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POLICY ALERT

AMENDMENTS TO INVESTMENT INCENTIVES REGULATION

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CURRENT

Regulation No. 517/2022

ARTICLE 4: INCOME TAX EXEMPTION INCENTIVES

SUB ARTICLE 4

An investor who provides employment opportunities outside of Ethiopia to Ethiopians who have obtained qualification certificate from an institution recognized for providing training to persons who are to be placed in a foreign country shall :

- 1-year income tax exemption: Employs 100–300 Ethiopians;
- 2-year income tax exemption: Employs 301–500 Ethiopians;
- 3-year income tax exemption: Employs more than 501 Ethiopians;

ARTICLE 13: EXEMPTION OF MOTOR VEHICLES FROM CUSTOMS DUTIES

The total or partial exemptions from customs duties to be granted for motor vehicles used for investment purposes shall be determined by Directives to be issued by the Ministry based on the types and nature of investment projects. The exemption from customs duties to be granted by the Minister in accordance with this article shall not include pickup and station wagon vehicles.

AMENDEMENT

Regulation No. 517/2022

ARTICLE 4: INCOME TAX EXEMPTION INCENTIVES

SUB ARTICLE 4

An investor who provides employment opportunities outside of Ethiopia to Ethiopians who have obtained qualification certificate from an institution recognized for providing training to persons who are to be placed in a foreign country shall :

- 1-year income tax exemption: Employs 2,000–3,000 Ethiopians;
- 2-year income tax exemption: Employs 3,001–5,000 Ethiopians;
- 3-year income tax exemption: Employs more than 5,000 Ethiopians;

ARTICLE 13: EXEMPTION OF MOTOR VEHICLES FROM CUSTOMS DUTIES

1/ The total or partial exemptions from customs duties to be granted for motor vehicles used for investment purposes shall be determined by a directive to be issued by the Ministry based on the type and nature of investment projects.

2/ The exemption from customs duties to be granted by the Minister in accordance with sub-article 1 of this Article shall not include pickup and station wagon vehicles.

3/ Notwithstanding the provisions of this subarticle a and 2 of this Article, subject to approval by the Ethiopian Investment Board, the Ministry shall allow duty-free importation of pickup and station wagon vehicles to be used in remote areas of the country by companies engaged in the mining, petroleum, agriculture, tourism, and construction sectors.

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NEW AMENDEMENT

Regulation No. 517/2022

Article 16: Incentives for mining investment

The following new sub article 4 is added after sub article 3 of Article 16

SUB ARTICLE 4

Notwithstanding the provisions of this Article the Ethiopian Investment Board may grant additional incentives to Companies engaged in strategic mining and petroleum operations.

Article 27: Transitional Provision

The following new sub article 3 is added after sub article 2 of Article 27

SUB ARTICLE 3

Exemptions from customs duties and taxes granted under mining and petroleum agreements signed prior to entry into force of these Regulations with the approval of the Council of Ministers shall remain valid.