



Association Des Industries d'Haiti

Reconnue d'utilité Publique

Investment Incentives

For the sake of simplicity, this study focuses on two additional territories in the Caribbean region: the Dominican Republic and the U.S. territory of Puerto Rico. These two were specifically selected to highlight just how far behind Haiti remains in its efforts to attract durable, long-term manufacturing investments—despite the ongoing security crisis that has deeply set the nation back.

A more comprehensive study could include comparisons with all Caribbean Basin countries and nearby Latin American nations. Nevertheless, it is evident that Haiti continues to lag—not only in infrastructure and political stability—but also in its strategy to implement effective investment incentive policies. The Government of Haiti (GOH) must take steps to attract new investment while simultaneously supporting existing manufacturers affected by the security and political crisis.

In short, we firmly believe that the potential rewards can outweigh the risks. However, to realize this, both existing and prospective investors must feel confident that the policies in place support meaningful risk-taking.

Under current U.S. trade policies, Haiti has a significant opportunity to benefit from nearshoring trends and trade preference programs. To seize this opportunity, the GOH must adopt a decisive industrial policy. We are already seeing other countries in the region move aggressively to position themselves in this new global reality.

For the past three years, our organization has been urging national leadership to act on a clear industrial strategy—well before the implementation of new trade policies with Haiti's largest trading partner, the United States. Recently, we've observed international organizations such as the World Bank, IDB, and IFC developing strategies to attract investment in Haiti as part of a potential economic recovery.

With over one million displaced persons, 5.5 million in urgent need of humanitarian aid, six consecutive years of negative economic growth, and an alarmingly high—though unmeasured—unemployment rate, the time to act is now. We call upon our international partners to support our efforts in organizing a roundtable meeting involving the Government of Haiti, the IMF, World Bank, IDB, and IFC.



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Dominican Republic: Law No. 12-21: Special Border Development Zone & Incentive Regime

Objective (Article 1)

To establish a Special Border Development Zone encompassing the provinces of:

- Pedernales
- Independencia
- Elías Piña
- Dajabón
- Montecristi
- Santiago Rodríguez
- Bahoruco

The law provides a framework for granting incentives to companies operating in these areas to stimulate regional development.

Key Incentives (Article 4)

Eligible companies benefit from the following exemptions:

1. 100% Income Tax Exemption
2. 100% Exemption on Selective Consumption Tax (telecom & insurance related to project facilities)
3. 100% Exemption on Import Duties & VAT for machinery and equipment
4. 100% VAT Exemption on inputs/raw materials used in tax-exempt goods
5. 50% VAT Exemption on inputs for non-tax-exempt goods
6. 100% Tariff Exemption on raw materials not produced locally
7. 100% Real Estate Transfer Tax Exemption for land & infrastructure
8. Exemption from Withholding Taxes on foreign tech service payments (during setup)
9. 100% Exemption on Capital Increase & Share Transfer Taxes



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Duration & Compliance (Article 5)

- Incentives apply for 30 years.
- Companies must begin operations within 2 years of receiving an installation license.

Puerto Rico offers a robust array of tax incentives to attract manufacturing investments, primarily through its Incentives Code (Act 60). These incentives are designed to enhance the island's competitiveness in the global manufacturing sector. Here's an overview of the key benefits available to manufacturing businesses:

Key Manufacturing Incentives under Act 60

1. Fixed Corporate Income Tax Rate

- 4% Income Tax Rate: Eligible manufacturing businesses benefit from a fixed 4% income tax rate on industrial development income.

2. Property Tax Exemptions

- 75% Exemption: Exempt manufacturing businesses receive a 75% exemption on both real and personal property taxes.

3. Municipal License Tax Exemptions

- 50% Exemption: A 50% exemption on municipal license taxes is available for exempt manufacturing businesses.

4. Tax Credits and Deductions

- 25% Credit: A 25% tax credit is available for purchases of products manufactured in Puerto Rico.
- Special Deductions: Additional deductions are available for capital investments in buildings, structures, machinery, and equipment.

5. Job Creation Incentives

- Up to \$5,000 per Job: Businesses can receive up to \$5,000 for each job created during the first year of operation.

6. Research and Development (R&D) Incentives

- Up to 50% Tax Credit: A tax credit of up to 50% is available for research and development activities.



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7. Import and Export Incentives

- **Import Tax Exemptions:** Manufacturing businesses are exempt from paying import duties on raw materials and machinery used in the manufacturing process.
- **Export Incentives:** Income generated from exporting manufactured goods qualifies for the 4% industrial development income tax rate.

8. Duration of Incentives

- **15-Year Term:** Tax exemption decrees have a 15-year term and have the potential to be renegotiated for an additional fifteen years.

These incentives are part of Puerto Rico's strategic efforts to create a business-friendly environment and stimulate investment in the manufacturing sector.

Key Investment Incentives in Haiti

These incentives are part of Haiti's strategic framework (Economic Recovery Plan and RCIA) to foster a competitive, investment-friendly business environment, particularly for companies in agriculture, industry, tourism, and export services.

Haiti offers a set of fiscal and customs incentives aimed at attracting both domestic and foreign investments across various sectors. These incentives, governed primarily by the Investment Code (Law of September 9, 2002), amended by the supplementary budget of April 21, 2025, are designed to support business growth, stimulate job creation, and modernize industries.

General Manufacturing and Export-Oriented Incentives

1. Full Customs and Fiscal Exemption

- **Import Exemption:** Exemption from customs duties and internal taxes on equipment, raw materials, and other inputs needed for installation and production.
- **Temporary Admission:** Admission of raw materials and packaging without customs guarantee requirements.

2. Verification Fee Waiver

- Exemption from verification fees on qualified imports.

3. Tax Exemption on Wages and Local Taxes



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Suspension of communal taxes and the Payroll Tax (TMS) for approved projects.

Agricultural Investment Incentives

1.10-Year Customs and Fiscal Exemption

- Coverage includes farming equipment, seeds, fertilizers, fishing materials, post-harvest processing equipment, packaging, and more.

2. Temporary Import Guarantee Waiver

- Exemption from deposit requirements for goods under temporary admission.

Artisanal and Handicraft Enterprise Incentives

1.10-Year Duty-Free Importation

- Exemption on equipment, tools, and packaging supplies.

2. Guarantee Deposit Waiver

Customs bond requirement waived for temporary admissions.

Industrial Development Incentives

1.10-Year Tax and Customs Exemptions

- For machinery, transport vehicles, safety and surveillance systems, packaging, and transformation raw materials.

2. Modernization Projects

- 5-year exemption for upgrading existing facilities with a one-time application for exemptions.

Tourism Sector Incentives

1.10-Year Full Exemption

- On imported materials and equipment needed for site development, including construction materials, communication systems, energy equipment, and vehicles.

2. Guarantee Waiver

- No deposit needed for temporary imports.



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Free Zone Investment Incentives

1. 10-Year Corporate Income Tax Exemption

- After this period, full taxation applies unless extended under force majeure.

2. Full Customs and Fiscal Exemption

- Includes registration and mortgage documentation.

3. 7-Year Property Tax Exemption (CFPB)

- Property tax calculated based on adjusted rental value after the exemption period.

Duration of Incentives

- Incentives typically apply for up to 10 years, with certain exceptions allowing extensions or renewals.

