

Exemptions.

The companies that operate within the Duty-Free Area benefit from the following exemptions and incentives:

Customs Duties:

- Exemption from all customs duties and surcharges for foreign merchandise that enters the Duty-Free Area.
- Exemption from duties and taxes on exports or reexports.

Taxation:

- Exemption from the Value Added Tax (18%) for foreign and domestic merchandise that enters the Duty-Free Area, and also for transactions that are carried out by the companies inside the Area.
- Exemption from the Value Added Tax for domestic, nationalized or foreign merchandise that is sold to the First Region of Tarapacá or abroad.

Banking:

- Entry of merchandise without authorization from the Central Bank.
- Reexport of foreign merchandise exempt from control by the Central Bank.
- Access to the banking foreign currency market for sales of foreign products to Chile transacted in domestic currency.

Complementary:

- The State grants discounts for investments or reinvestments in construction, machinery and equipment for projects considered to be of interest to the region.
- Merchandise may remain in the Duty-Free Area for an unlimited period of time.
- Products manufactured in ZOFRI may be sold without restrictions both in Chile and abroad.
- Duty-Free Area companies may be foreign property, domestic property or mixed.

The Duty-Free Extension Area is the area adjacent to the Iquique Duty-Free Area the First Region of Tarapacá. Sales from the ZOFRI to the First Region are exemption from the Value Added Tax and customs duties. Sales from the ZOFRI to the Duty-Free Extension Area of products manufactured abroad are subject to a tax of 9% of the CIF value. This tax does not apply to products manufactured in the ZOFRI. When merchandise within the premises is transferred from Iquique to the rest of the country, it is subject to normal taxes and duties.

A total of 1,045 companies use the services of ZOFRI S.A.; 968 are engaged in commercial activity and 77 in industrial activity.

For the companies, the main advantages in having a stock of merchandise within the Area are related to the following aspects:

- Timely supply of merchandise for customers.
- Savings on financial expenses.
- Easy access to Southern Cone markets in Latin America.
- Participation in an international business center.

Alternatives for Operation.

International Transit

Merchandise coming from abroad may be deposited in the ZOFRI for the length of time that is necessary to continue on to final destination abroad. This system is used for exports from Argentina, Bolivia, Brazil, Perú and Paraguay to countries in the Pacific Basin, Europe and Africa. Asian, North American and European