

## OTHER TAX INCENTIVES ADMINISTERED BY ECONOMIC DEVELOPMENT BOARD

| OTHER TAX INCENTIVES ADMINISTERED BY ECONOMIC DEVELOPMENT BOARD                         |  |                                     |                      |                       |                      |                        |         |                           |         |                   |         |
|---|--|-------------------------------------|----------------------|-----------------------|----------------------|------------------------|---------|---------------------------|---------|-------------------|---------|
| Tax Incentives  | Tax Concession   |                                     |                      |                       |                      |                        |         |                           |         |                   |         |
| <ul style="list-style-type: none"> <li>Pioneer Status</li> </ul>                        | <p>A. Exemption of the 30% corporate tax for a pioneer status company from the day it commences production:</p> <table border="0"> <thead> <tr> <th>Fixed Capital Expenditure</th> <th>Tax Exemption Period</th> </tr> </thead> <tbody> <tr> <td>Up to B\$250,000</td> <td>2 years</td> </tr> <tr> <td>B\$250,000- B\$500,000</td> <td>3 years</td> </tr> <tr> <td>B\$500,000 - B\$1 million</td> <td>4 years</td> </tr> <tr> <td>Over B\$1 million</td> <td>5 years</td> </tr> </tbody> </table> <p>B. Exemption from customs duty on plant, machinery, old equipment installed in the pioneer factory.</p> <p>C. Exemption from import duty on raw materials (not available or produced in Brunei) for production of pioneer products.</p> | Fixed Capital Expenditure           | Tax Exemption Period | Up to B\$250,000      | 2 years              | B\$250,000- B\$500,000 | 3 years | B\$500,000 - B\$1 million | 4 years | Over B\$1 million | 5 years |
| Fixed Capital Expenditure   | Tax Exemption Period   |                                     |                      |                       |                      |                        |         |                           |         |                   |         |
| Up to B\$250,000  | 2 years  |                                     |                      |                       |                      |                        |         |                           |         |                   |         |
| B\$250,000- B\$500,000  | 3 years  |                                     |                      |                       |                      |                        |         |                           |         |                   |         |
| B\$500,000 - B\$1 million   | 4 years  |                                     |                      |                       |                      |                        |         |                           |         |                   |         |
| Over B\$1 million   | 5 years  |                                     |                      |                       |                      |                        |         |                           |         |                   |         |
| <ul style="list-style-type: none"> <li>Expansion of established institutions</li> </ul> | <table border="0"> <thead> <tr> <th>New Capital Expenditure Requirement</th> <th>:</th> <th>Tax Exemption Pioneer</th> </tr> </thead> <tbody> <tr> <td>Less than B\$258,000</td> <td>:</td> <td>3 years</td> </tr> <tr> <td>Over B\$250,000</td> <td>:</td> <td>5 years</td> </tr> </tbody> </table>   | New Capital Expenditure Requirement | :                    | Tax Exemption Pioneer | Less than B\$258,000 | :                      | 3 years | Over B\$250,000           | :       | 5 years           |         |
| New Capital Expenditure Requirement   | :  | Tax Exemption Pioneer               |                      |                       |                      |                        |         |                           |         |                   |         |
| Less than B\$258,000  | :  | 3 years                             |                      |                       |                      |                        |         |                           |         |                   |         |
| Over B\$250,000   | :  | 5 years                             |                      |                       |                      |                        |         |                           |         |                   |         |
| <ul style="list-style-type: none"> <li>Foreign Lenders</li> </ul>                       | <p>Exemption of 20% withholding tax on interest paid to non-resident lenders if .....</p> <ul style="list-style-type: none"> <li>the loan utilized for the purchase of productive equipment</li> <li>the credit facilities are obtained through financial agreement with the foreign lending company</li> <li>the amount of loan is not less than B\$200,000</li> </ul>  |                                     |                      |                       |                      |                        |         |                           |         |                   |         |