

**Decision of the Council of Ministers No. (1) of 2020 on
The Incentive Package Contract
for the Jordan Valley and So-Called Area (C)**

The Council of Ministers,

Based on the provisions of the Amended Basic Law of 2003 and its Amendments, the provisions of the Law on the encouragement of Investment in Palestine No. (1) of 1998 and its Amendments, and the provisions of the Council of Minister Decision No. (4) of 2015 on Investment Promotion Regulation;

Based on the recommendation of the Minister of National Economy/ Chairperson of the Board of the Palestinian Investment Promotion Agency (PIPA);

Based on the powers vested in us, and

In pursuit of the public interest,

The Council of Ministers, in its session on June 15, 2020, has decided the following:

Article (1)

The Jordan Valley and so-called Area C shall be identified as priority development areas (PDAs), whereas a ministerial committee, consisting of the Minister of National Economy, the Minister of Agriculture and the Minister of Labor, shall be responsible for identifying the approved areas to benefit from the incentive package stated herein.

Article (2)

1. Projects in PDAs shall benefit from tax incentives stated in the Law on the Encouragement of Investment in Palestine No. (1) of 1998 and its amendments, as well as a five- year tax incentive as per the applicable tax bracket for the project in line with the provisions of the law, as follows:
 - a. New, ongoing or developed projects within the range of the approved area; and
 - b. Projects benefiting from the law, which moves its activities to the approved area.
2. All projects within the approved area shall be treated as finance programs for small business encouragement in line with the Income Tax Law and its amendments.

Article (3)

An application to benefit from the incentives stated in article (2) herein shall be submitted, given that the following requirements shall be fulfilled:

1. Obtaining required licenses from the competent bodies.
2. Fulfillment of all conditions stipulated in the law, regulations and directives issued in this regard.
3. Recruitment of new employees and keeping them during the period of benefiting from the incentives, in line with the instructions of the Board of PIPA.

Article (4)

Applications to benefit from the incentives stated in Article (2) herein shall be submitted throughout the term of the decision.

Article (5)

PIPA shall collect an annual sum of (140) Jordanian Dinars, or its equivalent in local currency, in return for benefiting from the incentives, given that these charges shall be transferred to the account of the state treasury.

Article (6)

1. The provisions of this Decision shall be applicable for a term of three years, starting from the date of its issuance.
2. The Council of Ministers shall be entitled to extend applicability of this decision based on the recommendation of the Board of PIPA.
3. The additional incentives, herein listed, shall be applied for all projects operating in the approved area registered at PIPA, as of January 1, 2020.

Article (7)

All and any provisions that contravene this decision shall be repealed.

Article (8)

All concerned parties, each within their jurisdiction, shall implement the provisions of this decision, and it shall enter into force from the date of issuance, and shall be published in the Official Gazette.

Issued in the city of Ramallah, on 15/06/2020
Corresponding to Shawwal 24, 1441 AH

Dr. Mohammad Shtayeh
Prime Minister