GOVERNMENT OF JAMAICA

PRIORITY AREAS FOR INVESTMENT

BOOK#1
SUBMITTED TO AND REVIEWED BY:
The International Organization for Migration (IOM) and the Ministry of Foreign Affairs and Foreign Trade Kingston, Jamaica

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INTRODUCTION

Welcome to the Investment Toolkit for the Jamaican Diaspora which was collaboratively produced by the International Organization for Migration (IOM) Jamaica mission, and the Government of Jamaica (GoJ) to coincide with the Government’s efforts to effectively and sustainably engage its diaspora. For two years (2013-2015), IOM and the GoJ vigorously engaged in a project called “Mapping Jamaica’s Diaspora” that aimed to, among other things, gather information regarding the needs, concerns, skills and interests of diaspora members in contributing to the development of the country. Following an assessment of the information obtained, the GoJ has tailored its engagement initiatives to address the expressed needs and interests of the diaspora, whilst aligning same with the development priorities of the country. Hence, the birth of this three-part Investment Toolkit. As the name suggests, the Investment Toolkit for the Jamaican Diaspora is an easy to use, non-exhaustive guide for potential investors of the diaspora, seeking information regarding the investment climate in Jamaica and how to maneuver the business startup terrain. Here we have book one: Government of Jamaica Priority Areas For Investment. As you scroll through the pages, you will be apprised of investment opportunities in Jamaica and the incentives available should you decide to invest in any of our cited priority sectors. Following this checkpoint, you are welcome to board our ‘investment tour bus’, with the final destination being the doorsteps to your business.

Book two, Investment Support Services, explains the necessity of consultations during the pre-startup stage of establishing a business and references the procedures that must be followed in order to avoid potential pitfalls. Importantly also, on this tour bus, you will be made aware of the network of Government institutions that should be included in the startup process of your business or investment initiative(s). Armoured with the aforesaid information, the tour ends at the doorsteps to your business. In book three, A Guide to investing in Jamaica, you will be given detailed guidance regarding setting up your business or investing in Jamaica. By following the steps presented, you will successfully be opening the doors to your business. So, why should you invest in Jamaica? Let’s explore instalment one –
Incentives for Diaspora Investment

According to the businessdictionary.com, investment means the creation of capital or goods capable of producing other goods and services. The website cites two classes of investments, fixed income and variable income investments. Fixed income investment refers to for example investments in bonds and fixed deposits and variable income to investments in business (equities) or property ownership.

Global investor interest is high arising from the current efforts of the Government of Jamaica to position the island as the next global logistics hub, a move that has won the support of the local Private Sector of indigenous and multinational players.

The goal is to transform the Jamaican business landscape to accommodate more international players seeking to locate their operations to a pro-business destination that offers a strong competitive advantage through unique raw material inputs, strategic market access and lower operational costs. An added advantage is Jamaica's extraordinary track record and experience in accommodating large-scale global investments, primarily through JAMPRO, highly regarded as a leading investment promotion agency (IPA) in the Latin America and Caribbean (LAC) region.

Jamaica's diversified market economy has accommodated over US$6 billion in foreign direct investments (FDI) over the past 10 years, mainly attributable to expanding investments in Business Process Outsourcing (BPO) and Tourism. Investment opportunities are also available in traditional sectors like Agribusiness, Mining, Energy and Manufacturing, as well as areas like Logistics, Medical Tourism, and the Animation Arts, one of the many expressions of Jamaica's rich Creative Industries.
Jamaica is the third largest English-speaking country in the Western Hemisphere. According to JAMPRO Jamaica has much to offer including:

- Well-developed infrastructure with world-class highways, airports and seaports;
- Robust telecommunications infrastructure;
- Vibrant and stable democracy with elections held every five years;
- Strong air connectivity – Frequent flights to major gateways worldwide;
- Impressive sea connectivity – number one transshipment port in the region;
- Near shore advantage – Located within a 4-hour flight radius of 500 million people;
- Tertiary educated work force;
- Stable Economy primed for growth;
- Vibrant Main & Junior stock exchange;

It is hoped that this Toolkit, which is a compilation of relevant information in the public domain, will assist the Diaspora to navigate the investment environment in Jamaica and encourage investment.
Potential Areas of Investment

Agriculture/Agro-Business Sector
According to the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF), the agro-park programme is planning to facilitate some 8,000 acres of land being put into agricultural production through the establishment of seven agro parks strategically placed across the island. With roughly 516,000 acres of arable land in the country, there are tremendous opportunities for investors in Jamaica’s agriculture sector to serve domestic needs as well as export markets. The agro parks concept revolves around a tripartite arrangement under which Government provides pre-production infrastructure such as irrigation, land clearing, drainage, and access roads. The programme will, among other things, stabilize the agricultural supply chain, thereby facilitating the linkage between agriculture and tourism as well as agro-processing. Jamaica has strong farming traditions that are supported by an enabling environment and an abundance of well-trained personnel. The new millennium agricultural landscape for Jamaica is one of diversification, niche marketing and value-added products. Growth in the sector will require strong public-private partnership that is research-oriented, market-driven and export-led.

Opportunities

Specific opportunities along the supply chain include:
- Cultivation of crops for sale to agro-processors, stores, hotels, retail trade and/or export.
- Building out of packing houses/consolidators to provide distribution services.
- Provision of cold storage facilities for a wide range of products including fresh produce, flash-frozen food items and meats.
- Manufacturing of intermediate products such as purée and mash.

High Demand Agricultural Products

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotch Bonnet Pepper</td>
<td>Rated among the hottest in the world (up to 325,000 Scoville units).</td>
</tr>
<tr>
<td>Jamaican Ginger</td>
<td>Considered among the world’s best.</td>
</tr>
<tr>
<td>Pimento</td>
<td>Globally recognized for it’s high quality and oil content (4% volatile oil)</td>
</tr>
<tr>
<td>Cocoa</td>
<td>Jamaica is one of eight exclusive producer of fine/ flavoured cocoa</td>
</tr>
<tr>
<td>Blue Mountain Coffee</td>
<td>Premium product on the world market</td>
</tr>
<tr>
<td>Yam</td>
<td>Jamaica is one of the largest exporters of yam in the world</td>
</tr>
<tr>
<td>Honey</td>
<td>Large gap between international demand &amp; supply</td>
</tr>
</tbody>
</table>
Incentives

- Employment Tax Credit (ETC)

Capital Allowances Duty-free Importation of Equipment and Machinery
Productive Input Relief (PIR)

Concession on specific vehicles, where farmers registered with their local Rural Agriculture Development Authority (RADA), are able to access a concession on specific vehicles for farming purposes once in every five (5) years. Eligible vehicles include Toyota Hilux, Nissan Frontier, Ford Trucks other than F150s.

Source of Information and for more information you may visit the websites for the Ministry of Agriculture and JAMPRO at: http://www.moa.gov.jm/ and http://www.jamaicatradeandinvest.org/investment/sectors/agriculture/opportunities

Tourism

Jamaica’s strong value proposition and global brand equity combine to make it an ideal location for business interests looking to invest in tourism. In addition to providing the traditional offerings of sun, sand and sea, Jamaica also has a wealth of attractions that showcase the island's distinct culture, history and natural resources. According to the Jamaica Tourist Board. Preliminary estimates suggest that a record 3.8 million tourists visited Jamaica in 2016, an increase over the 3.2 million arrivals (2 million stopover and 1.2 million cruise passengers) in the previous year that contributed US$2 billion to the local economy. The sector has benefited from significant levels of foreign direct investment (FDI) in the last decade and a half, particularly in the accommodations sub-sector. There are currently over 20,000 rooms island wide in properties ranging from economical lodgings to boutique hotels and luxurious international five-star resorts.

Opportunities

While Jamaica’s tourism industry continues to enjoy growth in the traditional segments of leisure and attractions, exciting opportunities are emerging from new segments such as boutique and city hotels and health and wellness. Investors are welcome to explore the opportunities in the following areas:

Entertainment and Sports Tourism

Jamaica is typically known for ‘sand, sea and sun’, but the island also plays host to music and food festivals as well as sporting events that enhance the travel experience throughout the year. Increasingly, tourists are travelling for the sole purpose of attending events such as Reggae Sumfest, Rebel Salute, Jazz and
Blues Festival, Jamaica International Invitational Meets and the ISSA Boys & Girls Championships. The staging of such events represents an excellent opportunity for business interests. Jamaica’s rich track and field heritage, more so with the emergence of Usain Bolt, Shelly Ann Fraser-Pryce and others, that has definitely opened more doors for sports tourism. We now see several overseas athletes from around the world coming to Jamaica to train for extended periods, which presents small bed and breakfast hoteliers with an excellent opportunity to increase their occupancy.
Eco-tourism attractions

Jamaica’s lush bio-diversity makes it one of the best eco-tourism destinations in the Caribbean. The landscape provides the opportunity for investments in attractions with soft adventure, hiking trails and zip-line rides.

Jamaica Tourist Board (JTB) licensed Attractions benefit from the following incentives as is outlined on JAMPRO’s website: [http://www.jamaicatradeandinvest.org/faqs/how-do-tourism-attractions-benefit-under-omnibus-incentives-framework](http://www.jamaicatradeandinvest.org/faqs/how-do-tourism-attractions-benefit-under-omnibus-incentives-framework)

- Employment Tax Credit (ETC)
- Capital Allowances
- Duty-free Importation of Equipment and Machinery,
- Productive Input Relief (PIR)

Tourism Attraction projects can also benefit under the Income Tax Relief (Mega Projects and Pioneer Industries) Act, where they qualify, for an attractive rate under the Employment Tax Credit (ETC) system.

Medical Tourism

In the area of medical tourism, Jamaica is poised to attract value-added investments based on the quality of its human capital and its proximity to US - the world’s largest potential market for medical tourist. Jamaica was ranked second in the category of attractiveness in the 2014 Medical Tourism Index (MTI) released by International Healthcare Research Centre, a US-based non-profit. Grupo Hospiten, an international network of private hospitals are currently investing in Jamaica’s medical tourism sector. The global health and wellness tourism sector is currently valued at over US$600 billion, according to market analysis company Euromonitor International. Jamaica is ideally poised to attract value-added investments in this area, given the availability of quality medical professionals and the island’s proximity to US - the world’s largest potential market for medical tourist.

Opportunities exist for the establishment of diagnostic facilities, general hospital facilities and/or specialized facilities to cater to the medical tourist.
Wellness Tourism

Jamaica’s well-established tourism industry provides an appealing backdrop for renewal, rejuvenation and relaxation. The island’s natural beauty is complemented by an abundance of medicinal herbs and healing springs. Among the opportunities available in this tourism sub-sector are retirement villages and spas.

Education Tourism

The Study Jamaica programme allows international students to experience the essence of Jamaica (culture, art, lifestyle) while pursuing their education. JAMPRO reports, that several local institutions have already attracted and enrolled international students for their English Language Training, Undergraduate and Post graduate Degrees and Diploma programmes, as well as inventive short courses. Some of the institutions currently participating in this programme include:

- The University of Technology which launched its Faculty of Law, on September 18, 2008 and now offers a Bachelor of Laws (LLB) degree. Students have the opportunity of completing the degree programme in three years (fulltime) or in four years (part time). Taught by a cadre of local and international experts with interdisciplinary training and experience, the programme is delivered through lecture, tutorials, casebook methods, research, seminars and moots. Additionally, this university is well-known for producing a cadre of world-class athletes, a number of them Olympians.

- The University of the West Indies (UWI) is one of the most prestigious in the Caribbean. This University has four campuses; one in St. Augustine, Trinidad and Tobago, one in Cave Hill Barbados, Kingston Jamaica and Montego Bay Jamaica. It is the largest University in the English speaking Caribbean and the only one with institutional accreditation. The campus in Mona is the oldest and largest of the four campuses and has remained the seat of the central administration for the University.
• The University of the Commonwealth Caribbean (UCC) formerly known as the University College of the Caribbean was established in Kingston Jamaica in 2004 and is Jamaica’s largest non-affiliated University. Since 2005, it has partnered with several overseas universities to offer several degree programmes. Specifically, the UCC has partnered with the University of London to offer a Diploma in Law and a Bachelor of Laws Degree. Other partnerships with the Florida International University, the University of Florida and the Florida State University have resulted in programmes in business, engineering and information technology.

For source and additional information please visit http://www.jamaicatradeandinvest.org/sites/default/files/resources/StudyJamaicaBrochure.pdf and http://www.utechjamaica.edu.jm/admissions/undergraduate-students-handbook

Timeshare Tourism

In 2016, the Government of Jamaica operationalized Timeshare regulations which allowed for the development of timeshare properties in Jamaica. The introduction of this legislation will position Jamaica as one of the newest destinations for timeshare opportunities within the region.

Incentives

• Entities operating under the Hotels (Incentives) Act and the Resort Cottages (Incentives) Act which elect to operate under the new incentive regime will continue to enjoy a special General Consumption Tax rate of 10%.

• Employers’ Tax Credit (ETC) – investors could benefit from corporate income tax rates capped at 30% of income tax liability. Corporate income tax could however be as low as 17.5%.

• Duty-free Importation of Equipment and Machinery – persons operating within the sector can benefit from duty free importation of industry-related consumer goods, as well as revised tariff rates ranging from 0% to no higher than 20% (with some exceptions).

• Productive Input Relief (PIR) – the sector will benefit from duty free importation of certain industry-related items that would have normally attracted customs duties and the Additional Stamp Duty (ASD) when these are being purchased for productive use. It will also be exempted from environmental levy on productive inputs.

• Capital Allowances – the legislation has broadened the definition of ‘industrial buildings’, allowing players in the sector to benefit from additional Capital Allowance incentives.
Business Process Outsourcing (BPO) /Information, Communication & Technology

The Business Process Outsourcing sector continues to be a significant provider of jobs and is expected to contribute thousands of jobs over the coming years. There are currently 36 companies that offer call centre and BPO services in the country and among these firms are formidable global industry players such as Xerox, Teleperformance, Vistaprint, Hinduja Global Solutions and Sutherland Global Services.

The government continues to provide strong support for the sector through initiatives such as the Information and Communications Technology (ICT)/BPO loan facility for the build out of office space and HEART Trust/NTA training programmes tailored to meet the labour needs of the rapidly growing industry. 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.

In 2017 country was ranked 45th on the A.T. Kearney Global Services.

Opportunities

- Voice-driven Services: At least 75% of the local industry is focused on voice-driven services, which represent a highly attractive investment option based on the neutral accent of Jamaicans and the country’s cultural compatibility with the North American market.
• Business Process Outsourcing: With cost-competitive and talented labour and an increasing output of business, economics and accounting professionals, Jamaica provides the ideal platform for companies seeking to establish a BPO facility to support areas such as Healthcare, Finance and Accounting, Insurance and Human Resources.

• Knowledge Process Outsourcing (KPO): Moving even higher up the value chain, notable annual increases in professional degrees such as law, medical sciences, computer science and engineering provide the perfect landscape to tap into Knowledge Process Outsourcing.

• Legal Processing Outsourcing (LPO): Home to the Norman Manley Law School at the University of the West Indies (UWI), Jamaica in an excellent position to attract outsourcing contracts in this area.

• Software Development, Testing and Maintenance: Jamaica’s demonstrable record in IT innovation in the Microsoft Imagine Cup and increased graduate output from computing, informatics and engineering programmes set the stage for advanced software.

Incentives

Jamaica provides a comprehensive set of incentives for investors in the BPO sector. The two main incentives are the Special Economic Zone (SEZ) and the Group Head Headquarters.

For additional information please visit:
http://www.jamaicatradeandinvest.org/investment/sectors/ict/incentives

Energy

The Jamaican energy landscape is dominated by the Jamaica Public Service company (JPSCo), which has a monopoly on transmission and distribution and is the largest energy supplier. The energy sector, a critical area for the country’s competitiveness, will see significant investments over the medium term in renewable/ alternative energy technologies. The Government’s commitment to fulfilling the country’s energy resource potential is being advanced by the National Energy Policy, Vision 2030. The primary objective of the Government is to diversify the national energy supply into a mix of
energy sources that includes any combination of petroleum coke (petcoke), coal, natural gas and renewables. In the area of renewables, sources such as solar/photovoltaic, wind, hydro, biofuels/biomass and waste to energy solutions are being explored.

**Conventional Fuels Power Plant (Up to 15MW non-bid for national grid)** - Investors may establish a generation facility of no more than 15MW for the supply of electricity to the national grid on a non-competitive basis.

**Private Generation Projects** – Within this deregulated generation environment, there are private sector companies exploring projects for generating energy for their own consumption, which presents opportunities for joint ventures or financing.

**Fuel Sector** - The main fuels used for the transportation sector in Jamaica are gasoline and diesel. Liquid Petroleum Gas (LPG) is also used in household and commercial applications for cooking and baking. It is also used to power forklifts in factories.

**Exploration** – With evidence of the presence of hydrocarbons based on drilling in exploration wells, Jamaica presents investors with the opportunity to explore the country’s potential for important commercial finds of both oil and gas.

**Incentives**

The Jamaica Export Free Zone Act allows companies designated with the Free Zone status to import items free of customs duty, value-added tax (called the General Consumption Tax – GCT) and other port related taxes and charges for an indeterminate period.

There are five Jamaican Free Zones: Kingston Free Zone (KFZ), Montego Bay Free Zone (MBFZ), Garmex Free Zone, Hayes Free Zone, Cazoumar Free Zone

**Urban Renewal (Tax Relief) Act**

This Act provides a framework for granting incentives to investors who refurbish, renovate and or rehabilitate land or buildings in Special Development Areas. Investment Tax Credit of 33.3% can be enjoyed on capital sums invested for the improvement to property (buildings, parking facilities, landscaping and facade improvements) during the incentive period. Full relief from income tax on any rental/lease from the improved property during the incentive period. Additionally, during the incentive period, every transfer of title to any improved property, property to be improved, or lands, by an approved developer, is exempted from transfer tax and stamp duty.

**The Export Industry Encouragement Act**

Manufacturers or exporters of manufactured products exclusively for sale outside of Jamaica and other CARICOM countries receive 10 years of income tax relief plus exemptions on duty for imported machinery and raw materials.
The Modernisation of Industry Programme

This Act allows for tax breaks on Capital Equipment for implementing productivity-oriented processes.

The Industrial Incentives Act

This Act applies to companies that produce goods principally for sale on the Jamaican market. If the business is a manufacturer of an ‘approved product’ in an ‘approved enterprise’, then the producer may be exempt from the payment of income tax for a period of time, contingent on the merchandise.

For source and additional information please visit: http://mset.gov.jm/incentives

Logistics Hub

In light of the expansion of the Panama Canal in 2016, the Government of Jamaica has embarked on the Global Logistics Hub Initiative (GLHI) which aims to position Jamaica as the fourth global logistics node. It is also expected that the logistics hub initiative will stimulate job creation, increased investments and economic growth. The Jamaica Logistics Hub will include:

- Maritime and air cargo logistics hubs;

- Strategic storage, handling and processing points for bulk commodities;

- Expansive special economic zones facilitating assembly, warehousing, sorting, distribution and other value-added services, particularly for industries catering to time-sensitive and high-value cargo;

- Aviation-related maintenance repair and overhaul, ship repair and dry docking;

- A robust digital network to support efficient global value chain tracking and tracing, as well as e-commerce operations.
Opportunities

In preparation for the Jamaica Logistics Hub, the Government has proposed and, in some instances has started implementing several cornerstone projects. These projects represent investment opportunities for the diaspora and include:

- Expanding Port Facilities (to include the Port of Kingston, Fort Augusta and Gordon Cay)
- Caymanas Economic Zone
- Developing a dry dock facility at Jackson Bay
- The development of Cow Bay Port as a commodity port in St Thomas
- Vernamfield Aerodrome and Cargo Facility
- Emboldening the capacity of the Norman Manley International Airport & Aerodromes
- The revival of Jamaica Railway

Furthermore, the creation or upgrading of public and private infrastructure will present opportunities for financing, partnerships and a range of professional services. The proposition of utilizing Jamaica as a key destination for “Manufacturing for Export” and “Warehouse and Distribution” will be significantly enhanced. Opportunities will also present itself in distribution services, consolidation/deconsolidation, storage, inventory management, shipment scheduling, order processing, product sub-assembly, packing and labeling; retail and consumer products, dry docking, ship repair and bunkering services. The automobile industry will also become a major investment vehicle.

For source and additional information, please reference JAMPRO at: http://www.jamaicatradeandinvest.org/investment/sectors/logistics/opportunities/publictions
Manufacturing Assembly

“In Jamaica, manufacturing accounts for 19 per cent of total employment, US $723 million in exports and 8.3% of GDP.” (JAMPRO, 2016) The sector comprises more than 1000 companies, with electronics assembly and fabrication being identified as emerging sub-sectors of this market.

Industry Highlights

Jamaica is richly endowed with a talented pool of trained and trainable individuals. The country is also located in close proximity to the North American market, making it an ideal candidate to establish electronics assembly plants. In light of this potential competitive advantage, the Government is committed to providing and/or enhancing the necessary infrastructure and incentives that will yield the following benefits to investors:

- Lower production cost
- Reduced design and development costs and lead time
- An Educated workforce
- Modern and advanced telecommunication Infrastructure
- Lower capital investment requirements and fixed costs
- Access to worldwide design, engineering, manufacturing and after-market service capabilities

Opportunities

- System Assembly & Manufacturing – Printed Circuit Board assembly.
- Component Business – Cell Phone, Chargers, Tablets etc.

Incentives

Manufacturing companies can benefit from the following incentives:

- Employment Tax Credit (ETC) and thus face an effective corporate income tax rate as low as 17.5%.
- Capital Allowances that cover, among other things, a broadened definition of ‘industrial buildings’.
- Duty-free Importation of Equipment and Machinery, as well as revised tariff rates ranging from 0% to no higher than 20% (with some exceptions).
- Productive Input Relief (PIR) that provides for duty free importation of certain manufacturing industry-related items that would have normally attracted customs duties and the Additional Stamp Duty (ASD) when these are being purchased for productive use.
- Manufacturing projects can also benefit under the Income Tax Relief (Large-Scale Projects and Pioneer Industries) Act, where they qualify for an attractive rate under the ETC system.
Creative Industries

The creative industries are those sectors that are born out of individual creativity, skill and talent and have the potential for wealth and job creation through the generation and exploitation of intellectual property. Chief among the core areas encompassed by the creative industries are film, music, fashion and sports.

The creative sector is the third largest contributor to GDP, and has a significant multiplier effect on the Jamaican economy through seamless linkages with other industries such as tourism and manufacturing. While music has traditionally been Jamaica’s most exportable creative product, the film and fashion sectors are experiencing rapid development, and demonstrate huge economic potential for the future.

Opportunities in Film

In addition to the initiatives of the Government to improve the film industry of the creative sector, a number of opportunities remain open to investment by diaspora members. These include:

- The production of local movies and documentaries
- Production equipment rental
- Development of film and animation studios
- Film distribution and marketing
- Sound Stages

For source and additional information please visit JAMPRO’s website at: http://www.jamaicatradeandinvest.org/faqs/how-can-manufacturing-sector-benefit-under-omnibus-incentives
**Opportunities in Music**

Similarly, investors have the opportunity to contribute to Jamaica’s music industry through a number of means as will be discussed below. Annual music concerts and festivals such as Rebel Salute, Sting, Jamaica Jazz and Blues Festival, and Reggae Sumfest continue to be a significant source of revenue for Jamaica. Reggae Sumfest attracts over 30,000 visitors who come specifically to attend the six-day music festival featuring the world’s biggest reggae artists. As a result of these events, it is often found that most nearby hotels are fully occupied during these periods, and the tourism spend is a boost to the economy. Strategic investment in the music industry, closely aligned with tourism development, has the potential to generate more revenue from these entertainment events.

**Cannabis**

In the year 2015, the Government of Jamaica decriminalized the use of ganja in the country. Since then, various investment opportunities have presented itself within the different facets of Ganja industry. These opportunities range from research and development to cultivation, retail and transportation, which are the 4 main areas in which licenses are granted.

The Cannabis Licensing Authority (CLA), an agency of the Ministry of Industry, Commerce, Agriculture and Fisheries, was established in 2015 under the Dangerous Drug (Amendment) Act, with a specific role to establish and regulate Jamaica’s legal ganja and hemp industry. The CLA’s mandate is:

- To create regulations to guide the development of an orderly legal ganja and hemp industry in Jamaica, for the use of the plant and its by-products for medical, therapeutic and scientific purposes;
- To ensure that regulations created and activities within the industry are in keeping with Jamaica’s international obligations;
- To issue licenses, permits and authorisation for the handling of hemp and ganja.
Opportunities

There are many investment opportunities to be had from the Cannabis Industry. As an investor, the opportunity is yours to contribute to the industry in any of the following ways:

• **Cannabis Producers** – The legal growth of the plant stands as a viable option for investors.

• **Cannabis Processor** – You can explore investing in the production of the plant for medical or recreational use. Marijuana edibles such as cakes and candies have been on the rise in recent years, penetrating both local and international markets. However, the processing of edibles does not come without its fair share of regulations. Contact the CLA, before you act for further information.

The cannabis plant may also be used as an ingredient in the development of beauty products such as soaps and lotions. It is important to note however that the concentrates of marijuana are potent substances and as such, will require you to have special skills and a license to be able to produce same. Before you act, contact the CLA for further information.

Aside from the actual marijuana products, you may also look into potentially building a business around selling marijuana-based or inspired accessories such as glass vessels, papers and trays.

• **Cannabis Retailer** – In addition to the sale of cannabis based products, should you possess the necessary equipment for the transportation of cannabis products, you can potentially offer your services in the delivery part of the cannabis production and sale process.
• Industry-Specific Consultant – Beyond the market of cannabis products, if you possess the requisite skills and expertise in the cannabis industry, the option is also yours to provide consulting services to the growing number of entrepreneurs and perspective entrepreneurs in the market.

• Specialty Lodging – The option is also available for you to delve into the service based subsector of the cannabis industry. The potentialities exist for you to invest in a hotel or lodging business, attributable to the tourism industry, where you offer cannabis products to appeal to a specific customer base.

For more information you are invited to visit the CLA’s website at: http://cla.org.jm

Redevelopment of Major Towns

The Urban Development Corporation (UDC), Jamaica’s state development agency, is presently seeking partners and investors with the financial resources, development experience and management expertise for billions in assets which it owns and some of which it intends to sell. These assets are located across the island; however, focus is currently centered on the towns of Runaway Bay, Montego Bay, Portmore and downtown Kingston.

It is expected that these redevelopment projects will create investment opportunities in a multiplicity of areas ranging from construction, transportation, lodgings, food and beverage and entertainment. The Downtown Kingston Redevelopment Project for example is proposed to include:

• The Musson’s West Kingston Business Park;
• Coronation Market;
• Kingston Lifestyles Plaza;
• The Railway Station Museum;
• Micro-brewery, Restaurant and Beer Garden;
• B&D Trawling Seafood Market and Processing Centre;
• Water-Front Entertainment Park;
• Culture Hub Social Enterprise in Trench Town; and
• Pan-Jam Boutique Hotel and Business Centre.

Incentives

On offer by the development agency are a range of incentives which are intended to improve returns for investors. Under the Tax Incentive Programme (TIP), tax reliefs are offered to companies or individuals undertaking capital investments in either land or buildings of 33.3 per cent. These can be residential or commercial holdings. Other incentives include, tax-free rental income, exemption from transfer tax and stamp duty, and tax-free urban renewal bonds.

For Source and additional information kindly visit the website belonging to the UDC:
http://www.udcja.com/tax-incentive-programme-aids-downtown-re-development-plan
http://www.jamaicaobserver.com/business/UDC-refloats-incentives-for-urban-renewal-projects_89054

Omnibus Fiscal Incentives Framework

In 2014, the GoJ embarked on a comprehensive tax reform process that featured the establishment of the Omnibus Fiscal Incentives. The introduction of this new regime was on the basis of creating a more transparent and automatic fiscal incentive framework where eligibility was premised on the productive activity of companies operating in Jamaica versus sector alignment. The aim of the new legislation is to increase business competitiveness within the country based on performance.

This new omnibus fiscal incentives framework provides for varying levels of relief in respect of customs duties, additional stamp duties and corporate income tax. These benefits are granted via the following four (4) specific pieces of legislation:
1) *The Fiscal Incentives Act*
This is targeted at small and medium-sized businesses and provides for the reduction of the effective corporate income tax rate by applying:
- An ETC at a maximum value of 30%.
- A Capital Allowance applicable to a broadened definition of industrial buildings.

2) *The Income Tax Relief (Large-Scale Projects and Pioneer Industries) Act*
This is targeted at large-scale and/or pioneering projects and provides for an improved and more attractive rate for the ETC. Projects to be designated either as large-scale or pioneer will be based on the decision of Parliament having been informed by an Economic Impact Assessment.

3) *Revised Customs Tariff*
Major revisions to the Customs Tariff include the general lowering of the tariff rates as well as the introduction of the Productive Inputs Relief. The Productive Inputs relief allows some producers and service providers relief from customs duty and additional stamp duty on the importation of certain ‘productive inputs’, in addition to capital equipment and machinery.

4) *Revised Stamp Duty Act*
Targeted at the manufacturing sector, this piece of legislation provides stamp duty exemption on raw materials and non-consumer goods.
Repatriation of Profits

The double taxation agreement between Jamaica and its partner countries protect foreign investors from the burden of being taxed on income in the home country (where the business principals reside) and also in Jamaica. In some cases investors are exempted from paying taxes on income and/or capital in both states depending on the terms of the agreement between countries.

It is also important to note that investors can move funds across borders freely without hassle. Also with the advent of the Junior Stock Exchange (JSE) - investors are now incentivized by mean of tax breaks to list their company on the exchange. This also provides the investor with the perfect opportunity to exit his investment position at a profit determined by the market.

For source and additional information, kindly visit the following website:
http://www.jamaicatradeandinvest.org/faq-page/40#t40n302
Philanthropy

How to Invest in a Charitable Venture in Education

Before you act, contact the National Education Trust (NET). NET is a charitable organization that was established by the Ministry of Education, Youth and Information (MOEYI) to enable and maintain investments in the education sector. NET is responsible for developing and nurturing relationships with development partners and stakeholders, and amongst other things, fulfilling the following purposes:

• Act as the agency for the MOEYI, through which the government executes its strategic objectives in enabling and maintaining investments in the education sector;

• Implementing and manage the National Education Endowment Fund;

• Act as an agency through which the Government interfaces with local, regional and international funding organizations to finance the public education system;

• Increase national institutional capacity to undertake education infrastructure development projects;

• Plan and execute a national programme for education infrastructure and development projects;

• Provide a credible and accountable institutional framework for soliciting, directing, coordinating and facilitating philanthropic efforts to the education sector;

• Stimulate and encourage the involvement of organizations with the public and private sectors in the development of education in Jamaica;

• Promote service, charity and volunteerism towards the education sector;

• Act as the local point for interfacing with the Jamaican diaspora on issues pertaining to education and national development.

You may contact the NET by any of the following means for specific information regarding how to invest in education in Jamaica:

Direct visit: Caenwood Centre, 37 Arnold Road, Kingston 5.
Telephone: (876) 967-9007.

Email: info@net.org.jm • Facebook: @netjamaica • Twitter: netjamaica
Instagram: net_jamaica
How to charitably invest in the Health Sector

The Health for Life and Wellness Foundation Limited is a registered charitable organization that is dedicated to providing a coordinated and efficient channel for discussions and donations between charitable entities, individuals and organizations, and the Ministry of Health facilities.

The main objectives of the Health for Life & Wellness Foundation Ltd are:

- To bring awareness and create responsive initiatives to a broad range of donors who through volunteer efforts make charitable donations to Jamaica’s health sector.

- To work directly with donors and volunteers to facilitate donations to various health facilities in Jamaica.

- To relieve the health cost of many Jamaicans by providing greater access to medical related donations.

- To revolutionise and reform the traditional ways of reaching out to mankind particularly focusing on the empowerment of those persons who are deemed impoverished because of their socio-economic backgrounds.

Adopt-A-Clinic Programme

As part of the process of renewing primary health care, the Ministry of Health has initiated the Adopt-a-Clinic Programme which aims to improve these facilities through three main areas:

- Minor infrastructural upgrade and maintenance
- Diagnostic/medical equipment investments
- Overseas expertise
A needs profile of each health center across the island has been developed according to the three (3) areas noted above. It is expected that an adopter(s) of a clinic will build a relationship with the institution for a period of three to five (3-5) years to achieve the desired upgrade. However, you should note that the investment period quoted varies across situations.
FACT SHEET
PREPARED BY THE MINISTRY OF JUSTICE ON THE
DANGEROUS DRUGS (AMENDMENT) ACT 2015

OVERVIEW

1. This Fact Sheet sets out the main changes that have been made to the Dangerous Drugs Act (the “DDA”).

2. Recent amendments to the DDA made by the Dangerous Drugs (Amendment) Act 2015 will introduce several important changes to the way the DDA will operate in relation to ganja.

3. When the Dangerous Drugs (Amendment) Act 2015 comes into effect, new provisions will be in place regarding the possession and smoking of ganja, use of ganja by persons of the Rastafarian faith, and use of ganja for medical, therapeutic and scientific purposes.

4. The Dangerous Drugs (Amendment) Act 2015 came into operation on the 15th day of April, 2015.

5. Some aspects of the new law will not be operational until regulations, which are being developed, are put in place.
Possession of Ganja

6. Possession of 2 ounces or less of ganja is no longer an offence for which one can be arrested, charged and have to go to court, and it will not result in a criminal record.

7. However, the police may issue a ticket to a person in possession of 2 ounces or less of ganja\(^1\), similar to a traffic ticket, and the person has 30 days to pay the sum of J$500 at any Tax Office.

8. A person who is found in possession of 2 ounces or less and who is under the age of 18 years, or who is 18 years or older and appears to the police to be dependent on ganja, will also be referred to the National Council on Drug Abuse for counselling, in addition to having to pay the ticket.

9. It remains a criminal offence to be in possession of over 2 ounces of ganja, and offenders can be arrested, charged, tried in court and, if found guilty, sentenced to a fine or to imprisonment or both. The conviction will also be recorded on that person’s criminal record.

10. The rules against possession of ganja summarized at 7, 8 and 9 above do not apply to any of the following:

- Possession of ganja for religious purposes as a sacrament in adherence to the Rastafarian faith
- Possession of ganja for medical or therapeutic purposes as recommended or prescribed by a registered medical doctor or other health practitioner or class of practitioners approved by the Minister of Health
- Possession of ganja for purposes of scientific research that is conducted by an accredited tertiary institution or is approved by the Scientific Research Council

\(^1\) The ticket is called a “fixed penalty notice” in the DDA.
• Possession of ganja pursuant to a licence, authorization or permit issued under the DDA.

**Smoking of Ganja**

11. Smoking of ganja in a public place or within five metres of a public place is prohibited in a manner similar to cigarettes.

12. A person who smokes in public cannot be arrested or detained. However, the police may issue a ticket to that person, who will have 30 days to pay $500 at any Tax Office.

13. For the purposes of these smoking rules, a public place includes a workplace, and any place which is for the use of, or accessible to, the public, such as sidewalks, bus stops, restaurants, offices, educational institutions, pharmacies, hospitals, areas used by children, supermarkets and parks.

14. Smoking of ganja at privately-occupied residences that are not used for commercial purposes is not an offence, but is governed by the rules on possession of ganja referred to above.

15. Furthermore, smoking of ganja will be legally permitted in places that are licensed for the smoking of ganja for medical or therapeutic purposes. Adherents of the Rastafarian faith will also be permitted to smoke ganja for sacramental purposes in locations registered as places of Rastafarian worship.

**Failure to pay a ticket**

16. It is an offence to fail to pay a ticket that has been issued for smoking ganja in public or for possession of 2 ounces or less of ganja. The offender will be required to attend the Petty Sessions Court, and may be ordered to do community service, or in the rare case where community service cannot be arranged, pay a fine of $2,000. A conviction for failing to pay a ticket will also be recorded on the offender’s criminal record.
Importation of ganja for terminal or serious chronic illness

17. A person who is suffering from cancer or any other terminal or serious chronic illness may import medicine or a therapeutic product derived from or containing ganja. In order to do so, a registered medical practitioner must certify that the person is suffering from the illness, and must recommend the person’s use of the medicine or therapeutic product. The importation of the medicine or therapeutic product must comply with regulations which are to be made.

18. In furtherance of scientific research, an accredited tertiary institution or other body approved by the Scientific Research Council may apply for authorization to import ganja (including any part of the plant) from any jurisdiction where the export of it to Jamaica is lawful. The importation of ganja for research purposes must comply with regulations which are to be made.

19. An authorization to import ganja for research purposes also protects any third party who is engaged by the scientific institution or body for this purpose.

Cultivation of ganja by householders

20. Each household is allowed to legally grow no more than five ganja plants on their premises. If there is more than one household on any premises, each household may grow five ganja plants.

Cultivation for scientific research

21. An accredited tertiary institution or other body approved by the Scientific Research Council may apply for authorization to cultivate ganja in furtherance of scientific research, on lands approved for that cultivation.

22. An authorization to cultivate ganja for research purposes also protects any third party who is engaged by the scientific institution or body for this purpose.
23. Ganja which is cultivated, processed, used and otherwise handled in accordance with this type of authorization is not subject to the rules against ganja under the DDA.

**Cultivation for Rastafarian sacramental purposes**

24. Persons 18 years or older who are adherents to the Rastafarian faith, or Rastafarian organizations, may apply for authorization to cultivate ganja for religious purposes as a sacrament in adherence to the Rastafarian faith.

25. Ganja that is cultivated under such authorization may not be smoked in public places other than at locations registered as places of Rastafarian worship, or sold or otherwise dealt with commercially, or exported from Jamaica, but is otherwise not subject to the rules against ganja under the DDA.

**Events to celebrate/observe the Rastafarian faith**

26. Persons who are adherents of the Rastafarian faith, or Rastafarian organizations, may apply for an event promoted or sponsored by them to be declared an exempt event. In order to apply, the event must be primarily for the purpose of the celebration or observance of the Rastafarian faith.

27. Where an event is declared exempt, persons who attend the event will not be liable to be arrested, detained or prosecuted for smoking ganja or possession of ganja at the event, or transporting ganja to the event, as long as they have complied with the amounts and conditions specified in the order declaring it an exempt event.

**Visitors to Jamaica who are users of medical marijuana**

28. Persons who do not ordinarily reside in Jamaica (for example, tourists or visiting Jamaicans who live overseas) may apply for a permit to allow them to lawfully purchase and possess up to 2 ounces of ganja at a time, for medical or therapeutic purposes.
29. To obtain this permit, visitors will need to produce evidence that their use of ganja has been recommended or prescribed by a licensed medical practitioner in the country where they live. Alternatively, they can sign a voluntary declaration to confirm this. The permit is issued by Jamaica’s Ministry of Health, and a fee is payable.

**Hemp**

30. Hemp is defined in the DDA as a ganja plant having a THC content of less than 1%. Hemp is used to make a wide variety of products from cloth, paper and rope to medicines, beverages and cosmetics. Hemp is excluded from the provisions in the DDA that apply to ganja. However, the cultivation, processing, sale, import, export and other handling of hemp will be regulated by a licensing regime administered by the Cannabis Licensing Authority.

**The Cannabis Licensing Authority**

31. A Cannabis Licensing Authority is created by the DDA for the purpose of enabling a lawful, regulated industry in ganja for medical, therapeutic or scientific purposes, and in hemp, to be established in Jamaica.

32. The Cannabis Licensing Authority will be responsible for issuing licences, permits and authorizations for the handling of hemp and ganja, and for monitoring and otherwise regulating persons who have been issued licences, permits and authorizations. It is specifically mandated to ensure that regulations do not contravene Jamaica’s international obligations.

33. The Cannabis Licensing Authority is comprised of representatives from several Ministries which are engaged with issues relating to ganja, the Attorney General’s Department, the National Council on Drug Abuse, a representative from academia, and representatives from civil society groups and other non-governmental community-based and faith-based organizations.

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2 THC (or tetrahyrocannabinol) is the psychoactive ingredient of ganja
**Use of revenues from Ganja**

34. The DDA provides that the Minister of Finance shall direct that a percentage of the revenues earned from issuing licences, permits and authorizations relating to ganja and hemp be used for:

- Strengthening the capacity and programmes of the National Council on Drug Abuse, including public education programmes to discourage the use of ganja by persons under 18 years, persons with a mental disorder, pregnant women and other vulnerable groups.

- Strengthening Jamaica’s mental health institutions and services.

- Funding scientific and medical research into ganja and hemp.

- Supporting the regulatory arrangements of the Cannabis Licensing Authority.

**Increased penalties**

35. The fines in the DDA have also been significantly increased for export, cultivation, possession, selling and trafficking of illegal drugs.
This table sets out who may apply, where to apply and the purposes for which licenses, permits or other authorisations may be granted under the DDA.

<table>
<thead>
<tr>
<th>Who may apply</th>
<th>Where to apply</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A duly accredited tertiary institution.</td>
<td>Ministry of Science, Technology, Energy and Mining</td>
<td>• Cultivate ganja in furtherance of scientific research being conducted by the institution.</td>
</tr>
<tr>
<td>• A body approved by the Scientific Research Council.</td>
<td></td>
<td>• Import the ganja plant or part of the plant in furtherance of scientific research being conducted by the institution.</td>
</tr>
<tr>
<td>• Third parties engaged by these bodies to cultivate or import the ganja plant or any part of the plant.</td>
<td></td>
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<tr>
<td>• A person, 18 years or older, who is an adherent to the Rastafarian faith.</td>
<td>Ministry of Justice</td>
<td>• Cultivate ganja for religious purposes as a sacrament in adherence to the Rastafarian faith.</td>
</tr>
<tr>
<td>• Any organization that is comprised of persons who are adherent to the Rastafarian faith.</td>
<td></td>
<td>• Sponsor or promote an event which is primarily for the purpose of celebration or observance of the Rastafarian faith.</td>
</tr>
<tr>
<td>• Any person or organization meeting the criteria set by the Cannabis Licensing Authority</td>
<td>Cannabis Licensing Authority</td>
<td>• Use, cultivation, processing, importation, exportation, transit, manufacture, sale, possession and distribution of – (a) ganja for medical, therapeutic or scientific purposes (including research, clinical trials, therapy and treatment and the manufacture of nutraceuticals and pharmaceuticals), and (b) hemp.</td>
</tr>
</tbody>
</table>
Acronyms

ASD – Additional Stamp Duty
CLA – Cannabis Licensing Authority
ETC – Employment Tax Credit
FDI – Foreign Direct Investment
GCT – General Consumption Tax
GOJ – Government of Jamaica
JAMPRO – Jamaica Promotions Corporations
JPS – Jamaica Public Service
MICAF – Ministry of Industry, Commerce & Agriculture & Fisheries
NCCIC – National Cultural and Creative Industries Commission
NET – National Education Trust
RADA – Rural Agricultural Development Authority
TCC – Tax Compliance Certificate
Bibliography


