



IDAL
INVEST IN LEBANON



INVESTMENT DEVELOPMENT
AUTHORITY OF **LEBANON**
Presidency of the Council of Ministers

INVESTMENT INCENTIVE SCHEMES

Granted by IDAL

INVESTMENT INCENTIVE SCHEMES

Foreign and local companies investing in Lebanon can benefit from set of financial and non-financial incentives depending on the sector in which they operate. The Investment Development Authority of Lebanon (IDAL), Lebanon’s national investment promotion agency, provides companies operating in 8 economic sectors with a set of financial and non-financial incentives. Other governmental and non-governmental institutions also provide a set on incentives that you can benefit from.

TWO INCENTIVE SCHEMES ARE AVAILABLE

Investment Project by Zone (IPZ) Scheme	Package Deal Contract (PDC) Scheme
<p>A scheme mostly catered for small and medium sized projects and designed to provide the highest support to projects located in the regions with the highest socio-economic challenges.</p> <p>The criteria used to determine an investment project’s eligibility for this scheme include:</p> <ul style="list-style-type: none"> »The project’s geographical location »The project’s investment size (capital investment) »The project’s sector type 	<p>A scheme mostly catered for large scale projects which have a high impact on employment.</p> <p>The criteria used to determine an investment project’s eligibility for this scheme include:</p> <ul style="list-style-type: none"> »The project’s investment size (capital investment) »The number of jobs created »The project’s sector type

PACKAGE DEAL CONTRACT (PDC)

INCENTIVES GRANTED

Based on Job-Creation and Investment Size

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

- » 100% exemption from corporate income tax for up to 10 years.
- » 100% exemption from taxes on project dividends for up to 10 years.
- » Up to 50% reduction on Work and Residence Permit Fees.
- » 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 their Boards of Directors.
- » 100% exemption from Land Registration Fees at the Real Estate Register and from fees needed for annexation, sub-division, mortgage and registration of rental contracts at the Real Estate Register.

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

ADDITIONAL CRITERIA

In addition to the “Eligibility Criteria”, 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.

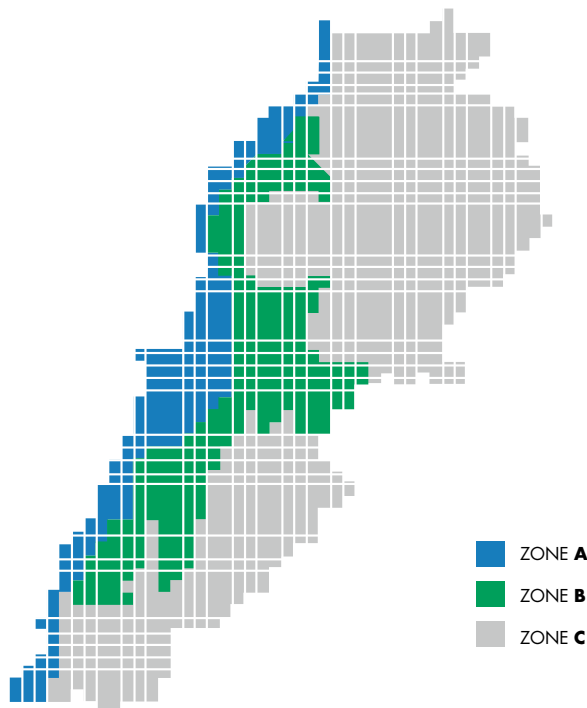
INVESTMENT PROJECT BY ZONE (IPZ)

Investment Project by Zone (IPZ):

INCENTIVES GRANTED

Based on Geographical Distribution and Investment Size

ZONE A	ZONE B	ZONE C
<ul style="list-style-type: none"> » Work permits for all categories. » Full exemption from corporate income tax for a two-year period provided that at least 40% of the company's shares are listed on the Beirut Stock Exchange. 	<ul style="list-style-type: none"> » Work permits for all categories. » A 50% reduction on corporate income tax and taxes on project dividends for a five-year period. » Full exemption from corporate income tax for two additional years provided that at least 40% of the company's shares are listed on the Beirut Stock Exchange. 	<ul style="list-style-type: none"> » Work permits for all categories. » Full exemption from corporate income tax and taxes on project dividends for a ten-year period. » Full exemption from income tax for two additional years provided that at least 40% of the company's shares are listed on the Beirut Stock Exchange.



■ ZONE A
■ ZONE B
■ ZONE C

ELIGIBILITY CRITERIA

Sectors	Minimum Investment Required (USD)		
	Zone A	Zone B	Zone C
Tourism	10.000.000	4.000.000	1.000.000
Industry	5.000.000	3.000.000	1.000.000
Agro-Industry	2.000.000	1.500.000	1.000.000
Agriculture	1.500.000	1.000.000	500.000
Information Technology	200.000	200.000	200.000
Technology	200.000	200.000	200.000
Telecommunication	200.000	200.000	200.000
Media	200.000	200.000	200.000

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.

EXISTING INVESTMENT PROJECTS (APPLICABLE FOR PDC AND IPZ SCHEMES)

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. The same applies for the relocation of a project from one Investment Zone to another.

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