PRESIDENCY OF THE REPUBLIC

REPUBLIC OF CÔTE D'IVOIRE

Union-Discipline-Labour

ORDINANCE No 2019-826 OF 09th OCTOBER 2019 ESTABLISHING TAX INCENTIVES SPECIFICALLY MEANT FOR INVESTMENTS IN THE RUBBER PROCESSING SECTOR

THE PRESIDENT OF THE REPUBLIC,

Based on the joint report of the Minister to the Prime Minister, responsible for the Promotion of Private Investments, the Minister of Agriculture and Rural Development, the Minister of Economy and Finance, the Minister of Trade, Industry and Promotion of SMEs and the Minister to the Prime Minister responsible for Budget and State Portfolio,

Having regard to the Constitution;

Having regard to Law No 2017-540 of 3 August 2017 establishing the rules relating to the regulation, control and monitoring of activities in the rubber and palm-oil tree sectors;

Having regard to Law No 2018-984 of 28 December 2018 on State Budget for the Year 2019, namely Article 12;

Having regard to Ordinance No 2018-646 of 1st August 2018 on the Investment Code;

THE COUNCIL OF MINISTERS HAVING CONSIDERED THE MATTER,

HEREBY ORDERS:

Article:**1** By way of exemption from the provisions of the aforementioned Ordinance No. 2018-646 of 1st August 2018, in addition to the benefits granted to companies approved for investment under category 1 as provided for in Article 5 of the aforementioned Ordinance, tax and customs incentives specifically meant for investments in the rubber processing sector to establish and develop activities.

Article 2: During the establishment and operational phases, in addition to the non-contradictory benefits provided for in Articles 14 to 18 of the aforementioned Ordinance No. 2018-646 of 1st August 2018, the following is granted:

I, KOUAKOU Koffi Mamadou, PhD., sworn translator at the Court of Appeal in Abidjan, Côte d'Ivoire, do hereby certify that I am competent to translate from French to English and that the above is a true and accurate translation of the original document in French. In witness whereof, I have hereunto signed and affixed my stamp.

CERTIFIED CORRECT AND ACCURATE TRANSLATION OF ORIGINAL SEEN IN THIS OFFICE
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- Exemption from customs duties and value added tax on equipment and batches of spare parts procured locally or imported during four years. The value of spare parts thus eligible for exemption over this period may not exceed, in proportion to the purchase value of the equipment and capital goods included in the approved investment project:
    - 20% in zone A
    - 40% in zone B
    - 60% in zone C

- Exemption from value added tax on services, design and monitoring costs, assistance and file preparation costs over the same four-year period. The amount of these costs may not exceed 20% of the total amount of investments excluding VAT and excluding working capital relating to the approved project.

<u>**Article 3**</u>: An additional tax credit is chargeable in any zone until fully repaid - up to a maximum period not exceeding ten years - shall be granted to companies that invest in the development of activities relating to an increase in capacity or the renewal of production lines in the sector referred to in Article 1 of this Ordinance.

The rate of this tax credit, granted to both large companies and SMEs, varies according to the zone, the nominal capacity and the investment amount.

- **For large companies:**

    - **In zone A**

      A 25% tax credit on:
    - Income tax, including the minimum flat-rate tax;
    - Occupational taxes and licences;
    - Property tax;
    - Value added tax;
    - Employer's contribution.

    - **In zone B**

      A 35% tax credit on:
    - Income tax, including the minimum flat-rate tax;
    - Occupational taxes and licences;
    - Property tax;
    - Value added tax;
    - Employer's contribution.

    - **In zone C**

      A 50% tax credit on:
    - Income tax, including the minimum flat-rate tax;
    - Occupational taxes and licences;
    - Property tax;

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- Value added tax;
- Employer's contribution.

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For small and medium-size enterprises:

- **In zone A**

A 37.5% tax credit on:

- Income tax, including the minimum flat-rate tax;
- Occupational taxes and licences;
- Property tax;
- Value added tax;
- Employer's contribution.

- **In zone B**

A 52.5% tax credit on:

- Income tax, including the minimum flat-rate tax;
- Contribution on patents and licences;
- Property tax;
- Value added tax;
- Employer's contribution.

- **In zone C**

A 75% tax credit taxable on:

- Income tax, including the flat-rate minimum tax;
- Occupational taxes and licences;
- Property tax;
- Value added tax;
- Employer's contribution.

Article 4 An additional tax credit of 5% shall be granted to any investor - operating in the sector referred to in Article 1 of this Ordinance - that allocates a minimum of forty percent of its share capital to domestic investors under the terms of Ordinance No. 2018-646 of 1st August 2018 mentioned above concerning the benefits related to local content. This portion of the share capital allocated to nationals may not be subject to a downward revision for a period of at least twenty years.

The same additional tax credit is granted to companies whose capital is 100 per cent owned by nationals.

Article 5: This Ordinance applies within the framework of the agreement between the rubber processing companies and the State of Côte d'Ivoire.

Article 6: The benefits provided for by this Ordinance shall be granted to companies pursuant to the provisions of Article 40 of Ordinance No. 2018-646 of 1st August 2018 referred to above.

Article 7: The benefits provided for by this Ordinance shall be granted to the beneficiary companies for three years from its entry into force.

Article 8: This Ordinance shall be published in the Official Gazette of the Republic of Côte d'Ivoire and enforceable as a State law.

Done in Abidjan, on this 09th day of October 2019

Alassane OUATTARA

Certified true copy of the original
The Secretary General of the Government

Stamp

Eliane Atte BINAMAGBO
Prefect

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