

Qualifying Certificate PROGRAM

The Qualifying Certificate Program, created under Public Law 8-80 and amended under PL 20-178 and PL 22-159, is administered by the Guam Economic Development Authority. It was conceived in 1965 as an economic incentive tool to encourage investment in activities that would strengthen the island economy, enrich its growth, and enhance the quality of life in Guam. This program has proven to be highly successful, particularly in the development of Guam's primary industry - Tourism.

TAX INCENTIVES (BASIC PROGRAM):

Up to 75% Rebate of corporate income tax for up to twenty (20) years.

Up to 75% Rebate of corporate dividends tax for up to five (5) years.

Up to 100% abatement of real property tax for up to ten (10) years on property utilized by the QC beneficiary to operate its business.

Up to 100% abatement of Business Privilege tax on income derived from the sale of alcoholic beverages and petroleum products manufactured in Guam for up to ten (10) years.

The Authority also offers special incentives for Captive Insurance, Trusts, and Recycling (PL 23-109, PL 24-266, and PL 23-127).

LOCAL PARTICIPATION (12 GCA, Div. 2, Chapter 58, §58108)

Preference shall be extended to applicants, which have fifty-one percent (51%) or greater portion of local investment, as controlled by bona fide Guam residents.

ELIGIBILITY

(12 GCA, Div. 2, Chapter 58, §58104) Any trust, partnership, sole proprietorship, Limited Liability Partnership, Limited Liability Company, or corporation, formed under the laws of Guam and licensed to do business in Guam, which is engaged, or about to engage in any of the following activities:

- 1 Green Technology (Energy Efficiency, Renewable Energy and Environmental Cleanup)
- 2 The manufacture, distribution and sale of non-petroleum based fuels.
- 3 Agriculture
- 4 Aquaculture
- 5 Mariculture
- 6 Manufacturing
- 7 Commercial fishing
- 8 Services
- 9 Tourism
- 10 Improvement of real property by constructing and selling affordable homes thereon, and for other purposes which are specifically determined by the Authority to be beneficial, desirable, and necessary for the economic development of Guam.
- 11 Insurance, commercial insurers, reinsurers, or captive insurers which meet the requirements of 22 GCA, chapter 15, article 3
- 12 Export Trading Companies as defined in 11 GCA, §26101(d), if the main office of the export trading company is on Guam
- 13 Producing water or disposing of wastewater, or both, jointly with the Guam Waterworks Authority
- 14 Operating on a military base on Guam a Base Operating Service Contract (Repealed by PL 31-88).
- 15 A global internet infrastructure services company providing internet connectivity and co-location facilities and its/their tenant-sellers in the sales of goods, services and information over the internet.
- 16 Recycling
- 17 Guam based trusts

MINIMUM CAPITAL INVESTMENT

Agriculture, Aquaculture, Mariculture	\$100,000
Manufacturing	\$100,000
Home Manufacturing	\$100
Commercial Fishing	\$25,000
Services	\$50,000
Tourist Facilities	\$50,000
Captive Insurance Companies	\$100,000
Export Trading Company	\$100,000
Industrial Facilities	\$100,000
Hotels, Motels	\$500,000
First Class Hotels	\$5,000,000
Business Class Hotels	\$1,000,000
Recycling	\$100,000
Affordable Housing	(Minimum construction of no less than twenty-five (25) affordable housing units)

FEES

12 GCA, Div. 2, Chapter 58, §58143) Fees consist of a one-time application fee and an annual surveillance fee assessed through the life of the Qualifying Certificate.

	APPLICATION FEE	ANNUAL SURVEILLANCE FEE
Agriculture, Aquaculture, Mariculture	\$150	\$500
Home Manufacturing	\$100	\$100
Manufacturing	\$750	\$2,000
Commercial Fishing	\$250	\$1,000
Services (includes trusts)	\$750	\$2,000
Tourism	\$1,000	\$3,000
Captive Insurance Companies	\$750	\$1,000
Export Trading Companies	\$750	\$1,000
Motels under construction	\$750	\$2,000
Motels in Operation	\$750	\$25/per room
Hotels under Construction	\$1,500	\$3,000
Hotels in Operation	\$1,500	\$45/per room
GWA Joint venture partner	\$750	\$1,000
Recycling	\$750	\$2,000
Affordable Housing	\$750	\$1,000