



New Development Law 4399/2016

Calls for proposals on four state aid schemes

On 19 October 2016, the first four Ministerial Decisions of Development Law 4399/2016 became effective, launching the submission procedures for the state aid schemes for General Entrepreneurship, New Independent Small and Medium-Sized Enterprises (SMEs), Aid for Mechanical Equipment and Large Investments. The schemes provide opportunities for state aid (in EUR million), as follows:

State aid scheme	Submission deadline	Tax exemptions	Cash grants & subsidies	Total state aid
General entrepreneurship	20/12/2016	80	70	150
New independent SMEs	20/12/2016	50	100	150

Aid for mechanical equipment	28/4/2017	150	150
Large investments	28/4/2017	100	100
Total		380	170
			550

The following summarizes some of key information about the state aid schemes open for submission. For additional details related to eligible investment projects, eligible expenditure and potential benefits, see [our previous communication](#).

State aid schemes open for submission

1. General Entrepreneurship

Description	The scheme aims to promote balanced development with respect to environmental resources and support the country's less favored areas, increase employment, increase the average size of undertakings, achieve technological upgrading, form a new outward national identity (branding), improve competitiveness in high value-added and knowledge-intensive sectors, shift the value in the production chain to the production of more complex products, conserve natural resources, offer better services, attract direct foreign investment and, ultimately, ensure better positioning of the country in the International Division of Labour.		
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"> Capital expenditure in tangible assets Capital expenditure in 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 is created Studies and consultancy services Start-up costs Investment costs for energy efficiency measures Investment costs for high-efficiency cogeneration from renewable energy sources Costs for energy production from renewable sources Energy-efficient district heating and cooling Costs for the remediation of contaminated sites 		
Scheme budget	EUR 150 million for 2016		
Type and amount of aid provided	Tax exemptions	EUR 80 million	
	Cash grants (only for the special categories of state aid, and up to 70% of the maximum state aid for each expenditure category), leasing subsidies and subsidies for the costs of created employment	EUR 70 million	
Evaluation & control process	Investment plans will be evaluated under a "comparative evaluation" procedure (benchmarking). On-site audits will be carried out for all investment plans.		
Deadline for submission	20 December 2016		

2. New Independent SMEs

Description	The scheme aims to provide a full incentive framework for the implementation of new business initiatives in newly established or established SMEs.	
Beneficiaries	Established or newly established SMEs that registered in the General Commercial Registry within seven years from the date their application was submitted and that have not been established by a merger. Other conditions also apply.	
Eligible costs	<p>Capital expenditure in tangible assets</p> <p>Capital expenditure in intangible assets</p> <p>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</p> <p>Studies and consultancy services</p> <p>Start-up costs</p> <p>Investment costs for energy efficiency measures</p> <p>Investment costs for high-efficiency cogeneration from renewable energy sources</p> <p>Costs for energy production from renewable sources</p> <p>Energy-efficient district heating and cooling</p> <p>Costs for the remediation of contaminated sites</p>	
Scheme budget	EUR 150 million for 2016	
Type and amount of aid provided	Tax exemptions	EUR 50 million
	Cash grants up to 70% of the maximum state aid for each expenditure category (100% for the special categories of state aid), leasing subsidies, subsidies for the costs of created employment	EUR 100 million
Evaluation & control process	Investment plans will be evaluated under a "comparative evaluation" procedure (benchmarking). On-site audits will be carried out for all investment plans.	
Deadline for submission	20 December 2016	

3. Aid for Mechanical Equipment

Description	The scheme aims to contribute to the growth and upgrading of the capital inventory (mainly machinery) of enterprises. It targets enterprises wishing a fast track inclusion and a direct aid provision through a simple administrative process.	
Beneficiaries	All legal entities, as stated in the general rules of the law, that intend to implement an eligible investment plan.	
Eligible costs	<p>Purchase and installation of new machinery</p> <p>Purchase and installation of used machinery not older than seven years from the date of the first purchase (special conditions apply)</p> <p>Lease payments made for new machinery (equipment leases are eligible, but operating leases are not)</p> <p>Purchase of vehicles for on-site use</p>	
Scheme budget	EUR 150 million for 2016	
Type and amount of aid provided	Tax exemptions up to the maximum rates under the Regional Aid Map	

Evaluation & control process	Investment plans will be evaluated under a "direct evaluation" procedure. Administrative audits will be carried out for all projects and a random 20% of approved investment plans will be subject to on-site audit.
Deadline for submission	28 April 2017

4. Large Investments

Description	The scheme aims to establish a safe investment environment that will facilitate the implementation of large investments exceeding EUR 20 million that create at least two new jobs per EUR 1 million in investment costs and thus contribute to the economic development of the country.
Beneficiaries	All legal entities, as stated in the general rules of the law, that intend to implement an eligible investment plan, provided the following conditions are cumulatively fulfilled: <ul style="list-style-type: none"> • The total eligible project cost is more than EUR 20 million; and • The investment project creates at least two new jobs per EUR 1 million of eligible investment costs.
Eligible costs	Capital expenditure in tangible assets Capital expenditure in intangible assets Wage costs of new jobs created as a result of the implementation of the investment project, calculated over a period of two years from the date each position is created Energy efficiency costs Investment costs for the production of energy from renewable energy sources Investment costs for the remediation of contaminated sites
Scheme budget	EUR 100 million for 2016
Type and amount of aid provided	Fixed income tax rate, which applies as from the date the application is submitted for a period of 12 years from the date the investment project is completed. Tax exemption at a rate of 10% of the aided cost of the investment, regardless of the size of the beneficiary, by way of derogation from the regional aid amounts and up to EUR 5 million.
Evaluation & control process	Investment plans will be evaluated under a direct evaluation procedure. On-site audits will be carried out for all investment plans.
Deadline for submission	28 April 2017

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take advantage of the benefits provided by the incentives.

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