

Fiscal Incentives

PEZA-Registered Economic Zone Enterprises



As of June 2019



Economic Zone Export Manufacturing Enterprise

Income Tax Holiday (ITH)

100% exemption from CIT granted for 4 to 6 years

4 years ITH for Non-pioneer Project and 6 years ITH for Pioneer Project

5% Special Tax on Gross Income

Exemption from all national and local taxes in lieu of CIT upon the expiry of ITH

Tax and duty-free

Importation of raw materials, capital equipment, machineries and spare parts

Exemption from fees

Wharfage dues and export tax, impost or fees; exemption from Expanded Withholding Tax

Zero VAT

On local purchases



Information Technology Enterprise

Income Tax Holiday (ITH)

100% exemption from CIT granted for 4 years

5% Special Tax on Gross Income

Exemption from all national and local taxes in lieu of CIT upon the expiry of ITH

Tax and duty-free

Importation of equipment and parts

Exemption from fees

Wharfage dues on import shipments of equipment; exemption from Expanded Withholding Tax

Zero VAT

On local purchases and utilities



Tourism Economic Zone Locator Enterprise

Income Tax Holiday (ITH)

100% exemption from CIT granted for 4 years

5% Special Tax on Gross Income

Exemption from all national and local taxes in lieu of CIT upon the expiry of ITH

Tax and duty-free

Importation of capital equipment

Exemption from fees

Exemption from Expanded Withholding Tax

Zero VAT

On local purchases of goods and services, and utilities



Medical Tourism Enterprise

Income Tax Holiday (ITH)

100% exemption from CIT granted for 4 years

5% Special Tax on Gross Income

Exemption from all national and local taxes in lieu of CIT upon the expiry of ITH

Tax and duty-free

Importation of medical equipment including parts and supplies

Exemption from fees

Exemption from Expanded Withholding Tax

Zero VAT

On local purchases of goods and services, and utilities



Economic Zone Logistics Services Enterprise

Exemption from fees

Exemption from duties and taxes on raw materials, semi-finished goods for re-sale or for packing, cutting, altering for subsequent sale to PEZA-registered Export Manufacturing Enterprises, for direct export or for consignment to PEZA-registered export enterprise

Zero VAT

On raw materials for checking, packing, visual inspection, storage and shipping to be sourced locally



Agro-Industrial Economic Zone Enterprise

Income Tax Holiday (ITH)

100% exemption from CIT granted for 4 years

5% Special Tax on Gross Income

Exemption from all national and local taxes in lieu of CIT upon the expiry of ITH

Tax and duty-free

Importation of production equipment and machineries, breeding stocks, and farm implements

Exemption from fees

Exemption from export taxes, wharfage dues, impost and fees
Exemption from Expanded Withholding Tax

Zero VAT

On local purchases of goods and services, and utilities



Economic Zone Utilities Enterprise

5% Special Tax on Gross Income

Exemption from all national and local taxes in lieu of CIT upon the expiry of ITH

Exemption from fees

Exemption from Expanded Withholding Tax

Zero VAT

On local purchases



Facilities Enterprises

Economic Zone Facilities Enterprise, IT Park Facilities Enterprise, Retirement Economic Zone Facilities Enterprise

5% Special Tax on Gross Income

Exemption from all national and local taxes in lieu of CIT upon the expiry of ITH

Exemption from fees

Exemption from Expanded Withholding Tax

Zero VAT

On local purchases



Economic Zone Developer or Operator

Economic Zone Facilities Enterprise, IT Park Facilities Enterprise, Retirement Economic Zone Facilities Enterprise

5% Special Tax on Gross Income

Exemption from all national and local taxes in lieu of CIT upon the expiry of ITH

Exemption from fees

Exemption from Expanded Withholding Tax

Zero VAT

On local purchases

Incentives

BOI-Registered Enterprises

As of June 2019

Tax Exemptions

Income Tax Holiday (ITH)

Exemption from taxes and duties on imported spare parts

Exemption from wharfage dues and export tax, duty, impost and fees

Tax exemption on breeding stocks and genetic materials

Tax Credits

Tax credit on tax and duty portion of domestic breeding stocks and genetic materials

Tax credit on raw materials and supplies

Additional Deductions from Taxable Income

Additional Deduction for Labor Expense (ADLE)