



INVESTING IN JAMAICA

The Investment Hub of the Caribbean



JAMPRO
TRADE & INVESTMENT JAMAICA

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Country Profile - Jamaica

Means Business

INTRODUCTION

The Jamaican economy has undergone significant changes over the last 30 years that have moved the country from least developed to middle income status. This has been achieved through concerted efforts to promote and attract investments from the domestic business community as well as from overseas investors. The economy has now established itself as a leading competitive investment destination in the Latin America and Caribbean region.

In the Doing Business Report 2018, Jamaica ranked 70 out of 190 economies assessed for competitiveness. To this end, the country also emerged as the leading English-speaking Caribbean country – and 6th in the wider Latin American and Caribbean Region in the [Ease of] Doing Business Index. Jamaica also copped the region's most outstanding placement in the 2017 Global Competitiveness Report, moving up five places to rank 75th among 190 countries.

Such impressive rankings are the direct result of successive governments' efforts to implement necessary legislative and regulatory reforms to provide a more transparent, comprehensive and modern business and investment environment.

The suite of reforms implemented over the years has included duty free incentives for building of hotels, factory space, manufacturing plants and special economic zones. This coupled with improvements in

the country's capital markets, no exchange controls, no restrictions on foreign ownership of assets nor the repatriation of profits has made Jamaica a favored investment destination in the region.

Beyond its vibrant culture and natural beauty, Jamaica's value proposition is underpinned by its business-friendly environment, educated and trained workforce, stable democracy, solid infrastructure and strategic location. Jamaica's reputation as one of the premier global destinations for investment continues to rise, as discerning entrepreneurs increasingly seek to capitalise on the exciting business opportunities that abound in the country. Today, the Jamaican economy is well positioned as an investment location of choice.

There have been favourable returns on investments in various sectors; including the Information Technology, enabled Services (ITeS), Mining and Quarrying as well as the Hotel and Restaurant Sectors, despite crippling global economic shocks over the last decade landmarked by the global economic crisis of 2008. Notwithstanding, Jamaica has rebounded as a leading destination for Foreign Direct Investment (FDI) inflows, which have been trending upwards since 2013 to make the country the leading FDI recipient in the English-speaking Caribbean moving close to pre-crisis levels of US\$856m in 2016 and 6% ahead of the value of investment inflows of 2014. In fact, Jamaica is significantly



better with its Caribbean neighbours with a compounded annual growth rate in FDI of 26% for the period 2011-2016 versus 3.5% for the region. As a Small Island Developing State (SIDS) Jamaica has also received recognition for attracting investment in energy and transport.

Successive governments have continued to undertake new strategies to bolster the country's economy and with tailored interventions have resulted in improvements in key economic indicators such as ease of doing business, economic efficiency and the ability of the overall economy to withstand economic shocks. The modernization of Jamaica's public sector, coupled with infrastructural improvements in the country's road network and technology, its well-developed financial and services sectors, are at the heart of the progress of new investments to the country, making it poised to become the economic hub of the region.

GEOGRAPHIC PROFILE

Ideally located in the western Caribbean, Jamaica is the largest English-speaking island in the region and the third largest English-speaking nation in the Western Hemisphere, behind the United States and Canada.

Jamaica covers a total area of 10,991 sq. km (4,244 sq miles) and is abundantly endowed with natural resources such as rich mineral deposits of bauxite, high quality limestone and marble. The island's tropical climate and generally favourable weather all year round makes it the centrepiece of the region. The country is grouped among the islands of the Greater Antilles, and enjoys the distinction of being the forerunner in a number of social and economic developments, and is a cultural mosaic of fine cuisine, such as jerk, and internationally acclaimed music spanning Ska, Rock Steady and Reggae, while also demonstrating prowess in track and field, and other sports.

Jamaica's proximity to major markets contributes to its overall attractiveness as an investment destination, as, by air, it is only 90 minutes from Miami, three hours and 40 minutes from New York, four hours from Toronto and ten hours from London. The island's strategic location is further reinforced by the fact that it is within a four-hour flight radius of over half a billion of the world's population.

Jamaica's geographic position makes it the nexus of the major air and sea routes into the Caribbean Basin. As such, the country provides Trans-National Corporations (TNCs) with a solid investment base for their Caribbean operations by providing the opportunity for them to seamlessly tap into the US\$19-trillion North American Free Trade Agreement (NAFTA) markets, the rest of the Western Hemisphere and beyond.

In the capital city of Kingston, which is set against the backdrop of the majestic Blue Mountains, investors will discover a cosmopolitan centre of commerce and culture that is globally connected and perfectly primed for business. It is home to the world's seventh largest natural harbour – Kingston Harbour, which enjoys significant maritime traffic due to its ease of access to the Panama Canal shipping lanes and its ability to berth post-Panamax vessels. Leveraging its port and logistics capacity and proximity to key markets, Jamaica is excellently positioned to become a major multi-modal logistics hub in the region.

Montego Bay, situated on the northwest coast of the island in the parish of St. James, is the island's 2nd city. It thrives in the dual role of regional tourism Mecca and hub for technology and Business Process Outsourcing (BPO). In fact, in 2014, Montego Bay was selected as Jamaica's pilot city for the "Smart City" Integrated Operated Control Centre (IOCC) intervention – a programme which will assist the city in becoming a more efficient urban centre by improving security as well as managing traffic flow and disaster prevention.

Plans are underway to promote increased usage of the city's breathtaking conference facilities located in Rose Hall, along the major tourist corridor. The facility has been home to many regional conferences and Heads of Governments meetings, and has the capacity to facilitate expositions and similar indoor events in sports and medicine.

QUICK FACTS

Location	Caribbean Sea, 145 km (90 m) from Cuba, 885 km (550 m) south of Miami, Florida
Area	10,991 sq. km (4,244 sq. miles)
Length	235 km (146 miles) east to west
Width	82 km (50 miles) at widest point
Total Coastline	1,022 km (635 miles)
Highest Point	Blue Mountain Peak - 2,256 meters (7,402 ft.)
Terrain	Hilly interior with narrow coastal plains
Climate	Tropical with temperate interior
Average Annual Temperature	27° C (81°F) - Coastal lowlands
Capital	Kingston
Geographic Advantage	Strategically located close to the main sea lanes for the Panama Canal

JAMAICA'S POLITICAL STRUCTURE

Jamaica is a parliamentary democracy that is primarily based on the Westminster model of government inherited from the country's history as a British colony. As an independent Commonwealth country since 1962, Jamaica recognizes Britain's reigning monarch as the titular head of state; the incumbent is represented in the island by the Governor General, who is appointed on the advice of the Prime Minister.

The Rule of Law is set out in the Constitution and the national legislative power is vested in a bi-cameral Parliament comprising a House of Representatives and a Senate. The House of Representatives comprises 63 members elected by persons over age 18, in a general election, constitutionally due every five years.

The political party with most members in the House of Representatives forms the government, which is headed by the Prime Minister. The two main political parties are the oldest in Jamaica - the Jamaica Labour

Party (JLP), which currently forms the Government of Jamaica (GoJ), and the People's National Party (PNP), which currently forms the Opposition. The Senate consists of 21 persons appointed by the Governor General, 13 of whom are appointed on the advice of the Prime Minister and eight on the advice of the Leader of the Opposition. The principal instrument of policy making is the Cabinet, which is charged with the general direction and control of the Government. The Cabinet consists of the Prime Minister from members of the House of Representatives as well as appointed senators.

POPULATION

Jamaica's population is approximately 2.7 million, with the gender distribution almost evenly spread at 49.5% male and 50.5% female. The current working age population (persons between 15 and 64 years old) stands at 1.8 million, while the island's youthful cohort of persons aged 15 to 29 years represents 28% (757,700) of the total population.

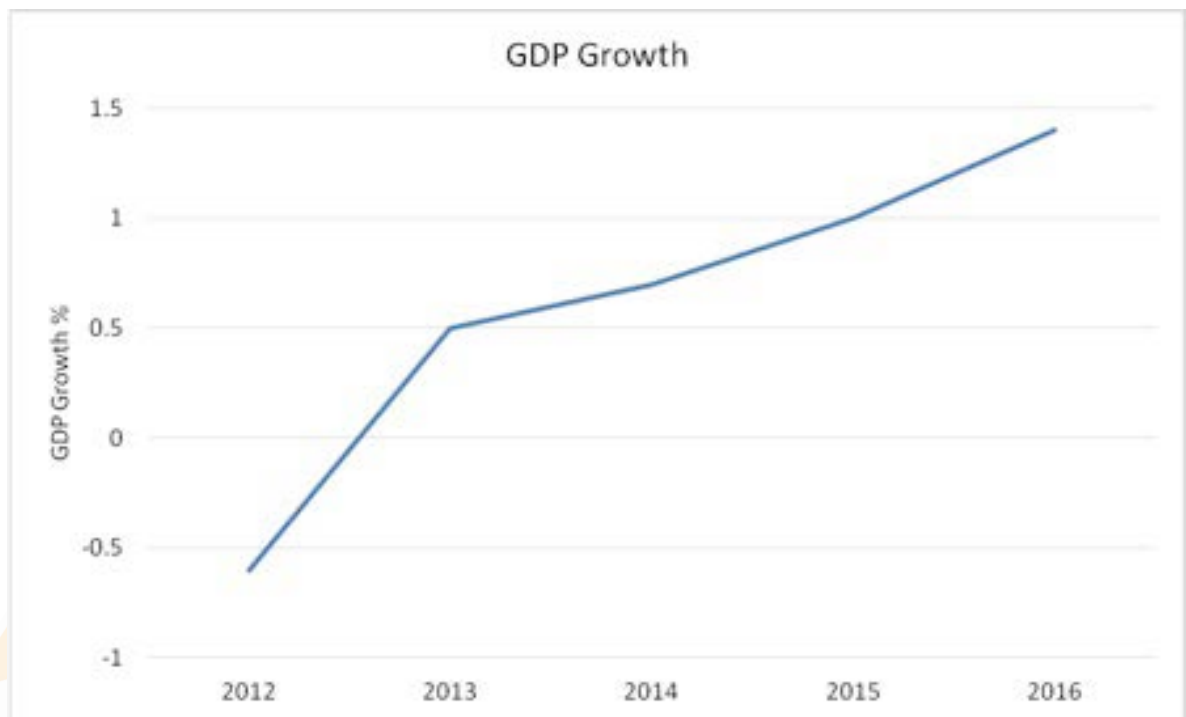
The country has made strong strides in human development over the years, as evidenced by improvements in average life expectancy (74.1 years), infant mortality rate (16.7/1000 live births) and literacy rate (91.7%). The 2016 Human Development Index (HDI) produced by the United Nations Development Programme (UNDP) ranks Jamaica in the “high human development” category, ranking at 94 of 188 countries moving from 0.650 to 0.730 in 2016.

ECONOMIC PERFORMANCE

Jamaica is now on a growth path and is projected to achieve credible performance in Gross Domestic Product (GDP) by 2020. Having attained a net annual growth rate of at least 1.0% over the past three years,

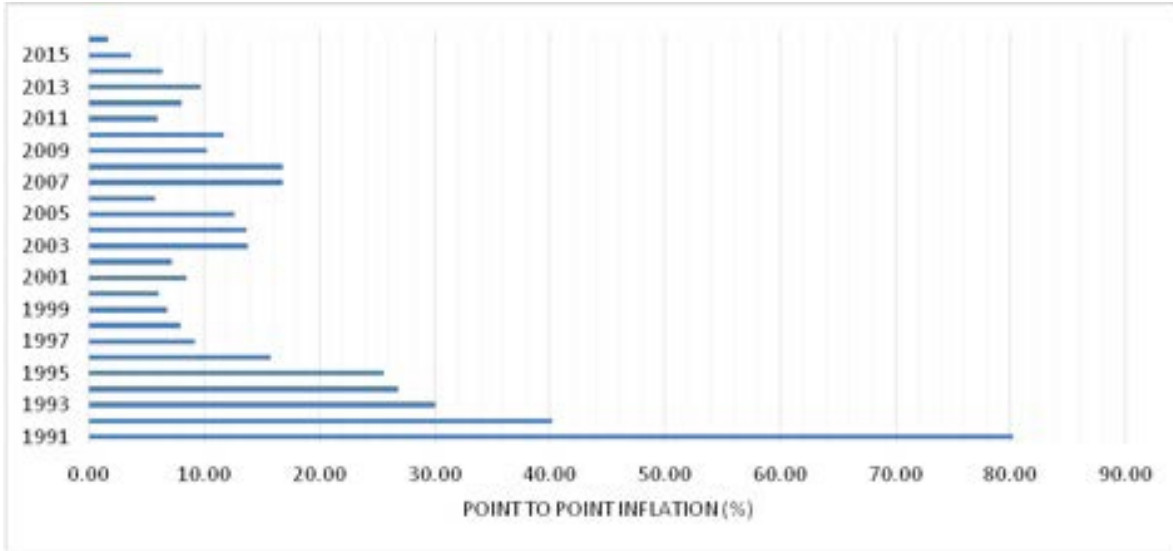
there is evidence that the country will continue on this positive path.

In 2016, GDP stood at US\$14.03 billion compared to US\$13.5 billion in 2015, and real value-added growth of 1.4%, representing the strongest out-turn in five years. Preliminary data from the Bank of Jamaica reflects growth of 0.5 % in 2017 relative to an estimated 1.5 % in 2016. The deceleration in 2017 was largely the result of lower agricultural output in a context of adverse weather conditions. The impact of the decline was, however, partly offset by increases in mining and quarrying.



Source: *The Economic and Social Survey Jamaica (2016)*

Snapshot: Major Sectors of the Jamaican Economy



Source: Bank of Jamaica and Statistical Institute of Jamaica (2017)

MAJOR CONTRIBUTING SECTORS TO GDP

Jamaica's main economic industries straddle the goods producing and services sectors. In 2016, the goods producing sector contributed 25.2% to the country's GDP, while services contributed 75.8 % of GDP. The services economy is dominated by the wholesale & retail trade, finance & insurance services, transport, storage & communication as well as real estate, renting and business services which accounted for 48.1 % of GDP in 2016.

Within the goods producing industry, the manufacturing sector was the largest contributor to GDP at 8.5% followed by agriculture, and construction (at 7.3% and 7.2%, respectively).

The Services Industry is a significant revenue earner and generator of employment in the Jamaican economy, accounting for 67.6% of the employed

labour force as at October 2017. This largely reflected employment in the Wholesale & Retail, Repair of Motor Vehicle & Equipment sub-industry as well as the Real Estate, Renting and Business Services.

Tourism

Tourism is one of the best performing industries in Jamaica, as the hotels and restaurants sector has been growing for over a decade, despite changing fortunes domestically and globally. The US\$800 million industry has been supported by significant tourist arrivals surpassing four million persons, visitor expenditure of estimated US\$3 billion, annual average \$187 million investment in accommodation and attractions and government support in skills training and infrastructure development.

Visitors to Jamaica are from across the globe, led by North America, Europe and the Caribbean. The island is predominantly a leisure destination with business travel on



the increase owing to growing investment and business activities in business process outsourcing (BPO), cannabis and logistics as well as more trade shows, conferences and networking events. Increased investment activity is projected in niches of eco and wellness tourism as the tourism product diversifies to capture more of the island's natural appeal.

The island's tourism outlook remains positive with the room count set to increase from traditional service providers up to 40,000 including non-traditional services like Airbnb. This specific accommodation provider, increased bookings by 36% in one year to attract 55,000 visitors to the island's shores. In a widely competitive market, Jamaica remains the leading destination in the English-speaking Caribbean for stopover arrivals and cruises, underscored by beautiful scenery, world-class accommodations and attractions, rich culture and signature warm hospitality of its people.

Agriculture

Agriculture in Jamaica is a key economic earner, accounting for 7.3% of the country's Gross Domestic Product (GDP) in 2016, largely reflecting improvements in Other Agricultural Crops, Animal Farming and Traditional Export Crops. The industry has grown from a monoculture producing sugar, to now include more than two dozen crops for domestic consumption and export. There are also thriving animal husbandry and fish farming activities across the island and these primary services contribute greatly to the country's diversified value-added food manufacturing industry.

Jamaica's tourism sector is also a key demand driver. It was estimated that the total quantity of monthly demand for agricultural products and expenditure on selected products, including poultry, meat, and seafood, approximately 1.07 million pounds at a value of J\$248 million, respectively. The total annual value of



demand for agricultural products by the tourism sector is estimated at about J\$19.4 billion and food items in the poultry, meats, and seafood and fruits categories account for more than 75% of this total value.

Recently, the Ministry of Tourism (MoT) expanded the relationship between tourism and agriculture via the Linkages Programme. Under this umbrella, the Linkages Network has facilitated a number of fora and trade shows including the Gastronomy Seminar, Christmas in July and the Jamaica Blue Mountain Coffee Festival.

Jamaican agri-products are recognised across the globe for quality and possess attributes for the luxury and niche product lines. Jamaica's Blue Mountain coffee, fine and flavoured cocoa, sauces and spices are just a few of the products which are strongly associated with the island. Their global recognition continues to stimulate demand.

With roughly 41% of the total land area or 440,000 hectares of agricultural land available, there are tremendous opportunities for investors in Jamaica's agriculture sector to serve the domestic needs for food security as well as traditional export markets such as the United States (US), United Kingdom (UK) and Canada and other regional and emerging markets.

Transport/Logistics

Jamaica has the geographic advantage and infrastructure competence to compete in the global transport services industry. Located in the East-West shipping lanes between the Far East, Europe and the east coast of North America, and home to the seventh largest natural harbour in the world, the island is positioned to be a leader in global trade and connectivity. Recent investment has further boosted capacity as the upgraded Kingston port terminals can now receive vessels with a capacity of 12,000+TEUs (Twenty-foot Equivalent Unit).

The island's network of transport service providers is supported by three international airports and several container terminals along with over 30 points of entry for other vessels. Jamaica's movement of goods averages 25 million tonnes through maritime trade from ports islandwide, with Kingston being the prime location for activity. Air transport facilities are provided through the two main terminals in Kingston and Montego Bay, which have seen continuous growth as a result of the increase in visitor arrivals, 15% between 2011 and 2015 and 17 million kilogrammes of cargo.

Jamaica's US\$700 million industry in the storage, movement and repair of ships/cargo is developing into a world-class enabler of services to global manufacturing and distribution. Opportunities exist in the further development of infrastructure and occupation of Special Economic Zones to produce, distribute or provide support services in manufacturing.

Manufacturing

The manufacturing sector is a key component of the national economy, accounting for 8.5% of GDP and yielding a value of US\$1.1 billion. The sector generated export earnings of US\$4,806 million in 2016. There are currently over 300 companies in manufacturing in Jamaica and they are engaged in an array of manufacturing initiatives that include agro-processing, bedding, leather, textile, stone and clay products. The sector is divided into two main categories - traditional and non-traditional. Traditional manufactured goods include food, beverages and tobacco, while non-traditional goods include non-metallic products, chemicals and petroleum products.

Jamaica's competitiveness as a destination for the production of high-valued products is supported by its access to the Americas and Europe through multilateral trading agreements and shipping routes that enable efficient transport of goods. Along with improvements in the business environment the sector also offers competitive labour costs.

With the establishment of a Special Economic Zone regime in the country, this vibrant industry is well poised to accommodate investment in the pharmaceuticals, electronic manufacturing and assembly/fabrication, supported by an able labour force and an investment climate suitable for business growth.

Outsourcing

Jamaica has established its position as the leading business processing outsourcing (BPO) location in the English-speaking Caribbean. The outsourcing sector directly employs over 30,000 agents and generates revenue estimated at over US\$400 million annually. Jamaica's competitiveness is solidified on the basis that it is the most scalable location in the Caribbean with a relatively large available labour force and established ecosystem supported by the Government and private sector groups.

With its outstanding track record in finance and accounting, human resource outsourcing, receivables management, technical help desk support, outbound sales and generation, Jamaica has been recognized by leading technology research firm Gartner as a destination to watch. The country is currently ranked 43rd on the A.T. Kearney Global Services Locations Index 2017 and is considered to be one of the region's most ideal locations for BPO providers supporting clients in the USA, Europe and other neighbouring Caribbean countries.

Energy

Energy in Jamaica continues to be an attractive area for investment as the government continues its push to diversify the energy sector. Sources of power range from petroleum products to alternative energy sources including hydropower, wind, solar, coal and bagasse. Electricity generation has grown from a few entities to over 10 public and private producers through the national grid operator, Jamaica Public Service Company (JPS).

The US\$350 million industry is receiving international attention for its liberalised energy policy. An open policy allows investors to source their own fuels for projects and this policy has transformed the mining and sugar industries, heavy users of fuel oils, into more efficient operations, while attracting other firms to the island. The policy also provides a clear outline of the country's direction in the industry up to 2030 and also includes recommendations for an energy mix of 20% renewable. Together, the energy policy and diversification of the industry, are recognised in the Global Energy Architecture Performance Index 2017; in this regard, Jamaica is ranked 92nd globally and No.1 in the English-speaking Caribbean.

Domestic energy consumption for residential and commercial use as at 2016 was 19.9 million Barrel of Oil Equivalent (BOE). This was provided primarily from petroleum-based products 96.6% and alternative energy sources 3.4%. Electricity consumption reached 1,020.8MW and is projected to continue its growth trajectory as more persons subscribe to official providers of power.

With over 90% of energy sourced from imported fuel oils, Jamaica is highly vulnerable to fluctuations in global oil



prices. This increases the demand for alternative sources of energy to supply the national grid at lower costs to consumers. The need for affordable energy in heavy industries such as bauxite and manufacturing, and the fast growing service sectors of tourism and BPO, further heightens the need for investments in this sector.

As a part of its Vision 2030 mandate, the Government of Jamaica has established a target for renewable energy to supply 15% of the country's energy by 2020. More recently, this goal has been revised through the National Energy Policy, with the aim of 20% of energy from renewable sources (to supply the national grid) by 2030. Since the start of the policy in 2009 to 2016, the supply from renewable sources has grown to 14.6%.

With the successful implementation of three renewable projects in the last 24 months, the government has recognized the need to carefully plan its energy



roadmap to include the Government's growth objectives. To this end, the Ministry of Science Energy and Technology (MSET) is awaiting the results of an Integrated Resource Plan (IRP) which will determine the next phase of investments in the sector.

Distribution is also on the radar of the Government of Jamaica, in the provision of 200MW plant for an SEZ. Opportunities also exist in generating electricity from renewable resources such as, solar, wind, hydro, geothermal, biomass, waste and ocean thermal energy conversion (OTEC) for the national grid. Opportunities are highly dependent on the completion of an Integrated Resource Plan being done by the Ministry of Science, Energy and Technology (MSET).

As Jamaica's energy sector continues to diversify by generation and fuel type, opportunities will emerge in the areas of electricity generation, trading fuels and energy efficiency and conservation practices.

Mining

Jamaica's mining and quarrying sector has been providing economic benefits for the economy since the discovery of high-grade bauxite in 1938. In 1952, the mining industry became the country's largest export earner and began trading in bauxite. To date, the mining industry contributes 2.2% of the country's GDP. In 2016, receipts for bauxite and alumina exports were US\$546.0 million.

The island boasts a variety of metallic and non-metallic minerals; however, the country's most valuable mineral products with large reserves are bauxite (6th largest globally) and limestone. Approximately 85% of Jamaica's total surface coverage is limestone, with a capacity of 150 billion tonnes and extractable capacity of 50 billion tonnes. Jamaica's competitive advantage in the extractive industry is the potential for production of value added or derivative products for agricultural, chemical, metallurgical and industrial use.



Creative Industries

Jamaica boasts a wealth of talent in the creative industries, particularly the arts. This repository of talent, traditionally in music and literature has been exported beyond the region and across the globe gaining international recognition. The island has also made its mark in film, and more recently in the production of animation movies.

Local production of content has been ongoing since the early 1900s – most notably with the first James Bond classic, “*Dr. No*”. Since that time, the film industry has continued to attract large projects from blockbusters to award-winning documentaries. The Jamaica Film Commission, established as the first entity of its kind in the English-speaking Caribbean in 1984, notes that an average of 150 films projects are shot in the country each year, ranging from feature films to video shoots. This includes: Hollywood blockbusters such as *How Stella Got Her Groove Back*, *Knight and Day* and *A Perfect Getaway*.

With more filmmakers and production houses being established Jamaica, the island is now well established as an ideal location for film, able to host major projects and thus tell epic stories to the world.

Supporting the established film and music industries, animation is fast becoming an economic earner for the island’s gifted designers. Animated designs using the latest techniques are now seen in music videos, commercials and other visual promotional campaigns. To date at least 150 young, local artists have been trained in 3D animated design; additionally, a four-year programme in animation design has commenced at a local university.

Jamaica is growing into a full-service production destination, able to attract indie and blockbuster films, entertainment events, support animated design and produce music.

INVESTMENT INFLOWS

The most dynamic sectors in terms of FDI have been tourism, mining, and Business Process Outsourcing (BPO); the country's stock of FDI now stands at over US\$15 billion.

The other key foreign exchange sources are remittances and tourism receipts. The Jamaican diaspora contributes significantly to the economy through remittances, which amounted to US\$2.23 billion in 2016, a 65.5% increase over the US\$1.99 billion recorded in 2015. Jamaica's well-developed tourism industry continues to enjoy record levels of tourist arrivals, with the island welcoming 4.3 million visitors to its shores in 2017. In that year, total tourist spend was estimated at US\$3 billion.

EXTERNAL TRADE

Jamaica's main export partners are the United States, Canada and the United Kingdom, while other key export markets include Russia, Japan, the European Union (EU) and neighbouring Caribbean countries.

The country enjoys strong brand recognition and global demand for its products and services, which have become synonymous with the highest standards of quality. Blue Mountain coffee, rum and spicy jerk seasonings are but a few of the popular authentic Brand Jamaica goods in the global trading arena. In 2016, revenue from domestic merchandise exports amounted to US\$1.19 billion, increasing to US\$1.31 billion in 2017.

The country's traditional export areas are agriculture, mining and manufacturing. The leading export products are alumina, bauxite, mineral fuels, rum, cane sugar and agro-processed goods.

As the country moves to improve its performance in the area of traditional exports, it is also keen to expand its export base and maximize opportunities in non-traditional areas such as pharmaceuticals, herbs and herbal products, condiments, craft and giftware and services. JAMPRO, the national trade and investment promotion agency of Jamaica, has played a pivotal role in supporting the efforts of exporters to attain export readiness and penetrate new and emerging international markets.

The National Export Strategy (NES), one of the key initiatives geared at increasing exports, now in its second phase, will guide the country's efforts toward enhanced global trade competitiveness over the next few years. The NES, which is led by JAMPRO in partnership with the Jamaica Exporters' Association (JEA) and the Trade Board Ltd., has established a strategic framework to increase the national export capacity in the priority sectors of mining, agribusiness, film and animation; information technology (IT) enabled services and light manufacturing.

LABOUR

Jamaica's educated, trained and productive work force numbered 1.2 million at the end of September 2017, representing an increase of 0.5% over 2015. Males accounted for 55% (668,900) of this total, outnumbering females at 45% (537,900). However, the number of females in the labour force rose by 0.09 % between 2015 and 2017, relative to an increase of 0.01 % in the number of employed males. Persons in the 25 to 34 age group constituted 26.0% of the total work force in September 2017. This was followed closely by the 35-44 age group which accounted for 24.7 % of the labour force.

Average unemployment in Jamaica stood at 10.4% at the end of 2016, which was 3.1 percentage points lower than as at the end of 2016. This reflects the lowest unemployment rate since 2008 (10.3%).

EDUCATION

The Government of Jamaica continues to place significant focus on education as one of the main pathways toward sustained economic development. The attainment of universal enrolment from early childhood to secondary level education has provided the foundation for further improvement in other areas of the education system.

In 2016, secondary institutions recorded total enrolment of 209,339. Enrolment at the tertiary level for the same period was estimated at 44,348. Females continue to dominate the number of students enrolled at the tertiary level, representing 67% of total enrolment. There are currently 42 local universities, colleges, institutes, and training units registered by the University Council of Jamaica (UCJ) and as at February 2018, the total number of accredited programmes and UCJ-approved degrees stood at 256.

In an effort to adequately prepare the Jamaican workforce for the future and maintain a competitive advantage in the global business environment, the Government targets each stage of educational development from the early childhood to adult training and certification.

The e-learning project launched in 2005 which promoted the integration and infusion of technology in the education system was to provide schools with needed resources, equipment and skills, to improve the learning experience and provide Jamaica with the digital workforce needed for future success.



The alternative pathways to secondary education were geared at increasing the employability skills of youth in the 18-24 age group. The programme emphasized the availability of training opportunities in vocational skills. The programme of apprenticeship has training offerings in the IT, entrepreneurship, commercial food preparation, business administration, electrical engineering, digital animation, health care assistance, hospitality services, and motor vehicle repairs among others,

A total of 130,000 youths is expected to be better prepared for the job market by participating in this apprenticeship programme. Additionally, the Government has strengthened its islandwide system of continuing education and training in technical and vocational areas through the Human Employment and Resource Training (HEART) Trust/National Training Agency (NTA). The HEART Trust/NTA has embarked on several strategic initiatives to assist the workforce with acquiring industry-relevant skills and certification that will meet the job demands of targeted



sectors. Special provisions have been made to increase funding to persons pursuing Science, Technology, Engineering and Mathematics (STEM) at the tertiary level as the government pursues a STEM initiative to improve the quality of the labour force.

TECHNOLOGICAL ADVANCEMENT

Jamaica's world-class and robust ICT infrastructure supports all the requirements for global connectivity and ranks among the most developed in the world. The island's tele-density rate of 119.1/100 is among the highest in the Latin American and Caribbean (LAC) region, while mobile penetration of over 100% puts the country on par with the more digitally advanced economies of the world. The recent introduction of 4G-LTE by one of Jamaica's telecommunications providers is likely to stimulate new developments in that sector as competitors seek to keep pace with each other. The competitive environment in the industry is expected to lead to net

gains in the sector to achieve greater efficiency and productivity in the goods producing and services sectors.

Notable highlights of Jamaica's liberalized ICT landscape include:

- Ample bandwidth capacity as well as multiple providers offering various options including T1, DS3 and OC3.
- Fully liberalised with 502 licences issued to service providers and carriers since 2002.
- Three parallel fibre routes (and drop off points) on the island linked to the Americas Region Caribbean Ring System (ARCOS-1) submarine cable in the Dominican Republic. This provides seamless connectivity to North America, Latin America and the Caribbean.
- The Government, through the Universal Service Fund (USF), has implemented



an islandwide broadband network by establishing Community Access Points (CAPs) to deliver high speed Internet connectivity across the country. At March 2018, an estimated 280 CAPs have been commissioned into service.

- Multiple mobile service providers offer 3G, 4G, WiMax and international roaming capabilities.
- Several key pieces of legislation have been advanced to further liberalize the ICT/telecoms sector, establish a single industry regulator, and provide the requisite criminal sanctions for cybercrimes.

Jamaica - A Great Place for Business

Jamaica is a premier investment destination that offers many advantages for establishing international businesses. The country is seeking to identify new investment opportunities in priority sectors to facilitate further development of the economy. The growth in global trade and on-going advancement in information technology have enabled greater access to international markets, giving rise to expansion in the country's road network, shipping and port facilities. These developments are bolstered by stable government, independent judiciary, highly talented, skilled and flexible workforce, modern infrastructure, strategic location and a friendly business environment.

High profile international brands such as Iberostar, Fiesta Hotel Group (Grand Palladium), Marriott and Hyatt have invested in Jamaica's tourism sector with confidence. In the Information and Communications Technology/Business Process Outsourcing (ICT/BPO) sectors, the country's strong value proposition has landed global industry players such as West Corporation, Xerox, Sutherland Global Services, Vistaprint, Hinduja Global Solutions and more recently, Fusion, Collective Solutions International and Concentrix. Jamaica welcomes business persons to explore the opportunities that exist in the island's competitive business environment, which has the highest ranking in the Caribbean for the ease of doing business.

Emerging investment opportunities in medical marijuana, construction of medical facilities, wellness, sports facilitation, higher education ventures, technology parks and offerings in economic zones are among the many areas in which investors can participate in public-private partnerships and joint ventures.

In order to acquaint potential investors with the pertinent requirements for doing business in Jamaica, this section provides an overview of the main rules and regulations they are likely to encounter. It covers areas such as the legal and business framework, labour and employment laws, taxation and other important topics that will provide a strong guide for setting up operations in Jamaica.

JAMAICA'S ECONOMIC GROWTH PROGRAMME

Jamaica's growth agenda seeks to deliver on the Government of Jamaica's commitment to realize the goals of Vision 2030, which is the country's comprehensive long-term National Development Plan. Vision 2030 aims to propel the island toward developed country status by 2030. It constitutes a framework of action that aims to transform Jamaica into "the place of choice to live, work, raise families and do business" by 2030.

In 2013, the Jamaican Government started the implementation of a medium-term

economic strategy to induce growth in the economy. Following on this programme facilitated through the International Monetary Fund (IMF), the Ministry of Economic Growth and Job Creation along with the Economic Growth Council (EGC) introduced its EGC Call to Action Agenda in 2016 to build on the gains realized since 2013. This new independent EGC comprising a broad cross-section of private sector leaders was established to work with the GoJ partners to ensure steady economic growth and diversification of the economy by 2020.

The country's public sector has also undergone significant transformation in keeping with the initial emphasis to enhance the business environment, which addressed improvements in business registration and approvals, credit access and labour market conditions. While that process continues, certain key macroeconomic areas such as the implementation of fiscal imperatives and improvement in macroeconomic indicators like debt-to-GDP ratio, inflation rate, exchange rates and interest rates have shown improved stability. Subsequently the focus has shifted toward facilitating strategic investments to stimulate growth in priority sectors and achieve the targeted economic growth.

CREATING A COMPETITIVE BUSINESS ENVIRONMENT

Consistent with the Government of Jamaica's commitment to creating an enabling business environment in the country, a number of initiatives have been undertaken to improve the business landscape. Since 2010, the National Competitiveness Council (NCC) has been spearheading this process to address critical issues and roll out the required reforms.

Under the Business Environment Reform Agenda (BERA), the NCC was able to reduce the business registration turnaround from six days to 24 hours in 2016, a reform that propelled Jamaica in the 5th spot globally for Starting a Business in the World Bank's Doing Business report 2018. Other reforms have included the development of a Secured Transaction regime, and the enactment of new legislation addressing bankruptcy and insolvency. The reform interventions have led Jamaica to experience significant improvement on key business competitiveness indices in recent years. Jamaica maintains the rank as best place in the English-speaking Caribbean to do business by the World Bank's Doing Business Report in 2018. Further, gains in competitiveness are expected as the country undertakes new measures to improve other areas of starting and operating businesses locally.

On the Global Competitiveness Index 2017/18, Jamaica's ranking improved five places to 70th of 138 countries. The better performing pillars continue to be Financial Market Development (30/138) and Health and Primary Education (47/138).

JAMAICA'S INCENTIVES PACKAGE

1. THE OMNIBUS INCENTIVE REGIME

Companies operating in Jamaica can benefit from a range of fiscal incentives, a number of which were introduced and revised in 2013 under the Omnibus Incentive Regime. By way of legislation, companies can gain benefits at two main stages, i.e. when they import items and when they file their taxes, via import duty & income tax relief, respectively. Three of the key pieces of legislation that govern the Omnibus Incentive Regime are outlined below:

The Fiscal Incentives Act (FIA)

The two main benefits under the FIA provide for the reduction of the corporate income tax rate of companies:

- (i) An Employment Tax Credit (ETC) at a maximum value of 30%
- (ii) A Capital Allowance applicable to a broadened definition of industrial buildings

A Customs Tariff (Revision) Resolution - Amended

Targeted at the productive sectors, the revision provides for the duty-free importation of capital equipment and raw material. The key benefit under the Revised Customs Resolution is the introduction of the Productive Inputs Relief (PIR) scheme. Special categories have been created for companies in the manufacturing, agriculture, tourism and health sectors, along with companies within the creative industries.

Employment Tax Credit (ETC)	Capital Allowance
<p>Companies get a tax credit of no more than 30% of its portion of the statutory deductions for both new and existing employees. The ETC is calculated within the year that the company's tax liability is assessed.</p>	<p>Application of the capital allowance reduces the proportion of the company's income against the income tax will be charged. An initial 20% allowance on capital expenditure related to construction, alteration and renovation of industrial buildings is allowed. Note that any expenditure related to the purchase of an industrial building will not qualify for the initial allowance.</p>
<p>Where the full 30% ETC is applied, the company's effective corporate income tax rate will be reduced from 25% to 17.5%. The eligible payroll statutory contributions to be used in calculating the ETC are:</p> <ul style="list-style-type: none"> • Education Tax • National Housing Trust (NHT) • National Insurance Scheme (NIS) • Human Employment and Resource Training (HEART) 	<p>The definition of industrial buildings now includes:</p> <ul style="list-style-type: none"> • structures used directly in production of primary products; • hotels licensed by the Jamaica Tourist Board (JTB); hospitals and certain other healthcare facilities; multi-storey car parks; • buildings or structures constructed pursuant to a public-private partnership agreement

Companies operating in the ...	Register with the ...
Tourism & Attraction sector	Ministry of Tourism
Manufacturing & Agriculture sectors	Ministry of Industry, Commerce, Agriculture & Fisheries
Creative Industries	Ministry of Culture, Gender, Entertainment & Sport
Health sector	Ministry of Health

Companies must be registered to access PIR benefits. Specifically,

The Income Tax Relief (Large-Scale Projects and Pioneer Industries) Act (2013)

Regulations for this new Act are underway. The Act will benefit large-scale projects and/or pioneering projects by facilitating an attractive tax credit scheme. Given the anticipated scale of such projects and the potential impact on the economy, their designation as large-scale or pioneering will be based on the decision of Parliament, having been guided by an economic impact assessment.

- Large-scale projects will be assessed on the value of the capital expenditure, employment created and business linkages created.
- Pioneer industries projects are identified as those employing new, cutting edge and innovative methodologies and technologies to Jamaica. Such projects need not be large in scale, but should be transformational in nature, creating value-added impact to the Jamaican economy and society.
- Development of the regulatory framework for this Act is well advanced.
-

It should be noted that regulated companies are excluded from accessing the benefits under the Omnibus Incentives Regime. Regulated companies are those regulated by the Bank of Jamaica, the Financial Services Commission and the Office of the Utilities Regulation, the Ministry of Finance & the Public Service.

2. SPECIAL ECONOMIC ZONES

The Special Economic Zones (SEZ) Act came into effect August 1, 2016 and repealed the Jamaica Export Free Zones Act. A “special economic zone”, as designated by the Act, is a designated geographical area in which specific economic activities are allowed. The following activities are not allowed within the SEZs in Jamaica; extractive industries, telecommunications, financial services, catering, retail trade, health services (excluding R&D), construction services, public utilities, real estate and property management and tourism services.

The SEZ regime provides a wide range of tax concessions including:

- Duty-free importation
- Value Added Tax (General Consumption Tax (GCT)) free importation
- Lower CIT rate of 12.5% (half of the standard rate)

- 10% Productive Tax Credit (PTC)
- 30% Employment Tax Credit (ETC)
- Withholding Tax exemptions

The SEZ regime allows for interested parties to be developers, occupants and users of spaces designated as SEZs by the SEZ Authority.

3. OTHER BUSINESS INCENTIVES

There are three other major incentives that facilitate new and expanded business opportunities:

The Urban Renewal (Tax Relief) Act, 1995

- Granted for projects erected in blighted areas, that will serve to bring urban renewal to the specific geographical district. Companies that undertake development within the designated Special Development Areas benefit from Urban Renewal Bonds, a 33.3% investment tax credit, tax-free rental income and the exemption from transfer tax and stamp duties on the 'improved' property.

Junior Market Income Tax (Amendment) Act, 2016 No. 21

- Companies listed on the Jamaica Stock Exchange (Junior Market) are given 10 years tax break, where no corporate tax is paid for the first five years and 50 % of the prevailing rate is paid in the next five years.

Bauxite and Alumina Industries (Encouragement) Act, 1950

- Recognized Bauxite & Alumina Producers can import all productive inputs free from import duties, Value

Added Tax (General Consumption Tax (GCT)), all other port related taxes and charges.

The Income Tax (Amendment) Act, 2012 (Group Headquarters) Encouragement Act

- Allows a company that undertakes group headquarters activities on behalf of the members of a group of companies to be exempt from paying PAYE income tax for its expatriate personnel. No less than 30% of the company's staff complement should be Jamaican. Group headquarters activities would include supervision, general management and central treasury management.

Further information is available at: <http://www.jamaicatradeandinvest.org/investment/incentives>

WORK PERMITS & LABOUR RELATIONS

Work Permits for Foreign Nationals

Some foreign nationals coming to Jamaica on business may be required to obtain a business visa. For those wishing to work in the country, they must apply for a work permit from the Ministry of Labour and Social Security (MLSS) through one of the following options:

- Prospective employer
- Contractor
- A legal representative

The Jamaica Promotions Corporation (JAMPRO) - the national investment and trade promotion agency - also assists its clients with their applications.

The employment of non-Jamaicans in Jamaica is governed by the Foreign Nationals and Commonwealth Citizens (Employment) Act. A work permit should be obtained prior to arrival in Jamaica.

The country is currently finalising legislation that will create a category of permanent residency based on economic activity. Access to this will be made available through JAMPRO's partnership with the Passport, Immigration and Citizenship Agency.

Labour Relations

Jamaica is a signatory to several fundamental conventions of the International Labour Organization (ILO), which governs international issues related to labour and worker rights. Additionally, the work climate in Jamaica is governed by the Labour Relations and Industrial Disputes Act (LRIDA).

Jamaica's labour laws seek to promote harmony between employers and employees. The Pay and Conditions of Employment Branch of the Ministry of Labour and Social Security (MLSS) is charged with ensuring the maintenance of minimum standards set out in the various labour laws relating to notice pay, redundancy pay, holidays with pay, maternity leave, national minimum wage and the minimum wages in certain trades, which are announced from time to time. Some workers are represented by trade unions that negotiate workers' benefits and ensure workers' rights are upheld.

Work Hours

Generally, most business establishments adhere to a 40-hour/5-day work week. However, many persons in the services industries tend to work more varied days and hours. In some cases, overtime pay will

accrue to the worker for an excess of 40 working hours.

Employment (Termination and Redundancy Payments) Act & Regulation (1974)

- No notice is required by either party (employer/employee) during the first 90 days of the probationary period.
- Thereafter, the length of notice required will depend on the length of service of the employee. For example, two weeks after the first four weeks of continual employment but less than five years of employment; four weeks if more than five years but less than 10 years of employment and longer periods of notice according to more extended years of services.
- If entitled to notice, an employee may be dismissed with payment in lieu of notice (according to the number of weeks stipulated for the applicable notice period).
- Notice should be given in writing if dismissal is done without the benefit of a "credible witness".
- According to the Redundancy Act, an employee is entitled to redundancy payment after 104 weeks of service if his/her services are deemed redundant (that is, the position is no longer relevant or the service necessary, if the employee is no longer able to provide the service, perhaps due to illness or if the company is folding or relocating, inter alia)

National Minimum Wage

- There is a national minimum wage that is set by the Government as a guide for compensating unskilled workers.
- The current minimum wage is J\$6,200.00 per week

Holiday with Pay Act (1973)

All workers are entitled to sick leave and vacation leave after working continuously for a period of 110 days but less than 220 days, earning leave at a rate of one day for every 22 days worked.

After working 220 days in a year of employment, the worker is entitled to two normal weeks of vacation (10 working days).

- Sundays, Good Friday and other public holidays cannot be counted towards vacation leave
- Sick leave with pay is calculated at the same rate as vacation leave with pay
- Casual workers are entitled to gratuity after 110 days

Maternity Leave

- It is an offence, punishable under Jamaican law, to dismiss a worker as a result of her pregnancy without another reasonable cause for dismissal
- It is within the right of the employer to request a medical certificate to confirm the expected date of the birth of the child, once informed of the pregnancy/ need for leave
- It is the employee's duty to inform her employer of the fact that she is pregnant

and will need to be away from work for the maternity leave period

- Continuity of employment, benefits or seniority should not be affected by maternity leave.

OTHER CONSIDERATIONS FOR DOING BUSINESS IN JAMAICA

Jamaica's commitment to Intellectual Property (IP) protection is reflected in the fact that Jamaica is signatory to every major international copyright and related rights treaty and agreement administered by the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO).

Through the Jamaica Intellectual Property Office (JIPO), an agency of the Ministry of Economic Growth and Job Creation, companies and individuals operating in the country are encouraged to register their IP locally in order to reap the full benefits of their creativity and enjoy protection from piracy.

JIPO offers guidance on how to proceed with registering your IP under the following areas:

- Copyright: Poetry, music, screenplays etc.
- Industrial Property Designs: Trademark, designs and patents
- Geographical Indicators

For further information on Copyright and Related Rights, please visit the JIPO website at <http://www.jipo.gov.jm/>

Site Selection and Development Approvals

Once a prospective investor has identified a suitable business location, approval must be sought from the Municipal Corporation/Parish Council, which is the local building authority. The process may also include seeking environmental, planning and/or subdivision approvals, which are all guided by the Building Act and other related legislation. In its role as investment facilitator, the Jamaica Promotions Corporation (JAMPRO) guides investors through the overall process of gaining approvals and works closely with the authorities to ensure efficiency in the delivery of services at the various stages.

Environmental approval is required under the National Resources Conservation Act. Applications are submitted to the National Environment and Planning Agency (NEPA), with the Natural Resources Conservation Authority (NRCA) serving as the approving entity.

- Planning approval is required under the Town & Country Planning Act. Application submissions are made to the local planning authority in the respective parish councils as well as the Kingston and St. Andrew Municipal Corporation (KSAMC). Approvals are granted by the Town and Country Planning Authority and local planning authorities.
- Permission for subdivision is required under the Local Improvements Act. Applications are made to the local authority. With the recommendation of NEPA, approvals are made by the respective Municipal Corporation/Parish Council and the KSAMC.

POSITIONED & NETWORKED FOR CONNECTIVITY

Ideal Geographic Location

Jamaica's geographic location, between North and South America, is of strategic importance for global trade and investment. As companies seek to expand their foothold in new and emerging markets, Jamaica is poised to significantly increase its role in global business.

The country's business ecosystem not only comprises the sectors that shape the economy, but also the various players, customers, supporting systems and structures within each sector. These elements are connected through a robust supply chain of partners such as customs, the banking system, and the transportation and distribution network.

The presence of well connected, modern and efficient air and sea ports puts Jamaica in a strong position to meet the demands of a fast-paced and interconnected world by allowing ease of movement of people, goods and services in high volumes. The Government of Jamaica is committed to maintaining and improving Jamaica's connectivity through the development of world-class infrastructure.

Jamaica's high-quality infrastructure allows for the integration of economic activities across regions and thus provides businesses with efficient access to functioning markets for goods, services and labour while simultaneously increasing their productivity and international competitiveness.

Transportation and Distribution Network

Air Transport

With the growth of international trade in the age of globalization, there is a greater demand for commercial air transport. In order for companies to compete at a global level, the use of air transport is essential to meet the realities of modern business and just-in-time logistics.

Jamaica boasts three international airports that have each benefited from extensive modernization over the past five years. The Norman Manley International Airport (NMIA), Sangster International Airport (SIA) and Ian Fleming International Airport (IFIA) serve as the major air hubs for passengers and cargo moving into and out of the country.

1. Norman Manley International Airport (NMIA)

NMIA is located on a picturesque peninsula twenty minutes from Kingston's business centre. It is bordered by the seventh largest natural harbour in the world, Kingston Harbour, and is one of Jamaica's global gateways. It is the primary airport for business travel to and from Jamaica and also for the movement of air cargo. NMIA caters to over 1.5 million passengers annually and handles in excess of 10 million kg of regular cargo plus approximately 900 thousand pieces of in mail.

A major economic catalyst for the Kingston Metropolitan Area, the value of the economic activity generated by NMIA is

estimated at JMD\$15.2 billion (equivalent to 5.6% of GDP). The airport is currently served by 13 international airlines which include: Air Canada, Rouge, Aerogaviota, American Airlines, British Airways, Caribbean Airlines, Cayman Airways, Copa Airlines, Fly Jamaica, Insel Air, Inter Caribbean Airways, Jet Blue, Spirit Airways and West Jet. Plans are currently being pursued to lengthen the runway and develop additional cargo space.

In 2016, the GoJ announced plans to divest the NMIA. It is expected that this process will be completed by end-2018.

2. Sangster International Airport (SIA)

Ideally located on Jamaica's northwest coast in the regional tourism hub of Montego Bay, the Sangster International Airport (SIA) is the leading tourism gateway to the island and is currently operated and managed by Grupo Aeroportuario del Pacífico, S.A.B. de C.V. SIA is the country's largest airport, and handles 3.9 million passengers annually with a peak arriving and departing capacity of 4,200 passengers per hour. Approximately 95% of total passengers at the airport are travelling internationally, and over 70% of the two million stopover visitors to Jamaica use SIA as their primary airport. The airport is within comfortable driving distance of the cruise ports at Montego Bay, Falmouth, Ocho Rios and Negril. Forty-two per cent of the airlines that use SIA handle cargo, and the airport plans to expand its runway and develop this area as part of its growth strategy.¹

¹ In 2018, Grupo Aeroportuario del Pacífico, S.A.B. de C.V. announced a US\$40 million investment project for the expansion and upgrade of the Sangster International Airport.

3. Ian Fleming International Airport (IFIA)

The Ian Fleming International Airport (IFIA), which was opened in 2011, primarily handles small jets. Located in Boscobel, St. Mary, IFIA sought to attract international arrivals from the high-end tourism market to Jamaica’s northeast coast. It is located 15 km (nine miles) from the resort town of Ocho Rios in St. Ann.

4. Local Aerodromes

Jamaica is presently served by two domestic aerodromes –the Ken Jones in Portland and the Negril Aerodrome in Westmoreland. Their proximity to major resorts makes them especially important in the intra-island movement of tourists, business passengers and light cargo around the island.

Road Network

The P.J. Patterson Highway, Jamaica’s first toll highway, connects the capital Kingston in the southeast of Jamaica with other towns on the southern coast of Jamaica. The highway also connects via other highways to the tourism centres of Montego Bay in the northwest and Ocho Rios on the north central coast. In addition, all the coastal towns along the northern side of the country are connected via the North Coast Highway. The road network project was designed to facilitate direct and efficient linkages between economic centres in the country, as well as to be a catalyst for additional economic and developmental activities in several parishes.

Several legs of the project have been completed, and work continues on rolling out the 230-km (143-mile) highway network. The 47km North-South leg of the

highway from Caymanas, St. Catherine to Ocho Rios, St. Ann was opened to the public in 2016, decreasing transit times to under an hour. The project, which is a public-private partnership, has established strong connectivity to the island’s main international airports and has also addressed the problems of reduced economic activity and road congestion by:

- Providing direct and efficient links between the major economic centres
- Facilitating the commute from suburban and rural areas
- Creating greater ease of movement of goods across the island
- Increasing the safety of motorists and reducing vehicle operating costs as a result of high-quality highway construction.

The Government of Jamaica has also embarked on additional road development initiatives in recent years, which have significantly improved the island’s road network.

Sea Freight Services

Kingston Wharves Limited (KWL) is recognized as the region’s leading multipurpose port terminal operator, connecting Jamaica’s importers and exporters to over 20 international ports in the Caribbean, Latin and North America. The 25-hectare terminal offers 22 hectares of open storage with 30,000 square meters of covered warehousing and cold storage. The company also has 53,000 square meters of secure off-dock storage for motor vehicles. Additionally, Kingston Wharves has undertaken expansion of its warehousing facility by 160,000 sq. feet to handle the anticipated increase in cargo.

KWL operates a terminal at Port Bustamante, and adjoins the former Kingston Container Terminal. The facilities under the purview of KWL play a critical role in the island's logistics infrastructure, and will be an important component of the Jamaica Logistics Hub initiative.

The Kingston Container Terminal (KCT), which was recently divested by the Government of Jamaica, and transformed into the new Kingston Freeport Terminal (KFT), is one of the leading container transshipment ports in the region, and is also a key player in Jamaica's foray into the global logistics industry. Now owned and operated by CMA-CGM Logistics, KFT is equipped with world-class facilities and has an annual rated capacity of 3.2 million TEUs. The mainline services are to North and South America, Europe, the Far East and Australia. In light of the port's strategic geographical position, the KFT has undertaken dredging of the harbour and expanded its berthing capacity, creating a 600ft berth as well as two new 300-ft berths, which will allow it to facilitate multiple post-Panamax vessels.

Some of the major shipping lines that dock in Jamaica are:

- Zim
- Evergreen Line
- Hapag-Lloyd
- APM-Maersk
- Mediterranean
- CMACGM

Special Economic Zones

The Government of Jamaica has repealed the Export Free Zone regime and as of 2016 instituted a Special Economic Zone (SEZ) regime to attract and retain targeted investments and sustain economic activity across various sectors of the Jamaican economy. This new SEZ regime seeks to bring the country into compliance with the World Trade Organization (WTO) Agreement on (Export) Subsidies and Countervailing Measures. In the process, it also aims to facilitate a seamless interface with the domestic suppliers, and grow business-to-business linkages that would serve to grow domestic businesses to access new markets.

The Port Authority of Jamaica operates a network of Special Economic Zones (SEZ), which are strategically located in proximity to key ports and urban centres. These zones have played an important role in encouraging commerce while attracting inward investment, particularly in the ICT/BPO sector. There are also plans underway for a 1,500 acre SEZ to be created in Caymanas, St. Catherine. Feasibility is currently being undertaken in respect of that project.

Business Development and Support Partners

1. Jamaica Promotions Corporation (JAMPRO)

www.jamaicatradeandinvest.org

Jamaica Promotions Corporation is Jamaica's investment and export promotion agency, promoting business opportunities in a number of targeted sectors such as tourism, Information and Communication Technology/Business Process Outsourcing (ICT/BPO), logistics, manufacturing,

agriculture, creative industries, mining and energy. Operating under the Ministry of Industry, Commerce, Agriculture and Fisheries, the agency works closely with local and foreign investors, guiding them through the necessary processes and offering support even after their investments are operational. As it relates to exports, JAMPRO is committed to the national effort to grow the Jamaican economy by facilitating the export of Brand Jamaica goods and services through an impressive suite of support services.

2. Companies Office of Jamaica (COJ)

www.orcjamaica.com.

The Companies Office of Jamaica is committed to enhancing trade and commerce through the efficient registration and regulation of businesses and the provision of accurate information. The COJ registers local and overseas companies, as well as individuals carrying out business in Jamaica.

It actively encourages voluntary compliance of companies and businesses with the relevant laws, and strives to maintain up-to-date records of all companies and businesses registered.

3. Development Bank of Jamaica (DBJ)

www.dbankjm.com

The Development Bank of Jamaica facilitates the growth and development of all viable enterprises in the productive sectors of the Jamaican economy. The DBJ provides direct lending for large projects in strategic areas, as well as medium and long-term financing solutions to all entities. It also supports the management and privatization of national assets and investments as well as the creation of public-private partnerships on large strategic projects.

4. Urban Development Corporation (UDC)

www.udcja.com

The mandate of the Urban Development Corporation is to stimulate urban development through the planning and implementation of comprehensive development projects and programmes. Over the years the UDC has developed a number of projects that have resulted in value added business opportunities in urban centres across the country. Currently, the UDC is focussing on projects in Ocho Rios and downtown Kingston while developing a project to identify and create a third city in Jamaica.

5. Jamaica Customs Agency (JCA) Website:

www.jacustoms.gov.jm.

The Jamaica Customs Agency is charged with ensuring the equitable collection of revenue, protection of Jamaica's borders against illicit imports and the facilitation of trade. The agency recently benefited from important trade facilitation reforms in the implementation of the Automated Systems for Customs Data (ASYCUDA). Together with the Port Community System (PCS) and e-Trade project, these reforms are expected to automate and expedite the process of exporting and importing.

6. Port Authority of Jamaica (PAJ)

www.portjam.com

The Port Authority of Jamaica is the statutory corporation responsible for the regulation and development of Jamaica's port and shipping industry. The corporation is responsible for the safety of all vessels navigating the ports of entry and the regulation of the tariffs charged on goods passing through the public wharves. Additionally, the PAJ regulates the establishment and operation of all port facilities and develops a safe, secure and efficient port infrastructure in Jamaica.

7. Jamaica Special Economic Zone Authority (JSEZA)

www.jseza.com

The Jamaica Special Economic Zone Authority is the agency responsible for facilitating the development of, and the promotion of investments in, special economic zones in Jamaica. Its role is to regulate SEZs through administration and issuance of guidelines. It provides direction to developers and occupants of SEZs in relation to the Act and provides policy direction. Through its administration it will seek to attract new and diverse investments and facilitate a one-stop service for the efficient start up and operations of businesses operating in the special economic zones.

8. Jamaica International Financial Services Authority (JIFSA)

www.jifsa.com

The Jamaica International Financial Services Authority was established for the promotion and development of Jamaica as a centre for international financial services. It is mandated to establish and maintain international linkages aimed at positioning the country's international financial services sector on the global landscape. While the centre is not yet in operation, as at April 2018 three critical International Financial Services Bills have been passed by the Houses of Parliament. These are: The Partnership (General) Act, The Partnership (Limited) Act and the International Corporate and Trust Services Providers Act. The final Bill, The International Business Companies Bill, was tabled in February 2018.

9. National Environment and Planning Agency (NEPA)

www.nepa.gov.jm

The National Environment and Planning Agency, as administrator of the Natural Resources and Conservation Act, promotes sustainable development by ensuring protection of the environment and orderly development in Jamaica. The agency's vision is for the natural resources of Jamaica to be used in a sustainable way, and it seeks to foster a broad understanding of environment, planning and development issues, with extensive participation amongst citizens and a high level of compliance to relevant legislation. The Agency also administers the Town and Country Planning Act, which gives it ultimate responsibility for the planning of the country's spatial resources.

Private Sector Partners

10. Jamaica Exporters' Association (JEA)

www.exportjamaica.com

The Jamaica Exporters' Association is a non-governmental, membership-based organization that is committed to facilitating the growth of Jamaica's exports by promoting and supporting the growth and development of the export sector.

11. Jamaica Manufacturers' Association (JMA)

www.jma.com

The Jamaica Manufacturers' Association is an industry organisation comprising members from the local manufacturing sector. It provides support to manufacturing operations in Jamaica in areas such as capacity building, advocacy and training.

12. Jamaica Chamber of Commerce (JCC)

www.jamaicachamber.org

The Jamaica Chamber of Commerce is a membership-based organization comprising businesses and professionals working together to build and promote a healthy economy. The goals of the organisation are to facilitate the profitable growth of businesses through leadership, advocacy and the provision of support services.

13. Jamaica Hotel and Tourist Association (JHTA)

www.jhta.com

The Jamaica Hotel and Tourist Association represents Jamaican hotels, other visitor accommodations as well as most suppliers of goods and services to the local tourism industry. The main aim of the JHTA is to promote the development of Jamaica's hospitality industry and represent the interests of its members in all fora.

14. Business Process Industry Association of Jamaica (BPIAJ)

www.bpiaj.com

The Business Process Industry Association of Jamaica supports the growth and development of the Information and Communication Technology/Business Process Outsourcing (ICT/BPO) sector in Jamaica. The BPIAJ's mission is to lobby the government on behalf of BPO operators in an effort to improve the operating and regulatory environment, as well as promote the attractiveness of Jamaica as an investment destination.

15. Private Sector Organisation of Jamaica (PSOJ)

www.psoj.org

The Private Sector Organisation of Jamaica is a national organisation of private sector associations, companies and individuals working together to promote a competitive and productive private sector. The organisation seeks to influence national policy issues of a political, social, or economic nature. The Executive Committee, under guidance from the Council, leads this process by promoting discussions with the government and other relevant stakeholders. The organisation is also in close and constant contact with the major multilateral and bilateral agencies.

APPENDICIES



REGISTERING YOUR BUSINESS OR COMPANY IN JAMAICA

Prospective entrepreneurs desirous of operating a business in Jamaica may now register their entity online. This hassle-free process is facilitated via the Companies Office of Jamaica (COJ) website at <https://www.orcjamaica.com>. The website provides linkages to most of the support agencies involved in the process of establishing a business in Jamaica. However, a manual process may also be accessed at the Companies Office headquarters in New Kingston, or from any of its branches, where a one-stop service is also available.

Business Formation: Options & Procedures

The two basic structures that a commercial enterprise can utilize in Jamaica are:

A Company: This is a commercial enterprise that is registered or incorporated under the Companies Act.

A Business: This is either a sole trader or partnership registered under the Business Names Act.

There are two main procedures that must be followed in order to start an enterprise in Jamaica. First, you must ascertain from the Companies Office of Jamaica (COJ) formerly the Registrar of Companies, whether the desired name is available and acceptable. Secondly, the Articles of Incorporation and Business Registration form must also be filed with the COJ.

Note the following requirements for confirming a legal company name:

- Complete and submit a Company Name Search and Name Reservation Form (Form 6) at the COJ. It is advisable that you check the COJ's website for

the updated fee structure each year.)

- After completing this process, you will receive a letter indicating that the name has been reserved for a 90-day period. At this point, the following three steps are required for completion:
- The Articles of Incorporation (Form 1A for profit-making companies or Form 1B for non-profit companies); this requires information relating to the name of the company, its registered address in Jamaica, minimum or maximum number of directors and any restrictions on the business that the company may carry out.
- For companies that have a share capital class, information is required on the classes of shares, maximum number of authorized shares, and the restriction on share transfers, if any. If the company has more than one class of shares and is issuing more than one at the time of the incorporation, then Form 3 must also be submitted. These articles must be stamped by the Stamp Duty and Transfer Tax Department.
- The Business Registration Form (BRF1), must also be completed. It must be signed by all the directors or the secretary of the company, as well as by the individual declaring the accuracy of the information submitted on the form.
- The principal director and the individual declaring the accuracy of the form must have an original, valid, government-issued identification.

These submissions are subsequently examined to ensure completion and accuracy. If these criteria are fulfilled, a certificate is issued within five working days and the process will attract a cost of JMD\$24,000.

The following are necessary for registering a business:

- The Business Registration Form (BRF1)
- A document verifying the proprietor's current place of address (e.g. driver's licence or utility bill)
- Proprietor's Taxpayer Registration Number (TRN)
- A valid government-issued identification for the principal proprietor
- Professional certification where applicable
- Work permit or exemption letter where applicable

The Business Registration Form (BRF1) allows for "one stop registration" at a single government agency instead of multiple offices. The aim of the form is to collect all the required information for submission and facilitate registration for paying select statutory taxes, namely National Insurance Scheme (NIS), and General Consumption Tax (GCT). It also allows the business owner to receive a Taxpayer Registration Number (TRN).

All forms required for naming and registering your business can be obtained from the Companies Office of Jamaica or accessed online at its website: www.orcjamaica.com

Registering an overseas company in Jamaica:

- Foreign investors who want to register a business that they are already operating in their homeland or in another overseas location will be required to submit Form 31 along with a certified copy of the Charter/Statutes/

Articles of Constitution of the company to the COJ.

- A business operations balance sheet as well as profit and loss statements must be submitted to the COJ within 30 days of applying for registration.
- Registration with the relevant tax departments to facilitate tax returns and compliance is required
- Note that if the company name is already in use in Jamaica, a 'trade as' name will need to be registered in order to operate in the island.
- Other considerations include application for utility services from water, electricity, telephone and Internet providers.
- In order to export from Jamaica, registration is required with the Jamaica Promotions Corporation (JAMPRO). JAMPRO will also facilitate additional registration with other support organizations in the export community.

The Companies Office of Jamaica must be notified of the appointment of the directors at the time of [business] incorporation.

APPENDIX II

Registration for Tax Remittance:

All legally registered companies operating in Jamaica must go through the tax registration process. This is necessary even if the company's principals are from a foreign territory and are covered under a Double Taxation Agreement (DTA) with Jamaica.

Apart from taxes on income and capital,

there are other local taxes that a foreign company may be required to pay. Therefore, after registering the company, you must become a registered taxpayer to start up business operations. To do so, you will need to register with the relevant tax departments in order to ensure business compliance. This process is automatically facilitated through the agencies listed below, utilizing Form BRF1, which provides the convenience of “One Stop Registration” in a single location. The Companies Office of Jamaica (COJ) will work with the following agencies to obtain registration for the relevant taxes:

- National Insurance Scheme (NIS) Office for National Insurance Registration
- Tax Administration of Jamaica (TAJ) for Taxpayer Registration Number (TRN) and General Consumption Tax (GCT) Registratio

The company must apply directly to the following institutions to receive the required status/certification:

- National Housing Trust (NHT) to obtain clearance as a registered taxpayer
- Tax Administration of Jamaica (TAJ), for a Tax Compliance Certificate (TCC)

APPENDIX III

Tax Filing Requirements:

The Employer Annual Education Tax and Annual Company Return declarations are both due on January 14.

1. General Consumption Tax is paid on

goods and services by the consumer (individual or corporate) and is applicable at the point of sale/service. Some basic goods such as food items are currently exempt from this tax. The collected GCT is payable on the last day of the following month.

2. All annual income tax estimates, with details of statutory deductions for employees, are to be filed on or before March 15 annually. This is necessary for your company to be reissued a Tax Compliance Certificate (TCC) for each current period. Estimates must be paid quarterly by the 15th of March, June, September and December of each year. Taxes are paid on profits made.
3. N.B.: Returns not filed or filed late shall attract a penalty to be determined by the TAJ.

Income Taxes

The applicable taxes payable to the Government by a business entity in Jamaica are captured below. (Note that some of these are deducted from employee’s salaries by the employer before the employee receives payment).

Minimum Business Tax (MBT)

- Paid annually in two instalments.
- Penalties accrue monthly on all unpaid amounts
- MBT may be used as a credit against income tax liability for that year of assessment

Taxes on Income & Gain

- Income Tax (33 1/3%) for regulated companies¹

1 A regulated company is one which reports to and whose operations are regulated by the following bodies:

- Income Tax (25%) for non-regulated companies²
- General Consumption Tax (16.5%)
- Transfer Tax
- Taxes on Property
- Land/Property Tax and/or
- Asset Tax
- National Housing Trust (contribution to housing development) [2% for employee and 3% for employers]
- Education Tax (contribution to education development) [joint contribution- employee/employer]
- Human Employment and Resource Training (HEART) contribution (contribution to skills training and development) [paid by employers only]

Employee Payroll Taxes:

As an employer in Jamaica, it will be your responsibility to deduct the taxes to be remitted to the Government from your employees' pay and emoluments prior to paying them their salaries. Exceptional cases must be covered by a tax indemnity letter issued to such an employee, along with a 'P24' (if employed on a contractual basis). This employee would be required to file his/her own tax return. As at April 1, 2017 employees are not taxed on the first J\$1,500,096 they earn per annum. This tax break is spread over 12 months. All payroll deductions are scheduled to be paid over to the tax department on the 14th day of each month.

- Pay as You Earn (P.A.Y.E) / Personal Income Tax [above the tax threshold of over \$1.5 million is 30%]
- National Insurance Scheme Tax (contribution to social security) [2.5% paid by employer and employee earning up to \$1,500,000 maximum per year]

Border Taxes and Fees

www.jacustoms.gov.jm

Jamaica currently does not impose any tax on foreign capital and is party to 14 Double Taxation Treaties. As at July 2017, the country has also signed on to 11 Bilateral Investment Treaties. Notwithstanding this, the following list of border taxes may be applicable in certain instances:

- **Import Duty:** This is payable on goods that are imported and the rates are published in the Jamaica Customs Tariff.
- **Common External Tariff:** This is applicable to goods originating within the Caribbean Common Market (CARICOM). These goods are not subject to customs duty but General Consumption Tax (GCT) is still payable.
- **General Consumption Tax (GCT):** This is payable on all goods and services being imported with the exception of those that are zero-rated and those

Bank of Jamaica (BOJ), Financial Services Commission (FSC), Office of Utilities Regulator (OUR), Ministry of Finance & the Public Service

2 An unregulated company is one which is not regulated by any such body.

exempt from GCT. There are also some items that attract a Special Consumption Tax.

- **Standard Compliance Fee:** This is a 0.3% fee that is charged on the Cost Insurance Freight (CIF) value and is collected for the Bureau of Standards Jamaica (BSJ).
- **Customs Administration Fee:** This is a processing fee required for certain documents that are submitted to the Customs Department.
- **Stamp Duty:** This is a postage stamp affixed to receipts with a prescribed CIF value. Receipts above this amount attract a fee.
- **Additional Stamp Duty:** This is applicable to specific items.
- **Environmental Levy:** This is a 0.5% fee calculated on the CIF value of all imports.

Other taxes and fees that may be applicable to your company's operation in Jamaica include:

- Annual Company Registration
- Motor Vehicle Licence and Fitness Taxes
- Document Taxes
- Stamp Tax on authorized share capital
- Property Tax
- Guest Accommodation Room Tax (Applicable to all operators of guest accommodations)

Facilitation of Tax payments

An electronic platform has been created with the TAJ. This system now allows for taxes to be paid online and has started to facilitate greater ease in doing business locally. This has resulted in a more efficient collection of taxes, and subsequently improved the timeliness and volume of revenues available to government to conduct the country's affairs.



HEAD OFFICE

18 Trafalgar Road
Kingston 10, Jamaica W.I.
Phone: +1 876 978 7755; 876 987 3337
Toll Free: +1 888 INVESTJA, 468 4352 (Local)
+1 876 946-0090
Email: info@jamprocorp.com

WESTERN REGIONAL OFFICE

Montego Bay Convention Centre
Rose Hall, Montego Bay
St. James, Jamaica W.I.
Phone: +1 876 952 3420
Fax: +1 876 952 1384
Email: jampromobay@jamprocorp.com

NORTH AMERICAN REGIONAL OFFICE

767 3rd Avenue, Second Floor
New York, NY 10017, USA
Tel: 646 213 0101
Email: jampronewyork@jamprocorp.com

303 Eglinton Avenue East, 2nd Floor
Toronto, Ontario, M4P 1L3, Canada
Phone: 416 932 2200 (main) 416 598 3008
Fax: 416 932 2207
toll-Free: 1 877 744 2208
Email: jamprocanada@jamprocorp.com

EUROPEAN REGIONAL OFFICE

1 Prince Consort Road
London SW7 2BZ, England
Phone: + 44 20 7 584 8894
Fax: + 44 20 7 823 9886
Email: jamprouk@jamprocorp.com



www.tradeandinvestjamaica.org

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