



Brief Presentation

Development Law – Greece Strong Growth

2nd Call of Aid Scheme "Manufacturing - Supply Chain"

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. PURPOSE-DURATION OF THE AID SCHEME "MANUFACTURING – SUPPLY CHAIN"

The purpose of this scheme is to strengthen investment projects belonging to the processing sector, except for the processing of agricultural products, as well as investment projects in the supply chain sector, with the aim of technological, production, administrative and organizational upgrading, as well as innovative and extroverted development and growth, with the aim of strengthening the competitive position of businesses in the domestic and international market.

The starting date for the submission of applications under this scheme is the 1st of June 2023. The deadline for the submission cycle is the 29th of September 2023.

The applications for the inclusion of investment plans in the development law 4887/2022 are filed exclusively via the Development Laws Information System <https://opsan.mindev.gov.gr>

The total budget of the scheme 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 exemption.

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 and are derived from the Public Investment Budget of the Ministry of Development and Investments.

3. AREAS OF ACTIVITY FOR INVESTMENT PROJECTS

Investment projects that fall into the processing sector, except for the processing of agricultural products, as well as the supply chain sector, except for the exceptions mentioned below, are subject to the present aid scheme of the Development Law.

EXCEPTIONS

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

- a. The steel sector as defined in point 43 of Article 2 GER by category,
- b. The synthetic fibers sector as defined in point 44 of Article 2 GER by category,
- c. The coal sector, as coal is defined in point 13 of Article 2 GER concerning state aids towards the coal industry,
- d. The shipbuilding sector,
- e. The production, distribution and energy infrastructure sector, without prejudice to circumstance a` of par. 4,
- f. The transportation sector (and related infrastructures), as defined in point 45 of Article 2 GER, by category.

Also excluded are:

- ✓ 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.
- ✓ The following areas and sectors of economic activity, as determined on the basis of "National Nomenclature of Economic Activities - Activity Code Numbers 2008" of the Greek Statistical Authority, and subject to Articles 52-58, namely:

- 02- Forestry and Logging
- 05- Coal and lignite mining.
- 06- Pumping of crude oil and natural gas
- 09.1- Support activities for oil and gas extraction and
- 09.90.11- Coal mining support services and in general any activity related to the coal and steel sector.
- 36- Collection, treatment and supply of water except for water desalination services by exclusively using RES.
- 41- Construction of buildings.
- 42- Civil engineering projects.
- 43- Specialized construction activities.
- 45- Wholesale and retail trade, repair of motor vehicles and motorcycles.
- 46- Wholesale trade, without prejudice to item g) of par. 4.
- 47- Retail Trade.
- 49- Inland transport and pipeline transport.
- 52- Warehousing and transport support activities, without prejudice to item b) of par. 4.
- 55- Accommodation, without prejudice to case c' of paragraph 4.
- 56- Food and beverage service activities.
- 64- Financial service activities.
- 65- Insurance, re-insurance and pension funds.
- 66- Activities auxiliary to financial services and insurance activities.
- 68- Real estate management, without prejudice to item i) of par. 4.
- 69- Legal and accounting activities.
- 70- Activities of head offices - Management consultancy activities.
- 71- Architectural and engineering activities - technical testing and analysis, without prejudice to item k) of par. 4.
- 73- Advertising and market research.

- 75- Veterinary activities.
- 77- Rental and leasing activities.
- 78- Employment activities.
- 79- Travel agency, tour operator, reservation services and related activities.
- 80- Security and investigation activities.
- 81- Services for buildings and landscape.
- 82- Office administrative, office support and other business support activities to enterprises.
- 84- Public administration and defense - compulsory social insurance.
- 85- Education.
- 86- Human health activities, except for investment plans for health and medical tourism, without prejudice to case e) of par. 4.
- 87- Assistance activities with the provision of accommodation, excluding investment plans concerning health and medical tourism and without prejudice to case e) of par. 4
- 88- Social work activities without accommodation.
- 90- Creative activities, arts and entertainment.
- 91- Libraries, archives, museums and other cultural activities. The following Codes are aided by exception: a. 91.01.11 (library services), b. 91.02 (museum activities).
- 92- Gambling and betting.
- 93- Sports activities and amusement and recreation activities, without prejudice to subcase zz' of case c' of paragraph 4.
- 94- Organizational activities.
- 95- Computer and personal or household items repair.
- 96- Other activities of personal services, without prejudice to subcase zz' of case c' of paragraph 4.
- 97- Household activities as employers of domestic personnel.
- 98- Private households activities, concerning the production of non-distinct goods and services for own use.
- 99- Offshore organizations and agencies activities.

4. MAIN CONDITIONS OF INCLUSION

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 plant capacity. The additional capacity of the plant due to 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.

For unified investment projects that are submitted to this regime and concern the **cultivation and processing of agricultural products**, without the intervention resulting in an agricultural product, in accordance with the definition of

paragraph 10 of article 2 of the GER, the section concerning the manufacturing activity is solely aided.

For investment projects concerning transport services with management of the supply chain to third parties (**Logistics - Activity Code Number 52.29.19.03**) the provision of service to companies of the same group may amount to a rate of up to 30% of the total services provided. For the same investment projects, their location of establishment should be distinct from the premises of other business activities of the company or the companies of the Group. For the establishment, expansion or modernization of supply chain service units, a necessary condition, if they do not exist, is the implementation of investment projects for the installation and commissioning of integrated IT & communications - telematics systems, to support storage, loading and unloading operations and general management of materials - goods.

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 consists of 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 its 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).

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.

5. AID PERCENTAGES

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%
	ACHAIA	α'	50%	60%	70%
WESTERN GREECE REGION	ETOLOAKARNANIA	α'	50%	60%	70%
	ILIA	α'	50%	60%	70%
	ARGOLIDA, ARCADIA	α'	40%	50%	60%
PELOPONNESE REGION	CORINTHIA	α'	40%	50%	60%
	MUNICIPALITIES OF MEGALOPOLIS, TRIPOLIS, GORTINIA, OICHALIA	α'	50%	60%	70%
	REST OF ARCADIA	α'	40%	50%	60%
	LACONIA, MESSINIA	α'	40%	50%	60%
	MAIN AREA OF ATHENS	c'	0%	0%	0%
ATTICA REGION	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%
	LESVOS, LIMNOS	α'	60%	70%	75%
NORTH AEGEAN REGION	IKARIA, SAMOS	α'	60%	70%	75%
	CHIOS	α'	60%	70%	75%
	ANDROS, THIRA, KEA, MILOS, MYKONOS, NAXOS, PAROS, SIROS, TINOS	α'	40%	50%	60%
SOUTH AEGEAN REGION	KALYMNOS, KARPATOS, KOS, RHODES	α'	40%	50%	60%
	HERAKLION	α'	50%	60%	70%
CRETE REGION	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

* For the North Aegean Region, the maximum aid percentage is set for large companies at 55%, for medium-sized companies at 65% and for small and very small companies at 75%.

The **minimum eligible investment cost** for the inclusion of investment projects in the regimes of the New Law - Greece Strong Growth, is determined based on the size of the entity and more specifically described in the following table:

BUSINESS CATEGORY	DEFINITION*	MINIMUM BUDGET OF INVESTMENT PROJECT
LARGE	It employs more than 250 people . Its annual turnover exceeds 50,000,000.00 euros and its annual balance sheet exceeds 43,000,000.00 Euros .	1.000.000,00€
MEDIUM ⁴	It employs fewer than 250 employees . Its annual turnover is less than EUR 50,000,000.00 , and its annual balance sheet is less than EUR 43,000,000.00 . It fulfills the criterion of independence. *	500.000,00€

SMALL	It employs fewer than 50 employees . Its annual turnover as well as its annual balance sheet is less than EUR 10,000,000.00 . It fulfills the criterion of independence.	250.000,00€
MICRO	It employs from 0 to 10 employees . Its annual turnover as well as its annual balance sheet is less than EUR 2,000,000.00 . It fulfills the criterion of independence.	100.000,00€

For Social Cooperative Enterprises of Law 4019 / 2011 (A'216) as well as for Agricultural Cooperatives, Producer Groups and Rural Partnerships of the Law 4384 / 2016 (A 78) at the amount of fifty thousand euros (50.000).

** Another company is not participating in it, which could be a SME or not (according to its definition) at a rate that exceeds 25% of share capital. In any other case, an examination of the associated - cooperating business data is required.*

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 aid provided to each investment plan 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. SPECIAL AID CATEGORIES

For very small and small enterprises, the aid rates for all types of incentives, except for the grant incentive, are granted at the maximum rate of the Regional Aid Map. The grant incentive is awarded at **eighty percent (80%)** of the maximum limit of the Regional Aid Map

For medium and large enterprises, the aid rates for all types of incentives, except for the grant incentives, are granted at **eighty percent (80%)** 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.

b. are implemented :

ba. in Industrial and Business Areas (IBAs), Business Parks (BPs), excluding Intermediate Business Parks (IBAs), technology parks and Innovative Activity Hosts (IAHCs) and Organised Manufacturing and Business Activity Hosts (MABHs), provided that they do not concern the modernization or expansion of existing structures of the assisted entity,

bb. in buildings classified as listed buildings

c. relate to the re-operation of industrial units, which have ceased operation at least two (2) years before the date of submission of the affiliation application. The value of the fixed equipment of the industrial unit, which is to be reopened, must cover at least fifty percent (50%) of the supported cost of the investment project.

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.

7. 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 45% of the total regional aid eligible expenditures. This rate is set at sixty percent (60%) for the respective costs of the investment plans of case c of par. 4 of Annex A (tourism) and at seventy percent (70%) for the respective costs of the investment plans of subcase bd of case b of par. 4 of the respective Annex (LOGISTICS).

The above rate is set at eighty percent (80%) for investment projects implemented in buildings, which are 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,

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,

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 five (5) years or three (3) years in the case of SMEs,
- 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

The maximum aid intensities for regional investments (maximum approved regional aids) are defined by the Regional Aid Map. The respective current Regional Aid Map is posted on the relevant development law website. The maximum aid intensities for large enterprises, which are listed in the Regional Aid Map, are increased by 10% for medium enterprises and by 20% for small and micro enterprises.

In assisted regions qualifying under Article 107 paragraph 3 point a 'of the Treaty, as identified in RAM, aids may be granted for initial investments, regardless of the recipient's size. In assisted regions qualifying under Article 107 paragraph 3 point c of the Treaty, aids may be granted to SMEs for any form of initial investment, while for large companies, they can only be granted for an initial investment for a new economic activity in the region. As a new economic activity, it is characterized any activity that does not fall under the same class (four-digit numerical activity code for statistical classification) with an already existing activity, practiced by the body.

The intensities and maximum amounts of aid for investment projects under the present scheme are subject to the following general conditions:

- 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.

dd. For the calculation of the cost of the eligible expenses, the definition of the single investment plan of par. 4 of article 4 applies.

ELIGIBLE COSTS OUTSIDE REGIONAL AIDS

The investment projects covered by this scheme may receive aid in addition to the regional aid categories for the eligible costs referred to in Article 6 and for the following categories of eligible costs:

a. Costs related to advisory services and concerning investment projects for new SMEs and may not be the subject of continuous or periodic activity or linked to the normal operating costs of the company. A new enterprise is considered to be a newly created company which has not completed a financial year at the time of application for the aid scheme.

b. Expenditures on vocational training. Eligible costs are those relating to the upgrading of qualifications or retraining of workers.

c. Expenses for the participation of SMEs in trade fairs. Eligible costs are the costs of renting, installing, and managing a stand for the participation of an enterprise in any trade fair.

d. Investment aid expenditures for SMEs. Eligible expenditures are those on tangible and intangible assets and the estimated labour costs of the jobs directly created by the investment project calculated over a period of two years.

Aid intensity for costs outside regional aids.

The aid intensities and the amount of eligible costs for investment projects receiving aid other than regional aid are:

a. For consultancy services to SMEs, the intensity is set at fifty percent (50%) thereof and these expenses are supported up to five percent (5%) of the total supported costs of regional aid expenses and up to a total of fifty thousand (50,000) euro.

b. For vocational training, the intensity of the support of expenses is set at fifty percent (50%) of them. This percentage can 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.

e. 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 regional aid costs.

f. For investment aid to SMEs, the intensity of the aid is set at 20% of the eligible costs in the case of small businesses and at 10% of the eligible costs in the case of medium-sized businesses.

Non-Eligible Costs

Non-Eligible are the costs concerning:

a. The operating costs of the investment, unless they are included in the costs of vocational training of the Article 7(d) or for SME participation in trade fairs as referred to in Article 7(e).

b. the purchase of office furniture and utensils, unless they 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 extension of buildings on land which is not owned by the entity unless it has been granted by the State or by an entity of the General Government pursuant to Article 14 of Law No. 4170/2014 (A' 143), or has been leased by a public or

private entity, physical or legal person, or has been acquired a surface right thereon for this purpose for as many years as defined in paragraph b of Article 25 on the observance of long-term obligations for more than four (4) years from the certified date of completion. Such leases, which are a precondition for the completion of the investment, may also be concluded by private treaty, provided that their details are submitted electronically on the relevant platform of the Independent Authority for Public Revenue and the lease agreement is registered with the competent land registry, or registered in the Land Registry in the appropriate manner. After the completion of the transcription or registration procedure in the Registry, the lease shall take effect as specified in Article 618 of the Civil Code.

8. OBLIGATIONS OF AIDED ENTITIES

- 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'category 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.
- The period of compliance with long-term obligations of the entities after the completion of the investment project and the certification of the start of its productive operation is set to six (6) years. In cases of financial leasing, the above period shall be extended for as many additional years as the duration of the contract the lease. In cases of new job creation, the above period shall be adjusted, in accordance with the provisions of Article 6(c).
- 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 the productive operation of the investment is certified by the adoption of a decision by the competent bodies referred to in paragraph 3 of Article 17, within forty (40) days of the submission of the final inspection report of the investment or of the date of submission of additional information, provided that the original purposes of the investment are served the productive function and the integrated nature of the investment and the operation of the plant is documented, in particular by the sale of products or the provision of services and by the issue of all legal authorisations.

The decision to complete and put the investment into productive operation determines the time of completion of the investment project and the final amount of aid. The time of completion is the actual time of completion of the physical and financial object and not the summary publication of the decision of completion.

The decision to complete and put the investment into productive operation may not lead to an increase in the total eligible costs of the investment project, nor in the total amount of aid, nor in the individual aid rates per group of eligible costs, as initially set out in the decision to grant aid. Where there are minor variations to the approved physical and economic scope, the investment project may be completed provided that the increase in eligible costs per category of expenditure does not exceed 5% of the approved eligible costs of that category and provided that there is no increase in the total eligible costs of the investment project. The time limit for completion of the investment project as laid down in the decision of inclusion may be extended once up to a maximum of two (2) years, provided that the following conditions are met:

- a. Electronic submission of the relevant request should take place before the end of the integration period, as it is initially defined in the qualification decision,
- b. implementation of 50% of the physical and sixty five percent (65%) of the financial object.

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 thirty (30) 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. 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.