

***Prime Minister Cabinet
Minister of Planning and Development
Prime Minister***

**Republic of Ivory Coast
Unity- Discipline-Work**

Abidjan December 27, 2002

**Subject: Real estate program of 290,000 homes
and installation of 42 industrial factories**

**Mr. President
Group MAS
US, Inc.**

ABIDJAN

Mr. President,

During its meeting on June 13, 2002, the Council of Ministers authorized the signature of a Convention between Group MAGNIFICA Service CI (MAS) to allow the implementation of an important program made of:

- Construction of economy housing;
- Creation of industrial units;
- Mining of construction materials;
- Rehabilitation of University structures and army facilities;
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The Government would like to congratulate you for initiating such a project in our country.

We would like to indicate, according to the terms of the Convention, the tax advantages that the Government granted to allow the implementation of your Industrial and Real Estate program:

Given the economic and social quality of the Real Estate program consisting of 290,000 homes, in addition to the tax advantages applicable based on laws: n°71-683 of December 28, 1971, and as modified by law n°86-88 of January 31, 1986 and replaced by law n°2002-156 of March 15, 2002; you will also benefit from customs exemptions and other taxes as stipulated below, provided that the median home cost does not exceed 12.5 million F CFA before tax:

- VAT (Value Added Tax) on the Construction works, materials, related furniture, as well as public works (i.e. roads, utilities, networks, etc.)
- Registration and Stamp fees;
- VAT on Urbanization studies, architecture, and networks and structures;
- Space acquisition taxes;
- Duties on any other materials or equipment: lifts, trucks bulldozers, cranes, etc. necessary for construction:
- Patent and Licensing fees

- Taxes on industrial and commercial profits for management activities of lease/sales operations

The tax and custom exemptions will be valid during the construction period of the Real Estate program. However, taxation on the industrial and commercial profits will be applicable during the period of sale.

The industrial project made of the 42 industrial units will be subject to the conditions of the Investment agreements according to the law n° 95-260 regulating the code of Investments and related decrees.

However, given the nature of the program the following advantages will be exceptionally granted:

- VAT exemptions on equipment, materials and part replacement
- Customs on each of the imported materials necessary for production on the industrial units.
- Extension of the duration for tax exemptions on BIC and Patent and Licensing fees to onze (11) years.
- 40,000 homes are designated for law enforcement personnel, of which 20,000 are for the military and constables and 20,000 for National Police.

These law enforcement officers may choose their homes in any of the designated areas within the construction sites.

The payment of individual law enforcement officers will come from their mortgage payments, and will be deducted directly from their salaries because its been established that the lease/sale of homes will be cover a period of 10, 15, or 20 years depending on their monthly payment. You will determine the allocation criteria after examining each officer's file.

As for the construction of the military housing facilities, your intervention will conform to the Convention with a budget of 20,000,000,000 F CFA.

As for the construction of new commissaries and furnishing, you will execute the work according to the convention with a budget of 5,000,000,000 F CFA, and according to the needs of the of the Minister of the Interior and of Decentralization.

In awaiting the consecration of this vast Real Estate and Industrial development program, we reiterate in the name of our Government, our encouragements and we assure you of our cooperation in the implementation of the project.

We hope this letter finds you well, and **Mr. President**, please accept our highest consideration.

Signed by

Affi N'Guessan
Prime Minister
Ivory Coast Rebpublic