

OVERVIEW OF THE KEY INCENTIVES FOR INVESTMENT IN 4 MAJOR CENTRAL AND EASTERN EUROPEAN COUNTRIES





Investor-friendly business environments and incentives are provided by Central and Eastern Europe (CEE) countries for large companies. Below are the key incentives available in these countries.

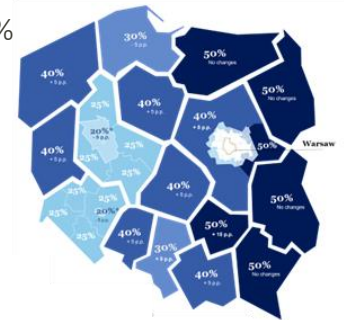


POLAND

Maximum aid intensity is between 0-50% of eligible cost for large enterprises (+10% for medium-sized enterprises, +20% for small companies)

Available forms of subsidies:

-  Cash grant (Employment Grant for BSCc and R&D Service Centres)
-  Corporate Income Tax Exemption
-  Real Estate Tax Exemption
-  Training Grant



Source: <https://crido.pl/en/hottopic/polish-investment-zone/>

VIP Cash Subsidy and Tax Allowance cannot exceed the maximum regional aid intensity, training subsidy can be received above the maximum aid intensity.




Minimum criteria:

- For Cash Grant: PLN 160 million / EUR 34.86 million investment + 50 new jobs created (for strategic manufacturing projects); PLN 7 million / EUR 1.52 million investment + 20 new jobs created (for strategic innovative projects)
- For Employment Grant: PLN 1 million / EUR 223,385 + 100 new jobs created for BSCs and 10 new jobs created for R&D Service Centres
- For CIT Exemption: PLN 10-100 million / EUR 4.35-21.78 million based on the exact location of the investment



SERBIA

Serbia is a non-EU country, its state aid scheme is slightly different from those used in the EU countries. However, the subsidy system favors those locations (municipalities) that are less developed. Available forms of subsidies:

-  Cash Grant
-  Corporate Profit Tax Relief
-  Construction Land Transfer

Minimum criteria depend on the location:

- Belgrade region: at least 50 new jobs and EUR 500 thousand investment,
- Vojvodina region: at least 40 new jobs and EUR 400 thousand investment,
- Other locations: at least 30 new jobs and EUR 300 thousand investment,
- Subsidy 20-30% of 2-year gross salary and up to 30% of investment cost,
- If the number of newly created jobs exceeds 100 then additional incentive is obtainable.
- For Corporate Profit Tax Relief at least 100 new workplaces and RSD 1 billion investment are needed,
- The government or the local municipality can sell construction land at a price that is lower than the market price in support of an investment project that is of national importance.



Source: <https://pl.freepik.com/premium-wektory/>



HUNGARY

Hungary provides several investment incentives for large investments. Aid intensity varies from 30% to 60%, depending mainly on the development level of the region

Available forms of subsidies:

- VIP Cash Subsidy (asset-based investment, SSC)
- Development Tax Allowance
- Training Subsidy



Source: https://www.researchgate.net/figure/Regional-Aid-Map-of-Hungary-for-2022-2027_fig7_358461085

VIP Cash Subsidy and Tax Allowance cannot exceed the maximum regional aid intensity, training subsidy can be received above the maximum aid intensity.

Minimum criteria:

- For VIP Cash Subsidy: At least EUR 10 million (in green towns), EUR 5 million (in black towns), or EUR 3 million (in other locations) are needed to be eligible for that subsidy; or at least 50 new jobs in case of a regional service center)
- For Development Tax Allowance: At least HUF 1 billion investment (or HUF 3 billion in more developed regions).
- Training subsidy can be obtained in case of EUR 5 million investment or SSC establishment or expansion.

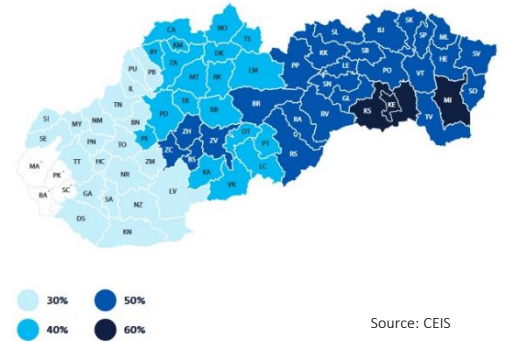


SLOVAKIA

Aid intensity varies between 30% and 60% for large enterprises (SMEs can receive +10-20%).

Available forms of subsidies:

- Cash Grant
- Corporate Income Tax Relief
- Contribution for Job Creation
- Discounted Price for Rent/Sale of Real Estate in Private Ownership



Source: CEIS

Minimum criteria depends on the location of the investment:

- For Cash Grant: EUR 0.25 million-20 million for manufacturing projects, EUR 100,000 for technology centers and for BSCs
- For CIT Exemption: EUR 0.1 million-3 million for manufacturing projects, EUR 50,000 for technology centers
- For Job Creation: EUR 0.1 million-1.5 million + 10-100 newly created jobs for manufacturing projects, EUR 50,000 for technology centers
- For Discounted Price: EUR 0.1 million-3 million for manufacturing projects, EUR 50,000 for technology centers
- 30-60% of total eligible costs should be spent on new technologies by manufacturing projects.

BSC projects are only required to fulfill the minimum criteria for a Cash Grant. 100% of costs related to R&D can be deducted on top of the state subsidies (R&D Superdeduction).

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