



RSEZ



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# **SABRE INVEST INLAND PORT INDUSTRIAL PROJECT**

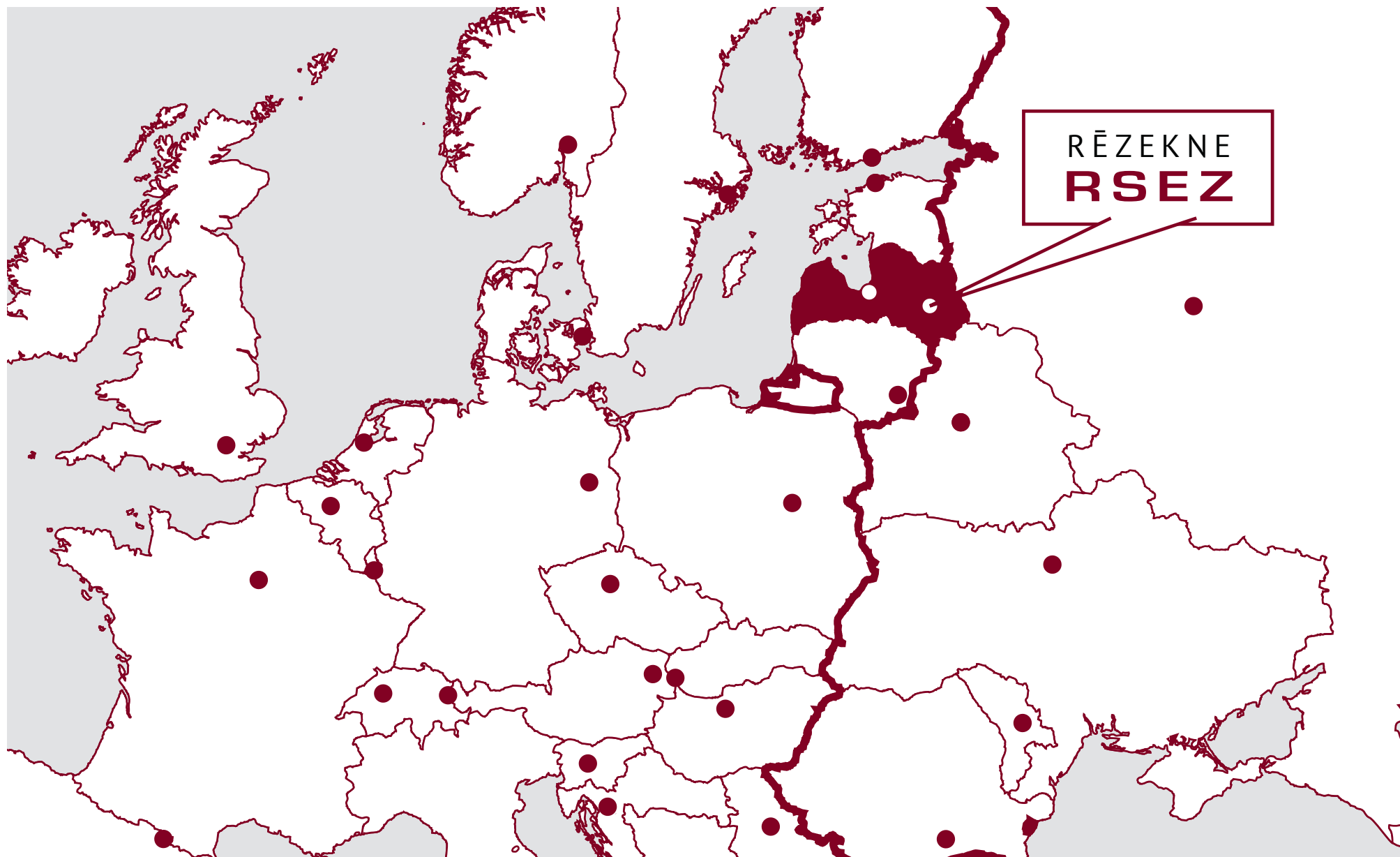
## **ADVANTAGES REZEKNE SPECIAL ECONOMIC ZONE**



REZEKNE SPECIAL ECONOMIC ZONE

2 | RĪGA, 2017

 **SABREINVEST**





REZEKNE SPECIAL ECONOMIC ZONE

3 | RĪGA, 2017



## **SABREINVEST INDUSTRIAL PARK PROJECT in the territory of RSEZ**

is located at one of the most important junctions of the major international transport corridors in Latvia. It is the first customs area near the EU border with Russia and the Far East

Therefore Rezekne can act as an 'overland port' and an ideal place for development of logistics activities



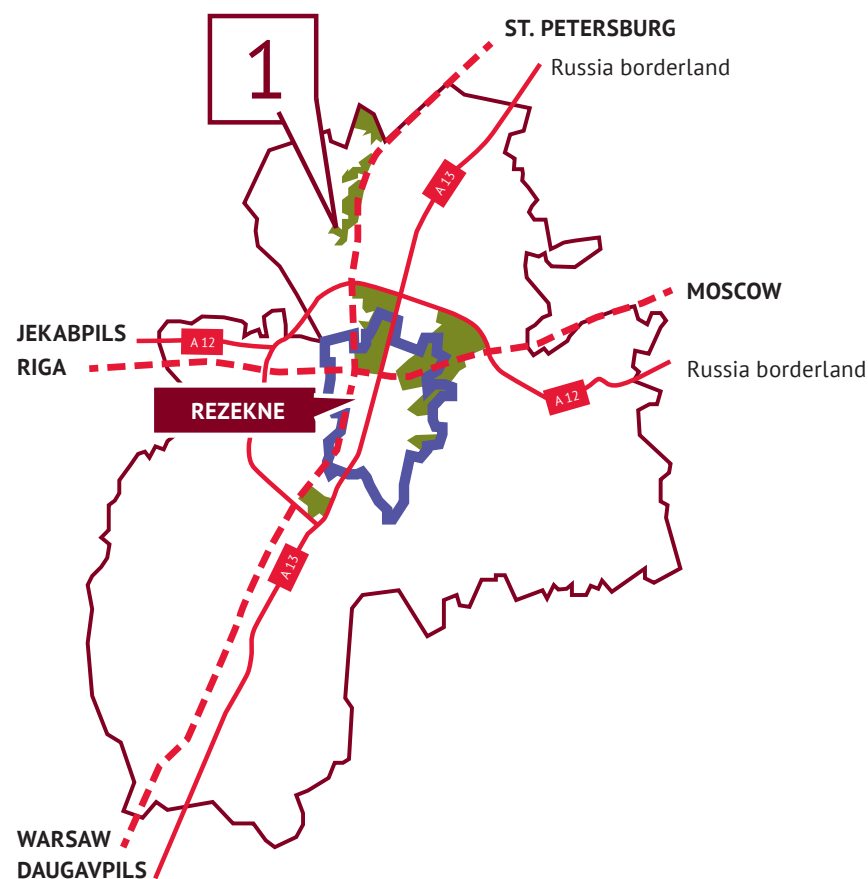


## SABREINVEST INDUSTRIAL PARK PROJECT location



### Transport hub of international importance

Excellent logistics connections to EU-RUSSIA-CIS-CHINA:

- **Crossroads of trans european network (road+rail)**
- First customs clearance in EU
- Belt and road initiative (China - Central Asia - Russia - Baltics) (China Ministers of Foreign Affairs and Commerce)



**1** Area No. 1, SABRE INVEST, 203.95 ha

 RSEZ Territory, Rezekne Region Municipality  
 Border of territory, Border of City Rezekne

## SABREINVEST INDUSTRIAL PARK PROJECT in the territory of RSEZ

- Established: in 1997
- The aim: to promote business development in Rezekne and Latgale region
- State Regulation:  
Rezekne Special Economic Zone Law (RSEZ)
- Type: joint municipal institution of Rezekne city and Rezekne Municipality councils
- Total area: 1155 ha
- The Cabinet of Ministers supported the prolongation of the term of free ports and special economic zones until 2035

## Advantages of SABREINVEST INDUSTRIAL PARK PROJECT in the territory of RSEZ



### Perspective Economic Zone

In 2015, in the survey conducted by the "fDi Magazine", edition of the popular British newspaper "Financial Times", RSEZ has been commended in two categories of the bespoke awards: infrastructure improvements and reinvestment.



### 6th in the world

The survey "Global Economic Zones in the Future 2010/11" performed by the edition "Foreign Direct Investment" of the British magazine "Financial Times" awarded Rēzekne Special Economic Zone the 6th place in the cost efficiency category (the total number of participating free and special economic zones reached 700 worldwide).

- Tax relief and cost-effective location for business development
- Qualified workforce
- Innovative business infrastructure
- Support from Government and municipalities
- Stable cooperation traditions with Russia, the Commonwealth of Independent States (CIS) and European countries
- Transport hub of international significance: Trans-European Network (TEN)

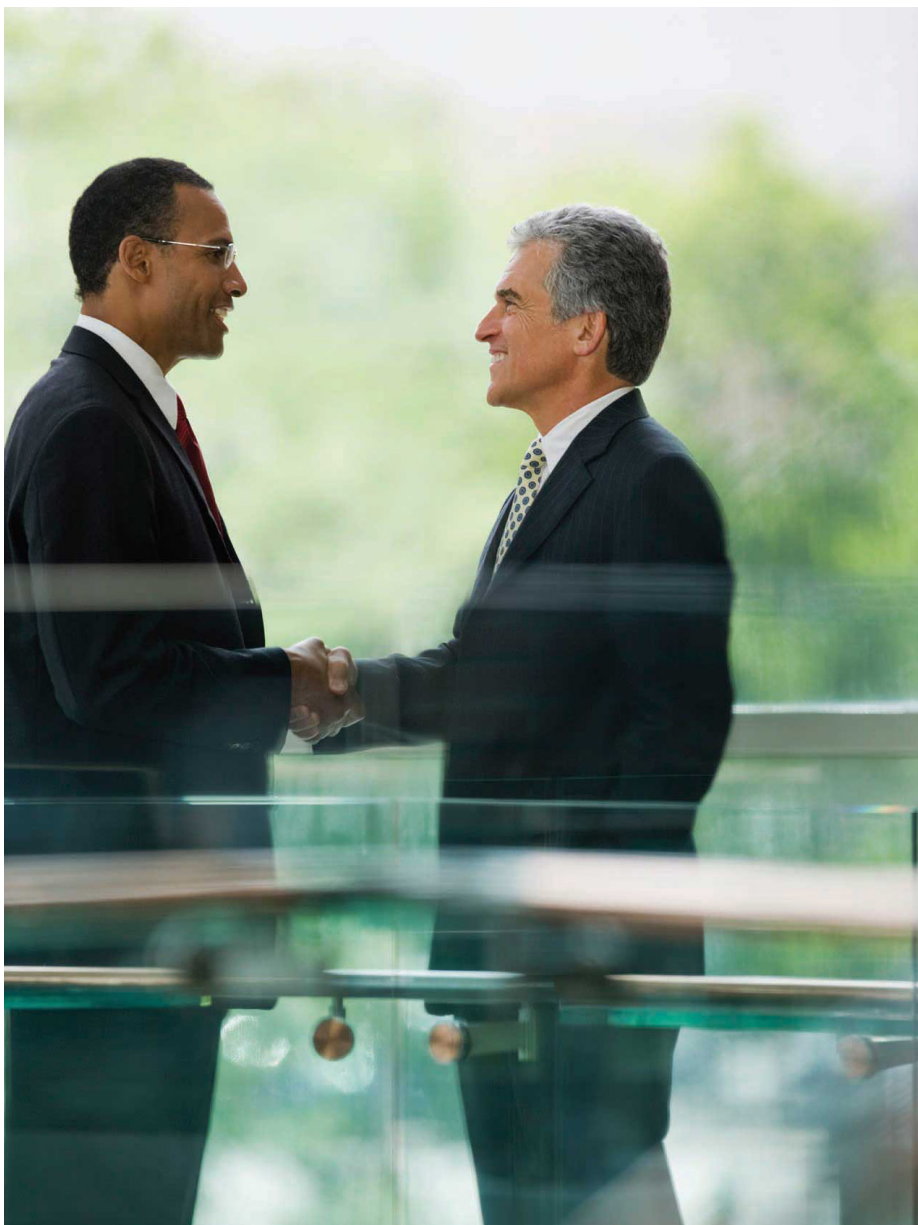




## PROFESIONAL HUMAN RESOURCES IN RĒZEKNE

### Education institutions in Rēzekne:

- **Confucius Classroom of Rezekne University of Applied Sciences** (opened On 15th September 2016)
- **Rēzekne University College** - implements 39 curricula for Bachelor's, Master's and for Doctoral degree involving almost 2000 students
- **East Latgale Vocational School** - implements 31 curricula (Wooden articles manufacturing, Energy Economics and Electrical Engineering, Business studies, Computer Systems, Construction Works, Road Transport etc.) serving 1200 students
- Five branches of Latvian higher education institutions and colleges



## Granting RSEZ Status in SABREINVEST INDUSTRIAL PARK PROJECT

### **The Terms for Granting a RSEZ Company Status:**

Legal address of company should be in the territory of the RSEZ. Business activities should be organised in the territory of the RSEZ. Company owns or rents real estate in the territory of the RSEZ.

### **Administrative Services Offered by RSEZ to help Investors:**

Consultations on available EU Structural Funds and other financial sources. Consultations on the commercial law in Latvia, etc.





## Tax relief in SABREINVEST INDUSTRIAL PARK PROJECT in the territory of RSEZ

	LATVIA	RSEZ
Corporate income tax	15 %	3 %
80% Discount on property tax	1.5 %	0.3 % from cadastral value
		0 % VAT on export and import from non EU countries in some cases

## Tax relief in SABREINVEST INDUSTRIAL PARK PROJECT in the territory of RSEZ

Let's see how taxation in Rezekne SEZ help you saving money on real example of the investment made in the RSEZ of 10 million EUR

### Example:

**Investment = 10 M**

**Profit = 1 M**

**Real estate value = 0,5 M**

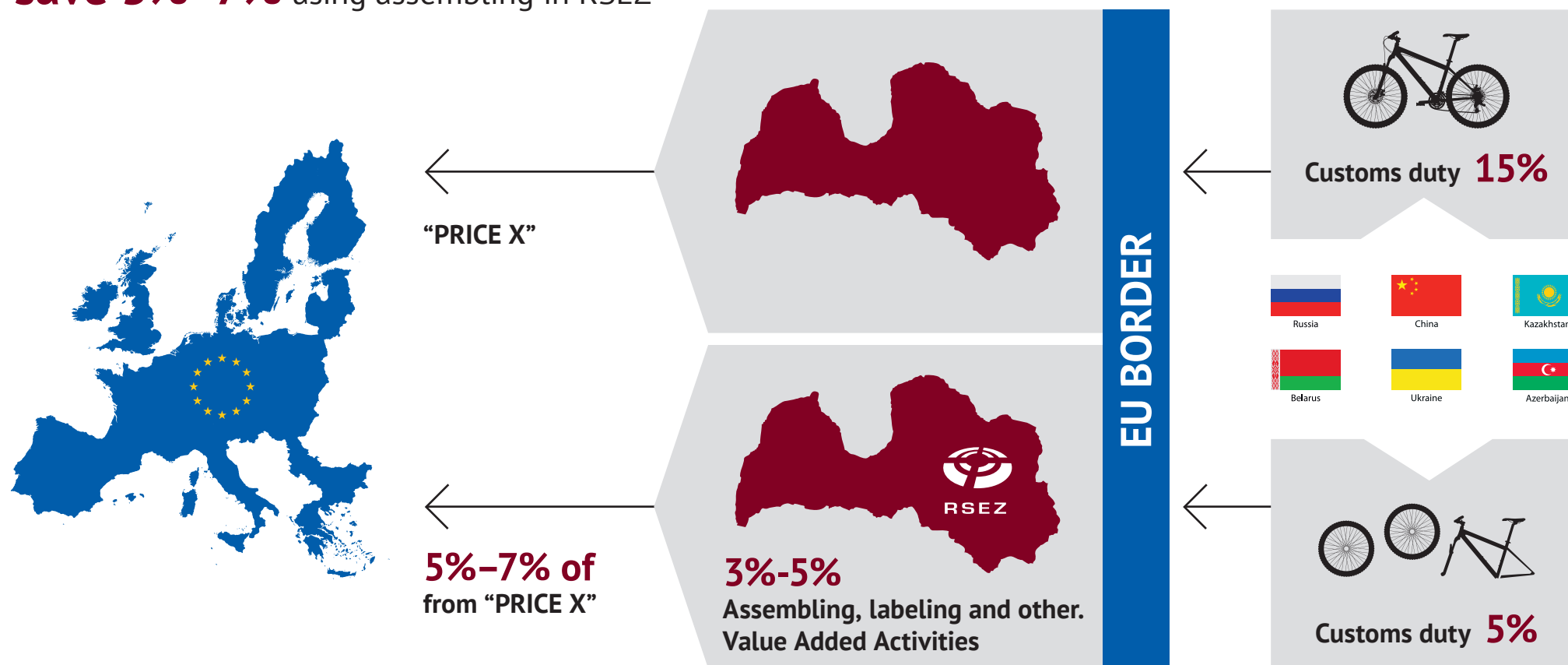
	LATVIA	RSEZ
Profit tax	15%	3%
	150,000 EUR	30,000 EUR
Real estate tax	1,5%	0,3%
	7,500 EUR	1,500 EUR
Total	157,500 EUR	31,500 EUR

### SAVINGS PER YEAR:

**157,500 - 31,500 = 126,000 EUR or 80%**

## Value Added Activities

**save 5%–7%** using assembling in RSEZ



This very simple example illustrates only one possibility how any importer can **save 5%–7%** out of the total value of his product, by locating his logistics centre or EU distribution warehouse in RSEZ free zone.



## Importation to EU via SABREINVEST INDUSTRIAL PARK PROJECT IN RSEZ

Most favorable tax legislation for importing goods from non EU countries to EU via RSEZ free zone:

### EU

VAT is applied as for regular EU transaction (stated only in company's VAT report)



### LV

Release for free circulation. Only customs duty should be paid. VAT is postponed to final receiver.



### Russia/CIS and East

Russia  
Belarus  
Ukraine  
Azerbaijan  
Kazakhstan

China



- Possibility to release goods for free circulation in EU by paying only customs duty (VAT is postponed to the final receiver in any of EU countries);
- The final receiver of the goods is calculating all taxes as for regular EU transaction, which means, that VAT physically is not paid, but showed in VAT report;
- There is no need to apply transit customs procedure to transport goods from the point of importation (Latvia) to the final receiver (and no customs guarantee is required).

*This solution is based on EC Regulations No 2913/92 and No 2454/93, as well as Law on Value Added Tax of the Republic of Latvia (Article 33).*



RSEZ



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