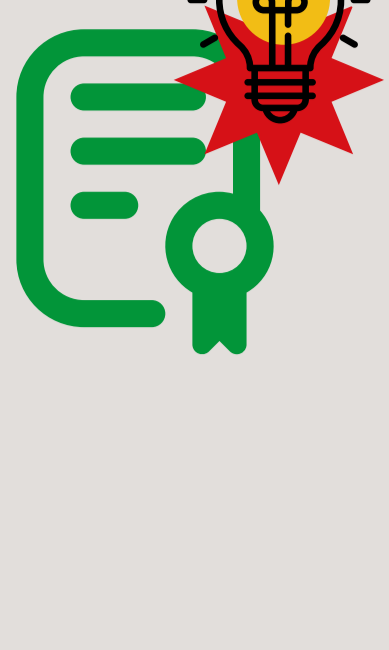


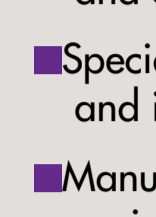
# ABC of Smart Tax Incentives

These tax benefits aim to attract and encourage investment in strategic economic and productive sectors, stimulate the local economy, close unemployment gaps, and apply a principle of tax fairness concerning certain taxpayers and/or social sectors that have been displaced from their homes due to unforeseen events, force majeure, or third-party actions.



## SMART TAX INCENTIVES FOR COMPANIES LOCATED OR RELOCATED IN CARTAGENA

### SECTORS AND SUBSECTORS:



#### ICT "INFORMATION TECHNOLOGY" AND INNOVATION

- Manufacturing of electronic components and boards
- Other information technology activities and computer services
- Specialized installation of machinery and industrial equipment
- Manufacturing of computers and peripheral equipment
- Software publishing
- Call center activities
- Data processing, hosting, and related activities
- New centers dedicated to innovation, science, and technology
- Development of IT systems (planning, analysis, design, programming, testing)



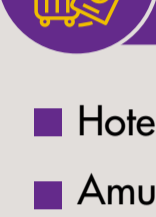
#### RENEWABLE ENERGY, GREEN BUSINESSES, AND CIRCULAR ECONOMY

- Electricity generation
- Materials recovery
- Garment manufacturing, excluding leather garments
- Manufacturing of other non-metallic mineral products n.e.c. Basic iron and steel industries
- Manufacturing of motor vehicles and engines



#### BIOTECHNOLOGY AND HEALTH

- Manufacturing of pharmaceutical products, medicinal chemical substances, and botanical products for pharmaceutical use
- Research and experimental development in natural sciences and engineering
- Hospital and clinic activities, with or without hospitalization, and medical practice activities, without hospitalization



#### TOURISM AND ENTERTAINMENT INFRASTRUCTURE

- Hotel accommodation
- Amusement park and theme park activities
- Activities of botanical gardens, zoos, and nature reserves
- Production and post-production activities of films, videos, programs, advertisements, and television commercials
- Professional operators of events, conferences, fairs, conventions, social events, weddings, and all related events



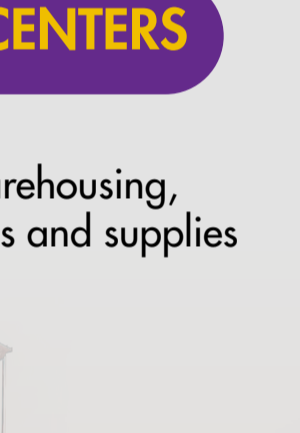
#### AGRO-INDUSTRIAL TRANSFORMATION

- Processing and preserving of fish, crustaceans, and mollusks
- Processing and preserving of meat and meat products
- Production of vegetable and animal oils and fats
- Production of cocoa, chocolate, and confectionery products
- Production of dairy products
- Processing and preserving of fruits, vegetables, and tubers
- Production and refining of sugar



#### DESIGN, CONSTRUCTION, AND REPAIR OF NAVAL VESSELS

- Construction of ships and floating structures
- Specialized maintenance and repair of transportation equipment, excluding motor vehicles, motorcycles, and bicycles



#### DISTRIBUTION CENTERS

- Facilities for storage, warehousing, and distribution of goods and supplies

### BENEFITS

#### Based on investment and generation of new jobs with local labor:

Receive **exemptions of 100%** in the Unified Property Tax (IPU) and the Industry and Commerce Tax for **2 to 10 years**.

Investment in UVT	Direct Jobs	Exemption
>160.000	15	2 years
>320.000	30	4 years
>640.000	60	6 years
>1.280.000	90	8 years
>1.700.000	180	10 years

#### Companies Constructing their Headquarters in the City

Can receive an **exemption from 30% up to 100% in the Delineation Tax**, depending on the minimum construction budget.

Construction Budget in UVT	Exemption
Between 10,000 and 27,000 UVT	30%
Between 27,001 and 82,000 UVT	40%
Between 82,001 and 270,000 UVT	60%
Between 270,001 and 552,000 UVT	80%
More than 552,001 UVT	100%

## SMART TAX INCENTIVES FOR THE CONSTRUCTION SECTOR

### Benefits for the purchase of new residential housing:

#### FOR PENSIONERS

A **100% exemption** from the Property Tax for **10 years** for the purchase of their first home in Cartagena.

#### FOR YOUNG PEOPLE AGED 18 TO 35

A **100% exemption** from the Property Tax for **5 years** for the purchase of their first home in Cartagena.

### REQUIREMENTS

- ✓ **Prove pensioner status** with a certificate from a public or private pension fund.
- ✓ **Prove youth status** with an identity card.
- ✓ **Demonstrate the status of a new home** with a Certificate of Tradition and Freedom or Cadastral Certificate in the applicant's name.
- ✓ **Prove permanent residency.**

Interested parties must submit their application to the District Department of Finance.

## SMART TAX INCENTIVES FOR STAGED CONSTRUCTION

The following rates are progressively granted for the payment of Property Tax on properties where urban and/or architectural projects classified as:

- Urbanizable not urbanized
- Urbanized not built
- Built in development projects by stages

#### BENEFITS

- 16 per thousand during the initial two years of the urban planning license.
- 23 per thousand during the next three years, provided that the initial urban planning license remains valid by extension or revalidation, and at least 30% of the projected work per stage has been completed on the property.
- From the expiration of the construction license, 33 per thousand on the undeveloped or constructed area and the corresponding rate on the constructed or developed area according to the authorized use in the initial license.

## SMART TAX INCENTIVES FOR UNINHABITABLE PROPERTIES

Residential properties declared uninhabitable, and consequently evacuated by administrative or judicial authority, will receive the following tax benefits:

#### 100% exemption

from the Property Tax from the date of evacuation until these incentives take effect.

#### 100% exemption

from the Property Tax for 5 years from the entry into force of these incentives.

### REQUIREMENTS

- Have ownership, possession, or the status of a tenant of the property subject to the benefit application.
- Have a demolition or evacuation certificate from the competent authority.