



INVESTMENT OFFICE

Syrian Arab Republic - Supreme Investment Council

Privileges, incentives and guarantees offered to projects Established under the provisions of law /10/ of the year 1991 and its amendments

The companies established under the provisions of Law /10/ of the year 1991 and its amendments shall be exonerated from the tax on real estates revenues and the income tax as follows:

- Mixed companies shall be exonerated from the income tax and from the taxes on the revenues of lands and real estates for a period of seven years.
- Non-mixed companies shall be exonerated from the income tax and from the taxes on the revenues of lands and real estates for a period of five years.
- All machines, vehicles, apparatus, equipment, tools, work cars, buses and minibuses needed to operate these projects as well as all other materials needed to construct, expand or develop them, shall be exonerated from all fiscal and municipal taxes and duties as well as from customs tariffs and other duties, provided that these items are exclusively used for the project purpose.
These items shall not be given away to others but upon an agreement by the Supreme Council for Investment and after settling all taxes and duties due on them in their current status.
- All imports will not be subject to the provisions concerning the banning and limiting of imports, the country of origin and the currency laws.
- Companies that export more than 50% of their production (goods and services) during the exonerated period shall be exonerated from income taxes and from the taxes on the revenues of lands and real estates for an additional period of two years.
The exonerated period shall be decided in a decision by the Supreme Council for Investment.
- According to the amendment of Law /10/, an additional exonerated period of two years shall be given in the following cases:
 - If the project has been built within a new industrial zone.
 - If the project has been built outside the organizational borders of Damascus, Damascus Countryside, Aleppo and Homs.
- An additional exonerated period of one year shall be given for every project expansion that will increase the real production at least 25% of its annual capacity, provided the total additional exonerated periods given to all expansions do not exceed four years.
- An additional exonerated period of two years shall be given to projects whenever the Council deems that they are of great importance to the national economy in terms of capitalist assets, contribution to the GDP, job creation and the use of high technologies and scientific techniques.

Investors shall have the right to transfer the money resulting from selling their shares in the project, from liquidation or from profits realized by the project, as follows:

- Syrian expatriates as well as Arab and foreign investors shall have the right to pump, out of the country and in foreign currency, the net value of their shares in the project five years after starting the project operations.
The transfer shall be effected on basis of the value according to which they brought the money in, and in coherence with the instructions issued by the Council in this regard. Likewise, the capitalist profits resulted from liquidation can be transferred after deducting the due taxes and the value of lands and real estates.
- The external money can be re-pumped out of the country in the same form it came in and six month after its entering the country, if force majeure has made it impossible to invest it. The force majeure conditions shall be estimated by the Council that shall, in certain cases, have the right to allow this re-pumping without abiding by the above-mentioned period.
- It shall be allowed to transfer the annual profits and interests realized by the external money invested in Syria under this Law.

Owning the necessary lands and real estates for the project:

Foreign investors shall have the right to own the lands and real estates necessary for the project activities, even if the area of these lands exceed the ceiling defined in the Law of Agricultural Reform. In case the project has been canceled or liquidated, investors shall have to give away to others, the additional area according to the effective laws and regulations, or to give it away to a non-Syrian within two years and upon a consent by the Council.

Project ownership types:

- 1) Mixed companies with the public sector having not less than 25% of the capital.
- 2) Non-mixed companies established according to the provisions of the Syrian Commercial Law.
- 3) Individual firms.
- 4) Projects owned completely by foreign investors.

Amending Law /10/ of the year 1991 by Legislative Decree No. /7/ of the year 2000

Due to certain difficulties that have impeded the implementation of Law /10/ of the year 1991, and on order to give investors more privileges and facilities, the President of the Republic issued the Legislative Decree No. /7/ of the year 2000 which comprised the following additional incentives:

- Authorize foreign investors to own the lands and real estates needed to establish, operate or expand their own projects within the necessary area and rent time needed to meet the real requirements of the project. This will not be subject to the ownership ceiling stipulated in the currently effective laws.
- Projects built under the provisions of Law /10/ shall benefit from the exoneration and incentives stipulated in other laws regulating similar projects that are not established under Law /10/, when the exoneration period stipulated in Law /10/ has ended. This shall apply especially to the sea transport projects and the agricultural companies and enterprises exonerated from the income tax according to special regulations.
- Two years shall be added to the exoneration period of industrial and agricultural projects built in developing governorates.
- Allow the projects built under Law /10/ of the year 1991 to open bank accounts in foreign currency outside Syria and to transfer, if necessary, a part of their assets deposited in foreign currency at the Syrian banks.
- Allow investors to insure their invested money at any insurance institution they choose.
- The income tax to be imposed on the profits raised by the stock companies located in Syria and that raise their stocks for public underwriting shall be 25% including all other additions.

The Syrian legislators had been aware of the fact that the incentives given to foreign investments were not sufficient, so Legislative Decree No. /7/ of the year 2000 amending Law /10/ of the year 1991 stipulated that these projects shall benefit from the privileges of other laws after the exoneration period stipulated in Law /10/ has ended. The Decree also fixed the income tax on stock companies at 25%.