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# PRACTICAL ASPECTS FOR THE IMPLEMENTATION OF STATE AID SCHEMES

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# NEW: Scheme for Assets

- 1** **Minimum:** 10 mil. EUR Investment

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- 2** **Period of the scheme:** 2014 – 2020

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- 3** **Implementation period:** 2015 – 2023

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- 4** **Eligible industries:** all sectors with some exceptions (to be discussed)

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- 5** **Eligible costs:** acquisition/production of assets and rent expenses for investment construction

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- 6** **Intensity:** 15%/10% for Bucharest, 35% for West and Ifov Region, 50% for other Regions

# NEW: Scheme for Salary Costs

1

**Minimum:** 10 new working places

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2

**Period of the scheme:** 2014 – 2020

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3

**Implementation period:** 2015 – 2025

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4

**Eligible industries:** all sectors with some exceptions (to be discussed)

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5

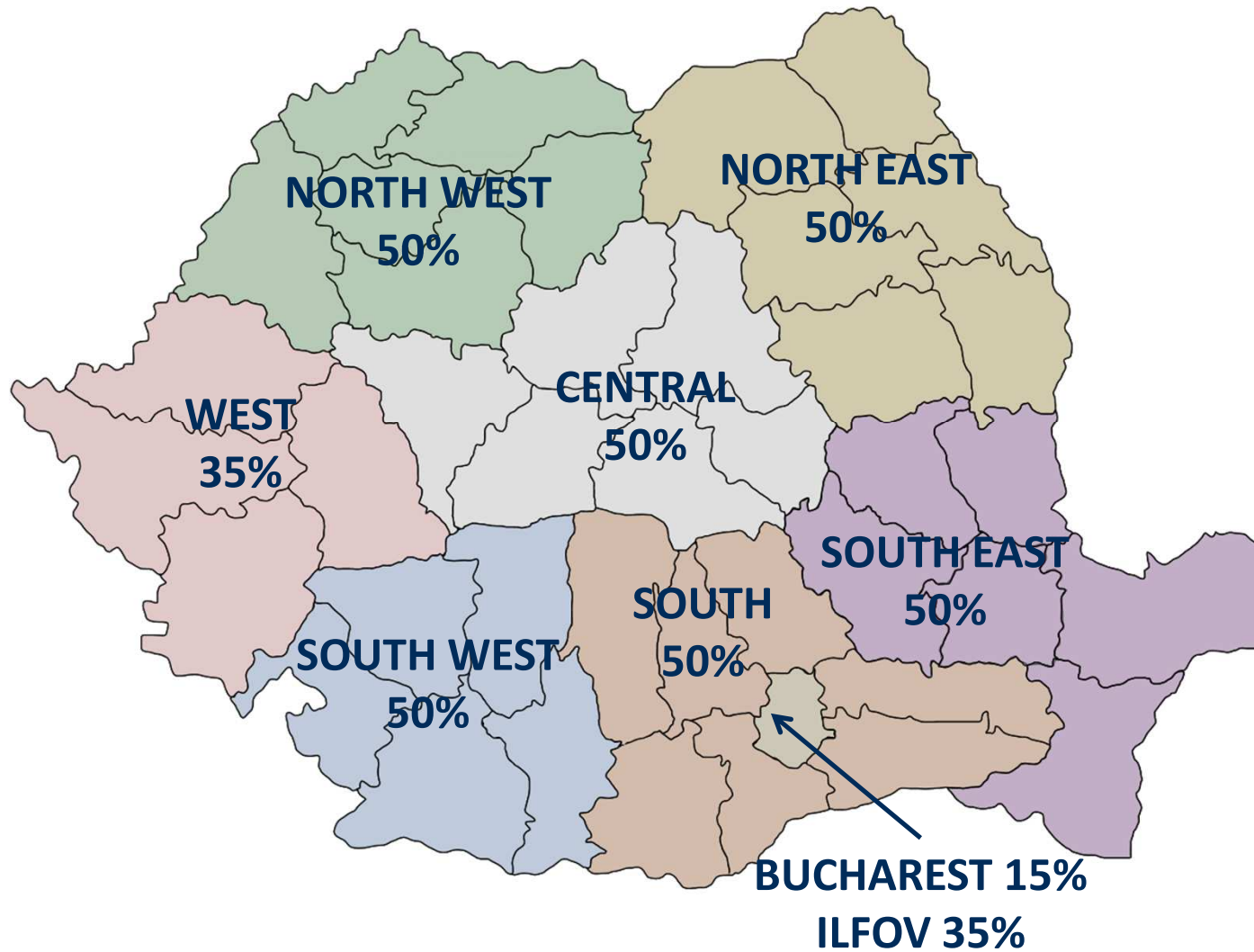
**Eligible costs:** net salary and all related taxes for a period of 2 consecutive years

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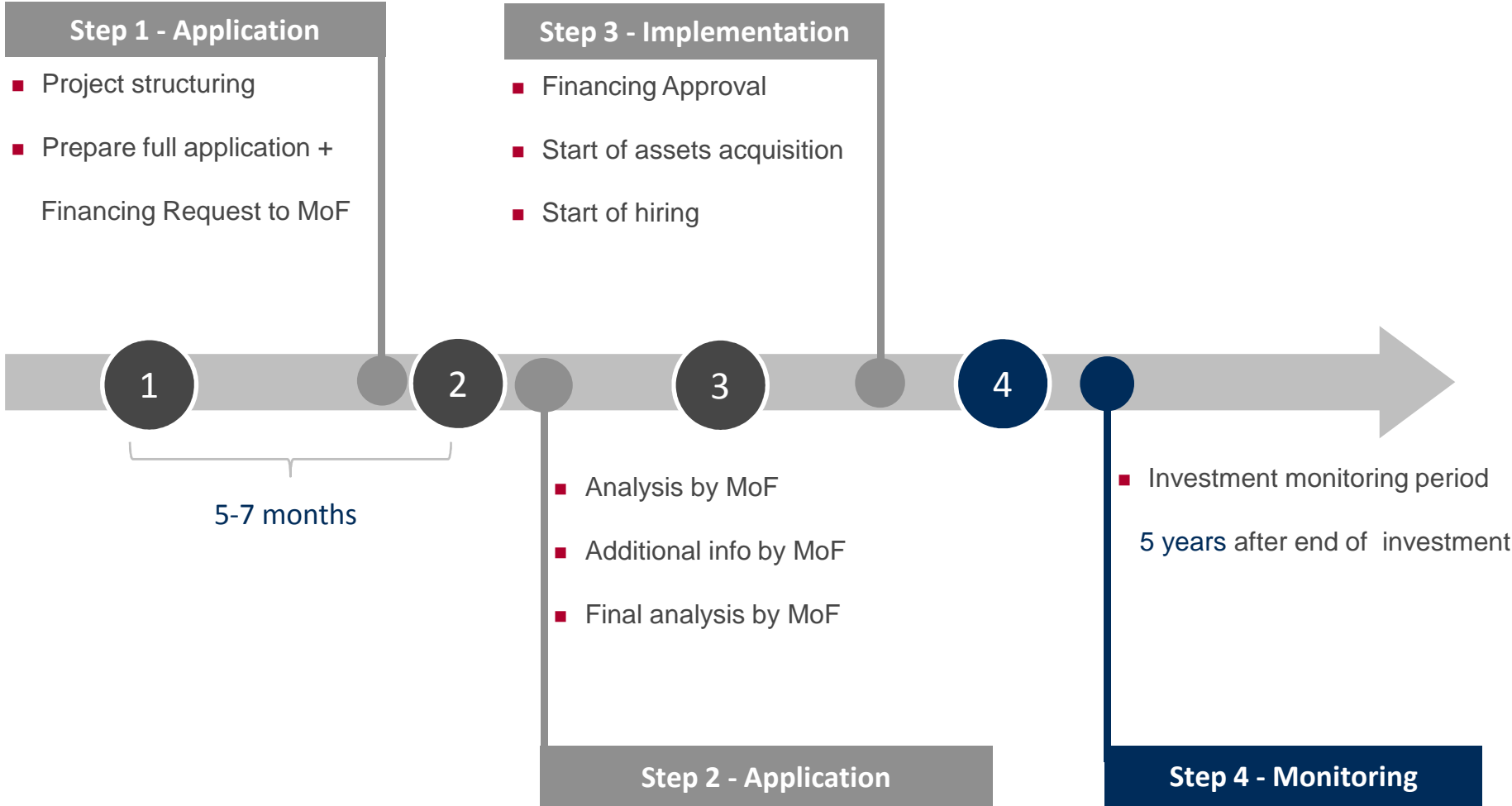
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**Intensity:** 15%/10% for Bucharest, 35%for West and Ifov Region, 50% for other Regions

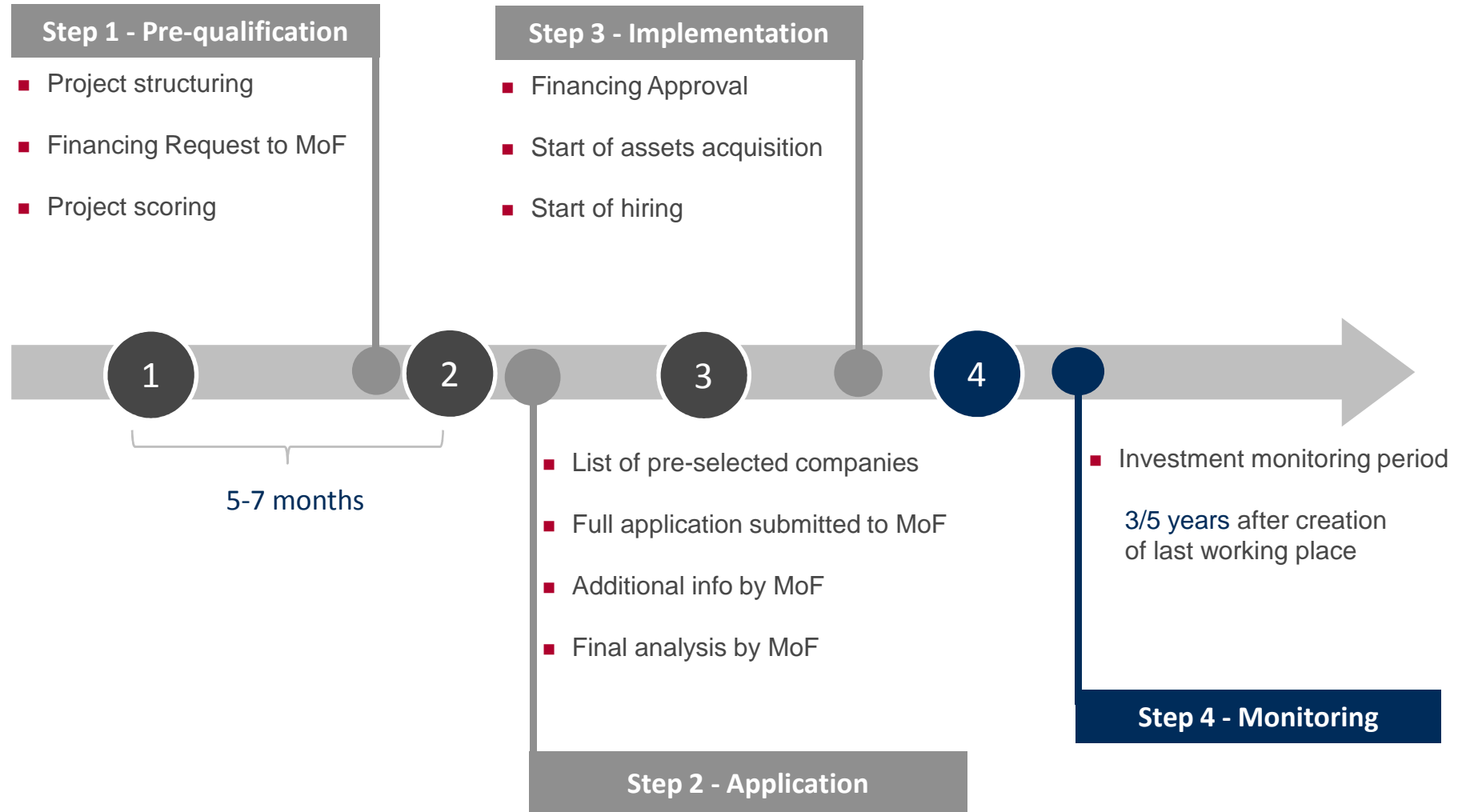
# State Aid Intensity (% from Eligible Costs)



# Timeframe: Scheme for Assets



# Timeframe: Scheme for Salary Costs



# Application





# Business, Investment & Hiring Plan



## Business Plan

- Executive summary
- About: company, products / services, competition, market share and sales strategy
- Financial situation: actual and projections
- Financing sources
- Risks assessment
- Proof of initial investment
- Innovative character of investment, if the case
- Incentive effect of state aid
- Contribution to regional development
- Economic efficiency and viability of the project



## Investment Plan

- List of assets by categories
- Period of acquisition
- Details: asset name, quantity, price per unit, total value



## Hiring Plan

- FTE categories
- Period of hiring
- 2 consecutive years/FTE = eligibility period/FTE for state aid computation



# Advantages and Disadvantages

- + Free cash incentive vs. tax incentives / reimbursable funds

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- + Securing the investment within the group

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- + Regular disbursements according to the initial planning

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- + Stable framework for a smoothly running financing program

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- Long term commitments

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- Time pressure

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- Project cannot start before the approval

# Lessons Learnt



Clear Investment or Hiring Plan

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Prudent approach

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Timeframe

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Correlations (production capacity, degree of utilization, number of employees)

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Reimbursement

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Others: team of the project, documents in English/Romanian, turnover supporting documents, commitment on taxes

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# Funny Input

- „În anul 1781, împăratul Iosif al II-lea a dat privilegii pentru breslele meșteșugărești. În anul 1848, la ... funcționa breasla cizmarilor, iar tot în acel an se fabricau pălării de păr și apoi de lână. De asemenea se dezvoltă comerțul practicat și de numeroși români, având legături permanente cu Moldova și Muntenia și chiar cu Polonia.”
- „Consumurile medii lunare ale principalelor produse pe o persoană în Regiunea Centru au fost de 8,852 kg pâine și produse de franzelărie, 3,784 kg carne și preparate din carne, 5,616 litri lapte, 2,969 kg cartofi, 8,590 kg legume și conserve din legume și 3,775 kg fructe- total. La pâine și fructe consumurile medii lunare pe o persoană se situează peste media pe țară.”
- „Judetul ... are o suprafață de 4.418 km<sup>2</sup> (1,85% din teritoriul național), din care 72% terenuri agricole, 18,2% păduri și alte terenuri cu vegetație forestieră, 2,2% râuri, 7,2% suprafață locuită, 0,4% alte suprafețe”
- „Din punct de vedere fizic, teritoriul județului este variat, cuprinzând munti, dealuri și câmpia ca formă dominantă. Zona de câmpie reprezintă 63% din suprafața totală și se întinde în partea de vest și sud-est a județului.”

# Contact Partner



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