

Investment Incentive

The Investment Act of 2000 established the Qualifying Certificate (QC) Program with the mission to promote the economic development of the Commonwealth of the Northern Mariana Islands (CNMI). The CNMI encourages the development of additional and expansion of businesses by offering developers tax incentives to build, expand, and operate projects.

Requirements

Each applicant for a QC must submit the following to the Commonwealth Economic Development Authority:

- A completed QC application together with the applicable filing fee;
- Financial plan for financing the project, if appropriate;
- Certified copies of articles of incorporation, partnership agreement, or trust agreement as filed with the Government of the CNMI;
- Names of owners, to include addresses, percentages of ownership, and the amount invested or to be invested;
- Business Plan;
- Description of the land on which applicant's project is to be located or is located, applicant's title thereto, and any recorded maps thereof; and
- A Certificate of Tax Compliance from the Division of Revenue and Taxation

Per §50206 of the Investment Incentive Act

Tax Abatements and Tax Rebates

The following taxes are eligible to be either abated or rebated up to a 100% under the QC Program for up to a period of 25 years:

- Individual/ Corporate Income Tax
- Business Gross Revenue Tax (BGRT)
- Alcohol Beverage Tax
- Excise Tax (Import)
- Developer Infrastructure Tax (only eligible for Tinian and Rota investments)

Per §50204 of the Investment Incentive Act



Website:

www.developcnmi.com

SAIPAN OFFICE

2390 Beach Road Oleai, Unit 205
P.O. Box 502149
Saipan, MP 96950
Telephone: (670) 234-6245
Facsimile: 670) 235-7147

Department Ext.

Accounting: 301/302/303
Admin: 304/310/311
Loan: 305/307/309
Econ. Dev.: 308

TINIAN OFFICE

General Delivery
Tinian, MP 96952
Telephone: (670) 433-9203
Facsimile: (670) 433-3690

ROTA OFFICE

P.O. Box 511005
Rota, MP 96951
Telephone: (670) 532-9408
Facsimile: (670) 532-9409



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Mission Statement

Commonwealth Economic Development Authority provides appropriate financial and technical expansion of private and public enterprises for their success, the benefit of the Commonwealth's economic welfare and the long-term sustainability of the CEDA.

Purpose

The newly renamed Commonwealth Economic Development Authority (CEDA) was initially established as an autonomous agency in 1985, through Public Law 4-49. The functions of CEDA are carried out through the Development Banking Division (DBD) and the Development Corporation Division (DCD). The DBD generally engages in government and public sector activities, while the DCD engages in private sector activities. CEDA's purpose is to stimulate economic development in the Northern Mariana Islands.

INVESTMENT INCENTIVE PROGRAM

Qualifying Certificate Program

Tax rebates and/or abatements of up to 100% for a period of up to 25 years for qualified investors. A “Qualifying Certificate” is a contract valid for a given period, executed by the governor upon recommendation of the CEDA Board, between the Government of the Northern Mariana Islands and the Beneficiary, which is qualified for certain tax rebates and/or abatements in return for new development or expansion for a desirable business.

TARGET INDUSTRIES

1. Franchise Restaurants
2. Waterparks
3. Aquariums
4. Cultural Centers
5. Theme Parks
6. Resort Hotel & Condominiums
7. Golf Courses
8. Convention Centers
9. Dinner Theaters
10. Special Events such as conventions and sporting events
11. CNMI based airlines and other aviation related activities
12. Manufacturing or processing high technology products
13. Internet related business and/or business engaged in internet commerce
14. Any development or project beneficial to the economic development of the Commonwealth not listed above may also be eligible for benefits.

Established businesses should contact CEDA for information on capital requirements and filing fees, OR visit www.developcnmi.com.



Qualifying Certificate Process*

- Receive Application and verify for completeness
- Collect appropriate Non-Refundable Application Fee
- Public Hearing
- Applicant presents before the CEDA Board of Directors
- Meet with applicant to discuss recommendation to be made to the Governor
- Transmit recommendation and supporting documents to the Governor and CNMI Revenue & Taxation
- Governor has 45 days to decide on whether or not to issue the Qualifying Certificate to the applicant. If the Governor fails to decide within the forty-five (45) days, the application shall be deemed disapproved on the forty-sixth (46) day.

*CEDA by law, has ninety (90) days to transmit a recommendation on an application to the Governor. In turn, the Governor then has forty-five (45) days to act on the recommendation.



Invest in the Northern Mariana Islands

The Commonwealth of the Northern Marianas Islands (CNMI) offers investors a broad range of investment opportunities in industries such as tourism, education, telecommunications, manufacturing, agriculture, aquaculture, and renewable energy. Some benefits of our islands are listed below:

- Made in USA label
- Merchant Marine Act (aka Jones Act) exempt allowing for foreign flag vessels to enter ports
- Ports are free from US Customs duties
- No sales and property tax
- Mirrors US tax code with relatively low tax structure. Significantly lower federal tax liabilities.
- Significant tax advantages for executives and employees on CNMI-sourced income.
- Sports tourism with training facilities.
- Culturally diverse, multilingual community (i.e. Chamorro, Carolinian, English, Tagalog, Japanese, Korean, Chinese, and others)
- Safe, beautiful, and business friendly environment.

DCD (LOAN) PROGRAMS

• Loan Programs:

1. CEDA MICROLOAN

- a. Loan up to \$25,000
- b. Interest rate from 5.5% to 9%
- c. Term up to 7 years
- d. Review time 7-10 business days

2. CEDA DIRECT LOAN

- a. Loan up to \$450,000
- b. Interest rate from 5.5% to 9%
- c. Term up to 20 years
- d. Review time 7-10 business days; CEDA Board of Directors' decision about 30-45 days

• Business Loan Eligibility:

1. U.S. Citizen or U.S. National
2. CNMI Resident for the past 2 years
3. At least 18 years of age
4. Credit score below 620 requires co-signer with good credit and sufficient income for debt repayment
5. Generally, debt-to-income ratio under 38%
6. Business projection shows sufficient sales/income to cover the monthly loan payment
7. No current delinquency or default with any loans, leases, or financing arrangements with any other creditors

• Contact Information:

Loan Department—Saipan Office

2390 Beach Road, Oleai, CEDA Building, Unit 103
Office Number: 670-234-6245

Fred Cruz | ext. 305 | f.cruz@developcnmi.com

Abby Atalig | ext. 309 | a.atalig@developcnmi.com

Marie Coleman | ext. 307 | m.coleman@developcnmi.com

Tinian Office

Room E, NMC Campus, San Jose Village
Office Number: 670-433-9203

Joyce Flores | j.flores@developcnmi.com

Rota Office

1st Floor, Tamara & Seven Brother's Bldg, Songsong Village
Office Number: 670-532-9408

Elaine Manglona | e.manglona@developcnmi.com