

*JuriSTEP*

## HOW TO APPLY FOR INVESTMENT INCENTIVES IN SAO TOME AND PRINCIPE

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**LEGAL REGIME OF INCENTIVES**

INCENTIVE REGIME	SCOPE	INCENTIVES	SPECIFIC CONDITIONS
<b>SIMPLIFIED REGIME</b>	<ul style="list-style-type: none"> <li>Projects of investments less than the equivalent in Dobras to USD 100 000</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of 50% on the Real State Transfer Tax (SISA) rate</li> <li>Reduction of 50% on the Income Tax rate in the first 5 years of the project</li> <li>Exemption of duty taxes due on import of equipments</li> <li>Special credit lines</li> <li>Leasing of State real property</li> </ul>	<ul style="list-style-type: none"> <li>Availability of 30% of project's investment capital</li> <li>Adopt dully organized accounting</li> <li>Submitting an economic and financial feasibility study</li> <li>Not having debts before the State nor to the Social Security</li> <li>Generate employment of nationals</li> <li>Not having implemented the activity before the administrative decision</li> </ul>
<b>GENERAL REGIME</b>	<ul style="list-style-type: none"> <li>Project of investments between the equivalent in Dobras to USD 100 000 and USD 1 00 000</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of 75% on the Real State Transfer Tax (SISA) rate</li> <li>Reduction of 50% on the Income Tax rate in the first 7 years of the project</li> <li>Exemption of duty taxes due on import of equipments</li> <li>Depreciation of costs with training of São tomean nationals, for a 3-year period</li> <li>Special credit lines up to 50% of the project's investment capital</li> <li>Leasing of State real property</li> </ul>	<ul style="list-style-type: none"> <li>Availability of 50% of project's investment capital</li> <li>Adopt dully organized accounting</li> <li>Economic and financial feasibility</li> <li>Not having debts before the State nor to the Social Security</li> <li>Not having implemented the activity before the administrative decision</li> </ul>

INCENTIVE REGIME	SCOPE	INCENTIVES	SPECIFIC CONDITIONS
<b>CONTRACTUAL REGIME</b>	<ul style="list-style-type: none"> <li>Projects of investments with more than the equivalent in Dobras to USD 1 000 000</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of 75% on the Real State Transfer Tax (SISA) tax rate</li> <li>Reduction of 50% on the Income Tax rate in the first 7 years of the project</li> <li>Exemption of duty taxes due to import of equipments</li> <li>Depreciation of costs with training of São tomean nationals, for a limited period</li> <li>Special credit lines up to 25% of the project's investment capital</li> <li>Leasing of State real property</li> </ul>	<ul style="list-style-type: none"> <li>Submit a report containing a macro-economics, economical and financial analysis of the project</li> <li>Propose an Administrative Contract (with the following minimum mandatory provisions: scope, duties, warranties and requested incentives)</li> <li>Provisions for settlement of disputes</li> </ul>
<b>FOREIGN INVESTMENTS<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Any foreign investment regardless of the project amount</li> </ul>	<ul style="list-style-type: none"> <li>Same as of the contractual regime</li> <li>Exemption of profit tax on the profits kept as reserves</li> <li>Right to repatriate net incomes up to 15% of the investment, each year</li> <li>The investment capital is exempt of currency exchange operations taxes</li> </ul>	<ul style="list-style-type: none"> <li>Same conditions of the contractual regime</li> </ul>

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<sup>1</sup> Under paragraph 2.b) of Article 3 of the Investment Code, foreign investments are deemed to be those made in foreign currency under a currency exchange operation.

**APPLICATION PROCESS**

APPLICATION PROCESS	DESCRIPTION	DOCUMENTS
<b>PREVIOUS CONSULTATION (CONSULTA PRÉVIA)</b>	<ul style="list-style-type: none"> <li>• Voluntary submission of the draft project to a previous appreciation and interim decision of the Ministry of Economy and Finance.</li> <li>• A granting decision is binding for the Administration and expires within 90 days from the notification day<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Submitting to the Ministry of Economy and Finance a petition and any relevant documents for a technical evaluation of the project</li> </ul>
<b>APPLICATION</b>	<ul style="list-style-type: none"> <li>• Submission of the final project to the appreciation and decision of the Directorate of Economy Planning (<i>Direcção de Planificação Económica</i>) of the Ministry of Economy and Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Draft of the project</li> <li>• Legal approved forms</li> <li>• Technical and economical assessment of the project</li> <li>• Import plans of equipments for the project</li> <li>• Environmental assessment study (when applicable)</li> <li>• Any necessary documents to prove compliance with the regime specific conditions</li> </ul>

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<sup>2</sup> After the decision, the investor must submit the final project (under the terms of application) and start operating within 90 days.

**USEFUL CONTACTS**

ENTITIES	TELEPHONE AND FAX	POSTAL ADDRESS	WORKING HOURS
<b>DIRECTORE OF ECONOMY PLANNING</b> <i>(DIRECÇÃO DE PLANIFICAÇÃO ECONÓMICA)</i>	<ul style="list-style-type: none"> <li>• 22 21 21</li> <li>• 22 10 14</li> <li>• Country code: 00 239</li> </ul>	<ul style="list-style-type: none"> <li>• Largo das Alfândegas, São Tomé</li>   <li>• São Tomé e Príncipe</li> </ul>	<ul style="list-style-type: none"> <li>• 8:00 a.m. – 12:00 p.m.</li> <li>• 14:00 p.m - 15:30 p.m.</li> </ul>
<b>EMBASSY OF SAO TOME AND PRINCIPE</b> <b>(PORTUGAL)</b>	<ul style="list-style-type: none"> <li>• 218 461 917</li> <li>• 218 439 264</li> <li>• 218 461 895 (Fax)</li> <li>• Country code: 00 351</li> </ul>	<ul style="list-style-type: none"> <li>• Av. Almirante Gago Coutinho, 26, R/C, 1049-015 Lisboa</li>   <li>• Portugal</li> </ul>	<ul style="list-style-type: none"> <li>• 9:00 a.m. – 12:00 p.m.</li> </ul>
<b>MINISTRY OF PLANNING AND FINANCE</b>	<ul style="list-style-type: none"> <li>• 22 23 72</li> <li>• Country code: 00 239</li> </ul>	<ul style="list-style-type: none"> <li>• Largo das Alfândegas, São Tomé</li>   <li>• São Tomé e Príncipe</li> </ul>	<ul style="list-style-type: none"> <li>• 8:00 a.m. – 12:00 p.m.</li> <li>• 14:00 p.m - 15:30 p.m.</li> </ul>
<b>SOCIEDADE DE PROMOÇÃO DE INVESTIMENTO</b> <b>(SPI)</b>	<ul style="list-style-type: none"> <li>• 22 58 12</li> <li>• 22 54 84</li> <li>• Country code: 00 239</li> </ul>	<ul style="list-style-type: none"> <li>• Rua Ex Gago Coutinho, São Tomé</li>   <li>• São Tomé e Príncipe</li> </ul>	

## OUR CONTACTS

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