

Furthermore, a general principle to grant new tax incentives for joint enterprises and parties in international economic association contracts was approved; The Special Taxation Regime* has been established in the new regulatory framework for foreign investment, as follows:

Taxes	Law No. 118 Foreign Investment	Special Economic Development Zone of Mariel	Law 113 Taxation System
About Profits	0% during 8 years and as an exception for a longer period. Subsequently 15%. 0% on reinvested profits. It may be increased to 50% for exploitation of natural resources.	0% during 10 years and as an exception for a longer period. Subsequently 12%. Application of Lay No. 118 for profits reinvestment.	35% May increase to 50% for exploitation of natural resources.
For using labor force	Exempted	Exempted	Progressive reduction from 20% (2012) to 5% (2016).
Contributions to local development	0% during investment recovery	Exempted	Is being established gradually in the Budget Law
About sales or services	0% during first year of operations, subsequently 50% discount on wholesale sales and on services.	0% during first year of operations, subsequently 1%	2% on wholesale sales and 10% on services. New taxable items shall be gradually incorporated.
About personal incomes to partners or Parties	Exempted	Law No. 118 applies	15%
For using or exploiting natural resources and preserving the environment (5 taxes)	50% discounts during investment recovery	Law No. 118 applies	For the use of beaches, waste disposal into hydrographic basins and terrestrial waters: defined in the annual Budget Law. Use of bays and forestry resources according to taxable items in Law 113
Customs	Exempted during the investment process	Exemptions for importation of means, equipment and goods are exempted	Taxable items are established in the Customs Duties

*Joint enterprises and international economic associations are governed by what has been established in legislation in force (Law No. 113 of the Taxation System), with the adjustments of this special regime. Enterprises with 100% foreign capital pay taxes according to legislation in force. In the case of International Economic Association Contracts for Production, Services and Professional Services Management, this is governed by what has been established in legislation in force (Law No. 113 of the taxation System) with the adjustments of this special regime, especially the tax on profits in the gross incomes type, 4%.