

FREE PORT AND ZONE

The Government of TRNC is keen to encourage foreign capital investment, either in the form of joint-venture or independently, through capital commitment or introduction of improved technology in all sectors. The Gazimağusa Free Port and Zone covering an area of 115 acres offers foreign investors excellent opportunities for transit trade as well as manufacturing opportunities for middle-east and near-east countries.

The Free Port and Zone Law states that only 'Approved Enterprises are entitled to operate and erect concerns in the Free Port and Free Zone Areas'. An "Approved Enterprise" is defined as one which has received approval from Free Port and Zone Council to function in the Free Port and Zone Areas. Applications for "Approved Enterprise" status are to be submitted to the Free Port and Zone Council on forms supplied by this body.

Operations and activities permitted in the Free Port and Zone Areas are as follows:

- Engaging in all kinds of industry, manufacturing and production.
- Storage and export of goods imported to the Free Port and Zone Areas.
- Assembly and repair of goods imported to the Free Port and Zone Areas.¹²
- Building, repair and assembly of all kinds of ships.
- Banking and Insurance services.
- Any other kind of activity approved by the Council of Ministers.

Investors applying to the above activities are charged a fee up to 1000 US\$, this fee being changeable according to the activity undertaken.

Incentives provided to businesses established in the Free Port and Zone are as follows:

- All income derived from activities and operations undertaken by investors in the Free Port and Zone are exempt from Corporate and Income Tax. This exemption does not apply to the exports of goods and services not manufactured and undertaken in the Free Port and Zone and that are directed to the TRNC.
- No limit on repatriation of profit and capital
- Exemption from custom duties and indirect taxes.
- Permission to employ foreign expert, engineer and technical personnel.

In addition to the above incentives there is ample supply of skilled and unskilled labour and wages are reasonable. The Port's handling charges are much lower than the other neighboring ports. The port, which is geographically well located, offers sufficient covered storage area, experienced stevedoring and good security. A sound and receptive civil service, coupled with minimum of formalities, provides investors and dealers with a favorable working climate. All types of port machineries (fork-lifts, cranes etc.) are available.