



Invest in Iceland

- **Favorable Business Environment**
- **Advanced Economy and Infrastructure**
- **Educated Multilingual Workforce**
- **Low Corporate Income Tax**
- **Efficient Incentives Regime for FDI**
- **European Legislative Framework**
- **Safe and Family Friendly environment**
- **Renewable Energy**

Favorable business environment

Iceland focuses on a favorable business environment and advanced infrastructure. As part of the common European market the Icelandic legal framework adheres to the general European business legislation and practices. Iceland has signed over 50 double taxation treaties and companies in Iceland incur only 20% Corporate Income Tax on net profits. Efficient incentives for new direct investments are available. Iceland is well connected to the rest of the world with extensive transport and communication network.

Efficient incentives regime

New direct investment projects can apply for an investment agreement, ensuring regional incentives that apply outside the capital area. They can include a fixed income tax rate ceiling of only 15% for 10 years, full depreciation of assets, reduced property tax rate and social security charge, exemptions from customs and duties for capital goods and site lease at reduced rates. EU regulation does also allow general incentives for SMEs, R&D and environmental protection.

Tax incentives for foreign specialists

In addition to the attractive incentives program for businesses, offering e.g. an income tax rate ceiling of just 15 percent for a period of 10 years, Iceland has recently adopted tax incentives for foreign specialists. A special tax deduction allows that only 75% of the income is considered taxable for the first three years of employment.

Extensive Free Trade – Including China

As a member of the European Economic Area Iceland is part of the inner European market with tariff free access to the European Union. Iceland was also the first Western country to sign a free trade agreement with China. This new FTA opens up a range of new opportunities for investors from the US, Canada and Europe, interested in the fast-growing Chinese market, as well as Chinese investors, looking for opportunities to sell their products and services to Europe.



100% Renewable Energy on the National Grid

- Minimize carbon footprint using renewable hydro and geothermal energy
- Cut cost and increase stability with long term contracts for competitively priced green power
- Ensure future operations by connecting to one of the world's most reliable energy grids
- Realize future potentials by locating in a country with untapped sources of green power
- Capitalize on knowledge and expertise in harnessing natural forces that has become a valuable export industry in Iceland

Flexibility and advanced infrastructure

[Iceland's ranking in comparative studies \(pdf\)](#)

[The geothermal story of Iceland \(pdf\)](#)

The knowledge-based growth sectors

Data Centers, life sciences, chemicals and tourism are now attracting foreign investment to Iceland. International Universities, University Hospital and a strong health care system has encouraged development in all aspects of Life Sciences, from marine based life sciences to IT for diagnosis and treatment in healthcare. Multinational pharmaceuticals company Alvotech has recently open a new research center on the campus of the University of Iceland, where the development and production of generic pharmaceuticals is the main focus.

Data Centers and ICT

Iceland's claim to be a cool location does not only refer to the booming tourism industry, vibrant cultural scene and world renowned creative industries. In the case of data centers, cool is meant literally, as the temperate climate means year-round, natural, free cooling, which reduces electricity consumption. Add to this abundance of green energy, educated and IT minded workforce and multiple submarine fiber optic cables connecting Iceland to Europe and North Americas and you have an ideal and cost competitive location for data centers.

The Geothermal Value Proposition

After harnessing Iceland's geothermal resources to generate electricity, eliminate fossil fuel from space heating and various wellness purposes, such as outdoor spas and swimming pools, the focus is now on other value streams. The combination of multiple value streams from geothermal powerplants provide the opportunity to create unique sustainable inputs to diverse processes such as; Microalgae cultivation utilizing electricity, thermal energy and CO₂, waste-to-value food processing based on geothermal heat, liquid fuel production using electricity and CO₂, algae based cosmetic production, controlled and pesticide free greenhouse production and aquaculture.

Tourism Opportunity

The geothermal resources are also part of Iceland's attraction for foreign guests. For a growing number of people Iceland signifies an exotic experience, unspoilt nature, purity, vibrant culture scene and adventure. And this adventure is highly accessible, only 5-8 hours direct flight from most major airports in North-America and 2,5-5 from Europe. Year on year growth rate in visitor numbers has been over 20% since 2010.

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