

Republic of the Marshall Islands

...THE next Investment Destination

1. RMI Investment Incentives

A. Any new businesses shall be exempt from paying Gross Revenue Tax for a period of five (5) years from the date of commencement of business provided the new business satisfies the following conditions:

- New investment made is at least US \$1,000,000; and/or local wages paid to local Marshallese is over US \$150,000;
- The new business involves one or more of the following:
 - off-shore or deep sea fishing;
 - manufacturing industry for export or for both export and local use;
 - agriculture; and
 - hotel and resort facilities

B. A consortium formed for the purpose of engaging in deep seabed hard mineral mining

within the Republic of the Marshall Islands (RMI) shall be exempt from any and all taxes, duties, imposts and charges (except for taxes imposed on wages and salaries, individual income tax, and social security contributions) subject to the following:

- That the consortium pays to the Government of the RMI a royalty, production charge, or combination of production charge and a share of net proceeds accruing from such deep seabed mining activity.

C. GRT tax exemption will be applied to the revenue of a non-resident person earned in the RMI from the operation of a ship in international traffic, if the country where the non-resident person resides grants similar tax relief to a person who is a resident of the Marshall Islands.

D. Zero rate duty for local manufacturing businesses on imported input supplies and materials for domestic or export markets.

2. Corporate Tax and Personal Tax

Gross Revenue tax is 3%.

Salary tax rate is eight percent (8%) upon the first \$10,400, and twelve percent (12%) upon the amount over \$10,400.

3. Customs Duty Rates

A uniform duty rate of 8% on all imports is levied except for the following:

AD VALOREM, SPECIFIC OR UNIT TAXES

Product	Current
1. Foodstuffs	5%
Fuel:	
2. Gasoline	0.25 cents per gallon
3. Jet A-1	0.08 cents per gallon
4. Diesel	0.08 cents per gallon
Other:	
5. Motor Vehicles (whose values can be determined in the Kelly's Blue Book	15% of value stated in the Kelly's Blue Book or of accompanying invoice, whichever is higher, provided that in no case shall the duty assessed be less than \$1,500.00.
6. Motor Vehicles (whose value cannot be determined in the Kelly's Blue Book.	New Motor Vehicles - \$2,500.00 Used Motor Vehicles - \$1,500.00

4. Import / Export Check List

- Foreign Investment Business License (FIBL) issued by Revenue & Taxation Division.
- Local Government import/export license.
- For animal and plant products, contact Quarantine Division.
- For Freon (gas) and persistent organic pollutants, contact Environmental Protection Authority.
- For sea/marine product, contact Marshall Islands Marine Resources and Authority.

Please contact the Office of Commerce and Investment for further inquiries.

5. Contacts

Given below are the contacts in relation to the check list in Section 4 above:

- 4(a): Office of Commerce and Investment
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