

## Press release

---

### ITIDA's Exports IT Program Allows IT Companies to Receive Support Up to 10% on the Added- Value Exports

**Date published: 18 August 2011**

ITIDA's Board chaired by the minister of Communications and Information Technology, Dr. Mohamed Salem, decided to extend the deadline of applying to the second phase of the Export IT program.

The deadline is changed to the 28th of August 2011 instead of the 30th of July 2011.

146 Egyptian companies exporting IT products and services registered in the second phase of the Export IT program till now, in order to benefit from the added-value exports.

The program allows to Egyptian companies to receive direct subsidies amounting to a maximum of 10% of the added- value of the exports. The added- value, in this context, means the actual effort and work done by the exporter.

In other words, the subsidies are 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:

- 1- Statement of financial position
- 2- Income statement
- 3- Statement of cash flows
- 4- Accompanying notes to the financial statements and transactions
- 5- Copy of company's income tax report
- 6- Recent commercial register
- 7- 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.

According to the Export IT program, the value of support on export operations which was delivered to the companies during the year 2010 will be calculated. Each company receives a maximum support value of (500,000 USD) on its exports operations during 2010. The company receives the support value in cash.

After announcing that the submission deadline is 28 August 2011 to receive support on the added-value exports, many companies applied to the program through ITIDA's website.

- ENDS -



**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.