

Press release

Export-IT Application Deadline Extended:

The Program Allows IT Companies to Receive Cash Rebate Up to 10% of the Added- Value Exports

Date published: 18 August 2011 — ITIDA's board of directors chaired by the minister of Communications and Information Technology, Dr. Mohamed Salem, decided to extend the deadline of applying for the second phase of the Export IT program to be on 28th of August 2011 instead of the 30th of July 2011.

To date, a number of 146 Egyptian IT products and services exporting companies have registered for the second phase of the program, in order to benefit from the cash rebate on their added-value exports.

The program allows Egyptian companies to receive rebate value calculated as a percentage of the value-added component with a ceiling of 10% with maximum of 500,000 USD per company per year. The added- value, in this context, means the actual effort and work done by the exporter.

In other words, the cash amount is not calculated upon the total value of the company's exports, but on the difference between the revenues of exports, the cost of the machinery inputs, its belongings and software licenses.

Software products, consultations, training courses, outsourcing services, software applications, analysis systems, and IT services are part of what is called the added-value.

Advanced companies provide a wide variety of IT products and services such as developing advanced software products and training services. IT products and services also include applications development services, consulting, outsourcing services, regional and global support centers, e-content products and services, and call centers services.

There are no pre-conditions related to the number of accepted companies in the program. Companies seeking to benefit from this program must present what proves the Egyptian nationality of individual owners/ "Effective Egyptian Ownership".

Companies with floating shares are requested to submit report from Misr for Central Clearing Depository and Registry (MCDR) illustrating the Egyptian ownership. In this case, the company's principal headquarters should be in the Arab Republic of Egypt. The

applying company should be registered in the database of the ICT industry published on ITIDA's website.

77 of the companies wishing to benefit from the Export IT program presented all documents required for the application. This number is expected to increase after extending the deadline.

Amongst the required documents for applying to the Export IT program, there is the Export IT application form, copy of the complete set of audited financial statements for the ended year, Dec 31st 2010.

The financial statements include statement of financial position, income statement, statement of cash flows, accompanying notes to the financial statements and transactions, copy of company's income tax report
6- Recent commercial register, valid tax card and the export lists for the ended fiscal year Dec. 31st 2010.

Moreover, company's exports list should include information about the export destination, type of export products or services, exports value and currency, the collected amount of revenues and cost of exportation. The list should also include a report about the number of employees, working hours for each export operation, a copy of sales invoices and of the consulting services contracts in relation with the exported products and services.

Any other evidence of additional documents to verify export transactions are also a good reference through ITIDA's website.

By virtue of this program, approved companies will be receiving cash rebate amounting to a maximum of 10% of their value added exports (with a ceiling of USD 500,000 per company per year) provided that the related proceeds were transferred by importers and collected by the company in year 2010 (i.e. cash-bases rather than accrual-bases).

Approval/rejection of the Export-IT application as well as deciding on the rebate amount will be made by the program committee based on review reports presented by the program consultants.

Companies will be advised on the committee's decision in due time and upon closure of the program.

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Contact details:

Ahmed Reda
Media & Communication Manager
Information Technology Industry Development Agency
T: +202 35 34 51 85
E: areda@itida.gov.eg

About ITIDA:

The Information Technology Industry Development Agency (ITIDA) is a governmental entity affiliated to Egypt's Ministry of Communications and Information Technology. It is responsible for growing and developing Egypt's position as a leading global outsourcing location by attracting foreign direct investment to the industry and maximizing the exports of IT services and applications.

Located in the heart of the modern business environment at Smart Village, the six hundred acre business park on the outskirts of Cairo, ITIDA is a self sustainable entity that drives the IT industry in Egypt and raises awareness among the Egyptian people of the benefits and use of ICT to advance socio-economic welfare of the whole community.