



Brief Presentation

Development Law – Greece Strong Growth

2nd Call of Aid Scheme "Support for Tourism Investments"

1. TYPES OF AID

a) Grant :	Free provision of funds by the State for the coverage of part of the aided expenditures of the investment plan defined as expenditure rate.
b) Leasing Subsidy :	Coverage of part of the disbursed leasing installments for the acquisition of new machinery and other equipment by the State. It is determined as a percentage of the acquisition value of the equipment embedded in the disbursed installments. The granting of the lease cannot exceed 7 years.
c) Tax exemption :	Tax exemption consisting of exemption from payment of income taxes on earnings before taxes, which arise according to the tax legislation, from the total of business operations, minus the tax for the legal person or legal entity for profits distributed or undertaken by the partners. The amount of tax exemption is calculated as a percentage of the value of the aided expenditure of the investment plan or the value of new machinery and equipment acquired under lease and constitutes an equivalent reserve.
d) Subsidy of costs of created employment	Part of wage costs (article 2, par.31 GBER) are covered by the State for new jobs created and associated with the investment plan and which do not receive any further State aid.
e) Business risk financing	The incentive for business risk financing concerns the "New Business" scheme, according to which, the incentives of subsidy and business risk financing are aided, through a participation fund, according to article 21 of the GBER (par. 1 of article 9). In particular, it takes the following forms: a. Equity or quasi-equity or investment sponsorship in order to provide business risk financing investments directly or indirectly to eligible companies, b. Loans in order to provide business risk financing investments directly or indirectly to eligible companies.
The types of aid of case a', b' and c' are provided individually or combined and are taken into account in order to determine the total amount of aid for each investment project. The type of aid of case d is provided independently (Article 9, par. 2).	

2. AID SCHEME "SUPPORT FOR TOURISM INVESTMENTS" - DURATION

The purpose of this scheme is to grant aid to a wide range of tourism investments that mainly concern the creation, expansion and modernization of an integrated form of tourist accommodation, with the aim of upgrading the quality of the tourist product.

The commencement date of the submission of applications for inclusion of investment projects is **June 12, 2023** and the closing date of the submission cycle is on **October 13, 2023**.

The total budget of the scheme for the year 2023 amounts to **one hundred and fifty million (150,000,000) euros**, of which seventy-five million (75,000,000) euros concern the incentive of tax relief.

The remaining seventy-five million (75,000,000) euros concern the grant incentive, the leasing subsidy and the subsidy for the cost of the employment created incentive and are derived from the Public Investment Budget of the Ministry of Development and Investments.

3. AREAS OF ACTIVITY FOR INVESTMENT PROJECTS

The investment projects subject to the current scheme concern the following:

- a) establishment or expansion of hotel units of at least four (4****) stars,
- b) modernization of hotel units belonging to or being upgraded to a category of at least three (3) stars, after a five year period has elapsed from the beginning of operations of the unit, or from the date of completion of the previous investment concerning an integrated modernization of the unit, (as long as part of it is included in the in question investment plan).
- c) expansion and modernization of integrated hotel facilities that have ceased operations, provided that during the ceasing time there has not been a change of usage of the building and that through the expansion or modernization of an integrated form, they become upgraded to a category of at least four (4) stars,
- d) establishment, expansion and modernization of an integrated form for Touristic Organized Camping Facilities, which belong to or are upgraded to a category of at least three (3) stars,
- e) establishment and modernization of integrated form of hotel units within designated traditional or listed buildings, which belong or are upgraded to a category of at least three (3) stars,
- f) complex tourist accommodations, as defined by the law 4276/2014 (A' 155), except for the part thereof relating to the to-be transferred or to long-term lease buildings and facilities and provided that they are submitted as a single investment plan and are or are upgraded to a category of at least four (4) stars,
- g) establishment and modernization of non-main tourist accommodations, provided that:
 - 1) they bear the distinctive title "hospitality hostel",
 - 2) they are implemented within traditional settlements in one of the following areas:
 - i) mountainous areas, according to the classification of the Greek statistical authority, except for the municipal units that are part of the urban complex of Athens,
 - ii) areas located at a distance of up to thirty (30) kilometers from the border,
 - iii) islands with a population of less than three thousand one hundred (3,100) inhabitants,
 - 3) they are classified in a category of five (5) keys, according to the decision of the Minister of Tourism No. 12868/2018 (B' 3119) and
 - 4) they maintain a minimum number of twenty (20) rooms for rent, as stated in the relevant licensing documents.
- j) condo hotels, as defined in Law 4276/2014 (A '155), provided that the transfer or long-term lease of the reinforced parts takes place after the end of compliance with the long-term obligations of the investment body, with without prejudice to the provisions of Article 25 of the scheme call for submissions.

EXCEPTIONS

The following are not included in the provisions of the current scheme:

- ✓ The companies for which, at the time of submitting an investment plan application, an aid recovery process is pending (Deggendorf principle),
- ✓ companies in difficulty,
- ✓ companies which, during the two (2) years prior to the submission of the aid application, have:
 - a. relocated the business establishment in which the initial investment for which the aid is requested will take place; or
 - b. do not undertake not to do so within a period of two (2) years after the completion of the initial investment for which the aid is requested, and
- ✓ companies which implement investment projects carried out on the initiative and on behalf of the State, based on a relevant work performance, concession, or service contract.
- ✓ According to this announcement, **one (1) investment project per organization** including its affiliated companies, in the same Municipal Unit.
- ✓ The application for inclusion of an investment plan for the modernization of an existing unit, requires the certification of the completion of a previous investment plan of the unit that has been included in this regime.
- ✓ The submitted investment plans are developed in each Regional Unit, subject to par. 9, and may be divided into sections exclusively and only in cases where they are inextricably linked parts of the same – single investment plan, which has the character of an initial investment, except however, they are governed by a different institutional framework, or differ in the intensity of the defined aid. In cases where the investment plan is structured in sections, the aided costs must be completely distinct and governed by the provisions of articles 6 and 7 hereof in their entirety.
- ✓ **Investment projects located in the Regional Unit of Mykonos and in the Regional Unit of Thira, in the Municipality of Thira, except for the Municipal Community of Thira, are not eligible in this regime***
- ✓ In the case of investment projects whose main place of establishment is an area that meets the conditions of Article 107 paragraph 3, point c of the Treaty (specific regional units of the Attica Region), aid to large enterprises is granted only for initial investments for new economic activity in specific area. A new economic activity is understood as any activity that does not fall into the same class (four-digit numerical code of statistical classification) as an activity already carried out by the organization.

4. MAIN INCLUSION CONDITIONS

Legal status of investment institutions

Under the aid schemes of the law, subjected are the companies established or having a branch in the Greek Territory at the time of commencement of the investment project while having one of the following forms:

- **Commercial company**
- **Cooperative**
- **Social Cooperative Enterprises**, Agricultural Cooperatives. Producer Groups, Rural Partnerships.
- **Joint ventures** (consortiums) carrying out commercial activity,
- **Public and municipal** companies and their subsidiaries, provided that:
 - aa. They have not been assigned to serve the public purpose
 - bb. They have not been assigned by the state with their exclusive service supply
 - cc. Their operations through public funds is not assisted, for the maintenance period of the long term liabilities

Content of investment projects - Initial investment character

Investment projects under this aid scheme, should have **the initial investment character** (Article 2 point 49 GER), and should in particular meet one of the following conditions:

- a. Creation of a new unit
- b. Expansion of the existing unit capacity. The additional capacity of the unit as created by the investment plan can be accepted only if the existing capacity of the plant can be authenticated through official documentation.
- c. Production diversification of a unit for products or services which have not been produced ever by it, provided that the eligible costs are higher than twice (200%) the book value of assets used again, as recorded in the financial year preceding the project's inclusion application.
- d. Fundamental change of the entire production process of an existing unit. For large enterprises, it is also required that the supported investment costs exceed the depreciation of the last 3 tax years of the assets, which are connected to the activity to be modernized. If the activity-related depreciation of the assets is not clearly recorded, it is considered that the above condition is not met.

Beginning of implementation of investment projects

Beginning of operations is the first time point between either the start of construction work on the investment or the first legally binding commitment to order equipment or other undertaking which deems the investment to be irreversible. **The purchase of land and preparatory work, such as obtaining permits and feasibility studies are not considered to be beginning of operations.** For acquisitions, the beginning of operations, is considered to be the time of acquisition of the assets directly associated with the acquired facility (Article 2 point 23 GBER). The beginning of operations of the project before submitting the inclusion application will result in the **rejection** of the entire project.

Investor's own participation

The aid beneficiary may participate in the cost of the investment project either **through their own resources or by external financing**, provided that at least twenty-five percent (25%) of the total investment cost does not contain any State aid, public support or provision (Article 14 para. 14 GER).

The investor's contribution to the subsidized cost of the contractual investment is calculated on the basis of the total of the subsidized the amount of the subsidy requested, after deduction of the amount of the subsidy requested, if provided for in the financing scheme

In the event that the investment plan provides a **job creation cost subsidy**, the coverage of the non-supported part can be covered through own funds or with external financing that are not limited to the ways described above of cases A and B.

Minimum rating of the investment project

The minimum required score that each investment project must achieve in order to be eligible for inclusion in the ranking tables is 70 points.

5. AID PERCENTAGES, TYPES & LIMITS

Regions	County / Regional Unit of the Installation Site	Article 107 of the EC Treaty Regions	Maximum intensity of regional investment aids		
			Large Sized Businesses	Medium Sized Businesses	Small Sized Businesses
EAST MACEDONIA AND THRACE REGION	RODOPI	α'	50%	60%	70%
	DRAMA	α'	50%	60%	70%
	EVROS	α'	50%	60%	70%
	THASSOS, KAVALA	α'	50%	60%	70%
	KSANTHI	α'	50%	60%	70%
CENTRAL MACEDONIA REGION	THESSALONIKI	α'	50%	60%	70%
	IMATHIA	α'	50%	60%	70%
	KILKIS	α'	50%	60%	70%
	PELLA	α'	50%	60%	70%
	PIERIA	α'	50%	60%	70%
	SERRES	α'	50%	60%	70%
	CHALCIDICE	α'	50%	60%	70%
WESTERN MACEDONIA REGION	GREVENA, KOZANI	α'	50%	60%	70%
	KASTORIA	α'	50%	60%	70%
	FLORINA	α'	50%	60%	70%
EPIRUS REGION	GIANNENA	α'	50%	60%	70%
	ARTA, PREVEZA	α'	50%	60%	70%
	THESPROTIA	α'	50%	60%	70%
THESSALY REGION	LARISSA	α'	50%	60%	70%
	KARDITSA, TRIKALA	α'	50%	60%	70%
	MAGNESIA, SPORADES	α'	50%	60%	70%
CENTRAL GREECE REGION	FTHIOTIDA	α'	40%	50%	60%
	BOEOTIA	α'	40%	50%	60%
	EUBOEA	α'	40%	50%	60%
	EVKITANIA	α'	40%	50%	60%
	FOKIDA	α'	40%	50%	60%
IONIAN ISLANDS REGION	CORFU	α'	40%	50%	60%
	ZANTE	α'	40%	50%	60%
	ITHAKA, KEFALONIA	α'	40%	50%	60%
	LEFKADA	α'	40%	50%	60%
WESTERN GREECE REGION	ACHAIA	α'	50%	60%	70%
	ETOLOAKARNANIA	α'	50%	60%	70%
	ILIA	α'	50%	60%	70%
PELOPONNESE REGION	ARGOLIDA, ARCADIA	α'	40%	50%	60%
	CORINTHIA	α'	40%	50%	60%
	MUNICIPALITIES OF MEGALOPOLIS, TRIPOLIS, GORTINIA, OICHALIA	α'	50%	60%	70%
	REST OR ARCADIA	α'	40%	50%	60%
	LACONIA, MESSINIA	α'	40%	50%	60%
ATTICA REGION	MAIN AREA OF ATHENS	c'	0%	0%	0%
	NORTH AREA OF ATHENS	c'	0%	0%	0%
	WEST AREA OF ATHENS	c'	15%	25%	35%
	SOUTH AREA OF ATHENS	c'	0%	0%	0%
	EAST ATTICA	c'	25%	35%	45%
	WEST ATTICA	c'	25%	35%	45%
	PIRAEUS, ISLANDS	c'	25%	35%	45%
NORTH AEGEAN REGION	LESVOS, LIMNOS	α'	60%	70%	75%
	IKARIA, SAMOS	α'	60%	70%	75%
	CHIOS	α'	60%	70%	75%

SOUTH AEGEAN REGION	ANDROS, THIRA, KEA, MILOS, MYKONOS, NAXOS, PAROS, SIROS, TINOS	α'	40%	50%	60%
	KALYMNOS, KARPATOS, KOS, RHODES	α'	40%	50%	60%
CRETE REGION	HERAKLION	α'	50%	60%	70%
	LASSITHI	α'	50%	60%	70%
	RETHIMNO	α'	50%	60%	70%
	CHANIA	α'	50%	60%	70%

Table 1: Aid rates from 01-01-2022 according to the Regional Aid Map 2022-2027

Investment projects under this scheme are supported by the incentives:

- tax exemption,
- grants,
- the leasing subsidy, and
- the subsidy for the cost of the employment created, as defined in paragraph 1 of Article 9.

For medium-sized and large enterprises, the aid includes the above incentives with the exception of the grant.

a. For SMEs:

- the aid rates for all types of incentives other than grants are granted at the maximum rate (100%) of the Regional Aid Map.
- The grant incentive is allocated at eighty percent (80%) of the maximum percentage of the Regional Aid Map.
- For investment projects belonging to the special aid regions*, the grant incentive shall be provided at one hundred percent (100%) of the maximum.
- in the case of investments in buildings classified as listed, ninety percent (90%) of the maximum rate of the Regional Aid Map, for the grant incentive.
- For the part relating to the contractual investment, either the incentive of the grant or the incentive of the tax exemption, without the incentives in question constituting a mixture of such aid.

b. For medium and large enterprises:

- the aid rates for all types of incentives, other than grants, are awarded at eighty percent (80%) of the Regional Aid Map maximum rate.
- Specifically for investment projects belonging to the special aid regions*, the above incentives are granted at one hundred percent (100%) of the maximum limit.
- In the case of investments in buildings classified as listed, ninety percent (90%) of the maximum rate of the Regional Aid Map, for the grant incentive.

The investment projects implemented by medium-sized enterprises in the regional units of Rhodope, Evros and Xanthi are also provided with the incentive of a grant under the present schemes, at a rate of sixty percent (60%) for the Regional Unit of Evros and thirty percent (30%) for the Regional Units of Rhodope and Xanthi, the rate of aid provided for by the other provisions of this Regulation, with the remaining tax exemption rates being forty percent (40%) and seventy percent (70%) respectively.

For investment projects that are implemented in the Depoliticization Zones, which according to Law 4759/2020 are the Regional Units of Florina and Kozani and the Municipality of Megalopolis, the aid rates are the upper limits of the Regional Aid Map, depending on the size of the entity.

For investment projects implemented in the Regional Units of Kastoria and Grevena and in the Municipalities of Tripoli, Oichalia and Gortynia, the grant rate for small and very small businesses is set at 90% and for medium and large businesses the rate of tax relief is set at 90% of the upper limit of the Regional Aid Map.

Increased aid rates are granted for investment projects which:

a. are implemented in the following areas:

aa. Mountainous areas, according to the classification of EL.STAT., apart from the municipal units that are part of the urban complex of Athens,

ab. areas located at a distance of thirty (30) kilometers from the border,

ac. islands with a population of less than three thousand one hundred (3,100) inhabitants.

ad. areas affected by natural disasters, according to a decision of the Government Committee for State Aid.

Maximum amounts of aid granted.

- The total amount of aid per investment project submitted by very small and small business entities cannot exceed three million euros (€3,000,000) for all types of aid, i.e., grant or tax exemption or leasing subsidy or of employment created cost subsidy.

- The total amount of aid per investment project submitted by medium and large enterprises cannot exceed: i) **three million euros (€3,000,000)** for the leasing subsidy aid or the subsidy of the cost of employment created and ii) **five million euros (€5,000,000)** for the tax exemption incentive.

- the maximum, for medium-sized and large enterprises, of three million euros (€3,000,000) for leasing subsidies or subsidies for the cost of employment created or, in the case of the subsidy referred to in par. 4 of Article 9 (capital incentives), as well as the five million euros (€5,000,000) for aid for tax exemption, shall also apply in the case of a combination of aid. For the threshold of €3,000 000, the aid in the case of paragraph 4 of Article 9 (aid for medium-sized enterprises in the Regional Units of Thrace), then the leasing subsidy (if requested with the investment proposal), and finally the tax exemption for the remainder up to €5.000.000.

- The aid provided to each investing entity, including aid to cooperating or affiliated companies, cannot cumulatively exceed **twenty million (20,000,000) euros** for an individual company and **thirty million (30,000,000) euros** for all cooperating or affiliated companies. These restrictions apply to investment plans, which are subject to the present scheme and for a period of three (3) years from the submission of the investment entity's investment plan application for inclusion. As aid amount, per submitted investment project, the amount approved by the affiliation decision is taken into account. The excess aid amount is cut proportionally by aid type and expenditure group. The high limits of this paragraph are increased by 50% in cases where the aid is given in the form of tax exemption.

6. ELIGIBLE COSTS

Investment projects are aided for the following costs:

ELIGIBLE COSTS OF REGIONAL AID

a. Tangible assets:

Investment costs for tangible assets and in particular costs for:

aa. The construction, expansion and modernization of building facilities and special and auxiliary facilities of buildings and structures, in order to ensure accessibility for people with disabilities, as well as landscaping. These costs cannot cumulatively exceed 60% of the total regional aid eligible expenditures. This rate is set at eighty percent (80%) for the respective costs of the investment plans which are implemented in buildings, classified as listed.

These costs are also aided in the case that they are made on constructions, which at the time of submission of the application for inclusion in the aid schemes of the present law, have been subject to Law 1337/1983 (A' 33) or Law 4178/2013 (AD 174) or in law 4495/2017 (A' 167). The initiation of the payment of the aids cannot take place, if in the approved physical object of the investment are included constructions, for which the above-mentioned regulation process has not been completed.

ab. **The purchase of all existing fixed assets** (buildings, machinery and other equipment), or also part of the assets of a production, which are directly associated with a production unit, provided that the following conditions are cumulatively applied:

i. the unit has ceased its operation at least (2) years prior to the application submission,

ii. the purchase is made by the investor of the investment plan, who is not related to the seller, unless it is a small business entity, which is acquired either by a member of the seller's family or by an employee of the original owner, who is not related to the owner(s) of the ceased establishment to the third degree (in the case of a legal person, the owner is understood to be the natural persons who hold share/shares in the company/share capital) and the employment relationship had a duration of at least two (2) years,

iii. the relevant transaction takes place under normal market conditions. These eligible costs are deducted from the cost of assets that have previously been subsidized or subsidized through development laws or other pre-purchase aid schemes.

ac. **The purchase and installation of new modern machinery and other equipment**, including technical installations and means of transport that move within the premises of the unit.

ad. **Leases of new modern machinery and other equipment**, the use of which is acquired, provided that the leasing contract provides that the equipment becomes the property of the lessee, at the end of the contract.

ae. **The modernization of special installations** (not related to buildings) and mechanical installations.

b. Investment costs in intangible assets, in particular costs for:

ba. transfer of technology through the acquisition of patent rights, licenses, patents, know-how or unpatented technical knowledge.

bb. quality control and assurance systems, certification, procurement and installation of software and business organization systems.

The above described expenses must cumulatively meet the following conditions:

i. be used exclusively in the establishment receiving the aid and remain connected with the project for which the aid is granted for at least six (6) years.

ii. be included in the depreciable assets of the business, to which the aid is granted,

iii. be purchased under market conditions from third parties not connected to the buyer.

For large companies, eligible costs of intangible assets may not exceed 30% of the total regional aid eligible expenditures For SMEs the maximum rate stands at 50%.

c. **The salary cost of new employment created as a result of the implementation of the investment plan** is calculated for two (2) years from the creation of each opening. The above salary cost is an eligible expense only independently and not in combination with cases a' and / or b'.

In case eligible costs are calculated based on the estimated wage costs of new jobs created, resulting from the implementations of the investment project, the following conditions must be cumulatively, met:

a. The investment project involves a net increase in the number of workers impressed in Annual Working Units (AWU) in the business establishment and respectively in the company, compared to the AWUs of the previous twelve months from the date of submission of the inclusion application,

b. filling all jobs within three (3) years from the date of completion and beginning of the investment's production function,

c. each job created through the investment is maintained in the specific aided facility for a period of at least five (5) years for large, four (4) years for medium enterprises and three (3) years for small enterprises, from the date of occupation.

Aid amounts for Regional Aid Costs

a. the increased aid intensities of the RAM referred to the Small and Medium Enterprises, they do not apply to investment projects with eligible costs of more than fifty million (50,000,000.00) euros. The above limitation also applies to non-regional aid eligible costs of article 7,

b. in the areas that meet the conditions of element a' of par. 3 of article 107 of the Treaty on the Functioning of the European Union (Areas "a"), as they are defined in the RAM, aids can be granted for any form of initial investment, regardless of the size of the beneficiary,

c. in the areas that meet the conditions of element c of par. 3 of article 107 of the Treaty on the Functioning of the European Union (Regions "c" - Regional Units of Eastern and Western Attica, Piraeus and Islands, Western Sector of Athens), the aids can be granted to Small and Medium Enterprises for any form of initial investment, while large enterprises are granted only for initial investment for new economic activity in specific facility,

d. for investment projects with eligible costs of more than fifty million (50,000,000) euros (large investment projects), the maximum allowable amount of aid for a large investment project is calculated as follows:

da. For the part of the expenditure up to fifty million (50,000,000) euros, one hundred percent (100%) of the maximum regional aid intensity allowed in the region concerned is provided, excluding the increased aid intensity for Small and Medium Enterprises (maximum regional limit),

- db. for the part of the expenditure that exceeds fifty million (50,000,000) euros and up to one hundred million (100,000,000) euros, fifty percent (50%) of the maximum regional aid intensity allowed in the area concerned is provided, and
- dc. for the part of the expenditure that exceeds one hundred million (100,000,000) euros, no aid percentage is provided.

ELIGIBLE COSTS OUTSIDE REGIONAL AIDS

The aid intensities and the amount of supported costs of the investment projects for which other, apart from regional, aids are provided are:

a. The costs of advisory services to SMEs.

These costs are defined in paragraph 1 of Annex B of Law 4887/2022 and in Article 18 of GBER and relate to studies and consultancy fees for investment projects for new small and medium-sized enterprises and may not be the subject of continuous or periodic activity or be linked to relate to the enterprise's usual operating expenditure. A newly created enterprise shall be considered to be a newly created enterprise which has not completed a financial year at the time of application for the scheme. For consultancy services to SMEs, the intensity is set at fifty percent (50%) thereof and such expenditure shall be supported up to five per cent (5%) of the total supported costs regional aid and up to the amount of fifty thousand (€50,000).

b. Vocational training costs

These costs are defined in paragraph 13 of Annex B of Law 4887/2022 and in Article 31 of GBER; and eligible costs are those relating to the upgrading of qualifications or retraining of workers. In particular, the following costs are eligible:

- i. the trainers' personnel costs, for the hours during which the trainers participate in the vocational training.
- ii. operating costs of trainers and trainees directly related to the vocational training project training, such as travel costs, materials and supplies directly related to the project, depreciation of materials and equipment, to the extent that they are used exclusively for the project vocational training. Accommodation costs are excluded, except for the minimum necessary accommodation costs of trainees who are disabled workers,
- iii. advisory services expenses in connection with the vocational training project
- iv. trainees' personnel costs and general indirect costs, such as administrative costs, rent and overheads, for the hours during which the trainees participate in the vocational training.

For vocational training, the aid intensity of the expenditure is set at fifty percent (50%) of the cost. This percentage may be increased, up to seventy percent (70%) of the eligible costs, as follows:

- a) By ten (10) percentage points, if the vocational training is addressed to workers who are disabled or to workers in a disadvantaged position,
- b) by ten (10) percentage points, if the aid is granted to medium enterprises and by twenty (20) percentage points, if it is granted to small enterprises.

These costs are supported up to a percentage of ten percent (10%) of the total supported cost of regional aid.

c) Costs for SME participation in trade fairs.

For the participation of SMEs in trade fairs, the intensity of the aid does not exceed fifty percent (50%) of the eligible costs and the costs are supported up to a percentage of ten percent (10%) of the total supported cost of regional aid.

Non-Eligible Costs

Non-Eligible are the costs concerning:

- a. Operating costs of the investment, unless they are part of the start-up costs of the "New Business" scheme of Chapter I,
- b. the purchase of office furniture and utensils, unless they are part of hotel equipment or are a key part of the productive equipment of the investment
- c. the purchase of passenger vehicles of up to six (6) seats,
- d. the purchase of plots, land and land parcels. In case of building facilities purchase, the proportion of the expense relating to the value of the land on which they are constructed, cannot be aided,

- e. the contribution to the share capital value of machinery and other fixed assets,
- f. the construction or expansion of buildings on land not owned by the investment entity, unless it has been granted by the Government sector or by a general Government sector organization

7. MINIMUM BUDGET OF INVESTMENT PROJECTS

In order to qualify for this scheme, a minimum amount of the investment project's eligible costs must be determined on the basis of the size of the entity, namely:

- one million (€1,000,000) for large enterprises
- five hundred thousand (€ 500,000) for medium-sized enterprises
- two hundred and fifty thousand (€250,000) euros for small enterprises, an amount of one hundred thousand (€100,000) for very small enterprises,
- fifty thousand (€50,000) euros for Social Cooperative Enterprises , as well as Agricultural Cooperatives , Urban Cooperatives, Producer Groups and Agricultural Cooperatives.

8. OBLIGATIONS

- Entities whose investment plans are subject to the provisions of the present must, in addition to the requirements of Article, keep from the time of beginning of operations of the project, a double-entry accounting system (category C' books) or a single-entry accounting system (B' class books) for investment projects whose eligible costs do not exceed the amount of three hundred thousand (300,000) euros, as well as separate account monitoring of sizes related to the project implementations and the terms of the qualification decision.
- A period of compliance with long-term obligations of the entities after the completion of the investment plan and the certification of the start of its production operation is set at six (6) years. In cases of financial leasing, the above period is extended for as many additional years as the lease contract lasts.

In cases of new job creation, the above period is adjusted and each job created through the investment is kept in the specific aided establishment for a period of three (3) years from the date of completion of the investment plan for Very Small and Small Enterprises, four (4) years for Medium Enterprises and five (5) years for Large Enterprises.

- Investment projects under the aid schemes of the present law, should ensure that they meet the necessary conditions in order to avoid discrimination against vulnerable groups, particularly regarding accessibility to infrastructure, services and goods.

9. COMPLETION OF INVESTMENT PROJECTS AND LAW DEADLINES

A project is completed with the implementation of the physical and financial object and with the beginning of functional operations of the investment, as long as it serves the primary productive operation objectives and the integrated nature of the investment, within the deadline determined in the qualification decision, which may not exceed **3 years** from the date of publication of the said decision. The completion and commencement of productive operations of the investment is certified by the issuance of a relevant decision, by the competent bodies as mentioned in par. 3 of article 17, within a period of forty (40) days from the submission of the final audit report of the investment or the date of submission of additional data, as long as the original purposes of production operation and the integrated nature of the investment are served and the operation of the unit is documented, in particular with the sale of products or the provision of services and with the issuance of all legalization permits.

The date in the qualification decision may be **extended once, up to two years maximum**, provided that specific conditions are cumulatively met.

10. PAYMENT OF AID

The payment of the aid may be either one-off with the issue of the completion decision and beginning of operation of the investment project or gradually and as long as the conditions mentioned in the following points are met:

Capital Subsidy

a. An amount of up to **twenty five percent (25%)** of the approved grant may be paid to the beneficiary by the execution of the twenty five percent (25%) of the total investment. The supporting documents are submitted with a certificate - declaration of their correctness by a certified public accountant. The decision of the administration is issued within twenty (20) days from the submission of the relevant request.

The remaining amount up to fifty percent (50%) or sixty five percent (65%) of the approved grant or, in case of non-application of the previous paragraph, an amount amounting to fifty percent (50%) or sixty five percent (65%) of the approved grant, can be paid to the beneficiary upon his request and after the certification of the implementation of fifty percent (50%) or sixty five percent (65%) of the total cost of the investment project by a competent body through on-the-spot or administrative control. The certification is carried out with the issuance of a relevant decision, by the competent bodies of par. 3 of article 17, within thirty (30) days from the submission of the investment audit report or the date of submission of any additional data.

b. The remaining amount of the grant or its whole in case of non-application of the regulation of case a', shall be paid further to the issue of the completion decision and commissioning of the investment.

c. The amounts of the subsidy are not deducted from the value of the investment costs in order to determine the taxable profits

d. **Assignment:** The subsidy is paid directly through electronic payment to a bank account of the investment project entity and may not be assigned to third parties. **Exceptionally, it is possible to assign the claim to the amount of the grant to banking institutions** in order for them to provide short-term loans of an equal amount of cash to that of the grant, used for the investment project. In these cases the payment of the grant is made directly to the Bank with which the asset transfer contract has been signed, as long as each time an amount of cash of this short term loan has been withdrawn, which is at least equivalent to the paid grant proportion

Leasing Subsidy

a. The commencement of payment of the leasing subsidy may take place **after the certification** by the relevant monitor installation at the unit of all the leased equipment, according to the leasing contract.

b. The subsidy is paid every six months and after each payment of the rent installments on behalf of the investor. The amount payable is calculated on the equipment acquisition value, which is included in the paid installments in accordance with the approved aid rates and with the limitation of not exceeding the payment of sixty percent (60%) of the approved amount until the decision of completion and the beginning of productive operations of the investment project.

c. The in advance payoff by the investment entity is possible, only for the last twelve (12) months of the lease contract, as approved by the relevant department.

d. The amounts of the leasing subsidy are not deducted from the value of the investment costs in order to determine the taxable profits.

Tax Exemption

a. **The right to start using** the benefit of the tax exemption incentive is established upon certification of the implementation of fifty percent (50%) or **sixty-five percent (65%)** of the investment project's cost by the competent control body by issuing a decision within **thirty (30) days** from the submission of the investment control report or the date of submission of additional data. The entity may use the entire amount of the eligible tax exemption aid within **fifteen (15) fiscal years** from the year in which the right to use the benefit is established, subject to the following limitations which apply cumulatively:

aa. **the entitled** aid will not exceed, annually, the one-third (**1/3**) of the total amount of the approved tax exemption, except in the case of its incomplete exploitation in previous fiscal years due to lack of adequate profits. In this case, any remaining amount of aid from previous fiscal years is added to the above calculated maximum annual amount of entitled aid,

bb. **the entitled aid** cannot exceed the one-third (**1/3**) of the total approved amount of the tax exemption, **until the fiscal year of issue of the completion decision and beginning of operational function of the investment.**

b. The amount of authorized payment of the tax exemption for the part of the project's equipment acquired under finance leases is determined for each fiscal year as a percentage of the portion of the purchase price of the equipment, which is included in the installments paid by the end of the fiscal year.

c. The yearly spent amount of the tax exemption appears in a specific reserve and a corresponding account in the books of the company, formed from income tax which was not paid because of the provided tax exemption.

Job creation cost subsidy

a. The starting point of the job creation cost subsidy can take place after the certification by the competent inspection body of the creation of associated with the investment project jobs.

b. The subsidy is paid every six months and after each payment of wage costs on the part of the investor, with the limitation of not exceeding the payment of sixty percent (60%) of the approved amount until the issue of the completion decision and the beginning of productive operation of the investment.

11. STAMP DUTY

- For the submission of the investment plans, a fee is required which is set at 0.001 (one thousandth) of the eligible amount of the investment plan. In any case, the above amount cannot be less than three hundred (300) euros.

- For the control of the implementation of the investment plans, a fee is required which is set at 0.001 (one thousandth) of the eligible cost of the investment plan. The above amount cannot be lower than three hundred (300) euros.

- Especially during the fifty percent (50%) or sixty five percent (65%) implementation control of the investment plans, a fee is required, which is set at 0.5 percent (0.0005%) of the eligible cost of the investment plan. The above amount cannot be lower than three hundred (300) euros.

The above amounts can be adjusted.

12. SUBMISSION OF INVESTMENT PROJECTS

The submitting entity of each investment plan differs depending on the category of the investment project, the place of implementation as well as, in some cases, the total amount of the investment.

- ✓ Investment plans of an eligible amount of up to **one million (1,000,000) euros**, which are implemented within the boundaries of each Region, are submitted to the Development Planning Directorates of the Regions of the Country.
- ✓ Eligible investment projects of more than one million (1,000,000) euros and up to three million (3,000,000) euros, implemented in the Regions of Western and Central Macedonia and Eastern Macedonia and Thrace, are submitted to the Directorate of Private Investments of the Ministry of Interior, Macedonia and Thrace Areas, unless otherwise defined in the respective scheme.
- ✓ All other investment plans are submitted to the General Directorate of Private Investments of the General Secretariat for Private Investments and Public-Private Partnerships of the Ministry of Development and Investments.