

Doing Business in Jamaica: Incentives and Processes

Special Economic Zones (SEZs) serve as a mechanism to encourage Foreign Direct Investment (FDI) through the provision of tax incentives and other advantages. Established under the Special Economic Zones Act (SEZA) of 2016, SEZs fall under the purview of the Ministry of Industry, Investments & Commerce, with oversight by the Jamaica Special Economic Zone Authority (JSEZA). The functions of JSEZA encompass several key areas:

1. Promoting investments and initiatives aimed at enhancing logistics chains within Jamaica.
2. Facilitating the growth and expansion of zones in collaboration with the Government of Jamaica, international organizations, and the private sector.
3. Ensuring environmental protection during zone development and operation.
4. Creating a conducive environment that fosters healthy competition among businesses operating within the zone.
5. Promoting technical and operational education and training related to zone development, promotion, operation, and management.

Operating within an SEZ requires a license, and detailed information can be found on the Jamaica Special Economic Zone Authority's website. There are two types of licenses:

1. Developer License: Developers must obtain a master concession license and establish a limited liability company under the Companies Act of Jamaica. This company is set up by a sponsor to enter into the aforementioned license.
2. Occupant License: Occupants are individuals or entities conducting business within the zone under a sub-concession made with the developer, in accordance with a master concession or license agreement.

A sponsor refers to an investor or consortium proposing to provide shareholder capital to finance the developer's business activities under a master concession or license agreement.

The benefits of operating within an SEZ include customs duty exemption on imported goods, income tax at a rate of 12.5%, relief from stamp duty, transfer tax, and property tax. Additionally, specialized economic activities such as maritime services, including bunkering activities, may qualify for certificates granting further benefits within the SEZ.