

Did You Know
that you need a
Minimum investment of
200.000 USD only
to **benefit** from our Incentives
in the **ICT** and **Media** sectors?



- ZONE A
- ZONE B
- ZONE C

50% reduction
on income tax
for a **5 year**
period

100% exemption
from income
taxes for a **10**
year period

ZONE A

- Work permits for all categories.
- Full exemption from the project's income tax for a two-year period, provided that at least 40% of the company's shares are listed on the Beirut Stock Exchange.

ZONE B

- Work permits for all categories.
- A 50% reduction on income tax and taxes on project dividends for a five-year period.
- Full exemption from the project's income tax for two additional years provided that at least 40% of the company's shares are listed on the Beirut Stock Exchange.

ZONE C

- Work permits for all categories.
- Full exemption from income tax and taxes on project dividends for a ten-year period.
- Full exemption from the project's income tax for two additional years provided that at least 40% of the company's shares are listed on the Beirut Stock Exchange.

COMPANIES UNDER INFORMATION TECHNOLOGY AND TECHNOLOGY BENEFIT FROM THE SAME EXEMPTIONS AND REDUCTIONS CONFERRED TO PROJECTS ESTABLISHED WITHIN ZONE C REGARDLESS OF THEIR LOCATION.

INVESTMENT INCENTIVES SCHEMES

INVESTMENT PROJECT BY ZONE ELIGIBILITY CRITERIA Based on Geographical Location and Investment Size



ZONE A

Sectors	Minimum Investment Required (USD)
Tourism	10.000.000
Industry	5.000.000
Agro-Industry	2.000.000
Agriculture	1.500.000
Information Technology (IT)	200.000
Technology	200.000
Telecommunication	200.000
Media	200.000



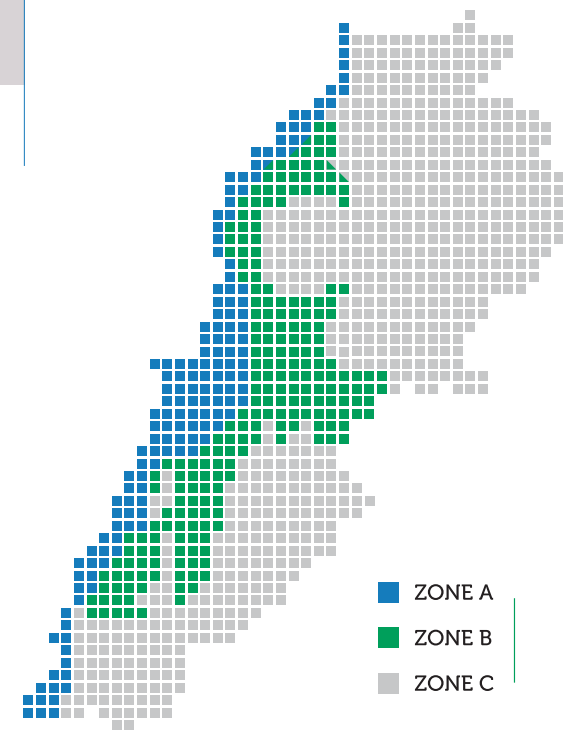
ZONE B

Sectors	Minimum Investment Required (USD)
Tourism	4.000.000
Industry	3.000.000
Agro-Industry	1.500.000
Agriculture	1.000.000
Information Technology (IT)	200.000
Technology	200.000
Telecommunication	200.000
Media	200.000



ZONE C

Sectors	Minimum Investment Required (USD)
Tourism	1.000.000
Industry	1.000.000
Agro-Industry	1.000.000
Agriculture	500.000
Information Technology (IT)	200.000
Technology	200.000
Telecommunication	200.000
Media	200.000



INVESTMENT INCENTIVES SCHEMES

INVESTMENT PROJECT BY ZONE ADDITIONAL CRITERIA

In addition to the “Eligibility Criteria”, the following criteria are taken into account when assessing a project fit for an Investment Project by Zone scheme:

- Socio-economic impact.
- Environmental impact and extent of natural resources preservation.
- Impact on the local labor force and potential for job creation.
- Market for local consumption and/or export potential.
- Extent of technology transfer and provision of technical training.
- Impact on similar industries (backward linkages) and on consumers.
- Compatibility with national government priorities and development policies.
- Establishment of Research and Development Centers.
- Value of both hardware and software for ICT projects.



INVESTMENT INCENTIVES SCHEMES

2 PACKAGE DEAL CONTRACT INCENTIVES GRANTED Based on Job-Creation and Investment Size

Projects benefiting from the Package Deal Contract shall be granted, at maximum, the following incentives:

- Full exemption from the project's income tax for up to 10 years.
- Full exemption from taxes on project dividends for up to 10 years.
- Up to 50% reduction on Work and Residence Permit Fees.
- 50% reduction on the value of the certificate of deposit entrusted to the Housing Bank.
- Up to 50% reduction on Construction Permit Fees.
- Obtaining Work Permits of all categories provided that at least two Lebanese nationals are employed against one foreigner.
- Exemption from the obligation of including Lebanese natural and legal persons in the Board of Directors in Joint Stock companies.

- Full exemption from Land Registration Fees at the Real Estate Register and from fees needed for annexation, sub-division, mortgage and registration of lease contracts at the Real Estate Register.

100% exemption
from income tax
for up to
10 years

50% reduction
on Work and
Residence
Permit Fees

ZERO Fees
on **Land**
Registration



ELIGIBILITY CRITERIA

Sectors	Minimum Investment Required (USD)	Minimum Jobs Created
Tourism	15.000.000	200
Industry	10.000.000	100
Agro-Industry	3.000.000	60
Agriculture	2.000.000	50
Information Technology (IT)	400.000	25
Technology	400.000	25
Telecommunication	400.000	25
Media	400.000	25



INVESTMENT INCENTIVES SCHEMES

In addition to the investment size of the project and the number of jobs created, the following criteria are also taken into account when assessing a project fit for a Package Deal Contract scheme:

- Socio-economic impact.
- Environmental impact and extent of natural resources preservation.
- Extent of technology transfer and provision of technical training.
- Impact on similar industries (backward linkages) and on consumers.
- Compatibility with national government priorities and development policies.

PACKAGE DEAL CONTRACT ADDITIONAL CRITERIA

EXISTING INVESTMENT PROJECTS

Applicable for PDC and IPZ schemes

The terms and conditions that apply to investment projects may also govern projects that existed/ were in operation prior to August 18, 2001 in the following cases:

- 1 Expansion of an existing project through new investments. The value of expansion will be pro-rated using the amount of the original investment as a basis.
- 2 Relocation of a project from one Investment Zone to another.



CONTACT US

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