



New Development Law 4399/2016

Government announces second call for proposals on state aid schemes for mechanical equipment and new independent SMEs

On 29 March 2018, Greece's Ministry of Economy and Development initiated the second call for proposals for the state aid schemes, "Mechanical Equipment" (Gazette 1271 B', 35979/29-3-2018) and "New Independent SMEs" (Gazette 1272 B', 35976/29-3-2018) under Law 4399/2016.

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The state's budget for the second call for proposals totals EUR 300 million, as shown below:

State aid scheme	Submission deadline	Tax exemptions	Cash grants & subsidies	Total state aid
Aid for mechanical equipment	15 Dec. 2018 or until budget exhaustion	150		150
New independent SMEs	30 Jun. 2018	30	120	150
Total		180	120	300

The following provides a brief summary of the incentives:

State aid schemes open for submission

1. Aid for Mechanical Equipment

Description	The scheme aims to provide incentives to enterprises that will purchase and operate new mechanical equipment.
Beneficiaries	All legal entities, as stated in the general rules of the law, that intend to implement an eligible investment plan.
Eligible costs	<ul style="list-style-type: none"> • Purchase and installation of new machinery, including special technical installations. • Purchase and installation of used machinery that is not more than seven years old (special conditions apply). • Payments for the lease of new modern machinery and other equipment provided the lease contract provides that ownership of the equipment will pass to the lessee at the end of the lease. • Purchase of vehicles to be used on the plant site (but not the purchase of passenger vehicles with up to six seats). • Expenditure to modernize special facilities (unrelated to buildings) and mechanical installations.
Scheme budget	EUR 150 million for 2018.
Type and amount of aid provided	Tax exemptions up to the maximum rates under the Regional Aid Map.
Evaluation & control process	Immediate evaluation procedure. All projects are subject to administrative audits and a random 20% of approved investment plans will be subject to an on-site audit.
Evaluation & control process	15 December 2018, or until the budget is exhausted.

2. New Independent SMEs

Description	The scheme aims to provide incentives for the implementation of new business initiatives in newly established or established SMEs.	
Beneficiaries	Established or newly established SMEs registered in the General Commercial Registry within the last seven years that do not have partners or linked enterprises and are not linked via individuals with large enterprises, irrespective of the market in which they operate.	
Eligible costs	<ul style="list-style-type: none"> • Capital expenditure incurred for tangible and intangible assets. • Wage costs of jobs created as a result of the implementation of the investment project, calculated over a period of two years from the date each position was created. • Studies and consultancy services. • Start-up costs. 	
Scheme budget	EUR 150 million for 2018.	
Type and amount of aid provided	Tax exemptions	EUR 30 million
	Cash grants up to 70% of the maximum state aid for each expenditure category (100% for special cases of state aid), leasing subsidies and subsidies for the costs of created employment.	EUR 120 million
Evaluation & control process	Comparative evaluation procedure (benchmarking). All investment plans are subject to on-site audits.	
Deadline for submission	30 June 2018	

Further details related to eligible investment projects, eligible expenditure and potential benefits can be found in our [2016 communication](#) on Law 4399/2016.

How Deloitte can help you with the new calls under Development Law 4399/2016

Deloitte assists companies in matching their R&D, innovation and investment plans with current and future incentives in Greece and in the EU. Our turnkey solutions include consulting and technical support needed to take advantage of the benefits provided by the incentives.

Our services include:

- Investment Incentives Advisory Services
- Proposal Preparation & Submission Services
- Project Management Services
- Long-Term Support Services
- Appeal Support and Controversy services



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