



IDAL

INVEST IN LEBANON

INCENTIVES

AGRI-FOOD SECTOR

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INCENTIVES AVAILABLE TO AGRI-FOOD COMPANIES IN LEBANON

01. CORPORATE INCOME TAX

- ▶ **50% Exemption on Corporate Income Tax** generated from exports (Law 2014)
- ▶ **Up to 100% Exemption on Corporate Income Tax for 10 years** for existing and new industrial projects subject to certain criteria (Investment Law No.360-see below)
- ▶ **100% Exemption on Corporate Income Tax for 10 years** for industrial projects located in rural and underdeveloped areas (in south of Lebanon, Bekaa Nabatieh and Zahle). Refer to Ministry of Industry for full list of towns that are subject to this law (Law 2000 and 2002)
- ▶ **100% Exemption on Corporate Income Tax for a duration of 10 years** for projects located in specific Industrial Zones (in Zahle, Jbeil and Nabatiyeh-Decree 11991).

02. PROJECT DIVIDENDS

- ▶ **100% Exemption from Taxes** on Project Dividends for up to ten years (Investment Law No.360).

03. WORK PERMITS

- ▶ **Up to 50% Reduction on Work and Residence Permit Fees** regardless of their category (Investment Law No.360).
- ▶ **Facilitation in obtaining work permits** of all categories provided that the project benefiting from the Package Deal Contract preserves the interests of the local labor force through employing at least two Lebanese nationals for each foreigner, and registering them in the National Fund for Social Security (Investment Law No.360).

04. LAND REGISTRATION AND CONSTRUCTION PERMITS

- ▶ **Up to 50% Reduction on Construction Permit Fees** related to the buildings to be constructed and needed for the execution of the project benefiting from the provisions of the Package Deal Contract. (Investment Law No.360)
- ▶ **100% 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 for projects benefiting from the Package Deal Contract. (Investment Law No.360)

05. OTHER INCENTIVES

- ▶ **Exemption from the obligation** of including Lebanese natural and legal persons in the Board of Directors in Joint Stock companies (Investment Law No.360).

06. CUSTOM DUTY EXEMPTIONS

- ▶ **2% Custom duties** on machinery, equipment, spare parts and building material imported for the setting up of new industrial firms.
- ▶ **100% Custom duties exemptions** on the following items: Raw materials and Semi-manufactured goods (over 2000 products with list available at the Ministry of Finance).

07. EXPORT SUBSIDIES

- ▶ **Cash subsidies** for additional exports generated compared to year 2019 (Budget Law 2020)*.

**This is subject to the issuance of Implementing decrees by the Council of Ministers*



INVESTMENT LAW No.360: DETAILS ON CRITERIA AND INCENTIVES

01. REGION BASED INCENTIVES OR INVESTMENT PROJECT BY ZONE (IPZ)

ZONE A

ELIGIBILITY CRITERIA

Minimum Investment Requirement is
USD 2 million

INCENTIVES

- ▶ **100% Exemption from Corporate Income Tax for two years** provided that the company's shares are listed in the Beirut Stock Exchange. In this case, the effective negotiable shares should be no less than 40% of the capital of the company.

ZONE B

ELIGIBILITY CRITERIA

Minimum Investment Requirement is
USD 1.5 million

INCENTIVES

- ▶ **50% Reduction on Corporate Income Tax and taxes on project dividends**, for a period of five years. The reduction shall be applicable as soon as excavation works for the project commence, in accordance with the provisions of the Law

ZONE C

ELIGIBILITY CRITERIA

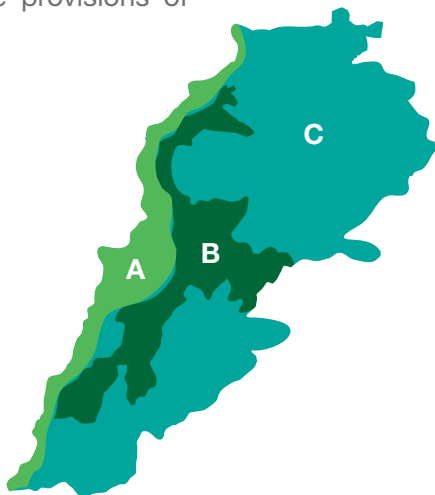
Minimum Investment Requirement is
USD 1 million

INCENTIVES

- ▶ **A 100% Exemption from Corporate Income Tax and taxes on project dividends for a period of 10 years.** The exemption shall be applicable as soon as excavation works for the project commence, in accordance with the provisions of the Law

ZONE A, B & C

- ▶ **Work permits for various categories**, exclusively needed for the project, provided that at least two Lebanese nationals are employed for each foreigner. All employees should be registered with the National Social Security Fund.



02. PACKAGE DEAL CONTRACT (PDC)

ELIGIBILITY CRITERIA

- ▶ Minimum Investment Requirement is **USD 3 million**
- ▶ Minimum Number of Jobs Required: **60***

*The number of jobs created can be reduced by 20% (to 48 jobs) provided that the investor shall allocate at least 25% of them to technical and professional training schemes in the agro-industrial field. The full training program will be subject to IDAL's board approval.

INCENTIVES

- ▶ **100% Exemption from Corporate Income Taxes for up to ten years** starting from the commencement date of the exploitation of the project.
- ▶ **100% Exemption of Taxes on Project Dividends for up to ten years** starting as from the commencement date of the exploitation of the project.
- ▶ **Up to 50% Reduction on Work and Residence Permit Fees** regardless of their category and depending on the number of permits required. Also the value of the certificate of deposit entrusted to the Housing Bank shall be reduced by half.
- ▶ **Up to 50% Reduction on Construction Permit Fees** related to the buildings to be established & needed for the execution of the project benefiting from the provisions of the Package Deal Contract.
- ▶ **100% 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.
- ▶ **Obtaining Work Permits** of all categories provided that the project benefiting of the Package Deal Contract preserves the interests of the local labor force through employing at least two Lebanese nationals against one foreigner, and registering them in the National Fund for Social Security.
- ▶ **Exemption from the obligation** of including Lebanese natural and legal persons in the Board of Directors in Joint Stock companies.



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