

- the state shall ensure the establishment and the spread of the economic initiative culture through its every available mean,

- the establishments of education and training and establishments of higher education and scientific research shall ensure the inclusion in their educational and training programs the economic initiative culture and their openness on their economic environment and the reinforcement of partnerships within the different training and research fields,

- the economic enterprises shall work for rooting the culture of initiative on their employees and to adhere to the various mechanisms intended for the impulse of the rhythm of creation of projects and enterprises.

- the national intellectual competences and the various components of the concerned civil society shall take part in the orientation and advising the carriers of ideas of projects and place at their disposal their own experiences on the matter in order to assist and support them,

- the means of information and communication under their various components shall contribute to the diffusion of the culture of the initiative in spreading awareness of the national policies and the inciting mechanisms adopted in this field and the available investment opportunities.

Art . 3 - The abovementioned different actors in article 2 of this law, shall work to incite the creation of the enterprise, its safeguarding and its development as a basic cell in the national economy and taking into account its paramount role in the impulse of the initiative.

CHAPTER II

SIMPLIFICATION OF PROCEDURES OF LAUNCHING PROJECTS AND ENTERPRISES ESTABLISHMENT

Art. 4 - Shall be fixed by an order of the relevant Ministers, the list of the administrative services provided by the state, the local collectivities and the public establishments and enterprises under their supervision as well as the procedures to follow and the administrative documents needed users to obtain the said services. These orders shall be published in the Official Gazette of the Republic of Tunisia, diffused on the concerning Web sites of the administrative structures and update each time that proves to be necessary.

The abovementioned administrative departments shall not be allowed to submit the administrative services to different procedures other than those provided for by the order herein mentioned in paragraph one of this article or to ask users a document that was not mentioned in the order herein.

Every civil servant who, do not comply with the provisions of the previous paragraph of this article shall be subject to the disciplinary proceedings in conformity with the legislation in force.

The forms and procedures of implementing the rules of this article shall be fixed by a decree.

Art . 5 - Every depositing of a request, file or license comprising the required documents and made on the legal

Law n° 2007-69 dated 27 December 2007, relating to the economic initiative. (1)

In the name of the People,

The Chamber of Deputies and the Chamber of Advisors having adopted,

The President of the Republic enacts the following law :

CHAPTER ONE

GENERAL PROVISIONS

Article one - The economic initiative shall be the national priority that every economic and social party shall use every endeavour to establish, within the guarantee of equal opportunities principle and on the basis of freedom as the principle and authorization as exception.

With consideration of the special legal provisions, the list of activities requiring prior authorization shall be fixed by a decree.

Art. 2 - The economic initiative culture shall be every party concern, which shall use every endeavour to spread and establish and for this purpose :

(1) preparatory works :

Discussion and adoption by the Chamber of Deputies during its session held on 17 December 2007.

Discussion and adoption by the Chamber of Advisors during its session held on 22 December 2007.

conditions and deadlines, shall be made in return for a receipt delivered by the competent administrative authority.

In case of use of postal or electronic means to send a request or file comprising the required documents and made on the legal conditions and deadlines, the postmark or the acknowledgment of receipt stand in for the receipt mentioned in the first paragraph of this article.

The relevant administrative authority shall not be bound to deliver the said receipt in case of an abusive lodgment of requests considering their number or the repetitive aspect.

Shall be excluded from the provisions of this article, the requests which the lodgment procedures are fixed by special rules.

The application procedures of this article shall be fixed by a decree.

Art. 6 - The grant procedures of the fiscal identification card, customs code or social security affiliation number, shall be carried out, without delay, for legal persons provided that all the legal conditions were met and within the fixed deadlines for the individual projects.

For legal persons, the grant of a registry number in the trade register shall be carried out, without delay, as soon as the completion of the legal publicity.

Art. 7 - The enterprises providers of the basic public services, shall fix the deadlines to enable their clients to benefit from the said services.

In case of a non-respect of the said deadlines without a legitimate cause, the client who sustains a damage from the delay in providing the requested services, shall be entitled to ask the concerned enterprises for damages in conformity with the legislation in force.

The list of the basic public services and application procedures of this article shall be fixed by a decree.

Art. 8 - Notwithstanding the contrary legislative provisions and notably article 75 of territorial development and urbanism code promulgated by law n° 94-122 dated 28 November 1994 and except the activities which require the developed spaces, the individual promoters may designate his residence or part of his residence, as the enterprise head office or to exercise a professional activity during a period not exceeding five years from the activity start, in conformity with the following conditions :

- the professional activity shall be exclusively exercised by the inhabitants of the said residence,
- the promoter shall live in his main residence,
- the activity to be exercised, shall be an activity which does not require an important frequentation of clients, merchandises receipt or delivery and environment harm-free.

The promoter shall be bound to lodge a declaration at the competent municipal departments for the exercise of professional activity in premises initially destined to dwelling.

The exercise of a professional activity in a dwelling place is not of a nature to change its original character and the legislation related to leases of premises of commercial nature shall not be applicable to this exercise.

CHAPTER III

SIMPLIFICATION OF DIRECTION, MANAGEMENT AND PROTECTION PROCEDURES OF SHARHOLDERS AND ASSOCIATES

Art. 9 - The relevant administrative departments shall be bound to ensure the formalities declaration on the enterprises notably to the social security funds, tax and customs departments and this, allowing the possibility of remote declaring by the new means of communication, within the deadlines and according to the modalities fixed by a decree.

Art. 10 - Shall be repealed the provisions of the first dash of the second paragraph of article 32 of the code of tax rights and procedures.

Art. 11 - Shall be added to the second paragraph of article 32 of the code of tax rights and procedures, the following paragraph :

“ the visa deadline shall be reduced for the credit of the value added tax from the goods and services exportation to seven days, counted from the date of the lodgment of the request of return accompagnied with the documents justifying the exportation operation”

Art. 12 - The provisions of article 92 of the commercial companies code shall be repealed and replaced by the following :

Article 92 (new) : The capital of limited liability company shall be fixed by its constitution deed. The company capital, shall be divided into capital shares of equal nominal value.

Art. 13 - Shall be repealed the provisions of the seventh paragraph of article 109 of the commercial companies code.

Art. 14 - The first paragraph of article 284 and the first paragraph of article 290 of the commercial companies code shall be amended as follows :

Article 284 (first paragraph new) : Every shareholder holding at least five per cent of the public limited company which does not call up capital or three per cent for those which call up capital, shall have the right to get, at any time, a copy of the company documents mentioned in article 201 of this code, relating to the last three financial years as well as a copy of the minutes and attendance sheets of meetings held during the three last years. The shareholders holding a part of the capital, may obtain the communication of the said documents and to give proxy to whom will exercise his right on their behalf.

Article 290 (first paragraph new): The shareholders holding, at least ten per cent of the company capital may ask for the annulment of the taken decisions which are contrary to the bylaws or harming the company interests and taken in the interest of one several shareholders or for the profit of a third party.

Art. 15 - Shall be added to the commercial companies code, an article 290 bis reading as follows :

Article 290 bis : One or several shareholders holding, at least, ten per cent of the company capital, individually or jointly, ask from the judge of summary procedures to appoint an expert or a body of experts tasked with the mission to present a report on one or several management operations.

The expertise report shall be communicated to the petition or petitioners to the public prosecution and as the case may be, to the board of directors, executive board, supervisory board and to the auditors and in case of need, to the permanent audit committee, as well as the council of financial market for the companies calling for capital. This report shall be annexed to the auditor's report, and put at the disposal of the shareholders at the company head office for the next ordinary or extraordinary general meeting within the provided for by article 274 and following of this code.

CHAPTER IV

FINANCING THE ECONOMIC INITIATIVE

Art. 16 - The last line of article 97 of the commercial companies code shall be repealed and replaced by the following :

Article 97 (last line new): The raising of capital can be in industry. The evaluation of its value and the fixing of the share which it generates in the benefit, shall be made by mutual agreement between the associates within the framework of the constituting deed. This contribution shall not enter the composition of the company capital .

Art. 17 - The natural persons may convert their savings accounts into savings accounts of investment, without requesting them the restitution of the advantages obtained from the initial account ,and this, in accordance with conditions fixed by a decree.

Art . 18 - The banks shall work for the creation of a cell devoted exclusively to the creation of small and medium-sized enterprises and which constitutes the direct interlocutor and the point of reference for the principal speakers. This cell shall be charged of the development and the setting of a total strategy to develop the functions and the banking services relating to the creation of this category of enterprises.

Art. 19 - The provisions of paragraph 4 (new) of article 34 of law n° 58-90 dated 19 September 1958, establishing and organizing the Central Bank of Tunisia, shall be repealed and replaced by the following :

Article 34 paragraph 4 (new) : It may ask the credit establishments and the companies of debts recovery to provide it with all statistics and information which it deems useful to know the evolution of the credit and the economic situation. It shall notably be charged of ensuring on its premises the centralization of the banking risks and to communicate them to the credit establishments and the companies of debts recovery. It ensures also the holding and the management of a file of the nonprofessional credits granted to natural persons and may, for this purpose, ask the establishments providing this type of credit and the companies of debts recovery as well as the tradesmen exercising the sales with easy terms to communicate to it all information related to the said credits and easy terms. The Central Bank of Tunisia shall communicate to the establishments, the companies and to the abovementioned tradesmen, upon their requests and following their reception of the application for credit or easy terms, the information relating to the amounts of the debts, the deadlines of their

repayability and the related incidents of payment , drawn from the file, with the condition to not exploiting them at ends other than the granting of the credits or easy terms and under penalty of the sanctions provided for in article 254 of the penal code. The Central Bank of Tunisia shall fix the technical data to be respected by the establishments, the companies and the abovementioned tradesmen at the time of the information communication to the file of the nonprofessional credits and during its consultation.

Art. 20 - Shall be added to article 34 of law n° 58-90 dated 19 September 1958, establishing and organizing the Central Bank of Tunisia, a fifth paragraph, reading as follows :

Article 34 (Fifth paragraph) : Within the framework of the communication of financial information necessary to the exercise of the economic activity and the impulse of the initiative, the Central Bank of Tunisia, shall allow the beneficiaries of professional and nonprofessional credits and easy terms to consult the data which are related to them according to conditions and procedures that it fixes for this purpose.

Art. 21 - Shall be added to the investments incentives code, an article 62 bis, reading as follow :

Article 62 bis: The subsidies granted within the framework of this code, encouragement of export or an approved upgrade program, shall benefit from the same advantages from which benefit revenues and benefit coming from the exploitation of the enterprise benefiting from the subsidy.

Art. 22 - The enterprises established, within the framework of the swarming in accordance with the legislation governing it, may conclude in direct manner with the public enterprises of origin, contracts of services or goods supply, and this, in the fixed limits and period.

This article implementation methods and conditions shall be fixed by a decree.

Art. 23 - The main residence of the promoter constitutes the last of the guarantees required by the credit establishments for obtaining the financing after having satisfied all the guarantees attributed by the guarantee schemes of credit in force.

CHAPTER V

PROMOTION OF THE SMALL AND MEDIUM SIZED ENTERPRISES

Art. 24 - The provisions of article 47 of the investments incentives code, shall be repealed and replaced by the following :

Article 47 (new) : the promoters of the small-sized enterprises and small trades in industry, handicrafts and services may benefit from :

- refundable appropriations;
- investment subsidy;
- exemption of the contribution to the fund of promotion of the residences for the employees during the first three years starting from the date of entry in effective activity;

- exemption of the tax of vocational training during the first three years starting from the date of entry in effective activity.

The small-sized enterprises mentioned in first paragraph of this article established during the period stretching from the first January 2007 to 31 December 2011, who call upon the integrated management centers for the holding of their accounts and the establishment of their tax declarations, shall benefit from the deduction of twenty percent of the revenues or benefits subjected to income tax or corporate tax and this during the first five years starting from the date of entry in effective activity.

The integrated management centers shall be civil professional establishments to assist to the accomplishment of accounting and tax obligations and to use the modern means of managements within the enterprises and notably to assist the small-sized enterprises during the first years of their activity.

The services of integrated management centers shall be provided by professionals accredited in conformity with the legislation in force and each one assumes the professional responsibility for his acts.

The establishment and management of the integrated management centers shall be submitted to specifications approved by an order of the Minister of Finance.

The delimitation as well as the definition of the small-sized enterprises and small trades within the meaning of the provisions of this article and their field of activity as well as the rates, the conditions and the procedures of granting of the incentives provided for in this article shall be fixed by a decree.

Art. 25 - A percentage of the public procurements shall be reserved to the small-sized enterprises with compliance to the principle of competition and the equal opportunity in accordance with the legislation in force.

This percentage and the conditions required for the projects and enterprises concerned by this measure shall be fixed by a decree.

CHAPTER VI

FACILITATION OF FINANCING THE VOCATIONAL TRAINING

Art. 26 - The methods of financing the vocational training and reimbursement of the expenditure of the professional training services are softened by the adoption of the advance on the tax due or the training cheque and of the drawing rights or the service cheque and this in accordance with the legislation in force.

Art. 27 - The provisions of articles 31 and 33 of law n° 88-145 dated 31 December 1988, relating to finance law for the year 1989, shall be repealed replaced by the following :

Article 31 (new) : The enterprises subject to the tax of vocational training which take provisions in order to promote the vocational training within the enterprise either by their own means or by the intermediary of another enterprise or a group of enterprises or organizations or Chamber of Commerce and Industry, or by the intermediary of approved enterprises of training shall profit from an advance on the tax of vocational training consisting of a tax

credit equal to a percentage of the amount of the vocational training tax due for the year preceeding the year of the realization of training operations, which will be allocated to cover the expenses of training carried out by the enterprise for the profit of its agents during the concerned year of the training.

It shall be monthly proceeded to the deduction from the tax of vocational training due for the year of training, the amount of the advance provided for by the first paragraph of this article. In the case when the advance exceeds the monthly due amount, the surplus shall be ascribable on the tax of vocational training due according to the later monthly declarations.

In case of defaulting the realization of training operations during the year in which the advance was granted or if the advance exceeds the expenses of the carried out training, the company shall not be bound within a deadline not exceeding January of the year which follows the year of the granting of the advance, to pay to the treasury the no discharged vocational training tax following the unduly deduction of the advance increased the delay penalties provided for by the legislation in force.

The field of implementation as well as the rate, the conditions and the procedures of the benefit of the advance on the tax shall be fixed by a decree.

Article 33 (new) : The enterprise which profited from the deduction of the advance shall be bound to lodge at the competent departments of the Ministry charged of the vocational training, the pedagogical and financial statement of the carried out training operations, and this, within a deadline not exceeding the end of the month which follows the month in which the advance was totally deducted and this deadline shall not exceed in all cases the end of the month of January of the year which follows the year of deduction of the advance.

In case of default of deposit of the pedagogical and financial statement within the legal deadlines, the enterprise shall be bound to pay an amount equal to the advance which was deducted increased with the delay penalties in conformity to the legislation in force.

Art. 28 - Shall be added to the last dash of article 17 of law n° 99-101 dated 31 December 1999, relating to finance law for the year 2000, as amended and completed by article 12 of law n° 2002-101 dated 17 December 2002, relating to finance law for the year 2003 as follows :

- a percentage of the expenses of the enterprise for the formation and training financed by the training cheque. This percentage as well as the field of implementation of the training cheque and the procedures and conditions of the benefit of the cheque shall be fixed by a decree,

- the expenses of the enterprise for the formation and training financed by the drawn rights.

- the field of implementation as well as the procedures and conditions of the benefit of the drawn rights shall be fixed by a decree.

Art. 29 - The first dash of article 18 of law n° 99-101 dated 31 December 1999, relating to finance law for the year 2000, shall be amended as follows :

- the resources from the vocational training tax net of the tax advance.

Art. 30 - The enterprises subjected to the tax of vocational training which realize at the date of entry into force of the law herein rebates which were not deducted from the tax of vocational training in conformity with the provisions of article 31 of the law n° 88-145 dated 31 December 1988, relating to finance law for the year 1989, may deduce the amount of the said rebates of the tax of vocational training due on the late years and this, after the deduction of the advance and till the resorption of the rebates amount.

Art. 31 - The provisions of articles 27, 28 and 29 of the law herein as well as the implementation texts shall come into force as of 1st January 2009.

CHAPTER VII

MEASURES OF ACCOMPNIEMENT OF SOCIAL NATURE

Art. 32 - Shall be added to article 45 of the investments incentives code, a point 4, reading as follows :

4- allowing to new promoters to report the payment of their contribution for social security for two years, the payment of these contributions shall be carried out through 36 monthly installments.

The modalities and conditions of grant of this report shall be fixed by a decree.

Art. 33 - Shall be added after the third dash of article 52 ter of the investments incentives code, two dashes, reading as follows :

- the exemption of the tax of vocational training for the wages, salaries, allowances and advantages being allocated to the Tunisian teachers or trainer recruited in a permanent way;

- exemption of the contribution to the fund of promotion of the residences for the employees for the wages, salaries, allowances and advantages being allocated to the Tunisian teachers or trainer recruited in a permanent way and this, during the first ten years starting from the date of entry in effective activity. This advantage shall be granted to the enterprises which enter into effective activity during the period of the eleventh development plan (2007-2011).

Art. 34 - Shall be repealed and replaced the first and third paragraphs of article 50 bis and amended the first paragraph of article 50 (quarter) of law n° 83-112 dated 12 December 1983, relating to the general status of the officials of the state, the local public collectivities and public establishments of administrative nature, as amended and completed by law n° 2003-20 dated 17 March 2003 as follows :

Article 50 bis (first paragraph new): A leave for an enterprise creation shall be granted to the established official for a maximum duration of one year renewable a single time. This leave shall be renewable two times in the case when the enterprise is established in the regional development areas. It may be granted within the framework of the transfer provided for by law n° 95-34, relating to recovery of enterprises in economic difficulties as amended and completed by subsequent texts. This leave shall be granted by a decree.

Article 50 bis (third paragraph new): In case when the enterprise is established in regional development areas and notwithstanding the contrary legislative provisions, the official shall continue to benefit from the social security cover during three years and half salary during the two first years, without being entitled to advancement or promotion .

Article 50 quarter (first paragraph new): The official benefiting from a leave for an enterprise creation shall ask through a registered letter for third reintegration or leave renewal for a second year or third year in case when the enterprise is established in regional development areas and this, within a one-month deadline, at least, before the leave period expiry.

Art. 35 - Shall be repealed and replaced the first and third paragraphs of article 53 bis and amended the first paragraph of article 53 (quarter) of law n° 85-78 dated 5 August 1985, relating to the general status of the officials of offices, public establishments of industrial and commercial nature and companies whose capital belongs directly and wholly to the state or to the public local collectivities as amended and completed by law n° 2003-21 dated 17 March 2003, as follows :

Article 53 bis (first paragraph new): a leave for an enterprise creation shall be granted to the established official for a maximum duration of one year renewable a single time. This leave shall be renewable two times in the case when the enterprise is established in the regional development areas. It may be granted within the framework of the transfer provided for by law n° 95-34, relating to recovery of enterprises in economic difficulties as amended and completed by subsequent texts. This leave shall be granted by a decree.

Article 53 bis (third paragraph new) : in case when the enterprise is established in regional development areas and notwithstanding the contrary legislative provisions, the official shall continue to benefit from the social security cover during three years and half salary during the two first years, without being entitled to advancement or promotion .

Article 53 quarter (first paragraph new) : the official benefiting from a leave for an enterprise creation shall ask through a registered letter for third reintegration or leave renewal for a second year or third year in case when the enterprise is established in regional development areas and this, within a one-month deadline, at least, before the leave period expiry.

CHAPTER VIII

DEVELOPMENT OF ECONOMIC SPACES

Art . 36 -The enterprises seedbeds are spaces equipped to help the promoters in the innovating sectors and promising activities to concretize their ideas of projects and to transform them into operational projects and to lodge these projects for one given period and to help them to be established apart from the seedbed after the incubation period.

These services primarily relate to the training of new promoters in particular in the field of the creation of the projects, their assistance during the preparation of the project, the lodging of the innovating projects and their accompaniment during the first years after their starting and

this, through providing the basic logistic services and the offer of expertise necessary to support the enterprises in management, to make known their product and to determine their future strategy.

Art . 37 - The cyber-parks are spaces equipped to lodge the promoters and to help them to carry out their projects in the field of the services based on information and communication technologies through the service of the logistic services and the means necessary to the exploitation and this for one given period.

Art. 38 - The provisions of article 52 quinquies of the investments incentives code shall be repealed and replaced by the following :

Article 52 quinquies : The investments for the realization of enterprises seedbed and cyber-parks shall entitle to the benefit :

-an investment subsidy in the limit of 20 % of the project cost;

-plot of lands with the symbolic dinar.

These advantages shall be granted to the realized projects during the period stretching from the date of entry into force of the law herein with the condition of the realization of the project and entry into operation within a maximum two-month deadline starting from the date of the plot of land obtaining and its operation in conformity with its object and according to the specifications established by the supervising ministry during a period which could not be less than fifteen years.

These advantages shall be granted by a decree after the higher commission of investment opinion.

Art . 39- Shall be added to the investments incentives code , an article 51 bis reading as follows :

Article 51 bis - The investments for the realization of industrial areas shall entitle to the benefit from :

- the exemption from the person income and tax corporate for the revenues and benefits from the projects realization and this, during the five first years starting from the date of entry into activity;

- the state taking over of the extra-muros infrastructure of these areas.

The benefit from these incentives shall be subordinate to the promoter commitment to:

- build and outfit the buildings for supplying basic equipments and providing the common services for the profit of those who are established in the area;

- ensure the area maintenance;

- ensuring the area animation and its commercialization, both internally and externally;

- ensure the role of the single interlocutor for those who are installed in the area.

- these incentives shall be granted by a decree after the higher commission of investment opinion.

Art. 40- Shall be added to the investments incentives code , an article 56 bis reading as follows :

Article 56 bis- The enterprises which manage a harbor zone reserved for cruising tourism in conformity with an

agreement concluded between the zone manager and the supervising Ministry and approved by decree on the higher commission of investment opinion, shall benefit from :

-the exemption from customs duties and suspension of the value added tax, consumers taxes and the tax for the profit of the fund for the development and industrial competitiveness for the acquisition of equipments, goods, products and services necessary to the realization of investments or an activity except passenger cars,

- the deduction of all the revenues or benefits coming from these investments from the tax assessment of personal and corporate incomes, notwithstanding the provisions of articles 12 and 12 bis of law n° 89-14 dated 30 December 1989, promulgating the personal income and corporate tax code, and this, during the first ten years starting from the date of entry into effective activity.

The deduction of all the revenues or benefits coming from these investments from the tax assessment of personal and corporate incomes, without the deduction generating a tax lower than 10 % of the total of the taxable profit, without regard to the deduction for the enterprises and to 30 % of the amount of the tax calculated on the basis of total income, without regard to the deduction for natural persons, and this, starting from the eleventh year from the date of entry into effective activity.

The said harbor zone shall be subject to the free zone regime as provided for by the customs code.

Art. 41- Shall be added to table "A" annexed to the value added tax code, a number 28 bis, reading as follows :

28 bis) the services relating to the ships mooring and the passage of the tourists realized by enterprises which manage a harbor zone reserved for cruising tourism in conformity with an agreement concluded between the zone manager and the supervising Ministry and approved by a decree on the higher commission of investment opinion.

Art.42- The local collectivities shall be committed to, within the urban development plans of their competence, reserve plots of land necessary to the economic activities attraction.

Art. 43- Shall be added to law n° 83-87 dated 11 November 1983, relating to agricultural lands protection, an article 8 bis, reading as follows :

Article 8 bis - Notwithstanding the provisions of articles 6 and 8 of the law herein, the change of the vocation of the state-owned agricultural lands, outside of the interdiction and safeguard zones for the building of national interest installations, shall be granted by a decree on a national consultative commission opinion.

the criteria of determination of the national interest, as well as the composition and the operating procedures of this commission shall be fixed by a decree.

CHAPTER IX

ENCOURAGEMENT OF REGIONAL DEVELOPMENT

Art. 44- Shall be repealed the paragraphs 2 and 3 of article 23 and articles 25 and 26 of the investment incentives code and replaced by the following provisions :

Article 23 paragraph 2 and 3 (new) :

2- deduction of investments incomes or benefits from the personal and corporate income tax assessment as follows :

- concerning the first group of regional development encouragement areas, which list is fixed by a decree relating to industry, handicrafts sectors and some services activities : totally for the first- five years starting from the date of effective activity start , notwithstanding the provisions of articles 12 and 12 (Bis) of law n° 114-89 dated 30 December 1989, promulgating the personal and corporate income tax code,

- concerning the second group of regional development encouragement areas, which list is fixed by a decree relating to industry, handicrafts sectors and some services activities : totally for the first- ten years starting from the date of effective activity start, notwithstanding the provisions of articles 12 and 12 (Bis) of law n° 114-89 dated 30 December 1989, promulgating the personal and corporate income tax code,

- concerning the regional development encouragement areas with priority, which list is fixed by a decree relating to industry, handicrafts sectors and some services activities and tourism regional development encouragement areas : totally for the first- ten years starting from the date of effective activity start, notwithstanding the provisions of articles 12 and 12 (Bis) of law n° 114-89 dated 30 December 1989, promulgating the personal and corporate income tax code and in the limit of 50% of these incomes or benefits for the following ten years.

3- exemption from the fund for housing promotion participation for employees for the first- five years starting from the date of effective activity start for the investments in tourism sector as well as investments in industry, handicrafts sectors and some services activities in the second group of regional development encouragement areas and regional development encouragement areas with priority, which list is fixed by a decree.

Article 25 (new) : The investments in industry, tourism, handicrafts sectors and some services activities mentioned in article 23 of the code herein and made in regional development encouragement areas, which list is fixed by a decree mentioned in article 23, shall benefit from the state taking over of employers' contributions in the social security legal scheme for Tunisian employees paid salaries as follows :

- concerning regional development encouragement areas in tourism sector: the state takes over the contribution for the first- five years starting from the date of effective activity start.

The investments in desert tourism projects made in regional development encouragement areas mentioned in article 23 of the code herein, shall benefit from the advantage for an extra five years.

- concerning the first group of regional development encouragement areas, which list is fixed by a decree relating to industry, handicrafts sectors and some services activities : the state takes over a percentage of the

contribution for the first- five years starting from the date of effective activity start, fixed as follows :

The year of the state taking over	Percentage of the state taking over
First year	100%
Second year	80%
Third year	60%
Fourth year	40%
Fifth year	20%

- concerning the second group of regional development encouragement areas, which list is fixed by a decree relating to industry, handicrafts sectors and some services activities : the state takes over the contribution for the first- five years starting from the date of effective activity start,

- concerning the regional development encouragement areas with priority, which list is fixed by a decree relating to industry, handicrafts and some services sectors : the state takes over a percentage of the contribution for an extra five years starting from the date of effective activities start, fixed as follows :

The year of the state taking over	Percentage of the state taking over
First year	80%
Second year	65%
Third year	50%
Fourth year	35%
Fifth year	20%

The provisions of dash 4 of the article herein shall be applied to projects which benefit from an extra five years before 31 December 2011

Article 26 (new)- The general works and land estate promotion companies which carry out infrastructure and collective equipments projects, included in a list fixed by a decree in the second group of regional development encouragement areas and regional development encouragement areas with priority the list of which is fixed by a decree, shall benefit from a 50% deduction of benefits resulting from these projects from the personal and corporate income tax assessment.

Art. 45 - The enterprises in activity before the date of entry into force of the law herein and which the advantages benefit period provided for in articles 23 and 25 of the investments incentives code did not expired, as well as enterprises having a certificate of deposit of investment declaration before the date of entry into force and which effectively start their activity before 31 December 2009, continue to benefit from the mentioned advantages till the end of the granted period according to the legislation in force before the entry into force of the law herein.

CHAPTER X
**ENTERPRISES RESCUE AND TRANSFER
ENCOURAGEMENT**

Art. 46 - The enterprises recovery operation provided for in law n° 95-34 relating to enterprises in economic difficulties, as amended and completed by subsequent texts, shall be considered as an operation of establishment entitling to the benefit of interventions of the state special funds on the title of funds to be reimbursed and capital contributions to complete the financial structure according to the law in force.

It shall also benefit from these interventions, the optional transfer operations in case of death, as well as in cases of running incapability and retirement provided for in article 11 (bis) of the personal and corporate income tax code with the condition to regularize the prior situation to the funds to be reimbursed.

These provisions do not apply to the operations of acquisition of actions or shares within the framework of the continuation of the activity or the transfer provided for by law n° 95-34 referred to above, the managers of the enterprise and the majority associate at the date of acquisition or the subscription for the calculation of the participation rate of the majority associate, shall be taken into account the participations of associate as well as those of the spouse and the emancipated children.

Art. 47 - Shall be added to the article 7 of the incentives investments code a paragraph 3, reading as follows :

3 - with consideration to articles 12 and 12 (bis) of law n° 89-114 dated 30 December 1989, promulgating the personal and corporate income tax code, shall be deductible from the tax assessment on personal and corporate income from enterprises, the incomes or benefits which are reinvested in purchasing an enterprise assets or the acquisition or subscription of actions or shares which lead to detaining 50% of the capital of an enterprise personally transferred in case of death, as well as in cases of running incapability and retirement provided for in article 11 (bis) of the personal and corporate income tax code, as well as within the frame of the continuation of activity or the transfer provided for in law n° 95-34 referred to above, relating to enterprises in economic difficulties, as amended and completed by subsequent texts, in the limit of 35% of net incomes or benefits submitted to personal and corporate income tax.

These provisions do not apply to the operations of acquisition of actions or shares within the framework of the continuation of the activity or the transfer provided for by law n° 95-34 referred to above, the managers of the enterprise and the majority associate at the date of acquisition or the subscription for the calculation of the participation rate of the majority associate, shall be taken into account the participations of associate as well as those of the spouse and the emancipated children.

Art. 48 - Shall be added to the article 13 of the incentives investments code a paragraph 3, reading as follows :

3 - with consideration to articles 12 and 12 (bis) of law n° 89-114 dated 30 December 1989, promulgating the

personal and corporate income tax code, shall be deductible from the tax assessment on personal and corporate income from enterprises incomes or benefits which are reinvested in purchasing a wholly export enterprise assets, actions or shares which lead to detaining 50% of the capital of a wholly export enterprise as well as within the frame of the transfer provided for in law n° 95-34 , relating to enterprises in economic difficulties, as amended and completed by subsequent texts.

Art. 49 - Shall be added to the article 23 of the incentives investments code a paragraph 4, reading as follows :

4 - Notwithstanding articles 12 and 12 (bis) of law n° 89-114 dated 30 December 1989, promulgating the personal and corporate income tax code, shall be deductible from the tax assessment on personal and corporate income from enterprises incomes or benefits which are reinvested in purchasing an enterprise assets or the acquisition of actions or shares which lead to detaining 50% of the capital of these enterprises within the frame of the transfer provided for in the abovementioned law n° 95-34, relating to enterprises in economic difficulties, as amended and completed by subsequent texts.

These provisions do not apply to the operations of acquisition of actions or shares within the framework of the continuation of the activity or the transfer provided for by law n° 95-34 referred to above, the managers of the enterprise and the majority associate at the date of acquisition or the subscription for the calculation of the participation rate of the majority associate, shall be taken into account the participations of associate as well as those of the spouse and the emancipated children.

The law herein shall be published in the Official Gazette of the Republic of Tunisia and implemented as law of the state.

Tunis, 27 December 2007.

Zine El Abidine Ben Ali

Law n° 2007-70 dated 27 December 2007 relating to the finance law for the year 2008 (1).

In the name of the People ;

The Chamber of Deputies and the Chamber of Advisors having adopted;

The President of the Republic enacts the following law :

Article one :

The incomings arising from the collection of taxes, fees and several returns, and loans for a total of 15.242.000.000 dinars are authorized till 2008 and remains authorized to be deducted for the benefit of the state budget, and classified as follows :

(1) preparatory works :

Discussion and adoption by the Chamber of Deputies during its session held on 3 December 2007.

Discussion and adoption by the Chamber of Advisors during its session held on 14 December 2007.