

Breaking Tax News

New grant schemes supporting the R&D and investment projects of large enterprises

We would like to draw the attention of our Clients that new grant schemes aimed at supporting the research and development and investment projects of large enterprises have recently been launched, with new types of training grants set to become available in the near future.

Grant Scheme for the Investment Projects of Large Enterprises 2016

The new edition of this grant scheme with **a total budget of HUF 15 billion** supports investments aimed at job creation and is available to large Hungarian enterprises in the processing industry which can not receive any EU grants.

The minimum amount of this non-refundable grant **is HUF 50 million**, while the aid intensity varies **between 25% and 50%** (depending on where the investment project is implemented). The grant is available across the entire country, with the exception of Budapest and certain towns in the Central Hungary region.

The grant scheme is **open to large enterprises in the processing industry** (TEÁOR 10-33) with **at least 250 employees in Hungary and at least 3 closed financial years**. Eligible expenses for the purposes of the grant scheme include the cost of new equipment and machinery and the construction activities required for operating such equipment/machinery, hardware, software, manufacturing licences and know-hows acquired in the course of investment projects aimed at capacity expansion and the related investment projects dedicated to increasing energy efficiency and the use of renewable energy sources, as well as the implementation and attestation of governance, management and certification systems and standards.

Grant applications must be filed with the Ministry for National Economy and grant contracts may be **signed until 31 December 2016** up to the amount of the provisional grant budget.

Support for the R&D&I activities of companies

The grant scheme entitled "Support for the R&D&I activities of companies" has been launched with a **total budget of HUF 21 billion**. Companies (including large enterprises) may apply for grants **between HUF 80 and 500 million** either independently or as part of a consortium for their R&D projects implemented in Budapest and Pest county.

As part of the scheme, knowledge-intensive and innovative companies have the opportunity to apply for grants supporting the in-house development of new and marketable products, services and technologies

with significant intangible added value. **The research and development and innovation projects to be implemented must reach at least the prototype phase or the demonstration phase within the 24 months of the project.**

This non-refundable grant is available for experimental development, applied (industrial) research, project-related coordination activities, services associated with the technical implementation of projects, the purchase of tangible and intangible assets, the construction, renovation and expansion of buildings required for implementing the project, as well as the participation of SMEs at exhibitions or fairs.

Applications may be submitted until 31 December 2016. The project proposals received will be evaluated in several stages, with the deadline for submission for the first decision being **17 August 2016.**

New types of training grants are expected

Several training grant schemes will be launched as part of the Economic Development and Innovation Operational Programme and the Competitive Central Hungary Operational Programme in the autumn of 2016 which will allow SMEs and large enterprises in Budapest, Pest county and the other parts of the country to apply for grants aimed at providing workplace training to their employees.

Should you be interested in the topics above, please do not hesitate to contact our professionals.

Should you have any remarks or questions regarding the above, please contact our professionals:

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