

ceis



MEMBER COMPANY
OF THE POLISH-HUNGARIAN
CHAMBER OF COMMERCE

SUBSIDIES FOR DEVELOPMENT PROJECTS
IN HUNGARY AND IN POLAND
PLHUCC WEBINAR SERIES 2023

Ms. Kamilla Szandrocha
28th March / 2023 / Budapest / office@ceis.hu

Central European
Investment Services

INTRODUCTION

- Consultant company **supporting large investors and SMEs in the CEE region**
- **20 years experiences** in investment promotion, site selection services and state subsidies



BRANCH LOCATIONS



BUDAPEST

BRATISLAVA



ceis

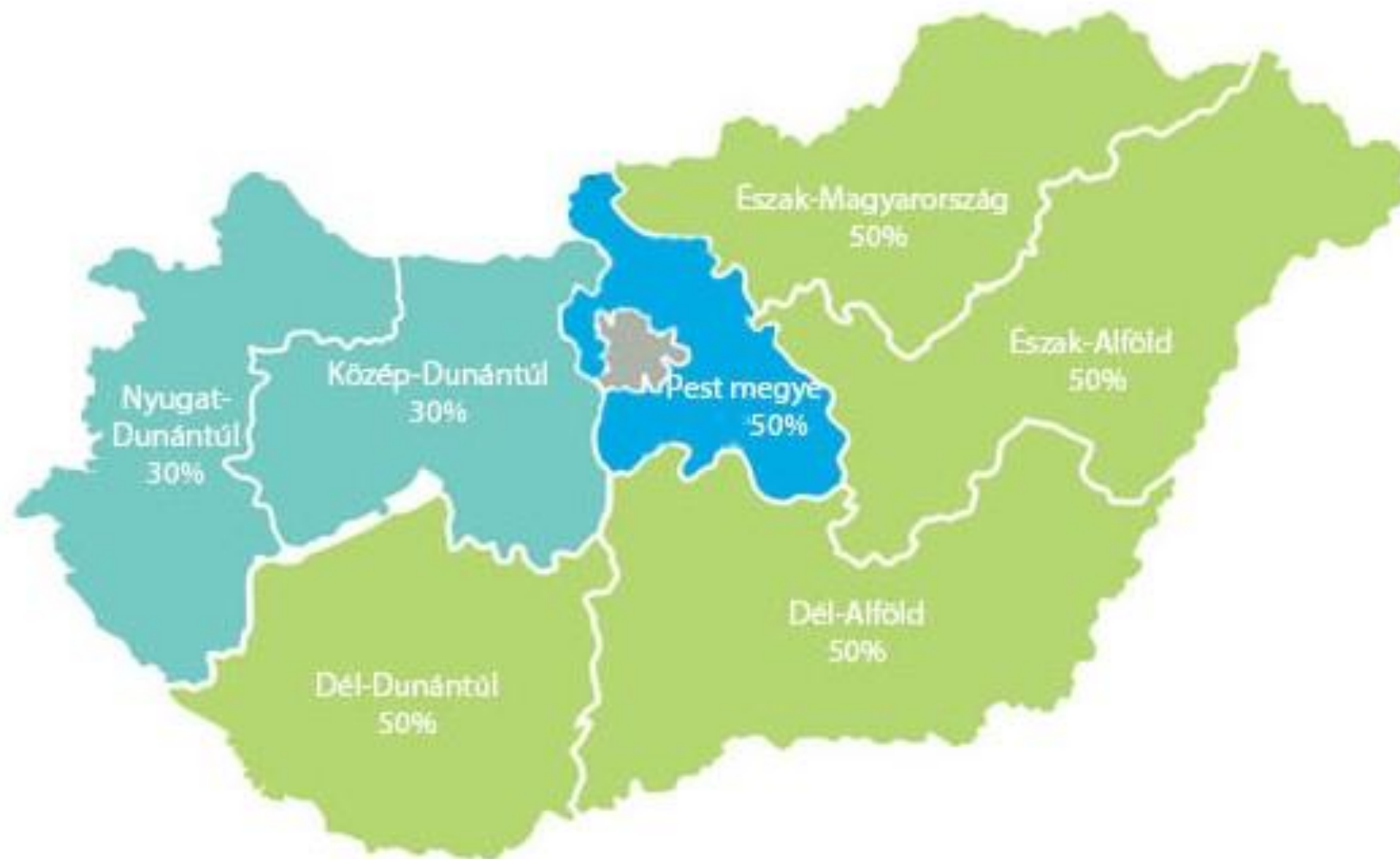
SOME OF OUR REFERENCES

www.ceis.hu/references



SUBSIDIES FOR POLISH INVESTORS IN HUNGARY

THEORETICAL REGIONAL MAXIMUM AID INTENSITY



VIP CASH SUBSIDY

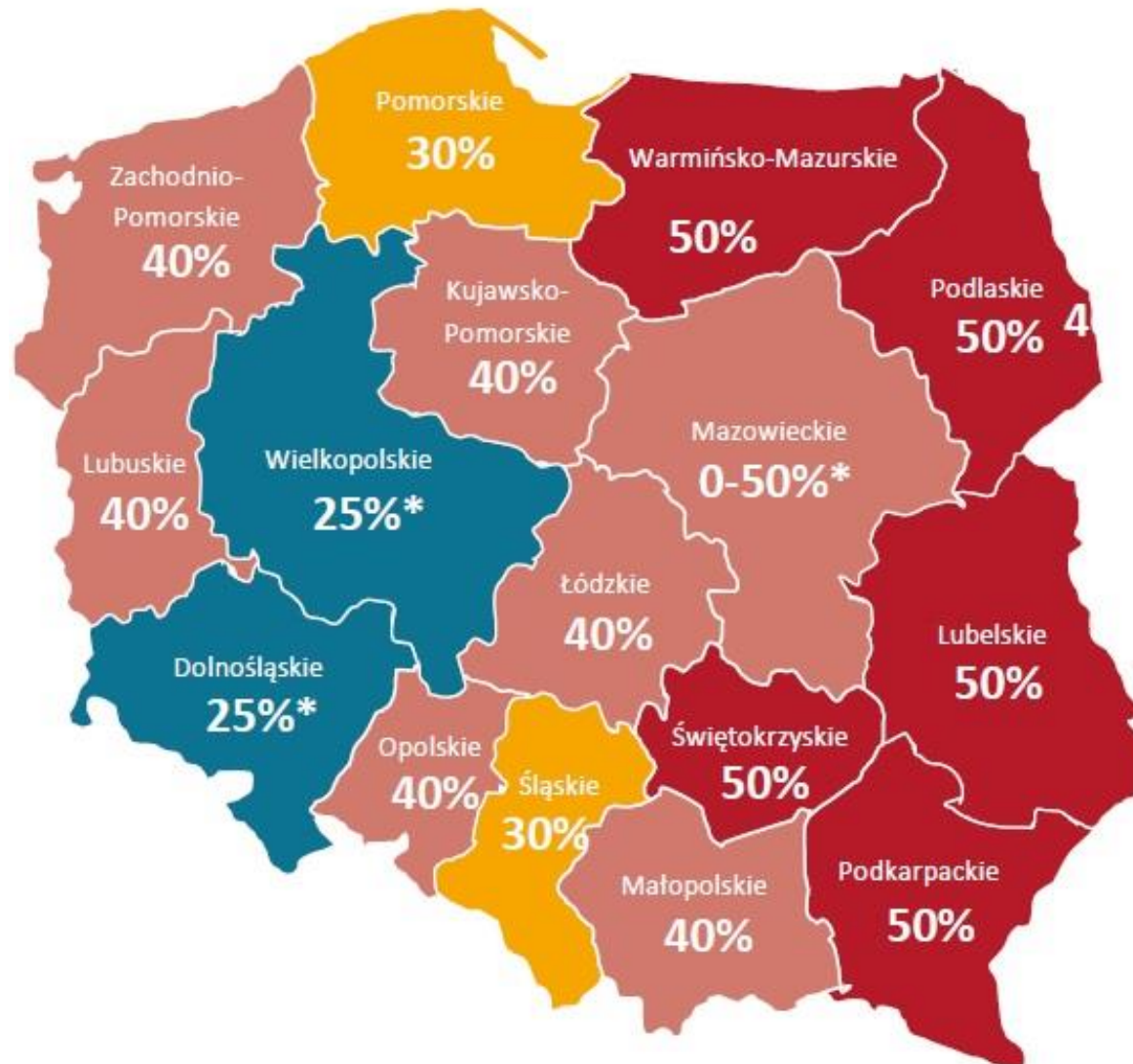
- Granted by the Hungarian Government (through HIPA)
- Aid intensity: generally 5-10%
- Eligibility criteria:
 - **At least EUR 5 M investment (EUR 10 M in developed counties)**
 - Turnover, personnel expenses or the two combined increased by at least 30% in average in the monitoring period
- Eligible costs: land, building, machines and equipment, intangible goods OR 24 months wage related costs of the newly hired workforce
- For SSCs the minimum job creation is 50
- Cash grant is based on individual negotiation with the government

DEVELOPMENT TAX ALLOWANCE FOR ASSET BASED INVESTMENT

- Tax allowance following the completion of the investment project
- **Exemption for 80% of the corporate tax payable for 13 years**
- (Corporate tax is 9% in Hungary)
- Eligible cost exceeds:
 - HUF 1 billion in less developed counties
 - HUF 3 billion in developed counties
- Base number of employees should be maintained
- Cash subsidy and development tax allowance together cannot exceed regional maximum aid intensity

SUBSIDIES FOR HUNGARIAN ENTERPRISES IN POLAND

THEORETICAL REGIONAL MAXIMUM AID INTENSITY



SUBSIDY FOR FOREIGN EXPANSION OF HUNGARIAN COMPANIES – TO BE EXPECTED IN THE SECOND HALF OF THE YEAR (conditions from 2022)

- Subsidy for realising an investment in Poland,
- **Granted by CED/ HEPA, governmental bodies of Hungary,**
- Amount of subsidy: HUF 1 – 7 billion (EUR 2.5 – 17.5 million),
- Aid intensity: max. 50%,
- Entry condition: HUF 1 billion sales revenue or 5 closed years,
- Hungarian company must have at least 51% shares in the Polish daughter co,
- Priority activities: health, food, construction, water and environment, creative industries, accommodation development, horizontal digitalisation solutions,
- Eligible costs: building, assets, intangible goods, renewable energy infra, personnel related cost and contracted services (if R&D).

DIRECT CASH GRANT

- **Granted by the Polish Government (through PAIH)**
- Aid intensity between 3-8%
- Minimum investment is
 - generally EUR 34 million
 - for SMEs EUR 6.9 million
 - for 'developing companies' (employing less than 1 000 people worldwide and having annual turnover below EUR 250 million) EUR 10.2 million
- Eligible costs: land, building, machines and equipment, intangible goods OR 24 months wage related costs of the newly hired workforce
- For SSCs the minimum job creation is 250, minimum investment is PLN 1.5 million
- Cash grant is based on a transparent pointing system

CORPORATE INCOME TAX EXEMPTION

- **Corporate tax exemption of 100%**
- (Corporate tax rate is 9-19% in Poland)
- Available everywhere in Poland, but
 - The duration of the exemption is depending on the location (10-15 years)
 - The minimum investment is also depending on the location (PLN 10 – 100 milion)
- Cash subsidy and Tax allowance together cannot exceed regional maximum aid intensity

REAL ESTATE TAX EXEMPTION

- Regional state aid available in communes
- Real estate tax rates are set by local authorities with following maximum limits:
 - 28.78 PLN (6.15 EUR) /m² for buildings,
 - 1.16 PLN (0.25 EUR) /m² for land,
 - 2% of construction value.
- Length of tax exemption: up to 5 years



Thank you for your kind attention.

CONTACTS

Ms. Kamilla Szandrocha
managing director

Telephone: +36 30 337 6131
E-mail: szandrocha.kamilla@ceis.hu
Address: 1011 Budapest Corvin tér 10.
Web page: www.ceis.hu