

TAX DATA CARD

Uganda

Corporation Tax

Item	Rate	Details
Resident Company	30%	A company is resident if it is incorporated under the laws of Uganda, has management and control exercised in Uganda, or undertakes the majority of operations in Uganda during the year of income.
Non-resident Company	30%	Includes branches of non-resident persons executing business in Uganda
Rental tax		
Resident individual & non-individual	30%	Effective 1st July 2021, the applicable rate of tax for both individuals and non-individuals is harmonized at 30%
Non-Resident individual & non-individual	15%	Collected through the withholding tax mechanism
Additional taxes		
Branch of a foreign company	15%	Additional 15% branch tax charged on profits remitted by branches of non-resident persons to head offices
Gaming tax	20%	Applicable to licensed operators of casinos, gaming, or lotteries activities
Allowable deductions		
Business expenses	N/A	All expenses and losses incurred by a business to the extent to which such expenses are, and losses incurred in the production of income included in gross income
Capital losses	N/A	Loss on a disposal of a business asset, whether or not the asset was on revenue or capital amount
Rental expenses	75%	Allowable rental expenditure capped at 75% of the rental income for both individual and non individual, effective 1 st July 2021
Taxpayers employing persons with disabilities	2%	deduction of 2% of income tax payable for private employers who prove that 5% of employees on a full-time basis are disabled
Meals, refreshments, and entertainment expenses	N/A	deduction only allowed if meals, refreshment, or entertainment are; a) Provided to all employees on an equal basis; or b) Form part of a benefit to employees; or c) A reimbursable business expense that does not exceed the actual cost incurred; or d) An expense incurred by a business dealing in the provision of meals, refreshment or entertainment
Bad Debts	N/A	Applicable to Financial institutions, and non-financial institutions (on production of documentary evidence in relation to bad debts)
Interest	30%	Allowable interest shall not exceed 30% of the Tax EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortization)
Repairs and minor capital equipment	N/A	capital equipment (except returnable containers) with a value less than UGX 1,000,000 allowed as revenue expenditure
Start-up costs	25%	Costs incurred in setting up a business to produce income included in the gross income are deductible over 4 years (25% in the year the expense is incurred, and the same over the next 3 years)
Charitable donations	5%	Amount of deduction made to exempt organizations capped at a rate of 5% of the chargeable income before taking into account the value of charitable deductions
Loss Carried forward	N/A	The indefinite period for carrying taxable losses forward
Capital deductions		
Plant and machinery:		
Initial Allowance	50%	Eligible plant and machinery placed into service for the first time outside a radius of 50KM from the boundaries of Kampala qualify for initial allowance at 50% of the cost base of the property
Wear and Tear*:		
Class I	40%	Computers and data handling equipment
Class II	30%	Plant and machinery used in farming, manufacturing and mining
Class III	20%	Any depreciable asset not included in other classes
Industrial Buildings:		
Initial Allowance	20%	A new industrial building placed into service for the first time qualify for initial allowance at 20% of the cost base of the property
Industrial building allowance	5%	allowance applicable to industrial buildings used by a person during the year of income in production of income included in the gross income
Intangible assets	N/A	a capital deduction is computed as a quotient of the amount of expenditure incurred (dividend) and the useful life of the asset in years (divisor)
Horticultural capital expenditure		
Horticultural plant and construction of a greenhouse	20%	a deduction of 20% of the capital expenditure in the year during which it is incurred and the following four years of income
Mining exploration expenditure		
Class I (A)	100%	Depreciable assets acquired as part of mining exploration expenditure

* Effective 1st July 2021, depreciable have been revised from 4 to 3

Withholding Tax

Item	Resident	Non-resident
Dividends	15%	15%
Applicable scenarios:		
Recipient of dividends controls 25% or more in the payer company	0%	15%
The recipient is a shareholder in a USE listed company	10%	15%
Interest	15%	15%
Applicable scenarios:		
Interest paid to a bank or financial institution of public character	0%	0%
Interest paid by a natural person	0%	0%
Interest paid by a resident person to another associated resident person*	0%	N/A
In respect of debentures issued to the non-resident company for purposes of raising loan outside of Uganda	N/A	0%
Interest on treasury bills or other government securities with a maturity period of fewer than 10 years	20%	20%
Interest on treasury bills or other government securities with a maturity period of more than 10 years	10%	10%
Royalty	6%	15%
Rent	6%	15%
Natural resource payment	6%	15%
Management fees	6%	15%
Public entertainers or sportspersons	6%	15%
Contractors or professionals	6%	15%
Shipping and air transport services embarked from Uganda	6%	2%
Tele-communications services provided non-resident persons	N/A	5%
Service fees paid to non-resident contractors by mining and petroleum licensees	N/A	10%
Participation dividends paid to non-resident companies by mining and petroleum licensees	N/A	15%
Purchase of an asset by a resident person from a non-resident person	N/A	10%
Purchase of a business or business asset by a resident person	6%	N/A
Winnings of betting or gaming	15%	15%
Payments for re-insurance premiums by resident person to a non-resident person	N/A	10%
Commissions on Airtime distribution and Mobile money	10%	N/A
Commissions paid to insurance agents	10%	10%
Commissions paid to an advertising agent	10%	10%
Payments for goods and services	6%	N/A
Import of goods (paid to URA)	6%	N/A

* Associated company means:

- a company in which payer company controls > 50% of voting power directly or through one or more interposed companies;
- a company which controls > 50% of voting power in the payer company directly or through one or more interposed companies or;
- Another company controls > 50% of voting power in both the payer and payee companies through one or more interposed companies.

Personal Tax

Individual Tax Thresholds		
Income Bracket		Tax rate
Residents		
Not exceeding UGX 2,820,000 (235,000 pm)		-
Exceeding UGX 2,820,000 (235,000 pm) but not exceeding UGX 4,020,000 (335,000 pm)		10% of the amount by which chargeable income exceeds UGX 2,820,000 (235,000pm)
Exceeding UGX 4,020,000 (335,000 pm) but not exceeding UGX 4,920,000 (410,000 pm)		UGX 120,000 (10,000 pm) plus 20% of the amount by which chargeable income exceeds UGX 4,020,000 (335,000 PM)
Exceeding UGX 4,920,000 (410,000 pm)		UGX 120,000 (10,000 pm) plus 20% of the amount by which chargeable income exceeds UGX 4,020,000 (335,000 PM)
Exceeding UGX 4,920,000 (410,000 pm)		a) UGX 300,000 (25,000 pm) plus 30% of the amount by which chargeable income exceeds UGX 4,920,000 (410,000 PM); and b) Where chargeable income of an individual exceeds UGX 120,000,000 (10,000,000 pm) an additional 10% charged on the amount by which chargeable income exceeds UGX 120,000,000 (10,000,000 PM)
Non-Residents		
Not exceeding UGX 4,020,000 (335,000 pm)		10%
Exceeding UGX 4,020,000 (335,000 pm) but not exceeding UGX 4,920,000 (410,000 pm)		UGX 402,000 (33,500 pm) plus 20% of the amount by which chargeable income exceeds UGX 4,020,000 (335,000 PM)
Exceeding UGX 4,020,000 (335,000 pm) but not exceeding UGX 4,920,000 (410,000 pm)		UGX 120,000 (10,000 pm) plus 20% of the amount by which chargeable income exceeds UGX 4,020,000 (335,000 PM)
Exceeding UGX 4,920,000 (410,000 pm)		a) UGX 582,000 (48,500 pm) plus 30% of the amount by which chargeable income exceeds UGX 4,920,000 (410,000 PM); and b) Where chargeable income of an individual exceeds UGX 120,000,000 (10,000,000 pm) an additional 10% charged on the amount by which chargeable income exceeds UGX 120,000,000 (10,000,000 PM)
Employment Income		
Taxable		Non-taxable
1) Wages, salary, leave pay, payment in lieu of leave, overtime pay, fees, commission, gratuity, bonus, or amount of travel, entertainment, utilities, cost of living, housing, medical, or other allowance;		1) Passage expenses to and from Uganda (during appointment or termination) incurred on behalf of an employee recruited out of Uganda
2) Value of Benefits granted		2) Reimbursement of medical expenses
3) Reimbursed expenses by an employer except reimbursements in relation to business expenses		3) The life insurance premium paid by a taxable employer
4) Amount received for termination of employee contract		4) Allowances provided by an employer which are not likely to exceed the actual cost incurred
5) A life insurance premium paid by a tax-exempt employer		5) Meals and refreshments provided to company employees at company premises and on equal terms
6) Amount paid as consideration for the employee agreeing to varying work conditions		6) A benefit provided to an employee in a month not exceeding UGX 10,000
7) Amount received on disposal of the right to acquire shares under share acquisition scheme		7) Contributions by an employer to a resident retirement fund on behalf of the employee
8) The amount by which the value of shares issued to an employee exceeds the consideration given by an employee		8) Value of a right to acquire shares under an employee share acquisition scheme
		9) 25% of the amount received for termination of employment contract who has been employed for 10 years or more
Taxable Benefits		
Item	Mode of computation of benefit	Details
Motor Vehicle benefit	$(20\% \times A \times B/C) - D$	A- Market value of Motor vehicle at the time it was provided to the employee, depreciated on reducing balance at 35% B- No. of days in a year the vehicle is used or available for private purposes C- No. of days in the year of income D- Any payment made by the employee for the benefit
Domestic Assistant	Employment income paid to the Domestic assistant less any payment made by the employee	N/A
Meals, refreshment, or entertainment	Cost of employer providing meals, refreshment or entertainment less payment made by an employee	N/A
Utilities	Cost of the employer providing utilities less payment made by the employee	N/A
Provision of loan to the employee (exceeding UGX 1,000,000)	Difference between the interest paid during the year of income and interest computed based on the statutory rate	N/A
Waiver of employee obligation to repay the amount owed to the employer	Value of benefit is the amount waived	N/A
Accommodation or housing benefit	Lesser of: a). market rate of accommodation less any payment made by the employee; or b). 15% of employment income including amount above paid by the employer to the employee	N/A
Others	The market value of benefit less any payment made by the employer for the benefit	N/A



Other Payroll Obligations - Local Service Tax	
Income Bracket	Amount of LST (UGX)
Exceeding UGX 100,000 but not exceeding UGX 200,000	5,000
Exceeding UGX 200,000 but not exceeding UGX 300,000	10,000
Exceeding UGX 300,000 but not exceeding UGX 400,000	20,000
Exceeding UGX 400,000 but not exceeding UGX 500,000	30,000
Exceeding UGX 500,000 but not exceeding UGX 600,000	40,000
Exceeding UGX 600,000 but not exceeding UGX 700,000	60,000
Exceeding UGX 700,000 but not exceeding UGX 800,000	70,000
Exceeding UGX 800,000 but not exceeding UGX 900,000	80,000
Exceeding UGX 900,000 but not exceeding UGX 1,000,000	90,000
Exceeding UGX 1,000,000	100,000
Other Payroll Obligations - National Social Security Fund (NSSF)	
Item	Rate of contribution
Monthly contribution by employer	10%
Monthly contribution by the employee	5%

Value Added Tax

Item	Rate	Details
Annual Registration Threshold	UGX 150,000,000	For purposes of VAT registration, the threshold is considered quarterly, that is UGX 37.5 Million in any three months
Standard rate	18%	The standard rate is applicable on all taxable goods and services other than exempt supplies made in Uganda by taxable persons. Any item not specifically mentioned in the second or third schedules of the VAT Act is considered as a standard rated supply
Zero rate	0%	Items listed in third schedule of the VAT Act
Exempted items	-	Goods and services considered out of the scope of the VAT Act, and not susceptible to any tax. They are listed under the Second Schedule of the VAT Act
Import of goods	18%	VAT applicable on import of goods unless exempted under the East African Community Customs Management Act (EAC-CMA), or would be exempt had they been supplied in Uganda
Import of services	18%	VAT on imported services to be borne by the importer against which input credit can not be claimed is applicable except for; a) exempted imported services mentioned in the second schedule of the VAT Act; b) Imported services would be exempt if supplied in Uganda; c) Imported services utilized in provision of exempt services
Other considerations		
Deemed VAT	18%	Applicable to: a). Taxable supplies made by contractors to a licensee under petroleum operations, b). Supplies made by a supplier to a contractor executing an aid-funded project c). Supplies made by a contractor executing an aid-funded project to a Government agency VAT is charged but not paid (thus deemed to be paid)
VAT deferment	-	Scheme under which tax payable at the point of importation of plant and machinery used in manufacture of goods or services is postponed for a period of: a) Person already making taxable supplies: 15 days after a tax period (month) b) Person not yet making taxable supplies: 1 year The above scheme is only applicable if the tax due on the plant and machinery is at least USD 4,000

Excise Duty

Items	Rates
Fast Moving Consumer goods	
Cigarettes	
Soft cup: Locally manufactured	UGX 55,000 per 1,000 sticks
Soft cup: Imported	UGX 75,000 per 1,000 sticks
Hinge Lid: Locally manufactured	UGX 80,000 per 1,000 sticks
Hinge Lid: Imported	UGX 100,000 per 1,000 sticks
Cigars, cheroots and cigarillos containing tobacco	200%
Smoking tobacco, whether or not containing tobacco substitutes in any proportion	200%
Homogenized or reconstituted tobacco	200%
Beer	
Malt beer	60% or UGX 2,050 per litre whichever is higher
Beer whose local raw material content excluding water is at least 75% by weight of its constituents	30% or UGX 650 per litre whichever is higher
Beer produced from barley grown and malted in Uganda	30% or UGX 950 per litre whichever is higher
Opaque beer	20% or UGX 230 per litre whichever is higher
Any other alcoholic beverage locally produced	20% or UGX 230 per litre whichever is higher
Spirits	
Un-denatured spirits made from locally produced raw materials	60% or UGX 1,500 per litre whichever is higher
Un-denatured spirits made from imported raw materials	100% or UGX 2,500 per litre whichever is higher
Ready to drink spirits	80% or UGX 1,700 per litre whichever is higher
Wine	
Wine made from locally produced raw materials	20% or UGX 2,000 per litre whichever is higher
Other wines	80% or UGX 8,000 per litre whichever is higher
Non-alcoholic	
Non-alcoholic beverages not including fruit or vegetable juice	12% or UGX 250 per litre whichever is higher
Fruit juice and vegetable juice except juice made from at least 30% pulp from fruit and vegetables grown in Uganda	12% or UGX 250 per litre whichever is higher
Powder for reconstruction to make juice or dilute to taste drinks, excluding pulp	15% of the value
Other non-alcoholic beverage made out of fermented sugary tea solution with a combination of yeast and bacteria	12% or UGX 250 per litre whichever is higher
Mineral water, bottled water and other water purposely for drinking	10%
Fermented beverages	
Any other fermented beverages made from imported cider, perry, mead, spears or near beer	60% or UGX 950 per litre, whichever is higher
Any other fermented beverages made from locally grown cider, perry, mead, spears or near beer	30% or UGX 550 per litre, whichever is higher
Cooking oil	20%
Cosmetics and perfumes, except creams used by an albino in the treatment of their skin	10%
Communication	
Airtime on mobile cellular, landlines and public payphones	12% of the fee charged
Internet data except for data for the provision of medical services and education services	12% of the fee charged
Money transfer or withdrawal services, including transfers and withdrawal services by operators licensed to provide communications or money transfers or withdrawals but not including transfers and withdrawal services provided by banks	15% of the fee charged
Value-added services	12% of the fee charged
Mobile money transaction of withdrawal of cash	0.5% of the value of the transaction
Incoming international calls, except calls from Kenya, Rwanda and South Sudan	USD 0.09 per minute

Excise Duty

Items	Rates
Fuels and Transportation	
Motor spirit (gasoline)	UGX 1,450 per litre
Gas oil (automotive, light, amber for high-speed engine)	UGX 1,130 per litre
Other gas oils	UGX 630 per litre
Illuminating kerosene	UGX 200 per litre
Jet A1 and aviation fuel	UGX 200 per litre
Motorcycles at first registration	UGX 200,000
Lubricants under HS Codes 2710.19.51, 2710.19.52, 3403.19.00 and 3403.99.00 including motor vehicle lubricants, except aircraft lubricant	15%
Industrial inputs	
Cane or beet sugar and chemically pure sucrose in solid form	UGX 100 per Kg
Plastics	2.5% or USD 70 per ton, whichever is higher
Construction	
Cement	UGX 500 per 50Kgs
Furniture excluding specialised hospital furniture, Furniture manufactured in Uganda using local materials	20%
Banking	
Ledger fees, ATM fees, Withdrawal fees and periodic charges and other transactions and non-transaction charges, excluding loan-related charges periodically charged by financial institutions	15% of the fees charged

Other taxes

Capital Gains Tax		
Item	Rate	Details
Body corporates	30%	Capital gains tax applicable on both "direct" and "indirect" disposal of business assets
Individuals	10 - 40%	Computation of capital gains tax is based on the individual tax thresholds
Mode of computation		
Item	Guidance	
Indexation	CB x $\frac{CPI_D}{CPI_A}$	CB - Amount of cost or expense forming part of the cost base of an asset CPI_D - Consumer Price Index published for the calendar month of sale CPI_A - Consumer Price Index published for the month immediately before the date on which the relevant item of cost or expense was incurred
Non recognition of capital gain / loss		
Details		
Spousal relationships	Transfer of assets between spouses, or transfer of assets between former spouses as part of the divorce settlement	
Involuntary asset disposal	Only to the extent to which proceeds are re-invested within one year of disposal	
Trustee or beneficiary transactions	Transmission of an asset to a trustee or beneficiary upon the death of a taxpayer	
Registered venture capital	Gains arising from the sale of registered venture capital fund if at least 50% of proceeds are invested within the year of income	
Non-Business gains	Except for gains on the sale of shares in a non-listed entity or on sale of commercial building	

Presumptive Tax		
Gross Turnover	Tax rate without records	Details tax rate with records
Exceeds UGX 10,000,000 but not exceeding UGX 30,000,000	UGX 80,000	0.4% of turnover exceeding UGX 10,000,000
Exceeds UGX 30,000,000 but not exceeding UGX 50,000,000	UGX 200,000	UGX 80,000 plus 0.5% of turnover exceeding UGX 30,000,000
Exceeds UGX 50,000,000 but not exceeding UGX 80,000,000	UGX 400,000	UGX 180,000 plus 0.6% of turnover exceeding UGX 50,000,000
Exceeds UGX 80,000,000 but not exceeding UGX 150,000,000	UGX 900,000	UGX 360,000 plus 0.7% of turnover exceeding UGX 80,000,000

Double taxation treaties

Country	Interest	Royalty	Technical fees	Management fees	Dividends
Italy	15%	10%	10%	10%	15%
Denmark	10%	10%	10%	10%	10% if paid to a non-resident company that holds at least 25% shares or 15% in any other case.
India	10%	10%	10%	10%	10%
Mauritius	10%	10%	10%	10%	10%
Netherlands	10%	10%	10%	10%	a).15% if paid to a non-resident individual or b).0% if paid to a non-resident company that holds at least 50% shares or c).5% if paid to a non-resident company that holds less than 50% shares.
Norway	10%	10%	10%	10%	a).10% if paid to a non-resident company that holds at least 25% shares or b).15% in any other case
South Africa	10%	10%	10%	10%	a).10% if paid to a non-resident company that holds at least 25% shares or b).15% in any other case
United Kingdom	15%	15%	15%	15%	15%
Zambia	15%	15%	15%	0%	0%

Note: The benefit (reduced rate) applicable to the above DTA's shall not be available to any person who receives the income in a capacity which is other than that of a beneficial owner who does not possess economic substance in the country of residence of the payee.



Compliance timelines

Tax Head	Taxable person	Compliance requirement	Return Name	Frequency	Due date	Penalty for default	Other penalties
Income Tax	Non-Individuals	Registration	N/A	One-off requirement	N/A	Higher of; double the amount of tax payable during the period commencing the last day of the application period until the person files an application or is forcefully registered, OR UGX 1,000,000	N/A
		Return filing	Provisional Income tax return	Annually	By the 6th month of a year of income	Higher of 2% of the tax payable or UGX 200,000 per month	Penalty for underestimating of provisional estimates
			Amended Provisional income tax return	Annually	By the 12th month of a year of income	N/A	N/A
			Final income tax return	Annually	Within 6 months after the end of a year of income	Higher of 2% of the tax payable or UGX 200,000 per month	Interest (simple) of 2% per month for late payment of tax liability
			PAYE return	Monthly	15th day of the following month	Higher of 2% of the tax payable or UGX 200,000 per month	Interest (simple) of 2% per month for late payment of tax liability
			WHT return	Monthly	15th day of the following month	Higher of 2% of the tax payable or UGX 200,000 per month	Interest (simple) of 2% per month for late payment of tax liability
		Submission of information	N/A	Subject to the requirement of URA	Within 30 days of notice of request of URA	UGX 50,000,000	N/A
	Individuals	Return filing	Provisional Income tax return	Quarterly	By the 3rd, 6th, 9th and 12th month of a year of income	Higher of 2% of the tax payable or UGX 200,000 per month	Penalty for underestimating of provisional estimates
			Final income tax return	Annually	Within 6 months after the end of a year of income	Higher of 2% of the tax payable or UGX 200,000 per month	Interest (simple) of 2% per month for late payment of tax liability
	Corporations/Individuals	Amendment of filed returns	All self-assessed returns	N/A	Within 3 years after filing the self-assessed return	N/A	N/A
VAT	Corporations/Individuals	Registration	N/A	One-off requirement	Historic: Within 20 days from the end of any of any 3 months period or Futuristic: the beginning of a 3 months period during which taxable supplies exceed the threshold	Higher of; double the amount of tax payable during the period commencing the last day of the application period until the person files an application or is forcefully registered, OR UGX 1,000,000	Interest at 2% per month (compounded) for late payment of any outstanding tax
		Return filing	Monthly VAT return	Monthly	15th day of the following month	Higher of 2% of the tax payable or UGX 200,000 per month	Interest at 2% per month (compounded) for late payment of any outstanding tax
		Amendment of filed returns	Monthly VAT return	N/A	Within 3 years after filing the self-assessed return	N/A	N/A
Excise Duty	Corporations/Individuals	Registration	N/A	One-off requirement	N/A	Higher of; double the amount of tax payable during the period commencing the last day of the application period until the person files an application or is forcefully registered, OR UGX 1,000,000	N/A
		Return filing	Local excise duty return	Monthly	15th day of the following month	Higher of 2% of the tax payable or UGX 200,000 per month	Interest at 2% per month (compounded) for late payment of any outstanding tax
		Amendment of filed returns	Local excise duty return	N/A	Within 3 years after filing the self-assessed return	N/A	N/A
Lotteries and Gaming	Corporations/Individuals	Return filing	Monthly Gaming Tax return	Monthly	15th day of the following month	Higher of 2% of the tax payable or UGX 200,000 per month	Interest at 2% per month (compounded) for late payment of any outstanding tax

Investment incentives

Sectors	Qualifying criteria	Income Tax	VAT	Excise Duty	Stamp duty
Exporters of finished consumer and capital goods	1). Exports 80% of the goods produced 2). Must apply to the commissioner for a certificate of exemption	An exemption is for ten years	No specific incentive, however, exports are zero-rated	-	-
Savings and Credit Cooperative Society	N/A	Income tax exemption applicable from 1st July 2017 to 30th June 2027	-	-	-
Real estate (letting or leasing facilities)	1). Investment capital: USD 50 Million for a foreigner and USD 10 Million for a citizen 2). Location of investment: designated industrial park or free zone	Income tax exemption for 10 years from the date of commencement of construction or for an existing developer, the date on which required capital investment is made	-	Exemption of duty on construction materials	-
Developers of industrial parks or free zones	1). Investment capital: USD 50 Million	-	VAT exemption on; 1). Supply of services to conduct feasibility study, design and construction; 2). Earthmoving equipment and machinery; 3). Construction materials.	-	Exemption of stamp duty on following instruments: 1. Debenture, 2. Any instrument imposing a further change on a mortgaged property 3. Lease of land 4. Increase of share capital 5. Transfer of land 6. An agreement to provide services on conducting a feasibility study or developing a design for construction
Hotel or tourism facility developer	1). Investment capital: USD 8 Million 2). Room Capacity; Exceeding 100 guests	-	VAT exemption on; 1). Supply of services to conduct feasibility study, design and construction; 2). Supply of locally produced materials for construction of premises, infrastructure; 3). Machinery and equipment or furnishings and fittings not available on the local market	Exemption of duty on locally produced materials for construction of premises and other infrastructure	Exemption of stamp duty on following instruments: 1. Debenture, 2. Any instrument imposing a further change on a mortgaged property 3. Lease of land 4. Increase of share capital 5. Transfer of land 6. An agreement to provide services on conducting a feasibility study or developing a design for construction
Hospital facility developer	1). Investment capital: USD 5 Million 2). Speciality status: National referral hospital providing specialised medical care	-	VAT exemption on; 1). Supply of services to conduct feasibility study, design and construction; 2). Supply of locally produced materials for construction of premises, infrastructure; 3). Machinery and equipment or furnishings and fittings	Exemption of duty on locally produced materials for construction of premises and other infrastructure and furniture and fittings	Exemption of stamp duty on following instruments: 1. Debenture, 2. Any instrument imposing a further change on a mortgaged property 3. Lease of land 4. Increase of share capital 5. Transfer of land 6. An agreement to provide services on conducting a feasibility study or developing a design for construction
Technical and vocational institute operators	1). Investment capital: USD 10 Million for a foreigner and USD 1 Million for a citizen	-	VAT exemption on; 1). Supply of services to conduct feasibility study, design and construction; 2). Supply of locally produced materials for construction of premises, infrastructure; 3). Machinery and equipment or furnishings and fittings	Exemption of duty on construction materials for the construction of premises and other infrastructure, machinery and equipment or furnishings and fittings	Exemption of stamp duty on following instruments: 1. Debenture, 2. Any instrument imposing a further change on a mortgaged property 3. Lease of land 4. Increase of share capital 5. Transfer of land 6. An agreement to provide services on conducting a feasibility study or developing a design for construction
Manufacturing Sector	1). Investment capital: USD 50 Million	-	-	Exemption of duty on construction materials	-

Investment incentives

Sectors	Qualifying criteria	Income Tax	VAT	Excise Duty	Stamp duty
Operators in industrial parks or free zones or any other business outside an industrial park or free zone	<p>1). Investment capital: USD 10 Million for a foreigner and USD 300,000 for a citizen (or USD 150,000 if an investment is an upcountry)</p> <p>2). Location of investment: designated industrial park or free zone</p> <p>3). Raw material utilization: at least 70% locally sourced materials</p> <p>4). Staffing: at least 70% of employees being a citizen</p> <p>5) Wage bill: at least 70% of wage bill on citizens</p> <p>6) Activities:</p> <p>a). Agro-processing industries</p> <p>b). Manufacturers or assemblers of medical appliances, medical sundries or pharmaceuticals, building materials, automobiles and household appliances</p> <p>c). Manufacturers of furniture, pulp, paper, printing and publishing of instructional materials.</p> <p>d). Vocational or technical institutes</p> <p>e). Logistics and warehousing, information technology or commercial farming</p> <p>f). manufacturers of tyres, footwear, mattresses or toothpaste</p> <p>g). manufacturers of chemicals for agricultural use, industrial use, textiles, glassware, leather products, industrial machinery, electrical equipment, sanitary pads and diapers</p> <p>7). Import substitution (applicable to excise duty only): substitution of 30% of the value of imported products</p>	Income tax exemption for 10 years from the date of commencement of business or for an existing business, the date on which required capital investment is made	<p>VAT exemption on;</p> <p>1). Supply of services to conduct feasibility and design;</p> <p>2). Supply of locally produced materials for the construction of factory or warehouse;</p> <p>3). Supply of locally produced raw materials and inputs or machinery or equipment.</p>	Exemption of duty on construction materials of a factory warehouse exclusive of locally available materials locally produced raw materials and inputs	<p>Exemption of stamp duty on following instruments:</p> <ol style="list-style-type: none"> 1. Debenture, 2. Any instrument imposing a further change on a mortgaged property 3. Lease of land 4. Increase of share capital 5. Transfer of land 6. An agreement to provide services on conducting a feasibility study or developing a design for construction



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