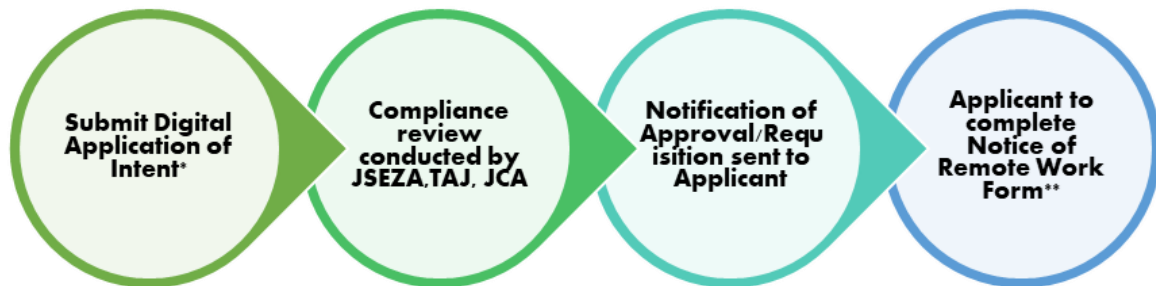


Frequently Asked Questions:

1. How will the WFH process work?

Response:

Companies will be required to apply for this arrangement through the SEZ Authority. The process is laid out below:



2. What are the requirements to qualify for WFH?

Response:

1. Must be an SEZ entity in good standing with a valid Operating Certificate or where the applicant is a new SEZ entrant it must pass the JSEZA diligence checks.
2. Payment of fee(s)
3. Have no SEZ fees outstanding
4. Be tax compliant
5. The SEZ entity must have an inventory management system to log and track the movement of equipment.
6. Have a human resource system to track employees and document each request.

3. What are the potential benefits of the WFH Framework?

Response:

- Reduced costs
- Increase in capacity
- Improvement of operations
- Expansion of market base

4. What is the duration of the WFH Permit?

Response:

The WFH Permit is valid for a year, however, for initial issuance, the permit will have a duration equal to the time remaining from the effective date of the legislative amendment and the SEZ Entity's Operating Certificate.

5. Will this process be lengthy and bureaucratic?

Response:

We have ensured that all our processes are executed/delivered in a timely and efficient manner. Therefore, the usual turnaround time is **three** (3) business days. During this time period, communication will be done among units of JSEZA and relevant authorities to delegate approval.

6. What are the categories of fees associated with the WFH process?

Response:

The Authority has identified two categories of fees: **Personnel** and **Frequency** fee. However, both will be combined, and a single fee will be charged per client. The Personnel fee is the cost per employee and the Frequency fee is a quarterly charge based on the current staff population.

7. What is the cost associated with the WFH process?

Response:

The initial WFH fee was valued at 10.80 USD. After re-evaluation, there was a 25.93% reduction, which resulted in a change of cost to 8.00 USD. This

understanding supports the incentivized nature of the regime, with hopes of facilitating trade and development.

8. Why did the Authority decide to charge a fee?

Response:

The 2 main reasons for imposing a WFH fee are:

- The WFH permit is a voluntary arrangement that has been established by the Authority to facilitate the industry. In order for the WFH process to be successful, the Authority will be required to conduct extensive monitoring and regulating as well as administrative functions and responsibilities to ensure that SEZs remain compliant with the legislation.
- To ensure good governance, accountability, transparency, and the prevention of risk of tax leakage, the regulatory bodies require compensation for the execution of this new process.

9. What are some of the costs the authority will incur as a result of WFH?

Response:

As a result of accommodating a WFH permit, there are several processes that the Authority will undertake that will incur additional expenses. These processes are:

- Application, Renewal
- Monitoring, Enforcement
- Penalties
- Software/System upgrade.

These processes will require additional Human Resources and IT where required.

10. What is the importance of the 30% WFH staff rate?

Response:

Following the Ministry's approval recommendation from Industry Stakeholders, the geographical location of the zone must be the larger portion of business operations. This ensures a balance of interests between the Developers of the zone and those

carrying out activities in the zone (Occupants). The proposed ratio to be compliant is **70%** of employees working in the zone and **30%** working from home.

11. What are the benefits of complying with this new policy?

Response:

It allows business owners to pursue different types of growth strategies while being more responsive to clients which allows for greater access to a wider workforce as operations are no longer restricted to any one physical location.

12. How can we implement fees for work-from-home when no other jurisdiction is implementing fees?

Response:

This charge is essential to maintain our competitive advantage as an emerging market economy. This is also necessary as the addition of the WFH policy is still a part of your business operations despite not occupying space in the physical zone.

13. How did the Authority come up with these fees?

Response:

Through discussion with the working group set up by Minister Nigel Clarke which consists of private sector and public sector representatives. The fees were derived on the basis of cost recovery for administrative functions that are required to ensure the WFH process is successful and in keeping with GOJ policy as well as other international obligations.

14. How do the WFH fees compare to SEZ fees?

Response:

The general SEZ designation fee is charged to the developer only (square footage charge). This is charged to the occupant and single entities for accessing the value-added service of WFH on a per-person basis.

15. Who is the WFH Framework applicable to?

Response:

The framework is applicable to all approved SEZ Developers & Occupants.

16. When is the billing period for SEZs that opt to partake in the WFH Framework?

Response:

The proposed billing period for SEZs is at the end of each quarter.

17. What will happen to BPO SEZs that already employ a work-from-home policy/framework?

Response:

The transition period entails:

- In order to give the existing SEZ entities that have taken advantage of the existing temporary Work-from-Home arrangements a period of **90** days from the effective date of the new legislation an opportunity to ‘get their house in order’ and reconcile with the 70/30 ratio and existing equipment they have outside of the zone.
- All efforts will be made to align the expiry/renewal dates initial Work from Home permit with an SEZ entity’s expiry/renewal of the SEZ entity’s Operating Certificate.
 - *As such, the initial permit shall be issued for the time remaining from the effective date of the legislative amendment and the SEZ Entity’s Operating Certificate.*
- The Ministry of Finance will grant an extension of the current temporary WAH regime until the proposed law is enacted.

18. What are the timelines for BPOs to transition to the new WFH legislation/framework and submit their transition applications?

Response:

The last day of the transition period is **December 31, 2023**, and entities may begin submitting their transition applications as early as **July 1, 2023**.

19. Is it mandatory for all SEZs to partake in the WFH Framework?

Response:

For **New** SEZ applications, there will be an option for entities to indicate their interest to partake in WFH while **Existing** SEZs that employ a temporary WFH Framework will be required to submit their transition application.

20. How will the WFH application process be administered?

Response:

The process is expected to be automated to facilitate an increase in the ease of doing business.

21. When does this WFH framework take effect?

Response:

The WFH framework is proposed to take effect from **January 1, 2024**. This is to ensure there is a smooth transition between the expiration of the current temporary WFH policy to the more permanent framework.

22. Was the WFH legislation passed?

Response:

Amendments to govern the framework are scheduled to take place over the coming months.

23. How will the WFH equipment be registered with TAJ/JCA/JSEZA?

Response:

The process employed to monitor the registration of WFH equipment is as follows:

- a. Submission of the application through a portal. The application is supported by a list of assets with the inclusion of model and serial numbers.
- b. JSEZA reviews, notifies JCA & TAJ, and provides WFH approval response within 2 days.
- c. WFH permit is issued to the SEZ.

24. Are there any penalties/fines associated with the WFH Framework?

Response:

Penalties/fines associated with the WFH Framework will be applied on the following basis:

- 1) Lost or stolen equipment facilitated under the Work-from-Home facility will **attract customs duties.**
- 2) **Repeated violations** of the Work-from-Home Facility and other SEZ disciplines may result in the **cancelation of the Work from Home permit.** There will be a three-strikes rule.
- 3) If the Work-from-Home Permit is canceled the SEZ entity ought to be given a reasonable timeline, such as 30 days (**time to be determined**) to have the equipment returned to their SEZ location.
- 4) Failure to keep adequate records
- 5) Failure to report on time
- 6) Exceeding the maximum allowance of 30% of employees working from home
- 7) “Work from elsewhere”, satellite offices, spillover spaces, or unauthorized locations (e.g., moving into and operating out of space (SEZ or non-SEZ) before receiving a License or Authorization) to do so.