

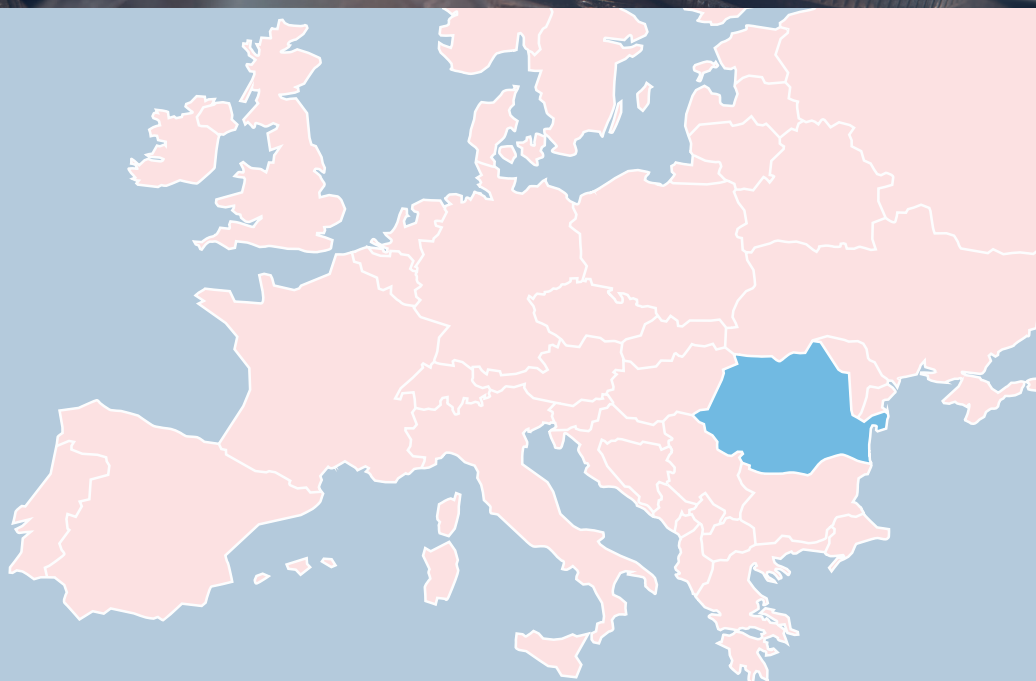


Deutsch-Rumänische  
Industrie- und Handelskammer  
Camera de Comerț și Industrie  
Româno-Germană

*presents:*

# FINANCING INSTRUMENTS AND EU FUNDS

THE BROCHURE





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**Building a better working world**

**EY**

EY is one of the world's leading professional services firms with more than 360,000 employees in more than 700 offices across 150 countries. Our network is the most integrated worldwide, and its resources help us provide our clients with services allowing them to take advantage of opportunities anywhere in the world.

With a presence in Romania ever since 1992, EY is the leading company on the market of professional services. Through our four integrated service lines – Assurance, Consulting, Strategy and Transactions, and Tax – and our deep sector knowledge, we help our clients to capitalize on new opportunities and assess and manage risk to deliver responsible growth.

Our offices are based in Bucharest, Cluj-Napoca, Timisoara, Iasi and Chisinau.

Our employees in Romania and Moldova have significant experience in serving leading companies and investors ranging from multinationals to local companies, in various industry sectors, including, industrial production, financial services, utilities & energy, oil & gas, consumer products, automotive, telecommunication, technology and real estate.

Clients include national companies and major foreign investors operating in Romania, while we also cooperate with government, regulatory and other public organizations.

EY exists to build a better working world, helping to create long-term value for clients, people and society, and to build trust in the capital markets.



## SERVICES

EY helps clients create long-term value for all stakeholders. Enabled by data and technology, our services and solutions provide trust through assurance and help clients transform, grow and operate, by:

- Combining innovation with pragmatic thinking to deliver actionable strategies for real impact in today's business landscape
- Helping clients reimagining their ecosystems, reshape portfolios and reinventing themselves for a better future
- Reducing the gap between business advisors and legal counsel to help clients navigate the complexities of the global and local economy
- Helping clients unlock the full potential of their ambition with support to expand, transform, integrate, govern and finance your business
- Helping clients transform their business by placing humans at the center, leveraging technology at speed and enabling innovation at scale
- Promoting trust and confidence in business and capital markets to help protect and promote sustainable, long-term value for stakeholders
- Offering connected services across all tax disciplines to help clients thrive in an era of rapid change
- Revolutionizing clients non-core, but business critical activities with easy-to-integrate solutions that free up their time for innovation



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# State aid schemes that will shape the investment environment

The year 2022 is characterized by worrying perspectives, shaped by the geopolitical context and the economic imbalances. These issues have translated into significant increases in consumer goods prices and tempered growth forecasts.

The macroeconomic and geopolitical context has modified global economic trends, causing adjustments in investment plans and changing the factors investors take into consideration when assessing investment destinations and scenarios.

In order to overcome extensive labour shortages and diminished trade flows, as well as to facilitate access to new international markets, Romania has proposed measures to stimulate the economy in terms of value chain development. Thus, to achieve regional development, the Government is committed to support economic operators in Romania to develop the production potential for materials, products, equipment and/or services in demand on the market by attracting new investments or investors.

Over recent years, in Romania were approved several state aid schemes which had helped boost economic growth by supporting investment in production capacities or job creation.

A well-established state aid scheme, available since 2014, finances investments leading to the creation of at least 100 new jobs (GD 332/2014), while the Government has recently approved a state aid scheme with the scope of encouraging investments in the manufacturing industry (GD 959/2022).

**Government Decision no.332/2014 related to a State aid scheme for job creation**, managed by the Ministry of Finance, is set to finance eligible costs consisting in two-year wage costs (including related employers' social contributions) to be incurred for the jobs generated as a result of the investment.

Initial investment in eligible sectors refers to:

- the setting-up of a new unit/new activity;
- the extension of an existing unit (except for large enterprises from Ilfov);
- the diversification of production by adding new products or
- a fundamental change in the overall production process of an existing unit (except for large enterprises from Ilfov).

With a total cumulative budget of EUR 600 million since launching the scheme in 2014, the annual budget is EUR 100 million.

In order to ensure regional development, the financed projects have to generate contributions (by paying taxes to the consolidated state budget and local budgets) during the implementation period and 5 years from the date of completion to equal the paid state aid.

**Government Decision no. 959/2022 on the establishment of a State aid scheme providing grants for investments in the manufacturing industry**, managed by the Ministry of Economy, consists of aid in the form of grants for greenfield investments or for investments in favour of a new economic activity, which may concern:

- the setting-up of a new unit/new activity;
- the extension of an existing unit (except

for large enterprises from Ilfov);

- the diversification of production by adding new products;
- a fundamental change in the overall production process of an existing unit (except for large enterprises from Ilfov);
- The acquisition of the assets from a closed unit or from a unit that would have been closed in case an independent investor had not been acquired the assets.

At least 10% of the project value should be represented by green investments (investments with a positive impact on climate, sustainable use of water, transition to the circular economy, prevention of pollution, protection and restauration of biodiversity and ecosystems).

The maximum scheme budget is of EUR 300 million, with the maximum average annual budget being of EUR 150 million.

The amounts thus granted under the Scheme may be used for the purpose of financing the costs of investments (minimum investment value of EUR 3 mil) in:

(a) tangible and intangible assets (land, construction buildings, acquisition / leasing of equipment, technical installations, software); (b) the wage cost comprising the gross salary and related employers' social contributions for the new jobs created associated with the investment project for a period of 2 years or (c) a combination thereof

While the state-aid scheme for job creation is open on a continuous submission basis ("first come, first served"), the state aid scheme for the manufacturing sector will be available through a competitive procedure (score awarded according to criteria published in the Applicant's Guide), project selection being made within announced project calls timeframe.

According to the provisions of the GD 959/2022 scheme, the registration period

for applications will be communicated by the Ministry of Economy at least 30 working days before the opening date of the sessions.

Evaluation criteria for the competitive procedure refer to the investment size, the type of initial investment, location of investment, profitability, type of eligible sector and number of jobs created.

Eligible beneficiaries for state aid (both GD 332/2014 and GD 959/2022) may be small and medium-sized enterprises (SMEs), as well as large enterprises, existing or newly established (only for the scheme GD 332/2014), provided that the same, or by case their projects, meet a set of criteria as of the application date, as defined by the scheme's documentation, of which:

- to be duly registered in accordance with Romanian laws;
- to not have outstanding debts to the state budget;
- not to be considered enterprises in difficulty;
- not to be under insolvency, bankruptcy, judicial reorganization, etc.;
- not to owe any amounts under a State aid recovery decision;

Within the limits of the annual budget allocated to each scheme, the percentage to be covered by state aid shall be derived in accordance with the maximum intensities for each region (ranges between 30% and 60%, with a surplus for SMEs in the case of GD 959/2022), as authorized by the European Commission.

Financing agreements under the addressed Schemes may be issued by the resort Ministry until 31 December 2023. State aid will be paid during the period 2022-2028 for projects under GD 332/2014 and 2022-2027 for those under GD 959/2022, on the basis of the financing agreements thus issued and

with the observance of the annual budget allocated to the Scheme.

No matter the preferred scheme, investors need to keep in mind that the financing application should be registered before the start of the investment, otherwise the project is not eligible for state aid.