

WHY INVEST IN HAITI?

Legal Provisions on Incentive Benefits



General and Specific Benefits of the Haitian Investment Code

The Haitian government adopted the Investment Code, hereinafter referred to as "the Code," in 2002. This mechanism is part of the national strategy to promote economic growth and development, facilitating liberalization, stimulating, and guaranteeing private investments. The provisions of the Code apply to all investments, whether domestic or foreign, offering several benefits, including:

- Protection and guarantees offered to investors;
- Freedom to engage in commercial and industrial activities within the limits of commercial regulations;
- Protection of trademarks, patents, labels, and all other forms of intellectual property rights.



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ELIGIBILITY AND APPLICATION

The Code provides tax and customs exemption for newly registered companies (startups) operating in Haiti. This provision also applies to existing companies launching a new project or a new branch of activity.

Eligible investments are those made in the following sectors:

- a) Exportation and Re-exportation;
- b) Agriculture ;
- c) Handicrafts;
- d) National Industry;
- e) Tourism And Associated Services;
- f) Free Zones;
- g) Other Sectors And Special Regimes.



GENERAL ADVANTAGES

Eligible companies receive a tax break of up to five (5) consecutive years. During this period, neither the company nor its distributed profits (dividends) are subject to withholding tax. At the end of the full exemption period, the company's income is fully taxed.



SECTOR-SPECIFIC ADVANTAGES

According to Article 19 of the Haitian Investment Code of 2002, investment projects may benefit from sector-specific incentive measures:

A. Exportation and Re-exportation

Companies focused on export or re-export activities are entitled to the following specific benefits (Article 29 of the Code):

1. Customs and Tax Exemptions:

- A seven (7) year exemption from taxes on the importation of equipment and materials necessary for the installation, operation, and production of the business. These include:
 - Machines and devices for prospecting and research;
 - Transportation vehicles used exclusively for moving equipment, supplies, and manufactured products;
 - Buses used solely for personnel transport, as per the Labor Code;
 - Tools and spare parts needed for repairing machinery, equipment, and materials;
 - Products required for production operations;
 - Consumable products (catalysts, chemical accelerators, etc.).

2. Temporary Admission for Active Processing:

- Allows the temporary importation of raw materials and packaging materials for processing of products destined for re-export.

3. Waiver of Security Deposit:

- General exemption from the security deposit required under the Customs Code for the temporary admission of raw materials and packaging materials.

4. Exemption from Verification Fees.



B. Agriculture and Sub-sectors (Fisheries, Aquaculture, Industrial Livestock, Horticulture, Forestry, etc.)

Agricultural companies, agricultural development corporations, and cooperatives operating in the above-mentioned sub-sectors are eligible for the following specific benefits (Articles 30 and 31 of the Code):

1. Customs and Tax Exemptions:

- A seven (7) year exemption from taxes on the importation of equipment and materials necessary for the establishment and operation of the business. These include:
 - Tractors, motorized cultivators, fishing boats, outboard motors, and other necessary transportation equipment;
 - Seeds, fry, fertilizers, pesticides, plants, fungicides, and other agricultural, livestock, and fishing inputs;
 - Nets, traps, and other fishing equipment;

- Equipment and materials for constructing greenhouses and poultry incubators;
- Spare parts and tools needed for equipment maintenance;
- Machines, tools, and post-harvest processing equipment such as threshers, pulpers, and grain separators;
- Packaging, preservation, production, and conditioning materials, and any other necessary materials for the company's production.

2. Waiver of Security Deposit:

- Exemption from the security deposit required under the Customs Code for the temporary admission of imported goods destined for re-export.



C. Handicrafts (Sculpture, Painting, Ironwork, Cut Metalwork, Woodworking, Basketry, Pottery, Embroidery, Brickmaking, Tannery, Leatherworking, Spinning, Weaving, Tapestry, and Fabric Printing)

Artisanal businesses and cooperatives engaged in the above activities are entitled to the following specific benefits for a period of seven (7) consecutive years:

1. Exemption from Customs Duties:

- A customs duty exemption for a period not exceeding seven (7) consecutive years on supplies and packaging materials.

2. Customs and Tax Exemptions:

- An exemption from taxes on the importation of equipment and materials necessary for the establishment and operation of the business. These include:

- Equipment, materials, articles, and accessories necessary for the business;
- Spare parts and tools needed for the repair of equipment and materials.

3. Waiver of Security Deposit:

- Exemption from the security deposit required under the Customs Code for the temporary admission of imported goods destined for re-export.

This sector also benefits from the privileges provided by laws specific to handicrafts provided in the Investment code.



D. NATIONAL INDUSTRY

According to Article 34 of the Investment Code, investments in the national industry involve the transformation of raw materials, either of local or foreign origin, into goods with a minimum added value of 35%, intended for local consumption. Activities of a commercial nature, such as the packaging or repackaging of bulk imported products, are excluded from this definition.

Companies engaged in transformation processes that meet these conditions are entitled to the following specific benefits (Article 34 of the Investment Code):

1. Customs and Tax Exemptions:

- Exemption from taxes on the importation of equipment and materials necessary for the establishment and operation of the business. These include:
 - Machines and devices for prospecting and research;
 - Transport vehicles exclusively for moving equipment, supplies, and finished products;
 - Buses solely for personnel transport as per the Labor Code;
 - Tools and spare parts necessary for the repair of machinery, equipment, and materials;

- Electrical and sanitary equipment necessary for the business's installation;
- Security and surveillance equipment;
- Packaging, preservation, production, conditioning materials, and any other necessary materials for the company's production.

2. Five-Year Customs Duty Exemption:

- Exemption from customs duties on raw materials intended for transformation for five (5) consecutive years. For modernization or rehabilitation (expansion) of an existing company or one that has already benefited from incentives, a three (3) year exemption from the same duties on raw materials is provided. However, the company can submit only one request for tax and customs exemption on the importation of equipment and materials.

3. Waiver of Security Deposit:

- Exemption from the security deposit required under the Customs Code for temporary admission of imported goods.



E. Tourism And Associated Services

The Investment Code grants the following specific benefits to tourism investment projects:

1. Customs and Tax Exemptions:

- A seven (7) year exemption from taxes on the importation of equipment and materials necessary for prospecting, establishment, development, or redevelopment, provided that these items cannot be sourced locally under the same conditions of quality and price. These include:
 - Construction materials;
 - Electrical equipment;
 - Electric power generation or compensation systems;
 - Security and surveillance systems or equipment;
 - Communication and telecommunication systems;
 - Cold storage systems and equipment;

- Household appliances, linens, service and kitchen utensils;
- Water treatment systems and equipment;
- Sanitary systems and equipment;
- Rare animal and plant species;
- Dinghies and trailers;
- Small recreational planes, boats, and helicopters;
- Utility vehicles used in operations;
- Materials and equipment necessary for the development and operation of the tourism activity;
- Spare parts for materials and equipment.

2. Waiver of Security Deposit:

- Exemption from the security deposit required under the Customs Code for temporary admission of imported goods.



F. Free Zones

Promoters and/or operators of free zones (legal entities) are entitled to the following customs and tax benefits for their investment projects:

1. Full Income Tax Exemption:

- A total exemption from corporate income tax for seven (7) consecutive years. After this full exemption period, the company's income is fully taxed according to the Decree of September 29, 2005 on income tax. In cases of force majeure, this exemption may be renewed or extended once. The decision to renew or extend the exemption period is made by the National Free Zones Council.

2. Customs and Tax Exemptions:

- Exemption from customs duties and taxes, including registration taxes, on equipment and materials necessary for the development of the free zone. This exemption does not cover passenger vehicles.

3. Registration and Recording Exemptions:

- Exemption from the registration and transcription of deeds containing acquisition, mortgage, and pledge.

4. Property Tax Exemption:

- A seven (7) year exemption from the Property Tax on Built Properties (CFPB). After this period, the CFPB amount is calculated based on the rental value, which represents the theoretical annual rent the property could generate under normal conditions. The rental value refers to the price at which the property is rented or could be rented, in accordance with applicable laws. This value must be reassessed every three (3) years.



G. Other Sectors And Special Regimes

Any company producing goods or services may enter into an agreement or contract with the Haitian government by meeting certain conditions, including:

- Operating in a sector declared a priority for economic development;
- Using new techniques or energy sources in production that contribute to environmental protection or conservation;
- Presenting the necessary and sufficient financial qualifications and guarantees.

RENEWAL OF INCENTIVE BENEFITS

The Haitian government may renew incentive benefits under the following conditions:

- **Force Majeure:** If an unforeseen event or force majeure occurs, companies that have already benefited from incentives may extend these benefits for a period equal to the duration of the suspension of activities.
- **Post-Exemption Period:** After the initial exemption period ends, a company may renew the incentives for the same activity for an additional three (3) years. In this case, the project can only claim customs exemptions on the importation of equipment and materials for renovation, re-equipment, expansion, rehabilitation, or modernization.



APPLICATION PROCESS

Investors who wish to benefit from these incentives must submit an application to the Center for Investment Facilitation (CFI). The CFI will manage the process in accordance with the regulations and procedures outlined in the Investment Code. A specific application form is available for each category of investment or sector at the CFI headquarters and on its website.

For more information on investment opportunities, companies can contact the CFI at the following coordinates:

CFI-Invest Haïti

#2, impasse Tulipe, ruelle Oscar, propriété Lyles

Port-au-Prince, Haïti

Tél.: + (509) 2811-7234

Email : contactinvesthaiti@cfihaiti.com

www.cfihaiti.com

In its mission to promote investments in Haiti, CFI-Invest Haiti:

- Provides the public with information related to the procedures for obtaining incentive benefits;
- Receives and processes applications for incentives, and forwards them to the relevant ministries and agencies for technical analysis, reporting, and recommendations;
- Monitors these applications through to the final decision by the Interministerial Investment Commission.



For more information on your investment opportunities,
contact us!



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HAÏTI
Land with a soul

Mention of sources / photos credits: CFI-Invest Haïti, MINUSTAH, World Bank.
Production: CFI-Invest Haïti / Graphic design and layout: ideslorges@gmail.com, June 2024.