

GUAM USA

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Qualifying Certificate Program

The Qualifying Certificate Program created under Public Law 8-80 and amended under PL 20-178 and PL 22-159 is administered by the Guam Economic Development & Commerce Authority. It was conceived in 1965 as an economic incentive tool to encourage investment in activities that would strengthen the island economy, enrich its growth, and enhance the quality of life in Guam. This program has proven to be highly successful, particularly in the development of Guam's primary industry - tourism. To spur diversification in other industries uncorrelated to tourism, public law PL 23-109, PL 24-266, and PL 23-127 were enacted to provide attractive tax incentives for financial services, trusts and recycling.

HIGHLIGHTS OF GUAM'S TAX INCENTIVES PROGRAM

ELIGIBILITY: (12 GCA, Div. 2, Chapter 58, §58104)

Any trust, partnership, sole proprietorship, Limited Liability Partnership, Limited Liability Company, or corporation, formed under the laws of Guam and licensed to do business in Guam, which is engaged, or about to engage in any of the following activities:

1. Agriculture
2. Aquaculture
3. Mariculture
4. Manufacturing
5. Commercial fishing
6. Services
7. Tourism
8. Guam based trusts
9. Recycling
10. Insurance, commercial insurers, reinsurers, or captive insurers which meet the requirements of 22 GCA, chapter 15, article 3
11. Export Trading Companies as defined in 11 GCA, §26101(d), if the main office of the export trading company is in Guam
12. Producing water or disposing of wastewater, or both, jointly with the Guam Waterworks Authority
13. The Base Operating Service Contract (BOS) contractor for the military on Guam
14. A small business entity operating on a military base on Guam or as a subcontractor to the BOS Contractor
15. A global internet infrastructure services company providing internet connectivity and co-location facilities and its/their tenant-sellers in the sales of goods, services and information over the internet

LOCAL PARTICIPATION: (12 GCA, Div. 2, Chapter 58, §58108)

Preference shall be extended to applicants, which have fifty-one percent (51%) or greater portion of local investment, as controlled by bona fide Guam residents.

TAX INCENTIVES (BASIC PROGRAM):

- 75% Rebate of corporate income tax for up to twenty (20) years.
- 75% Rebate of corporate dividends tax for up to five (5) years

- 100% abatement of real property tax for up to ten (10) years on property utilized by the QC beneficiary to operate its business
- 100% abatement of gross receipt tax on income derived from the sale of alcoholic beverages and petroleum products manufactured in Guam for up to ten (10) years

OTHER INCENTIVE PROGRAMS: The Authority also offers special incentives for Captive Insurance, Trusts, and Recycling. Detailed information on these programs are available on separate fact sheets.

MINIMUM INVESTMENT (in USD)	
Agriculture, Aquaculture, Mariculture	\$10,000
Manufacturing (includes recycling)	\$100,000
Home Manufacturing	\$100
Commercial Fishing	\$25,000
Services	\$50,000
Tourist Facilities	\$50,000
Export Trading Company	\$100,000
Industrial Facilities	\$100,000
Hotels, Motels	\$500,000
First Class Hotels	\$5,000,000
Business Class Hotels	\$1,000,000

Applicant must commit to make a minimum capital investment in these amounts.

FEES (in USD): 12 GCA, Div. 2, Chapter 58, §58143)

Fees consist of a one-time filing fee and a surveillance fee assessed annually through the life of the Qualifying Certificate.

<i>Application Fee</i>	<i>Annual Surveillance Fee</i>	
Agriculture, Aquaculture, Mariculture	\$150	\$500
Home Manufacturing	\$100	\$100
Manufacturing	\$750	\$2,000
Commercial Fishing	\$250	\$1,000
Services (includes trusts)	\$750	\$2,000
Tourism	\$1,000	\$3,000
Export Trading Companies	\$750	\$1,000
Motels under construction	\$750	\$2,000
Motels in Operation	\$750	\$25/per room
Hotels under Construction	\$1,500	\$3,000
Hotels in Operation	\$1,500	\$45/per room
GWA Joint venture partner	\$750	\$1,000
BOS Contractor	\$750	\$100,000
BOS subcontractor	\$750	\$1,000

**For more information, please contact:
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