



MINISTRY OF FINANCE

APPLICANT'S GUIDE

***elaborated based on the Government Decision no. 807/2014
for the establishment of state aid schemes
aimed at stimulating investments
with major impact on the economy,
with subsequent amendments and supplements***

- Revision 6, February 2022 –

This document is a guide for state aid applicants under the state aid scheme for stimulating investment that promotes regional development by making investments, established by G.D. no. 807/2014, published in the Official Gazette, Part I, no. 714 / 30.09.2014, amended and supplemented by G.D. no. 357/2016, published in the Official Gazette, Part I, no. 377 / 17.05.2016, G.D. no. 476/2018, published in the Official Gazette Part I, no. 580 / 09.07.2018, G.D. no. 880/2018, published in the Official Gazette Part I, no. 954 / 12.11.2018, G.D. no. 1046/2018, published in the Official Gazette Part I, no. 25 / 10.01.2019, G.D. no. 268/2020, published in the Official Gazette Part I, no. 286 / 06.04.2020, G.D. no. 628/2020, published in the Official Gazette Part I, no. 711 / 07.08.2020, G.D. no. 760/2021, published in the Official Gazette Part I, no. 702 / 15.07.2021 and G.D. no. 149/2022, published in the Official Gazette Part I, no. 112 / 03.02.2022.

Information on how to complete the supporting documents to be submitted with the Application for Financing Agreement under this State Aid Scheme, as well as all the conditions that must be met in order to obtain the Financing Agreement can be found in this document, as well as on the website of the Ministry of Finance.

It is necessary to analyse in advance the provisions of G.D. no. 807/2014 *for the establishment of a state aid scheme aimed at stimulating investments with major impact on the economy*, with subsequent amendments and supplements, all the information contained in this Guide, as well as other data made available on the websites of the Ministry of Finance specified above.

During the period of validity of the state aid scheme, the Ministry of Finance makes available to applicants, at <https://mfinante.gov.ro/ro/formular-intrebari>, a dedicated platform through which questions, notifications and requests for clarifications, which shall be resolved quickly, if they are not already covered in this matter and on the website of the Ministry of Finance.

Formular asistență Ajutor de Stat

Acasa / Domenii / Ajutor de stat / Formular asistență Ajutor de Stat

Formular asistență Ajutor de Stat

Date societate

Schema*
Alege schema de ajutor de stat

Tip societate*
Alege tip societate

Cod* de identificare fiscală
Cod CAEN*

Denumire* societate
Judet*
Alege judetul

Persoana de contact

Telefon* de contact
E-mail

Nume si prenume* persoana de contact
Funcția*

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CHAPTER I - GENERAL INFORMATION

1. What is the purpose of this State aid scheme?

The state aid scheme aims at **regional development**, by **making initial investments** in high-tech fixed assets for the realization of high value-added products, regardless of the size of the beneficiaries.

The State aid scheme was established based on the provisions of Regulation (EU) no. 651/2014 of the Commission of 17 June 2014 declaring certain categories of aid compatible with the internal market applying art. 107 and 108 of the Treaty, as subsequently amended and supplemented, of European Commission Decision C (2021) 9750 final, approving the map of regional state aid for the period 2022-2027.

The total value of an investment project must be at least 4.5 million lei. This value was determined by reporting an equivalent value of approximately 1 million euros (calculated at a rate of 4.5 lei / euro).

DEFINITIONS:

Total value of investment = value of the investment plan related to the initial investment = value of eligible expenses + value of ineligible expenses - value of VAT.

Initial investment = investment in tangible and intangible assets related to the start-up of a new unit, expansion of the capacity of an existing unit, diversification of a unit's production through products not previously manufactured in the unit or a fundamental change in the overall production process of an existing unit, located in the same perimeter, except for the investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE approved by Order of the President of the National Institute of Statistics no. 337/2007 regarding the updating of the Classification of activities in the national economy - NACE.

Initial investment in favour of a new economic activity = the investment in tangible and intangible assets related to the start-up of a new unit or the diversification of the activity of a unit, provided that the new activity is not identical or similar to the activity previously carried out in that unit; the investment must be in the same perimeter except for the investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE approved by Order no. 337/2007 of the President of the National Institute of Statistics

ATTENTION!

Investment projects the total value of which is below the value of 4.5 million lei are not eligible for state aid financing under this scheme

2. What is the budget of the state aid scheme?

The State aid scheme is included in the Program "State aid for financing investment projects" within the budget of the Ministry of Finance - General Actions.

The **maximum budget** of the scheme is **6,380 million lei**, respectively the equivalent of approximately **1,450 million euros**, with the possibility of supplementation, as follows:

a) commitment appropriations for the issuance of financing agreements for the period 2014 - 2023;

b) budget appropriations for the payment of the state aid approved on the basis of the financing agreements issued, for the period 2015 - 2028.

The **average annual budget** of the scheme is **638 million lei**, respectively the equivalent of approximately **145 million euros**, as will be established by the annual budget laws.

3. What is the period of validity of the state aid scheme?

Funding agreements may be issued under the scheme until **31 December 2023**, in accordance with State aid legislation and the regional map authorized by the European Commission, within the annual budget allocated to the scheme by the annual budget laws.

The **payment of state aid** is made between **2015 and 2028** based on the financing agreements issued, within the annual budget allocated to the scheme by the annual budget laws.

4. Who can apply for state aid funding?

The enterprises that can apply for state aid based on this scheme are **newly established enterprises** or **operating enterprises**, both **SMEs** and **large enterprises**, with **legal personality**, established according to the **Companies Law no. 31/1990**, republished, with subsequent amendments and supplements.

DEFINITIONS:

Newly established enterprise = the enterprise established in the year preceding the year of registration of the application for financing agreement which has no approved annual financial statements for the last financial year, the enterprise established in the year of registration of the application for financing agreement or the enterprise that did not carry out economic activity, but not more than 3 consecutive fiscal years before the date of registration of the application.

An operating enterprise = an undertaking which carries out economic activity and has approved annual financial statements for the last financial year ended.

Subsidiaries = companies with legal personality, with the legal regime of the form of company in which they were incorporated, according to art. 42 of the Companies Law no. 31/1990, republished, with subsequent amendments and supplements.

Branches = dismemberments without legal personality of the companies and are registered, before starting their activity, in the trade register of the county in which they will operate, according to art. 43 para. (1) of the Companies Law no. 31/1990, republished, with subsequent amendments and supplements.

Working points (secondary offices) = dismemberments without legal personality of the companies and are mentioned only during the registration of the company in the trade register from the main headquarters, according to art. 43 para. (3) of the Companies Law no. 31/1990, republished, with subsequent amendments and supplements.

ATTENTION!

The classification of enterprises in the category of SMEs or large enterprises is done at the time of registration of the Application for financing agreement in order to correctly complete the information provided in the application for financing agreement.

5. What are the eligible business sectors?

Investments that create jobs in **all** sectors of activity are eligible, **except** for those provided in art. 15 of G.D. no. 807/2014, with subsequent amendments and supplements, and

those mentioned in the “*List of sectors of activity for which no state aid is granted*” provided in Annex no. 1 to this Guide, in accordance with the legal provisions in force.

ATTENTION!

If the company operates in a sector of activity considered ineligible but requests financing for an initial investment in an eligible sector of activity, found in the Confirmation of company details issued by the Trade Register, in the initial notice may be eligible for financing with aid in compliance with all other conditions set out in the scheme.

ATTENTION!

It is possible to request financing for a single economic activity, namely a single NACE code. The activity for which funding is requested can be primary or secondary.

6. What are the eligible expenses?

ATTENTION!

The eligibility of the elements of the investment plan will be verified upon payment.

DEFINITIONS:

Total value of investment = value of the investment plan related to the initial investment = value of eligible expenses + value of ineligible expenses - value of VAT.

Investment plan = synthetic document, presented in table format, which includes only the values corresponding to the eligible and ineligible expenses related to the initial investment, by categories and with the determination of the total value of the investment and the timing of the investment.

ATTENTION!

Within the content of the investment plan in the category of ***Technical installations, machines and equipment***, only the total value and its breakdown on eligible and ineligible expenses will be presented, per year. Within the payment procedure, the eligibility of the expenses shall be verified by including the assets in the provisions of the Government Decision no. 2.139/2004 approving the Catalogue regarding the classification and the normal operation durations of the fixed assets, with the subsequent modifications, with the minimum value of entry of the fixed assets established according to the legal provisions in force.

6.1. Eligible expenses

DEFINITION:

Eligible expenses = costs without VAT, related to the realization, respectively the acquisition, as the case may be, of tangible and intangible assets, as well as the expenses related to the rental of constructions, related to the realization of the initial investment.

6.1.1. Eligible expenses related to tangible assets

DEFINITIONS:

Tangible assets = assets associated with the initial investment represented by:

- a) constructions of any type, respectively the expenses incurred with the realization of constructions
- b) new technical installations, machines and equipment classified according to Government Decision no. 2.139 / 2004 for the approval of the Catalogue regarding the

classification and the normal operation durations of the fixed assets, with the subsequent amendments, with the minimum value of entry of the fixed assets established according to the legal provisions in force.

New assets = assets that have never been used.

In the case of constructions, only the expenses related to the construction of new constructions are considered eligible, found in Chapter 4 - Expenditures for the basic investment, subchapter 4.1 - Constructions and basic installations from the Estimate by object as shown in Annex no. 8 to the Government Decision no. 907/2016.

In case of renting the constructions related to the initial investment, the expenses with the rent of the constructions from the category of buildings, related to the initial investment, registered during the realization of the investment plan are considered eligible.

ATTENTION!

The maximum eligible value of the rent cannot exceed 22 lei / sqm / month; the amount of rent that exceeds the maximum eligible amount is ineligible and is financed by the state-owned enterprise receiving its own state aid.

The lease must be valid for at least the initial investment and five years after the date of its completion with the possibility of extending it for at least 2 years and must take effect on a date after the date of submission of the application.

Tangible assets must cumulatively meet the following eligibility requirements:

- a) they must be operated exclusively by the State aid undertaking in order to achieve the objectives of the investment for which the financing has been requested;
- b) they must be included in the assets of the State aid recipient undertaking and must remain associated with the investment for which the financing has been granted for a period of at least five years after the completion of the investment;
- c) to be purchased at market conditions;
- d) to be newly.

ATTENTION!

If, during the five years from the completion of the investment, there is physical or moral wear and tear of the assets related to the initial investment, it is allowed to replace them, in order to ensure the continuity of the financed activity, informing the Ministry of Finance.

DEFINITION:

Acquisition of assets under market conditions = the way assets are acquired based on the following principles: non-discrimination, equal treatment, mutual recognition, transparency, proportionality and efficient use of funds.

6.1.2. Eligible expenses related to intangible assets

DEFINITION:

Intangible assets = depreciable assets associated with the initial investment that do not have a physical or financial materiality such as patents, licenses, know-how or other intellectual property rights.

Intangible assets must cumulatively meet the following eligibility requirements:

- must be operated exclusively by the State aid undertaking in order to achieve the objectives of the investment for which the financing has been requested;
- must be included in the assets of the State aid recipient undertaking and must remain associated with the investment for which the financing has been granted for a period of at least five years after the completion of the investment;
- to be purchased at market conditions;

- be purchased from third parties unrelated to the buyer.

DEFINITIONS:

Acquisition of assets under market conditions - the way of acquiring assets based on the following principles: non-discrimination, equal treatment, mutual recognition, transparency, proportionality and efficient use of funds.

Third parties not related to the buyer - natural or legal persons who are not found in at least one of the following cases:

- (i) natural persons who have the status of spouse or relatives up to and including the third degree, of the staff or management of the buyer;
- (ii) natural persons who are employees of the buyer;
- (iii) natural or legal persons who have the status of seller and have an influence on the structure, votes or decisions of the management bodies of the buyer;
- (iv) natural or legal persons who have the status of seller and over whom the buyer has influence over the structure, votes or decisions of its governing bodies.

ATTENTION!

To be considered eligible, the costs of intangible assets may not exceed 50% of the total eligible costs of the investment.

6.2. Ineligible expenses

Expenses without VAT, related to the investment project and included in the company's assets following the acquisition of tangible and intangible assets/rental of buildings, which do not meet the conditions to be considered eligible expenses in accordance with the provisions of this State aid scheme are considered ineligible. Ineligible expenditure is not financed by state aid.

ATTENTION!

The following are considered ineligible construction costs in the investment plan:

- the acquisition, modernization, rehabilitation of constructions and additional construction works necessary to change the destination of some existing constructions;
- the costs related to the rent that exceed the value of 22 lei / sqm / month.

ATTENTION!

All expenses that do not qualify as eligible expenses are considered ineligible.

For example, tangible assets such as technical installations, machinery and equipment that:

- does not fall into the classification presented in the Government Decision no. 2.139/2004 for *approving the Catalogue regarding the classification and the normal operation durations of the fixed assets*, with the subsequent amendments;

or

- do not have the minimum input value of fixed assets established according to the legal provisions in force;

or

- are not new.

At the same time, in the case of tangible assets, the following are not eligible:

- the purchase of furniture and industrial furniture, decorations, registrable means of transport, electronic computers that are not part of the technological flow, office equipment, tool kits, tool cabinets / carts, etc.,

- expenses for transport, installation of technical installations, machines and equipment.

7. What are the eligibility criteria for businesses?

The enterprises must cumulatively meet the following conditions	
General	a) are registered according to the Companies Law no. 31/1990, republished, with subsequent amendments and supplements;
	b) makes an initial investment in Romania, in one of the eligible fields of activity;
	c) does not fall into the category of " <i>enterprises in difficulty</i> ";
	d) is not in the procedure of forced execution, insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity;
	e) are not the subject of decisions to recover state aid or if such decisions have been issued, they have been executed, in accordance with the legal provisions in force;
	f) have not benefited from other regional state aid for eligible costs of tangible and intangible assets within the same single investment project;
	g) have not relocated to the unit where the initial investment for which assistance is requested is to take place in the last 2 years prior to the registration of the grant agreement and, at the time of registration, provide a commitment that they will not do so for up to 2 years after the completion of the initial investment for which the aid is requested;
In addition to operating enterprises	h) have a turnover of more than zero in one of the last three financial years ended;
	i) have positive equity in the last financial year ended;
Extra for start-ups	j) have a subscribed share capital paid in the amount of at least 100,000 lei;
	k) do not belong to shareholders who own or have owned in the last two years prior to the registration of the application for financing agreement another company registered according to the Companies Law no. 31/1990, republished, with subsequent amendments and supplements, which carries out or has carried out the activity for which it requests financing.
Additional information provided for in Commission Recommendation (EU) 2020/1039 of 14 July 2020¹ for both operating enterprises and start-ups	l) are not resident for tax purposes in non-cooperating jurisdictions or are not subject to the tax legislation of non-cooperating jurisdictions;
	m) are not controlled, directly or indirectly, by the shareholders of the jurisdictions on the EU list of non-cooperating jurisdictions, up to the beneficial owner, as defined in Article 3 point 6 of Directive 849/2015;
	n) does not control, directly or indirectly, its own subsidiaries or permanent units in the jurisdictions listed on the EU list of non-cooperating jurisdictions;
	o) does not exercise joint ownership with the undertakings within the jurisdictions listed in the European Union list of non-cooperating jurisdictions.

¹ Directive (EU) no. 849/2015 of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing, amending Regulation (EU) No. 648/2012 of the European Parliament and of the Council and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC

ATTENTION!

The European Union's list of non-cooperating jurisdictions and Directive 849/2015 of the European Parliament and of the Council are published on the website of the Ministry of Finance.

ATTENTION!

At the same time, the Commission Recommendation of 14.7.2020 offers Member States the possibility to ignore the existence of links between the beneficiary companies and those in non-cooperating jurisdictions, in two situations:

1. if the level of tax liabilities in the Member State which has been receiving the support for a certain period of time (for example, the last three years) is considered appropriate in relation to the total turnover or the level of activity of the recipient undertaking, individually and in groups, during the same period;
2. if the undertaking makes a legal commitment to remove the links with the jurisdictions listed in the European Union list of non-cooperating jurisdictions, within a short period of time, subject to proper monitoring and sanction accordingly in case of non-compliance with these commitments.

8. How is state aid calculated?

State aid is granted to enterprises, in compliance with the provisions:

- G.D. no. 807/2014, as subsequently amended and supplemented,
- Regulation (EU) no. 651/2014, as subsequently amended and supplemented,
- European Commission Decision C (2021) 9750 final, approving the regional state aid map for the period 2022 - 2027,

through allocations from the state budget, from the budget of the Ministry of Finance - General Actions, **in the form of non-reimbursable amounts, in relation to eligible expenditure, within the maximum allowable intensity and the maximum level of State aid that an undertaking may benefit from, as follows:**

REGION	Component counties	Maximum Intensity %	Maximum level of state aid that a company can benefit from - euro -
Northwest	Bihor	40%	30.000.000
	Bistrița-Năsăud	50%	37.500.000
	Cluj	40%	30.000.000
	Maramureș	50%	37.500.000
	Satu Mare	50%	37.500.000
	Sălaj	50%	37.500.000
Center	Alba	50%	37.500.000
	Brașov	40%	30.000.000
	Covasna	40%	30.000.000
	Harghita	40%	30.000.000
	Mureș	40%	30.000.000
	Sibiu	40%	30.000.000
North-East	Bacău	60%	45.000.000

	Botoșani	60%	45.000.000
	Iași	50%	37.500.000
	Neamț	60%	45.000.000
	Suceava	60%	45.000.000
	Vaslui	60%	45.000.000
South-East	Brăila	60%	45.000.000
	Buzău	60%	45.000.000
	Constanța	50%	37.500.000
	Galați	60%	45.000.000
	Vrancea	60%	45.000.000
	Tulcea	60%	45.000.000
South-Muntenia	Argeș	50%	37.500.000
	Călărași	60%	45.000.000
	Dâmbovița	50%	37.500.000
	Giurgiu	50%	37.500.000
	Ialomița	60%	45.000.000
	Prahova	60%	45.000.000
	Teleorman	60%	45.000.000
Southwest Oltenia	Dolj	60%	45.000.000
	Gorj	60%	45.000.000
	Mehedinți	60%	45.000.000
	Olt	60%	45.000.000
	Vâlcea	60%	45.000.000
West	Arad	30%	22.500.000
	Caraș-Severin	40%	30.000.000
	Hunedoara	40%	30.000.000
	Timiș	30%	22.500.000
"C" areas that are not predefined			
Bucharest - Ilfov	Ilfov: Ciorogârla, Domnești, Clinceni, Cornetu, Bragadiru, Dăărăști-Ilfov, Jilava, 1 Decembrie, Copăcenii, Vidra and Berceni	35%	26.250.000
	Ilfov: Periș, Ciolpani, Snagov, Gruiu, Nuci, Grădiștea, Petrăchioaia, Dascălu, Moara Vlăsiei, Balotești, Corbeanca, Buftea, Chitila, Glina, Cernica, Dobroești și Pantelimon	45%	33.750.000

The gross State aid intensity that an enterprise can benefit from under the scheme in the period 2022-2023, in relation to the eligible expenditure, was established by European Commission Decision C (2021) 9750 final approving the regional state aid map for the period 2022-2027. The maximum level of state aid, in relation to the eligible expenses and in compliance with the provisions of art. 11, is established according to the maximum approved intensity.

The maximum State aid intensity set out in the table above may be increased for certain identified counties in order to benefit from support from the Fair Transition Fund, should the European Commission issue a Decision to that effect. The Ministry of Finance shall publish

this information on its website in the *State Aid* section after obtaining the Authorization Decision from the Community Forum.

ATTENTION!

Given that:

- The State aid scheme established by G.D. no. 807/2014 must be complementary to state aid schemes financed by the European funds,
- State aid schemes financed by European funds exclude large enterprises,

through the State Aid Scheme established by G.D. no. 807/2014, no bonuses are granted that supplement the maximum intensity of state aid in the case of SMEs.

DEFINITIONS

State aid intensity = the ratio of the amount of aid to the amount of eligible costs.

Intensity (%) = (maximum amount of state aid / total amount of eligible expenditure) x100

Large investment project = an initial investment with eligible costs exceeding 50 million euros, value calculated at the exchange rate established by the National Bank of Romania valid on the date of elaboration of the financing agreement.

In the case of large investment projects, the aid may not exceed the maximum amount foreseen for each development region and shall be calculated according to the formula:

Maximum aid amount = $R \times (A + 0.50 \times B + 0 \times C)$, where

R = the maximum aid intensity applicable in the region concerned;

A = the eligible initial costs of EUR 50 million;

B = the part of the eligible costs between EUR 50 million and EUR 100 million;

C = the part of the eligible costs of over 100 million euros.

DEFINITIONS:

Single investment project - any initial investment started by the same beneficiary, at group level, within three years of the start of work on another investment receiving aid in the same level 3 region of the Common Nomenclature of Territorial Units of statistics (NUTS 3), respectively county.

Group = the parent company and all its subsidiaries.

ATTENTION!

If a single investment project becomes a large investment project, the State aid requested by the company shall be calculated using the above formula.

The value in lei of the eligible expenses related to the single project consists of the value in lei of the eligible expenses approved or actually settled with state aid, as the case may be, related to previous projects and the value in lei of the eligible expenses related to the project for which funding is requested.

In order to apply the formula, the amount of cumulative eligible expenditure must be calculated in euros. In this sense, the average exchange rate, established by the National Bank of Romania, of the month prior to the date of submission of the Application for financing agreement will be used.

The amount of State aid for the project for which funding is requested shall be calculated as the difference between the maximum amount of State aid for the single project and the amount of State aid approved or actually paid, as appropriate.

Example:

For an enterprise that makes an investment of 13.5 million lei, respectively the equivalent of approximately 3 million euros, and the value of eligible costs is 9 million lei, respectively the equivalent of approximately 2 million euros, in Iasi, a locality located on the regional map in the region North-East, Iași County, county with a maximum intensity of 50%, **the state aid is determined as follows:**

Total value of eligible costs x Maximum intensity = 9 million lei x 50% = 4.5 million lei

For an enterprise that makes an investment of 315 million lei, respectively the equivalent of about 70 million euros, and the value of eligible costs is 270 million lei, respectively the equivalent of about 60 million euros, in Iasi, a locality located on the regional map in the North-East, Iași county, county with a maximum intensity of 50%, **the state aid is determined as follows:**

Maximum aid amount = $0.5 \times (225,000,000 \text{ lei} + 0.50 \times 45,000,000 \text{ lei}) = 0.5 \times 247,500,000 \text{ lei} = 123,750,000 \text{ lei}$

ATTENTION!

The State aid paid may **not** exceed the total amount of regional development contributions related to the investment for which funding is requested.

CHAPTER II - METHOD OF GRANTING STATE AID

Mechanism for submitting, analysing and resolving Applications for funding

The Ministry of Finance publishes on its website the period of sessions in which applications for financing may be registered, the annual budget allocated to the state aid scheme, the session budget, the date of exhaustion of the annual budget, the total budget allocated to the scheme, the budget allocated to each session, in accordance with the provisions of the annual budget laws.

The period for registration of applications shall be communicated by the Ministry of Finance on its website at least 45 days before the opening date of the sessions.

Applications for funding agreements are registered in 30-day sessions.

The registration of applications for funding agreements shall be suspended on the date of expiry of the session in which applications for funding agreements may be registered or on the date on which it is established that the funding requested by the funding agreements submitted reaches the level of the annual budget allocated to the scheme or budget, in accordance with the provisions of the annual budget laws.

Interested companies shall submit applications for financing agreements with supporting documents to the Ministry of Finance.

The analysis of the applications for funding agreement is completed, after the documentation is considered complete, with:

- Financing Agreement
- or
- Letter of rejection.

Financing agreements are issued within the limits of the annual budget allocated to the scheme by the annual budget laws.

If, following the analysis of the applications for registered funding, the budget allocated to the session is not used in full or the annual budget of the scheme is supplemented in accordance with the provisions of the annual budget laws, the Ministry of Finance publishes on its website the unused budget from the annual budget allocated to the scheme and the date of the opening of a new session for the registration of applications for financing agreements.

Requests for financing agreements registered outside the sessions or after the date on which it is found that the funding requested through the submitted financing agreement applications reaches the level of the annual budget allocated to the scheme or the budget allocated to the session shall be reimbursed to the enterprises.

Requests for financing agreements which have not been resolved by the expiry date of the scheme, without exceeding the legal deadline, shall be returned to the undertakings.

1. How is the registration and evaluation of funding applications conducted and evaluated?

1.1. Registration of the Application for Financing Agreement

The period for registering applications is communicated by the Ministry of Finance on its website, in the section www.mfinante.gov.ro - *State aid - Announcements*, at least 45 days before the opening date of the sessions. The notice shall include the date of the opening of the session on which applications for funding are submitted, as well as the budget allocated to the session within the annual budget allocated to the scheme.

ATTENTION!

Only applications for financing agreements registered with the Ministry of Finance from the date communicated on the site shall be considered.

In order to obtain the financing agreement, **the applicant company submits to:**

- **The general registry of the Ministry of Finance from 16 Libertății Blvd., 5th District, Bucharest, an Application for agreement for financing, accompanied by the supporting documents** necessary for the evaluation, in a single printed copy and in electronic format of memory stick type.

The documentation can be sent by post or courier services. The personal submission of the documentation to the General Registry of the Ministry of Finance is also allowed.

The envelope states "The State Aid Implementation Unit established by G.D. no. 807/2014".

or

- **Online, an Application for funding agreement (CA807), accompanied by the supporting documents (CA807)** required for the evaluation, in electronic format.

ATTENTION!

Applications for financing agreements submitted to an address other than the one indicated shall be returned to the undertakings.

Applications, documents, instruments sent by e-mail, fax or to an address other than those specified above, as well as documents sent by the requesting undertaking in any form on its own initiative in order to complete the request for agreement for financing.

The application form for funding can be found in Annex 2.1 of this Guide.

ATTENTION!

Completion and **online** submission of applications for financing agreements and supporting documents to the **Ministry of Finance** is done according to the *User's Guide for online submission*, published on the website of the Ministry of Finance, in the section <https://mfinante.gov.ro/depunere-on-line1>.

The application form for financing can be found at the section www.mfinante.gov.ro - *Informed Investor - Online submission - Online submission access*.

1.2. Verification of the existence and compliance of the Application for Financing Agreement and the documentation attached to it

a) **Application for financing agreement** - the information is completed according to the explanations in the form.

To meet the compliance requirements, the application:

- complies with the form in Annex 2.1 to this Guide
- has all the fields filled in with the required data,
- is dated and signed in original or electronically by the person legally authorized to represent the undertaking,
- contains information related to the information in the ascertaining certificate, the financial statements, the investment plan, the business plan, the identity document of the person authorized to legally represent the enterprise and the Power of attorney, if applicable,
- is transmitted also in electronic format, if it is electronically signed.

ATTENTION!

If the legal representative of the enterprise, according to the Confirmation of company details, cannot sign the necessary documentation in order to access the state aid, it is allowed to designate another person to legally represent the enterprise in relation to the Ministry of Finance, the application for financing being accompanied by a power of attorney in this regard, presented at letter e).

b) **Confirmation of company details** issued no later than 10 working days before the date of registration of the request for agreement, either in original, issued by the Trade Register Office attached to county court where the enterprise is based, or electronically, with information obtained from the National Trade Registry Office - RECOM Online.

To meet the compliance requirement, the confirmation of company details:

- is attached in original, if issued by the Trade Register Office at the court where the undertaking is established, or in electronic form,
- is updated with data valid on the date of registration of the application for financing agreement,
- contains at least the following information: identification data, tax identification number, associations and legal representatives of the company, the main field of activity and all secondary areas of activity, including the secondary field for which funding is requested, the working points of the company.

c) **approved annual financial statements** for the last financial year ended. The obligation to these financial statements **does not** apply to start-ups that have not been active.

The approved annual financial statements must contain:

- Statement of assets, liabilities and equity - Form 10;
- Profit and Loss Account - Form 20;
- Informative data - Form 30;
- Statement of fixed assets - Form 40;
- Proof of their submission to the National Agency for Fiscal Administration

ATTENTION!

If the profitability of the turnover is lower than 0 in the last financial year, the approved annual financial statements corresponding to one of the two previous financial years will be presented, in which the profitability of the turnover is higher than 0.

In order to meet the compliance conditions, the financial statements submitted and approved according to the legal provisions in force are attached in copy.

d) **business plan** - the document from which results the viability of the investment project, the economic efficiency of the enterprise and which presents the development strategy of the enterprise activity.

DEFINITION:

business plan = a document that shows the economic efficiency of the company and the viability of the investment, covering at least the following aspects: business description, location of the investment, presentation of the investment, sources of financing, investment plan and its substantiation, analysis of the relevant market the company requests financing, substantiation of turnover, current financial statement and financial projections. The document is based on: the classification of the investment in the category of the initial investment, the incentive effect of the state aid, the way of fulfilling the quantitative and qualitative indicators.

The business plan is elaborated during the implementation of the investment and for the next 5 years from the completion of the investment.

The indicative structure of the business plan as well as its basic elements can be found in Annex 3 to this Guide. It can be completed depending on the object of activity, the characteristics of the investment project, etc.

ATTENTION!

The following **recommendations** shall be taken into account when developing the business plan:

- be concise, complete, contain basic information about the business,
- submits an objective analysis, based on realistic proposals,
- to include the investment plan presented according to sub-point. d¹),
- to contain the financial projections:
 - in printed form in case of submission to the General Registry of the Ministry of Finance or pdf format in case of online submission,
 - or
 - in Microsoft Excel format, with all the formulas, both in case of submission to the General Registry of the Ministry of Finance and in case of online submission,
- be structured in accordance with the model set out in Annex 3 to this Guide,
- to submit a list of the transmitted documents.

d¹) **investment plan** - the document included in the business plan that includes the eligible and ineligible expenses related to the initial investment with the determination of the total value of the investment, as well as the timing of the investment

DEFINITION:

Investment realization calendar - the period of realization of the investment plan from the start date of the investment until December 31 of the year in which the investment is completed.

To meet the compliance requirements, the investment plan:

- respects the model in annex no. 4,
- the amounts of eligible expenditure, total and per year, shall be linked to the corresponding information in the Grant Application.

DEFINITIONS:

The time of construction is the time when the construction works were partially or totally completed, were partially or totally received and associated at least the following documents: work situations, invoice, payment order, account statement, receipt report.

The time of acquisition of the assets represents the moment when the asset was received at the location of the investment and at least the following documents are associated: invoice, payment order, account statement, receipt.

ATTENTION!

The investment plan must specify the estimated start date of the investment corresponding to the one mentioned in the Application for Financing Agreement.

To meet the compliance requirements, the business plan:

- contains all the information,
- is dated and signed in original or electronically by the person legally authorized to represent the undertaking,
- includes the investment plan drawn up in accordance with the model in the Applicant's Guide,
- contains information related to the information in the Grant Application,
- is also transmitted in electronic format.

e) **power of attorney** - is drawn up if a person other than the legal representative of the company signs the application for financing agreement.

In order to meet the compliance requirements, the power of attorney:

- is signed by the legal representative of the requesting undertaking,
- is attached in original or electronically in case of online submission.

f) **identity document** of the person authorized to legally represent the enterprise.

In order to meet the compliance requirements, the identity document of the person legally authorized to represent the company is attached in copy or electronically in the case of online submission.

g) **list** with the documents attached to the application for financing agreement

In order to meet the compliance requirements, the list of documents mentions the name of each document and the page on which it is filed.

ATTENTION!

All documents submitted to the Ministry of Finance by the company must be submitted in Romanian. In the case of documents submitted in a foreign language, the company presents these documents accompanied by translations into Romanian certified by authorized translators.

The original documents issued by the requesting undertaking shall be dated and signed by the person legally authorized to represent the undertaking.

The conformity of the documents presented in the copy is assumed by the legal representative of the company by the declaration on his own responsibility within the application for financing agreement.

The above requirements are also valid in the case of online submission with the statement that the person authorized to legally represent the company signs electronically.

All documents shall be filed, numbered on each page and displayed in the order set out in the terms of the documents submitted for the purpose of assessing the Application for Financing Agreement.

Documents submitted by the company on its own initiative in order to complete the application for financing are not taken into account.

Compliance checklist

Application for financing agreement	- complies with the form in annex no. 2.1
	- has all the fields completed
	- is dated and signed by the person legally authorized to represent the enterprise
Confirmation of company details	- is issued no later than 10 working days before the date of registration of the request for agreement, attached in original or electronically
	- is updated with data valid on the date of registration of the request for agreement
	- contains all the information according to the provisions of art. 3 a) of the procedure
Financial statements	- are submitted and approved in accordance with the legal provisions in force
	- are presented in copy

Business plan	- includes the investment plan prepared according to the model in the Applicant's Guide
	- it contains all the information as defined in the Applicant's Guide
	- submits the financial projections during the implementation of the investment and 5 years from the completion
	- contains information related to the information in the request for agreement
	- it is dated and signed by the person legally authorized to represent the enterprise
Supporting documents related to the business plan	- documents are submitted in order to support the turnover
Power of attorney	- is signed by the legal representative if a person other than him signs the application for financing agreement,
	- is attached in original or electronic format
Identity card of the person authorized to sign the application	- is attached in copy
List of documents	- mentions the name of each document and the page on which it is filed

1.3. Assessment of the Application for Grant Agreement and the attached documents in terms of meeting the conditions and eligibility criteria

a) Application for financing agreement

Examine whether the **eligibility criteria** are met:

- makes an initial investment in Romania with a total value of at least 4.5 million lei, in one of the eligible fields of activity,
- does not fall into the category of "enterprises in difficulty"
- is not in the process of enforcement, insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity;
- it is not the subject of decisions to recover State aid or, if such decisions have been issued, they have been enforced;
- has not received regional state aid for eligible costs in the nature of tangible and intangible assets under the same single investment project;
- has not relocated to the unit where the initial investment for which assistance is requested is to take place in the last two years prior to the registration of the application for financing agreement, and, at the time of application, provides an undertaking that it will not do so for a period of up to two years after the completion of the initial investment for which the aid is requested;
- does not belong to some shareholders who own or have owned in the last 2 years prior to the date of registration of the application for financing agreement another enterprise registered according to Law no. 31/1990, republished, with subsequent amendments and supplements, or Law no. 1/2005, republished, which carries out or has carried out the activity for which it requests financing, in the case of the newly established enterprises;
- is not resident for tax purposes in the jurisdictions listed in the European Union list of non-cooperating jurisdictions or is not subject to their tax legislation;

- it is not controlled, directly or indirectly, by shareholders in the jurisdictions on the European Union's list of non-cooperating jurisdictions, the analysis going as far as the actual beneficiary, as defined in Article 3 point 6 of Directive 849/2015;
- does not control, directly or indirectly, its subsidiaries or permanent establishments in the non - cooperating jurisdictions listed in the European Union;
- does not exercise joint ownership with undertakings within the jurisdictions listed in the European Union list of non-cooperating jurisdictions.

b) Confirmation of company details

In order to **meet the eligibility criteria, it shall be verified whether the company:**

- is registered according to the Companies Law no. 31/1990,
- has a subscribed share capital of at least 100,000 lei, in the case of newly established enterprises,
- makes an initial investment in Romania, in one of the eligible fields of activity, the activity for which it requests financing being declared at the Trade Register Office,
- is not in the process of insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity

c) Financial statements

In order to meet the **eligibility criteria, it shall be verified whether the company:**

- has a profitability of turnover > 0 in one of the last 3 financial years ended, in the case of companies in operation ($= 100 \times \text{Net profit} / \text{Turnover}$),
- has positive equity in the last financial year ended, in the case of operating companies (taken from the Financial Statements - Form 10),
- has a subscribed share capital paid in the amount of at least 100,000 lei, in the case of newly established enterprises (taken from the Financial Statements - Form 10 if applicable, or from the Finding Certificate issued by the Trade Register Office).

d) Business plan

The **eligibility criteria** that the business plan must meet are detailed in Annex 3 to this Guide.

d¹) Investment plan

In order to **meet the eligibility criteria, it is verified whether the company** makes an initial investment with a total value of at least 4.5 million lei.

2. Results of the evaluation of the application for funding agreement

Following the evaluation process of the application for financing agreement, the Ministry of Finance shall send to the enterprises, as the case may be:

- a) **financing agreement,**
- b) **request for information and / or documents to complete the application for financing agreement,**
- c) **letter rejecting the application for financing agreement**

ATTENTION!

The Ministry of Finance verifies and evaluates from the point of view of:

- existence and compliance
- the conditions and eligibility criteria

The application for financing agreement and the documents attached to it are evaluated within 60 working days from the date of its registration with the Ministry of Finance.

3. Under what conditions is the Financing Agreement issued?

In order to obtain the financing agreement, the applicant company must submit all the documents mentioned in the evaluation of the application for the financing agreement and meet the conditions of compliance and eligibility criteria set out in the State aid scheme.

The Ministry of Finance verifies and evaluates the application for financing agreement accompanied by the supporting documents provided for in point 1.2 of this Guide, within 60 working days from the date of its registration with the Ministry of Finance.

ATTENTION!

The Ministry of Finance shall issue the draft Financing Agreement within a maximum of 60 working days from the date on which all documentation is considered complete for verification and approval.

4. Under what conditions is it required to complete the application for funding agreement?

If:

- the documents do not comply with the conditions of conformity,
- there are inconsistencies in the information provided,
- there is a need for additional documents in order to resolve the request,

The Implementing Unit submits a request for information and / or documents to complete the grant application.

ATTENTION!

The applicant company shall complete the documentation within a maximum of 15 working days of receipt of the request for information and/or documents to complete the application for financing agreement.

If the documents submitted for the completion of the Application for Financing Agreement require additional information, the deadline for the analysis of the Application for Financing Agreement is 60 working days from the date of its completion. The application analysis circuit shall resume until the date on which the application is considered complete.

The Ministry of Finance completes the process of evaluating the application for financing agreement within a maximum of 60 working days from the date on which the entire documentation is considered complete within the meaning of the provisions of G.D. no. 807/2014, with subsequent amendments and supplements.

ATTENTION!

The documents submitted by the company on its own initiative, in order to complete the documentation related to the application for financing agreement, are not taken into account.

5. Under what conditions is the letter rejecting the application for funding issued?

The letter of rejection of the application for financing agreement is issued in the following situations:

- **The application for a grant agreement is not accompanied by the following documents:**

a) Confirmation of company details, issued no more than 10 working days before the date of registration of the request for agreement, either in original, issued by the Trade Register

Office attached to the county court where it has its headquarters in the enterprise, or electronically, with information obtained from the portal services of the National Office of the Trade Register - RECOM Online, stating at least the following information: identification data, tax identification number, company and legal representatives of the company, main field of activity, all secondary areas of activity, including the secondary field for which funding is requested, and points working hours of the company,

b) approved annual financial statements corresponding to the last financial year ended and, as the case may be, of the financial year of the last 3 financial years ended, in which the profitability of the turnover is higher than 0;

c) the business plan showing the viability of the initial investment and the economic efficiency of the enterprise;

d) power of attorney signed by the legal representative of the applicant company, if a person other than him signs the application for financing agreement;

e) identity card of the person authorized to legally represent the enterprise;

f) list of transmitted documents.

- **The eligibility criteria for the investment are not met:**

a) to be considered initial investments, respectively initial investments in favour of a new economic activity in the case of large enterprises that make investments in the Bucharest - Ilfov Region;

b) to have a total value, without VAT, of at least 4.5 million lei;

c) demonstrate its economic efficiency and viability during the implementation of the investment and 5 years from the date of its completion according to the business plan;

d) demonstrate the fulfillment of the incentive effect of State aid;

e) to meet the quantitative and qualitative indicators;

f) to generate contributions to regional development, by paying taxes to the consolidated state budget and local budgets, for the period of implementation of the investment and 5 years from the date of its completion;

g) generate a quantifiable multiplier effect in the economy by attracting other related investments and developing local suppliers of products and services

- **The company's eligibility criteria are not met:**

General	a) are registered according to the Companies Law no. 31/1990, republished, with subsequent amendments and supplements;
	b) makes an initial investment in Romania, in one of the eligible fields of activity;
	c) does not fall into the category of " <i>enterprises in difficulty</i> ";
	d) is not in the procedure of forced execution, insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity;
	e) are not subject to decisions to recover State aid or if such decisions have been issued they have been enforced in accordance with the legal provisions in force;
	f) have not benefited from other regional state aid for eligible costs of tangible and intangible assets within the same single investment project;
	g) have not relocated to the unit where the initial investment for which the aid is requested is to take place in the last 2 years prior to the registration of the application for financing agreement, and, at the time of application, provides an undertaking that they will not do so for a period of up to 2 years after the completion of the initial investment for which the aid is requested;

In addition to the operating enterprises	h) have a profitability of turnover higher than zero in one of the last 3 financial years ended
	i) have positive equity in the last financial year ended;
Extra for start-ups	j) have a subscribed share capital paid in the amount of at least 100,000 lei;
	k) do not belong to any shareholders who own or have owned in the last two years prior to the registration of the application for financing agreement another enterprise registered according to the Companies Law no. 31/1990, republished, with subsequent amendments and supplements which carries out or has carried out the activity for which it requests financing.
Additional information provided for in Commission Recommendation (EU) 2020/1039 of 14 July 2020² for both start-ups and start-ups	l) are not resident for tax purposes in the jurisdictions listed in the European Union list of non-cooperating jurisdictions or are not subject to their tax legislation;
	m) are not controlled, directly or indirectly, by shareholders in jurisdictions on the European Union's list of non-cooperating jurisdictions, the analysis going as far as the beneficial owner, as defined in Article 3 (6) of Directive 849/2015;
	n) does not control, directly or indirectly, its subsidiaries or permanent establishments in the jurisdictions listed in the European Union list of non - cooperating jurisdictions;
	o) does not exercise joint ownership with undertakings within the jurisdictions listed in the European Union list of non-cooperating jurisdictions.

- **The company does not comply with the maximum period of 15 working days from the receipt of the request for information and/or documents to complete the application for financing agreement**

ATTENTION!

All documents issued by the State Aid Implementation Unit (financing agreement, request for information and / or documents to complete the application for financing agreement, letter rejecting the application for financing agreement, communication on the draft financing agreement) are sent by post with acknowledgment of receipt and / or by electronic means.

² Directive (EU) no. 849/2015 of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing, amending Regulation (EU) no. 648/2012 of the European Parliament and of the Council and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC.

CHAPTER III - STARTING THE INVESTMENT

DEFINITION:

Starting the investment - either the start of construction work related to the investment, or the first legally binding commitment to order equipment or any other commitment by which the investment becomes irreversible, depending on which the first takes place.

The purchase of land and preparatory work, such as obtaining permits and carrying out feasibility studies, are not considered as start-up work.

The start of the construction works represents the conclusion of the contract, the firm order for the execution of the construction works.

ATTENTION!

The enterprises have the obligation to start the investment for which they have requested financing within maximum 6 months from the date of issuing the financing agreement, in accordance with the timetable assumed in the documentation attached to the application.

The company can start the investment after registering at the General Registry of the Ministry of Finance or online the Application for financing agreement, but at its own risk. The start of the investment after the registration of the Application for financing agreement does not oblige the Ministry of Finance to issue a Financing Agreement.

The enterprise has the obligation to transmit to the Ministry of Finance data and information regarding the start of the investment and to attach, in certified copy, the first contract or firm order for the execution of construction works or equipment acquisition.

ATTENTION!

The Ministry of Finance has the right to permanently verify the fulfilment of the eligibility conditions of the enterprise, respectively of the investment project for the entire period of implementation of the investment plan.

CHAPTER IV - MAINTAINING THE INVESTMENT

The company has the obligation to maintain in operation the initial investment made, for a period of at least 5 years from the date of its completion.

By 1 July of the year following the completion of the investment or the final payment of the approved State aid, as the case may be, the undertaking shall submit to the Ministry of Finance a report audited by an approved undertaking, who does not have the status of a person affiliated with the State aid recipient undertaking, which will certify that following the implementation of the investment the company carries out the activity that was financed by the project.

The report audited by an approved undertaking must include the following:

1. general identification data of the enterprise - the data shall be correlated with the information from the Finding Certificate, Financial Statements;
2. the general context of the investment project - description of the general and specific objectives of the investment project;
3. realization of the investment plan - presentation of the investment plan that was the basis for the issuance of the Financing Agreement and of the investment plan as it was realized;
4. the contribution of the project to the regional development - presentation and substantiation of the level of contributions to the general consolidated state budget;
5. supporting documents certifying the realization of the investment plan such as: Inventory Register and Centralizer of fixed assets related to the assets (eligible and ineligible) of the investment plan.
6. demonstration of the fact that following the implementation of the investment, the company carries out the activity that was financed by the project.

ATTENTION!

The company must present and substantiate at least the following elements:

- investment plan,
- the categories of products/services realized as a result of the implementation of the investment project,
- the number of new jobs created as a result of the implementation of the investment project
- turnover achieved as a result of the implementation of the investment project,
- the contribution of the project to regional development through the payment of taxes and duties to the general consolidated state budget,
- how to fulfill other specific conditions set out in the Financing Agreement issued.

ATTENTION!

Considering the obligation to maintain the initial investment for a period of at least 5 years from the date of its completion, the Ministry of Finance shall annually carry out the on-site verification in order to establish the fulfillment of this condition.

The company will be notified by the Ministry of Finance of the period of verification. The company has the obligation to allow the representatives of the Ministry of Finance access to the place where the investment takes place and to provide them with all the documents necessary to verify the maintenance of the investment.

During the establishment of measures in the field of public health regarding situations of epidemiological and biological risk, the Ministry of Finance does not carry out on-the-spot checks.

CHAPTER V - AMENDMENT OF THE INVESTMENT PLAN AND THE FINANCING AGREEMENT

ATTENTION!

Applicant companies are required to complete the investment for which they have applied for financing according to the timing of the investment, which was the basis for issuing the financing agreement.

DEFINITION

Investment Schedule - The investment plan implementation period from the start date of the investment to December 31 of the year in which the investment is completed

ATTENTION!

Changes in the timing of the investment represent the reallocation of eligible expenditure and State aid due to the need to extend the project implementation period, without exceeding the maximum amount of approved total State aid.

If the investment changes the timing of the investment, the company is required to ask the Ministry of Finance for approval of these changes during the implementation of the initial investment, within 30 days of becoming aware of the amendment, attaching a substantiation to that effect and the following supporting documents:

- a) Confirmation of company details, issued no more than 10 working days before the date of registration of the request for agreement, either in original, issued by the Trade Register Office attached to the county court where it has its headquarters in the enterprise, or electronically, with information obtained from the portal services of the National Office of the Trade Register - RECOM Online, stating at least the following information: identification data, tax identification number, company and legal representatives of the company, main field of activity, all secondary areas of activity, including the secondary field for which funding is requested, and points working hours of the company,
- b) approved annual financial statements corresponding to the last financial year ended in copy, as the case may be;
- c) Comparative status of the initial investment plan with the amended investment plan and the amended investment plan proposed for approval;

ATTENTION!

The company must present the **Comparative Statement of the initial investment plan with the amended investment plan**, in accordance with the model set out in Annex 5 to this Guide, specifying separately the eligible and ineligible expenditure for the implementation period, as set out in the documentation underlying the issuance of the Financing Agreement in relation to eligible and ineligible expenditure as set out in the new investment timetable.

- d) the business plan in case the proposed change impacts the economic parameters of the investment project, with the presentation of the elements that change following the change of the calendar;

ATTENTION!

The business plan shall include at least the following subchapters:

- Justification for the need to change the timing of the investment,
- Economic and financial analysis of the investment project,
- Quantitative indicators,
- Qualitative indicator *The company's contribution to economic growth and regional development.*

- e) power of attorney signed by the legal representative of the requesting company, if another person than him signs the request to modify the investment plan;
- f) identity card of the person authorized to legally represent the enterprise, in copy;
- g) list of transmitted documents.

ATTENTION!

In the document of substantiation and support of the elements that determine the modification of the investment realization calendar, it is presented and argued:

- the situation existing at the time of requesting the change,
- the main factors that led to the request for approval of the changes in the development of the investment plan,
- changes in the development of the investment plan.

If:

- there are inconsistencies in the information provided,
- there is a need for additional documents in order to resolve the request,

The Ministry of Finance sends a request for information and / or documents to complete the request to amend the investment plan.

ATTENTION!

The company shall complete the documentation within a maximum of 10 working days of receiving the request for information.

ATTENTION!

If it is found that the investment still fulfills all the conditions set out in this scheme, including compliance with the annual budgets of the scheme, the financing agreement shall be amended accordingly.

If it is found that the investment no longer meets the conditions set out in this scheme, the financing agreement shall be revoked.

ATTENTION!

If the timing of the investment changes and the company does not request approval from the Ministry of Finance within 30 days of becoming aware of the change, attaching to this basis, the **Financing Agreement is revoked.**

CHAPTER VI - REVOCATION OF THE FINANCING AGREEMENT

The Ministry of Finance shall apply the measures relating to the revocation of the financing agreement in the event that:

- a) the company has not started the investment within 6 months from the date of issuance of the financing agreement, in accordance with the timetable assumed in the documentation attached to the application;
- b) the company does not comply with the condition regarding the maintenance of the initial investment for a period of at least 5 years from the date of its completion;

ATTENTION!

If, during the mandatory minimum maintenance period of 5 years, physical or moral wear and tear of the assets related to the initial investment is found, it is allowed to replace them, in order to ensure the continuity of the financed activity, with the Ministry of Finance.

The information transmitted to the Ministry of Finance must include at least the following elements:

- substantiation of the replacement decision showing that the asset (s) to be replaced are physically or morally worn out,
- the name of the assets to be replaced,
- the name of the assets that will replace the physically or morally used assets,
- brief description of the assets that will replace the physically or morally used assets, with the placement within the technological flow.

c) the company does not submit until 1 July of the year following the completion of the investment or the final payment of the approved state aid, as the case may be, to the Ministry of Finance, a report audited by an authorized enterprise, which will certify that following the implementation of the investment the enterprise carries out the activity that was financed by the project;

d) the applicant company does not complete the investment for which it has applied for financing according to the investment timetable;

e) the enterprise does not request from the Ministry of Finance the approval of the modification of the calendar of the realization of the investment in the content of the investment plan, within 30 days from when it became aware of the respective amendment;

f) the investment no longer meets the conditions provided by this scheme, in case of modification of the calendar of the realization of the investment in the content of the investment plan;

g) the total value of the investment without VAT, falls below the threshold of at least 4.5 million lei, respectively the equivalent of approximately 1 million euros;

h) the company has relocated to the unit where the initial investment for which the aid is requested is to take place in the last 2 years prior to the registration of the application for financing agreement and, failed to comply with the undertaking not to do so for a period of up to 2 years after the completion of the initial investment for which the aid was requested;

i) the undertaking does not fulfill the conditions set out in the financing agreement for which its revocation is specified;

j) the company informs the Ministry of Finance that it is unable to make the investment or requests the revocation of the financing agreement;

k) The Ministry of Finance finds, after the issuance of the financing agreement, that the investment started prior to the submission of the application for financing agreement;

l) the company does not prove the existence of the financing source within 6 months from the issuance of the financing agreement;

ATTENTION!

Supporting documents submitted within 6 months of the issuance of the financing agreement in order to demonstrate the existence of a certain source of financing must

be correlated with the information presented in the business plan which was the basis for issuing the financing agreement.

Supporting documents corresponding to another type of funding source other than the one mentioned in the business plan that was the basis for issuing the financing agreement are not accepted.

The amounts in the supporting documents, which shall be submitted for each source of financing, must be at least at the level of those presented in the Business Plan that was the basis for issuing the Agreement for financing.

m) the company does not prove the existence of a real right over the location of the investment, within 6 months from the issuance of the financing agreement.

ATTENTION!

Supporting documents submitted within 6 months of the issuance of the financing agreement in order to demonstrate the existence of a real right (ownership, lease, concession/assignment, etc.) on the location of the investment must be correlated with the information submitted in the application for financing agreement and in the business plan.

Supporting documents corresponding to a location other than the one mentioned in the application for the financing agreement and in the business plan that formed the basis for issuing the financing agreement shall not be accepted.

In the situations listed above, the Ministry of Finance shall send a letter to the company revoking the financing agreement.

CHAPTER VIII - RECOVERY OF STATE AID

The State aid paid shall be recovered in proportion to the degree of non-fulfillment at the end of the period of retention of employment in the following situations:

- the company does not contribute to regional development at least in an amount equal to the total state aid paid;

ATTENTION!

Given that, following the issuance of the financing agreement, there are amendments to the general legislation governing the framework for the organization and operation of companies at the end of the investment maintenance period, the amount of the contribution to regional development provided for in the documentation attached to the application for financing agreement shall be recalculated in the light of these changes.

- the undertaking does not fulfill any of the other conditions set out in the special terms of the financing agreement.

ATTENTION!

If several conditions are set out in the financing agreement, the amount of State aid paid to be recovered shall be calculated according to the following mechanism:

- a) the degree of fulfillment of each condition shall be calculated by relating the value of the indicator achieved to the value of the indicator referred to in the financing agreement or in the business plan, as appropriate.
- b) the arithmetic mean of the degrees of fulfillment of all conditions is calculated,
- c) the percentage calculated according to letter b) applies to the amount of State aid paid,
- d) the difference between the amount of state aid paid and the amount calculated according to letter c) represents the value of the state aid to be recovered.

The State aid paid shall be fully recovered in the following situations:

- a) the company does not comply with the condition regarding the maintenance of the initial investment for a period of at least 5 years from the date of its completion,
- b) the company does not submit to the Ministry of Finance, until July 1 of the year following the completion of the investment, respectively the realization of the last payment of the approved state aid, a report audited by an approved undertaking, which will certify that, following the implementation of the investment, the undertaking is carrying out the activity which was financed by the project,
- c) the applicant company does not complete the investment for which it has applied for financing according to the investment timetable;
- d) the enterprise does not request from the Ministry of Finance the approval of the modification of the calendar of the realization of the investment in the content of the investment plan, within 30 days from when it became aware of the respective amendment;
- e) the investment no longer meets the conditions provided by this scheme, in case of modification of the calendar of the realization of the investment in the content of the investment plan;
- f) the total value of the investment without VAT, falls below the threshold of at least 4.5 million lei, respectively the equivalent of approximately 1 million euros;
- g) the company has relocated to the unit where the initial investment for which the aid is requested is to take place in the last 2 years prior to the registration of the application for financing agreement and, have not complied with the undertaking not to do so for a period of up to 2 years after the completion of the initial investment for which the aid was requested;
- h) the undertaking has not fulfilled the conditions set out in the financing agreement for which its revocation is specified;
- i) the company informs the Ministry of Finance that it is unable to make the investment or requests the revocation of the financing agreement;

j) The Ministry of Finance finds, after the issuance of the financing agreement, that the investment started prior to the submission of the application for financing agreement.

ATTENTION!

In accordance with the provisions of the Government Emergency Ordinance no. 77/2014, approved with amendments and completions by Law no. 20/2015, the State aid provider (Ministry of Finance) carries out on-the-spot checks on the beneficiary economic operators, verifies compliance with the conditions for granting State aid and orders the necessary measures in case these conditions have not been complied with, respectively issues decisions ordering the recovery of state aid granted, these decisions having the character of executory title.

The State aid to be recovered shall also include interest thereon, due from the date of payment until the date of recovery.

The mechanism for setting the interest is provided by EC Regulation no. 794/2004 implementing Regulation (EC) no. 659/1999 of the Council establishing the norms for the application of art. 93 of the EC Treaty.

In accordance with the provisions of the Regulation, the European Commission publishes the interest rates applicable to the recovery of State aid in force and in the past in the Official Journal of the European Union and, for information, on the Internet.

The interest rate applicable to the recovery of state aid for Romania is published on the website of the Competition Council www.ajutordestat.ro, in the "Reference interest" section.

The interest shall be calculated from the date on which the State aid was made available to the beneficiary until the date of actual recovery, the capitalization principle being applicable.

The recovery decision is sent to the beneficiary economic operator and for application to the competent fiscal bodies in the administration of the state aid beneficiaries.

CHAPTER VIII - REFUND OF UNDUE RECEIVED AMOUNTS

The companies have the obligation to check the amount of state aid paid by the Ministry of Finance in account 50.70 "Cash from subsidies and transfers".

ATTENTION!

In the event that an undue amount is found, the companies have the obligation to immediately inform the Ministry of Finance in order to return it.

The refund of the amounts improperly collected is made in the budget expenditure accounts from which they were collected, if the amounts are refunded in the year in which they were collected, respectively in the account provided in Art.8 paragraph (1) of the Government Emergency Ordinance no. 37/2008 on the regulation of financial measures in the budgetary field, approved with amendments by Law no. 275/2008, with the subsequent amendments and supplements, if the amounts are refunded in the years following the year in which they were collected.

For the undue amounts collected by the enterprises, the Ministry of Finance charges interest and related penalties, due from the date of collection until the date of restitution, according to Law no. 207/2015 on the Fiscal Procedure Code, with subsequent amendments and supplements.

Annex 1

No.	NACE Code	Name of NACE Code
SECTION A - AGRICULTURE, FORESTRY AND FISHERIES		
1	01	Crop and animal production, hunting and related service activities
2	02	Forestry and logging
3	03	Fishing and aquaculture
SECTION B - EXTRACTIVE INDUSTRY		
4	05	Mining of coal and lignite
5	06	Extraction of crude oil and natural gas
6	0892	Extraction of peat
7	091	Support activities for petroleum and natural gas extraction
SECTION C - MANUFACTURING INDUSTRY		
8	102	Processing and preserving of fish, crustaceans and molluscs
9	1101	Distilling, rectifying and blending of spirits
10	1102	Manufacture of wine from grape
11	1103	Manufacture of cider and other fruit wines
12	1104	Manufacture of other non-distilled fermented beverages
13	1105	Manufacture of beer
14	1106	Manufacture of malt
15	12	Manufacture of tobacco products
16	131	Preparation and spinning of textile fibres
17	19	Manufacture of coke and refined petroleum products
18	2014	Manufacture of other organic basic chemicals
19	2051	Manufacture of explosives
20	206	Manufacture of man-made fibres
21	24	Manufacture of basic metals
22	254	Manufacture of weapons and ammunition
23	2591	Manufacture of steel drums and similar containers
24	301	Building of ships and boats
25	304	Manufacture of military fighting vehicles
26	33	Repair and installation of machinery and equipment
SECTION D - PRODUCTION AND SUPPLY OF ELECTRICITY AND HEAT, GAS, HOT WATER AND AIR CONDITIONING		
27	35	Electricity, gas, steam and air-conditioning supply
SECTION G - WHOLESALE AND RETAIL TRADE; REPAIR OF VEHICLES AND MOTORCYCLES		
28	45	Wholesale and retail trade and repair of motor vehicles and motorcycles
29	46	Wholesale trade, except of motor vehicles and motorcycles
30	47	Retail trade, except of motor vehicles and motorcycles
SECTION H - TRANSPORT AND STORAGE		
31	49	Land transport and transport via pipelines
32	50	Water transport
33	51	Air transport
34	522	Support activities for transportation
SECTION J - INFORMATION AND COMMUNICATIONS		
35	60	Programming and broadcasting activities

36	61	Telecommunications
SECTION K - FINANCIAL INTERMEDIATION AND INSURANCE		
37	64	Financial service activities, except insurance and pension funding
38	65	Insurance, reinsurance and pension funding, except compulsory social security
39	66	Activities auxiliary to financial services and insurance activities
SECTION L - REAL ESTATE TRANSACTIONS		
40	68	Real estate activities
SECTION N - ADMINISTRATIVE SERVICES ACTIVITIES AND SUPPORT SERVICES ACTIVITIES		
41	77	Rental and leasing activities
42	78	Employment activities
SECTION O - PUBLIC ADMINISTRATION AND DEFENSE; PUBLIC SYSTEM SOCIAL SECURITY		
43	84	
SECTION R - ENTERTAINMENT, CULTURAL AND RECREATIONAL ACTIVITIES		
44	92	Gambling and betting activities
45	93	Sports activities and amusement and recreation activities
SECTION S - OTHER SERVICE ACTIVITIES		
46	94	Activities of membership organisations
SECTION T - PRIVATE HOUSEHOLD ACTIVITIES AS A HOUSEHOLD PERSONNEL EMPLOYER; ACTIVITIES OF PRIVATE HOUSEHOLDS FOR THE PRODUCTION OF GOODS AND SERVICES INTENDED FOR OWN CONSUMPTION		
47	97	Activities of households as employers of domestic personnel
48	98	Undifferentiated goods- and services-producing activities of private households for own use
SECTION U - ACTIVITIES OF EXTRATERRITORIAL ORGANIZATIONS AND BODIES		
49	99	Activities of extraterritorial organisations and bodies

Annex 2.1

Date of registration _____

No. of registration _____

APPLICATION FOR FINANCING AGREEMENT

The undersigned, _____, with the identification data mentioned at point I, duly represented by Mr./Mrs. _____, in his/her capacity of _____, having the quality of _____, request the financing in the conditions of the provisions of the state aid scheme for the support of the investments that promote the regional development through the creation of jobs, approved by the Government Decision no. 807/2014.

I. Overview of the enterprise

Name of the enterprise: _____

Date of registration of the enterprise: _____

Registration number with the Trade Register Office: _____

Tax identification number: _____

Address: _____, PO Box: _____

Phone: _____, Fax: _____

E-mail: _____

Legal form: _____

Share capital: _____ RON, held by:

- Natural persons: _____ %

- SME³: _____ %- Large enterprises⁴: _____ %

The main object of activity: _____

NACE Code: _____

The secondary object of activity⁵: _____

NACE Code: _____

II. Submission of the current situation of the company

a) Data from the approved annual financial statements for the last financial year ended, as appropriate:

- average number of the employees: _____
- turnover: _____ lei
- total assets value⁶: _____ lei
- net profit _____ lei
- profitability of turnover⁷: _____ lei
- equity⁸

b) Data from the approved annual financial statements for the financial year ended (one of the last 3 financial years ended) in which the return on turnover is greater than 0, as appropriate:

- Turnover: _____ lei
- Net profit: _____ lei
- profitability of turnover⁹: _____ lei

³ The enterprise that falls within the definition provided in annex no. 1 the Regulation

⁴ The enterprise that does not fall within the definition of SMEs according to the provisions of annex no. 1 the Regulation

⁵ To be completed if co-financing is requested for the secondary object of activity.

⁶ Total assets are defined as fixed assets plus current assets plus prepaid expenses.

⁷ Turnover = 100 x (Net Profit / Turnover)

⁸ The item "Equity" in the Balance Sheet

⁹ Turnover = 100 x (Net Profit / Turnover)

III. Brief presentation of the investment project carried out under the scheme:

- project name: _____
 - investment objective: _____
-
- classification of the investment within the category of the initial investment:
 - ☐ setting up a new unit,
 - ☐ expanding the capacity of the unit,
 - ☐ diversifying the production of the unit,
 - ☐ fundamental change in the overall production process within the unit
 - or
 - placing the investment within the category of the initial investment in favour of a new economic activity
 - ☐ setting up a new unit,
 - ☐ diversification of the unit's activity;
 - investment value: _____ lei;
 - location of investment: _____;
 - locations of investment¹⁰
 - estimated start date of the investment according to the investment plan: _____;
 - estimated completion date of the investment according to the investment plan: _____;

IV. Overview of eligible costs and requested funding

Name of investment	Type of eligible expenditure for which funding is requested		Amount of eligible expenses -lei-				Maximum aid intensity in the county / locality in the case of Ilfov county	The amount of state aid requested -lei-			
			Year I**)	Year II**)	.... year	Total		Year I**)	Year II**)	.... year	Total
Investing in tangible and intangible assets	<input type="checkbox"/>	a) Eligible costs for investments in tangible assets									
	<input type="checkbox"/>	a1) Construction									
	<input type="checkbox"/>	a2) Construction rental									
	<input type="checkbox"/>	a3) Technical installations, machines and equipment									
	<input type="checkbox"/>	b) Eligible costs for investments in intangible assets									
	<input type="checkbox"/>	b1) Costs of patents, licenses, know-how or other intellectual property rights									
		TOTAL									

*) the amount of eligible expenses without VAT.

**) Instead of "Year I, Year II ..." the calendar years in which the eligible expenditure is made are completed

***) Instead of "Year I, Year II ..." the calendar years in which the state aid is requested are completed

V. Affidavit

I, the undersigned, _____, holder of ID Card Series _____ no. _____, issued by _____ on _____, domiciled in locality _____

¹⁰ in the case of investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE

_____, Street _____, no. _____, bl. _____, entrance _____, apt. _____, district/county _____, as the representative of the enterprise _____, I declare under my own responsibility that all the information provided and recorded in this application is correct and complete and that all documents in the copy accompanying the application are in accordance with the originals.

I understand that any omission or incorrectness in the presentation of information in order to obtain pecuniary benefits is punishable by law.

I declare under my own responsibility that the company:

- ☐ falls into the category of large enterprises;
- ☐ falls into the category of small and medium enterprises;
- ☐ the investment project for which it is requesting financing has not started;
- ☐ does not fall into the category of "enterprises in difficulty" according to the provisions of art. 2 para. (18) of Regulation (EU) No. 651/2014 of the Commission dated 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty;
- ☐ is not in the process of enforcement, insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity;
- ☐ is not the subject of decisions to recover State aid or, if such decisions have been issued, they have been enforced in accordance with the legal provisions in force;
- ☐ has not received and shall not receive regional state aid for eligible costs in the nature of tangible and intangible assets under the same single investment project;
- ☐ has not relocated to the unit where the initial investment for which assistance is requested is to take place in the last two years prior to the registration of the application for financing agreement, and, at the time of application, provides an undertaking that it shall not do so for a period of up to two years after the completion of the initial investment for which the aid is requested;
- ☐ does not belong to shareholders who own or have owned in the last 2 years prior to the date of registration of the application for financing agreement another enterprise registered according to Law no. 31/1990, republished, with subsequent amendments and supplements, or Law no. 1/2005, republished, which carries out or has carried out the activity for which it requests financing, in the case of the newly established enterprises;
- ☐ is not resident for tax purposes in the jurisdictions listed in the European Union list of non-cooperating jurisdictions or is not subject to their tax legislation;
- ☐ it is not controlled, directly or indirectly, by shareholders in the jurisdictions on the European Union's list of non-cooperating jurisdictions, the analysis going as far as the actual beneficiary, as defined in Article 3 (6) of Directive 849/2015;
- ☐ does not control, directly or indirectly, its own subsidiaries or permanent establishments in the non - cooperating jurisdictions listed in the European Union;
- ☐ does not exercise joint ownership with undertakings within the jurisdictions listed in the European Union list of non-cooperating jurisdictions;

I declare on my own responsibility that, in the last 3 years¹¹, the company:

- ☐ did not receive de minimis and other state aid;
- ☐ benefited from the following de minimis and state aid:

No.	Name of the investment project	Investment location (county)	Year of aid	Start date	The aid provider	Purpose of the aid	The normative act	Amount of aid - euro ¹² -

¹¹ The last 3 years are considered: the current fiscal year and the previous 2 years.

¹² The euro equivalent is taken from the legal act or is determined at the exchange rate valid on the date the aid is granted according to the legal act.

I also declare on my own responsibility that the company:

☐ has not received and shall not receive State aid for the same single investment project from other aid providers;

☐ has received or shall receive the following State aid for the same single investment project from other aid providers:

No.	Name of the investment project	Investment location (county)	Year of aid	Start date	The aid provider	Purpose of the aid	The normative act	Amount of aid - euro ¹³ .

Name:

Position:

Signature¹⁴:

Date of signature:

¹³ The euro equivalent is taken from the legal act or is determined at the exchange rate valid on the date the aid is granted according to the legal act.

¹⁴ The application shall be signed by the person authorized to legally represent the company.

Annex 2.2

INSTRUCTIONS FOR FILLING IN THE APPLICATION FOR FINANCING AGREEMENT

Registration date _____ (the date of entry in the correspondence register of the enterprise shall be stated)

Registration no. _____ (enter the number in the enterprise correspondence register)

APPLICATION FOR FINANCING AGREEMENT

I, the undersigned, _____, with the identification data mentioned in point I, duly represented by Mr./Mrs. _____, as _____, request the financing in the conditions of the provisions of the state aid scheme for the support of the investments that promote the regional development through the creation of jobs, approved by the Government Decision no. 807/2014, with amendments and supplements.

I. Overview of the enterprise

Name of the enterprise: SC _____ SRL/SA

Date of registration of the enterprise: _____

Registration no. with the Trade Registry: J _____ / _____ / _____

Tax identification number: _____

Address: _____ (county, locality, district, street, number, block, entrance, floor, apt.)

PO Box: _____

Phone: _____, Fax: _____

E-mail: _____

Legal form: _____ SRL/SA

Share capital: _____ lei, held by:

- natural person: _____ %;

- SME¹⁵: _____ %

- Large enterprise¹⁶: _____ %

The main object of activity: _____ (the name of the main activity, according to the Order of the president of the National Institute of Statistics no. 337/2007 regarding the updating of the Classification of activities in the national economy NACE, Rev. 2)

NACE Code: _____ (4-digit code, according to Order no. 337/2007, NACE Rev. 2)

The secondary object of activity¹⁷: _____ (to be filled in if funding is requested for the secondary object of activity)

NACE Code: _____ (4-digit code, according to Order no. 337/2007, NACE Rev. 2)

ATTENTION!

It is possible to request financing for a single economic activity, respectively a single CANE code.

The activity for which funding is requested can be primary or secondary

¹⁵ The enterprise that falls within the definition provided in annex no. 1 the Regulation

¹⁶ The enterprise that does not fall within the definition of SMEs according to the provisions of annex no. 1 the Regulation

¹⁷ To be filled in if funding is requested for the secondary object of activity.

ATTENTION!

All information in Section I is taken from the Confirmation of company details, updated with all the data valid on the date of registration of the application for financing agreement.

II. Overview of the current situation of the company

a) Data from the approved annual financial statements, corresponding to the last financial year ended, as the case may be:

- average number of employees: _____ (is taken from the Financial Statements - Form 30)
- turnover: _____ lei (is taken from the Financial Statements - Form 20)
- total assets value¹⁸: _____ lei (= fixed assets + current assets + prepaid expenses - are taken from the Financial Statements - Form 10)
- net profit: _____ (is taken from the Financial Statements - Form 20)
- profitability of turnover¹⁹: _____ (= $100 \times (\text{Net profit} / \text{Turnover})$ - taken from the Financial Statements - Form 20)
- equity²⁰: _____ (taken from the Financial Statements - Form 10)

ATTENTION!

All the information from section II a) is taken from the last annual financial statements approved and submitted to the tax administrations of the territorial area where the enterprise has its fiscal domicile.

ATTENTION!

It is not allowed to submit in the business plan an average number of employees other than the one presented in the application for financing agreement in section II a).

b) Data from the approved annual financial statements for the financial year ended (one of the last 3 financial years ended) in which the return on turnover is greater than 0, as appropriate:

- turnover: _____ (is taken from the Financial Statements - Form 20)
- net profit: _____ (is taken from the Financial Statements - Form 20)
- profitability of turnover²¹: _____ (= $100 \times (\text{Net profit} / \text{Turnover})$ - taken from the Financial Statements - Form 20)

DEFINITION

All the information from section II b) is taken from the annual financial statements approved and submitted to the fiscal administrations of the territorial area where the enterprise has its fiscal domicile.

III. Brief submission of the investment project carried out under the scheme, including the following information:

- project name: _____ (to be completed with the project name mentioned in the Business Plan)
- investment objective: _____ (the fundamental objective of the project to be detailed in the Business Plan is presented);
- classification of the investment in the category of the initial investment: (only one option is ticked, depending on the objective of the investment project, which is to be substantiated in the Business Plan)
 - ☐ setting up a new unit,
 - ☐ expanding the capacity of the unit,

¹⁸ Total assets are defined as fixed assets plus current assets plus prepaid expenses.

¹⁹ Turnover = $100 \times (\text{Net Profit} / \text{Turnover})$

²⁰ The item "Equity" in the Balance Sheet

²¹ Turnover = $100 \times (\text{Net Profit} / \text{Turnover})$

- ☐ diversifying the production of the unit,
- ☐ fundamental change in the overall production process within the unit
- or
- classification of the investment in the category of the initial investment in favour of a new economic activity:
- ☐ setting up a new unit,
- ☐ diversification of the unit's activity

ATTENTION!

The variants provided for the classification of the investment in the category of the initial investment in favour of a new economic activity are checked only in the case of investments made in the Bucharest-Ilfov region.

ATTENTION!

Artificial cumulation of several investment projects with different objectives is prohibited.

DEFINITIONS:

The initial investment is the investment in tangible and intangible assets related to the start-up of a new unit, the expansion of the capacity of an existing unit, the diversification of the production of a unit through products that were not previously manufactured in the unit or a fundamental change in the overall production process of an existing unit, located in the same perimeter, except for the investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE approved by Order of the President of the National Institute of Statistics no. 337/2007 regarding the updating of the Classification of activities in the national economy - NACE.

The initial investment in favour of a new economic activity is the investment in tangible and intangible assets related to starting a new unit or diversifying the activity of a unit, provided that the new activity is not identical or similar to the previous activity in that unit; the investment must be in the same perimeter except for the investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE approved by Order of the President of the National Institute of Statistics no. 337/2007.

The establishment of a new unit represents the creation of a new location for the activity for which the financing is requested, technologically independent from other existing units.

Location = the space where the assets that make up the investment project for which financing is requested are located.

Technologically independent = which does not depend on another technological flow, which operates autonomously.

Expanding the capacity of an existing unit means increasing the production capacity at the existing site due to the existence of unmet demand.

Diversifying the production of an existing unit means obtaining products or services that were not previously made in that unit. Eligible costs must exceed by at least 200% the carrying amount of the re-used assets, as recorded in the financial year preceding the commencement of work.

The diversification of the activity of a unit represents the acquisition of products or services as a result of a new activity that is not identical or similar to the activity previously carried out in that unit (a new four-digit NACE code).

The fundamental change in the general production process consists in the acquisition of assets whose book value exceeds the depreciation, calculated during the three previous financial years, of similar assets related to the activity for which financing is requested. The mere replacement of existing assets is not considered a fundamental change in the overall production process.

ATTENTION!

In the case of an extension of the capacity of an existing establishment, the undertaking must:

- a) to have authorized the activity for which financing is requested in the location where the capacity extension is carried out;
- b) demonstrate that the existing capacity utilization cannot cover the additional demand for products / services (both for the location where the investment is made and for other locations of the company where similar products are made, which address the same geographic market);
- c) there is a demand for products / services on the market that cannot be covered by the offer of competing companies.

In the case of investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE, the enterprise must substantiate the need to expand the capacity for each location in which it makes the investment.

ATTENTION!

In the case of diversifying the production of an existing unit, the company must:

- a) to demonstrate that the products/services related to the investment project are not carried out in the current activity of the company which can be carried out on the same NACE code or on a different CAEN code, according to the Order no. 337/2007 of the President of the National Institute of Statistics regarding the updating of the Classification of activities in the national economy of NACE, as follows:
 - submit the list of products/services they carry out in their current activity,
 - submit the list of products/services that shall be realized through the investment project.
- b) to declare the book value of the reused assets related to the new activity, as follows:
 - identify each asset to be reused with the name, inventory number of the Fixed Assets Register and the carrying amount as recorded in the financial year preceding the commencement of work,
 - identify each new asset to be acquired, with a view to diversifying the business,
 - submit the value of each new asset.

The value of new assets related to the investment project must exceed by at least 200% the carrying amount of the reused assets.

ATTENTION!

In case of a fundamental change in the general production process, the company must submit in the business plan the value of the depreciation of the assets related to the activity for which the financing is requested, calculated during the 3 financial years prior to the application for financing. The mere replacement of existing assets is not considered a fundamental change in the overall production process.

ATTENTION!

In the case of large enterprises that make initial investments in favour of a new economic activity, in the Bucharest - Ilfov Development Region, only investments related to starting a new unit or diversifying the activity of a unit are eligible, provided that the new activity is not identical or similar to the previous activity in that unit.

DEFINITIONS:

Initial investment in favour of a new economic activity - investment in tangible and intangible assets, related to the start-up of a new unit or diversification of the activity of a unit, provided that the new activity is not identical or similar to the previous activity in that unit; the investment must be in the same perimeter except for the investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE approved by Order of the President of the National Institute of Statistics no. 337/2007;

Identical or similar activity - the activity that is part of the same class (four-digit numerical code), according to the Order of the President of the National Institute of Statistics no. 337/2007 regarding the updating of the Classification of activities in the national economy - NACE.

- value of the investment: _____ lei / (*total value of eligible and ineligible costs*)
- location of the investment: _____ (*the registered office or one of the working points of the enterprise where the investment is made*);
- locations of the investment²²: _____ (*the registered office or the point / points of work of the enterprise where the investment is made*);

DEFINITIONS:

The location of the investment is the registered office or one of the working points of the enterprise, registered or to be registered at the Trade Register Office, where the investment is made.

The same perimeter - the location of the assets in the same cadastral parcel or in the adjacent cadastral parcels.

ATTENTION!

Only in the case of setting up a new unit can the location of the investment be registered at the Trade Register Office after the submission of the application for financing agreement.

ATTENTION!

When establishing the location of the investment, it will be taken into account that it will be valid at least during the implementation of the investment and for the next 5 years from the completion of the investment,

ATTENTION!

The definition of the perimeter does not apply in the case of investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE.

ATTENTION!

Supporting documents submitted within 6 months of the issuance of the financing agreement in order to demonstrate the existence of a real right (ownership, lease, concession/assignment, etc.) on the location of the investment must be correlated with the information presented in the application for financing agreement and in the business plan that was the basis for issuing the financing agreement.

Supporting documents corresponding to a location other than the one mentioned in the application for the financing agreement and in the business plan that formed the basis for issuing the financing agreement will not be accepted.

²² To be completed in case of investments made in the activity sectors included in section F - Constructions, according to the Classification of activities in the national economy - NACE

- estimated start date of the investment according to the investment plan: _____
(date on which the investment will start);

DEFINITION:

The start of the investment is either the start of the construction work related to the investment, or the first legally binding commitment to order equipment or any other commitment by which the investment becomes irreversible, depending on which the first takes place.

The purchase of land and preparatory work, such as obtaining permits and carrying out feasibility studies, are not considered as start-up work.

ATTENTION!

Start of construction works - represents the conclusion of the contract or any firm order for the execution of construction works, depending on which the first takes place.

- estimated date of completion of the investment according to the investment plan: _____
(date of commissioning of the last assets to be acquired according to the investment plan);

IV. Presentation of eligible costs and funding requested

ATTENTION!

The amounts of eligible expenditure and aid requested shall be filled in without decimals and shall be deducted from the investment plan.

Name of investment	Type of eligible expenditure for which funding is requested		Amount of eligible expenses -lei-				Maximum aid intensity in the county / locality in the case of Ilfov county	The amount of state aid requested -lei-			
			Year I**)	Year II**)	.... year	Total		Year I**)	Year II**)	.... year	Total
Investing in tangible and intangible assets	<input type="checkbox"/>	a) Eligible costs for investments in tangible assets									
	<input type="checkbox"/>	a1) Construction									
	<input type="checkbox"/>	a2) Construction rental									
	<input type="checkbox"/>	a3) Technical installations, machines and equipment									
	<input type="checkbox"/>	b) Eligible costs for investments in intangible assets									
	<input type="checkbox"/>	b1) Costs of patents, licenses, know-how or other intellectual property rights									
		TOTAL									

ATTENTION!

The completion of the table regarding the presentation of the eligible costs and the requested financing is done taking into account the following:

The amount of eligible expenses without VAT in one year = amount of expenditure actually incurred in accordance with the investment plan, in that calendar year

Amount of State aid claimed in one year = Amount of eligible expenditure incurred up to the date of submission of the last State aid application for that year x Maximum State aid intensity%

The amount of state aid related to the eligible expenses incurred in the fourth quarter (s) related to the years of implementation of the investment project will be completed in the following calendar year (s), as the case may be.

Instead of Year I, Year II, Year ..., indicate the calendar years in which the eligible expenditure is made, respectively the years in which the financing is requested.

V. Affidavit

I, the undersigned, _____ (*name and surname of the legal representative of the company*) holder of ID Card Series _____ no. _____, issued by _____ on _____, domiciled in locality _____, Street _____, no. _____, bl. _____, entrance _____, apt. _____, district/county _____, as the legal representative of the enterprise _____ (*name of the enterprise*), I declare under my own responsibility that all the information provided and recorded in this application is correct and complete and that all documents in the copy accompanying the application are in accordance with the originals.

I understand that any omission or incorrectness in the presentation of information in order to obtain pecuniary benefits is punishable by law.

I declare under my own responsibility that the company: (*tick the situations that correspond to the company*)

- ☐ falls into the category of large enterprises;
- ☐ falls into the category of small and medium enterprises;

DEFINITIONS:

Small and medium-sized enterprises are those enterprises that have less than 250 employees and that either have a net annual turnover that does not exceed the RON equivalent of 50 million euros, or have total assets that do not exceed the RON equivalent of 43 million euros, and is classified, in accordance with the provisions of Law no. 346/2004 on stimulating the establishment and development of small and medium-sized enterprises, with subsequent amendments and completions, as follows:

(i) *medium-sized enterprise, within the SME category*, is the enterprise that has between 50 and 249 employees and achieves a net annual turnover of up to 50 million euros, equivalent in lei, or has total assets that do not exceed the equivalent in lei of 43 million euros;

(ii) *small enterprise, within the SME category*, is the enterprise that has between 10 and 49 employees and achieves a net annual turnover or holds total assets of up to 10 million euros, equivalent in lei;

(iii) *micro-enterprise, within the SME category*, is the enterprise that has up to 9 employees and achieves a net annual turnover or holds total assets of up to 2 million euros, equivalent in lei.

Large enterprise is the enterprise that does not meet the criteria for SME classification.

- ☐ the investment project for which it is requesting financing has not started;
- ☐ does not fall into the category of "enterprises in difficulty" according to the provisions of art. 2 para. (18) of Regulation (EU) no. 651/2014 of the Commission dated 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty, as subsequently amended and supplemented;

DEFINITION

According to Regulation (EU) no. 651/2014 of the Commission for declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty, as subsequently amended and supplemented, an undertaking is in difficulty in the following situations:

(a) In the case of a limited liability company (other than an SME that has existed for at least three years or, for the purposes of eligibility for risk finance aid, an SME at 7 years after

its first qualifying commercial sale for investments for risk financing following a due diligence process carried out by a selected financial intermediary), when more than half of its subscribed share capital has disappeared due to accumulated losses. This situation arises when the deduction of accumulated losses from reserves (and from all other items generally considered to be part of the company's own funds) leads to a negative result that exceeds half of the subscribed share capital. For the purposes of this provision, "limited liability company" refers in particular to the types of companies listed in Annex I to Directive 2013/34 / EU (1) and "share capital" includes, where appropriate, any additional capital.

(b) In the case of a company in which at least some of the partners have unlimited liability for the company's claims (other than an SME that has existed for at least three years or, for the purpose of eligibility for risk finance aid, an SME 7 years after its first commercial sale that qualifies for risk finance investment following a due diligence process by a selected financial intermediary), when more than half of the equity as shown in the company's accounts has disappeared due to accumulated losses. For the purposes of this provision, "a company in which at least some of the partners have unlimited liability for the company's claims" refers in particular to those types of companies listed in Annex II to Directive 2013/34/EU.

(c) Where the undertaking is the subject of collective insolvency proceedings or meets the criteria laid down in national law for the opening of collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet repaid the loan or has not terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of a company that is not an SME, when in the last two:

1. the debt / equity ratio of the enterprise is greater than 7.5 and
2. the interest-bearing capacity calculated on the basis of EBITDA is below 1.0.

ATTENTION!

In order to verify the situation from **letter a)**:

- the balance sheet includes the reported loss, the loss for the financial year and other elements considered to be part of the own funds according to the balance sheet (profit distribution, treasury shares, losses related to equity instruments); the resulting amount represents the total losses;

- the total losses are deducted from the total obtained by adding the capital premiums with revaluation reserves, reserves and other items considered as part of own funds according to the balance sheet (profit for the financial year, profit carried forward, gains related to equity instruments)

- if the result is negative, it is deducted from the value of the paid-in subscribed capital;

- if the result obtained is less than half of the value of the paid-in subscribed capital, the **company is in difficulty**

In order to verify the situation from **letter b)**:

- the balance sheet compares the value of total equity in the last financial year with the value of the same indicator in the previous financial year;

- if the equity has decreased by more than half compared to the previous financial year, the **company is in difficulty**

In order to verify the situation from **letter e)**:

Point 1

- the balance sheet includes total debts to be paid in a period of up to 1 year and a total of debts to be paid in a period of more than 1 year;

- the result obtained is divided by the value related to equity;

- check that the resulting value is greater than 7.5.

Point 2

- from the profit and loss account the total value of net profit, tax and interest expenses, interest expenses and depreciation expenses is related to interest expenses;
- check that the result is below 1.0.

If both conditions are met cumulatively over the last two financial years, **the company is in difficulty**.

☐ is not in the process of enforcement, insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity;

ATTENTION!

The certification of the data on the state of the company is made on the basis of the information from the Confirmation of company details updated with all valid data at the date of registration of the application for financing agreement.

☐ it is not the subject of decisions to recover State aid or, if such decisions have been issued, they have been enforced in accordance with the legal provisions in force;

☐ has not received and shall not benefit from regional state aid for eligible costs in the nature of tangible and intangible assets under the same single investment project;

DEFINITIONS

Unique investment project means any initial investment started by the same beneficiary, at group level, within three years of the start of work on another investment benefiting from aid in the same level 3 region of the Common Nomenclature of Territorial Statistical Units (NUTS 3), respectively county.

Group - the parent company and all its subsidiaries

☐ has not relocated to the unit where the investment for which assistance is requested is to take place in the last two years prior to the registration of the grant application and, at the time of registration, provides an undertaking that it will not do so for a period of time up to two years after the completion of the initial investment for which the aid is requested;

DEFINITION

Relocation - the transfer of an identical or similar activity or part thereof from a unit of one of the Contracting Parties to the EEA Agreement, the original unit, to the unit of another Contracting Party to the EEA Agreement where the beneficial investment takes place, the aid-receiving unit. There is a transfer if the product or service from the original unit and the unit receiving the aid have at least partially the same purposes, meet the requirements or needs of the same type of customers and lose jobs in activities identical or similar to one of the initial units of the EEA beneficiary.

ATTENTION!

The legal representative is required to verify that the shareholders of the undertaking or company in the group to which the State aid application belongs have not relocated to the unit in which the investment is to take place, in the last 2 years prior to the registration of the application for financing agreement and, at the time of registration of the application, they have no concrete plans to close such an activity within a period of 2 years after the completion of the initial investment in the region concerned and to issue a statement to that effect.

☐ does not belong to any shareholders who hold or have held in the last 2 years prior to the date of registration of the application for financing agreement, another company registered according to Law no. 31/1990, republished, with subsequent amendments and supplements,

which carries out or has carried out the activity for which it requests financing, in the case of the newly established enterprises;

ATTENTION!

This situation is checked only by start-ups

- ☐ is not resident for tax purposes in the jurisdictions listed in the European Union list of non-cooperating jurisdictions or is not subject to their tax legislation;
- ☐ it is not controlled, directly or indirectly, by shareholders in the jurisdictions on the European Union's list of non-cooperating jurisdictions, the analysis going as far as the actual beneficiary, as defined in Article 3 (6) of Directive 849/2015;
- ☐ does not control, directly or indirectly, its own subsidiaries or permanent establishments in the non - cooperating jurisdictions listed in the European Union;
- ☐ does not exercise joint ownership with undertakings within the jurisdictions listed in the European Union list of non-cooperating jurisdictions;

I declare on my own responsibility that in the last 3 years²³, the enterprise: *(tick one of the two options)*

- ☐ did not receive de minimis and other state aid;
- ☐ benefited from the following de minimis and state aid:

No.	Name of the investment project	Investment location (county)	Year of aid	Start date	The aid provider	Purpose of the aid	The normative act	Amount of aid - euro ²⁴ .

ATTENTION!

If, between the time of the application for the financing agreement and the time of receipt of the financing agreement, the applicant company obtains another de minimis aid or state aid, it is obliged to send a notification to the Ministry of Finance stating:

- the de minimis or state aid provider,
- the normative act on the basis of which the aid was granted,
- the legal act which makes it possible to grant aid, namely financing agreement, financing agreement, etc.,
- date of grant,
- the amount of aid granted in euro

I also declare on my own responsibility that the company:

- ☐ has not received and will not receive State aid for the same single investment project from other aid providers;
- ☐ has received or will receive the following State aid for the same single investment project from other aid providers:

No.	Name of the investment project	Investment location (county)	Year of aid	Start date	The aid provider	Purpose of the aid	The normative act	Amount of aid - euro ²⁵ .

²³ The last 3 years are considered: the current fiscal year and the previous 2 years.

²⁴ The euro equivalent is taken from the legal act or is determined at the exchange rate valid on the date the aid is granted according to the legal act.

²⁵ Idem 8.

Name: _____ (*name and surname of the legal representative or the company*)

Position: _____ (*director, proxy*)

Certified signature of the applicant²⁶: _____

Date of signature: _____

ATTENTION!

By completing this statement, all the information provided will be assumed, knowing that the false statements are punished in accordance with art. 326 of the Criminal Code.

The application shall be signed by the person authorized to legally represent the company.

²⁶ The application will be signed by the person authorized to legally represent the company

Annex 3

BUSINESS PLAN**ATTENTION!**

The document will not exceed 50 pages only the annexes.
It will also be sent as an editable document.

TITLE SHEET

Name of the company:
 Name of the investment project:
 Name: _____ (*name and surname of the legal representative of the company*)
 Position: _____ (*shareholder, director, proxy*)
 Authorized signature of the legal representative of the company:
 Date of signature: _____

1. DESCRIPTION OF BUSINESS**1.1. Presentation of the company**

Name of the company:
 Date of registration of the company:
 Registration number with the Trade Register Office: J...../...../.....
 Tax identification number:
 Address: _____ (*county, locality, district, street, number, entrance, floor, apartment*)
 Phone: _____, Fax:
 E-mail:
 Legal form: _____ (SRL/SA)
 Share capital: _____ RON, held by:
 - natural persons: _____ %
 - SME: _____ %
 - large companies: _____ %
 The main object of activity: _____ (*the name of the main activity, according to the Order of the president of the National Institute of Statistics no. 337/2007 regarding the updating of the Classification of activities in the national economy NACE, Rev. 2*)
 NACE Code: _____ (*4-digit code, according to Order no. 337/2007, NACE Rev. 2*)
 The secondary object of activity: _____ (*to be filled in if funding is requested for the secondary object of activity*)
 NACE Code: _____ (*4-digit code, according to Order no. 337/2007, NACE Rev. 2*)
 Place of work: _____ (*county, locality, district, street, no., to be completed if the investment is made at the working point*)

ATTENTION!

All information in section 1.1. they are taken from the updated Confirmation of company details with all the data valid at the date of registration of the application for financing agreement and must be identical to those from the application for financing agreement.

1.2. Goals of the company

It presents the economic objectives that summarize and quantify the long-term goals and that refer to the evolution of turnover, profit, quality of products and services offered.

1.3. Presentation of the current activity

It presents the activity that the company is currently carrying out with the indication of the CANE code (s), the products or services offered, customers and suppliers, the evolution of the number of employees, etc.

1.4. Presentation of the activity for which funding is requested

It is briefly submitted:

- the activity related to the NACE code for which funding is requested, as specified in the Application for funding agreement,
- the need to implement the investment project,
- estimated start date of the investment but not exceeding 6 months from the date of issuance of the financing agreement,
- estimated completion date of the investment
- the products obtained or the services provided,
- the relevant market,
- number of newly created jobs,
- experience in the field,
- the location of the investment
- the locations of the investment, in the case of investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE,

ATTENTION!

In the case of investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE, the products obtained / services offered can be made outside the location / locations of the investment.

2. PRESENTATION OF THE INVESTMENT PROJECT

2.1. Classification of the investment in the category of the initial investment

The variant selected in chap. III of the application for financing agreement is taken into account.

In the case of the establishment of a new unit, the company must demonstrate that the new location created for the activity for which the financing is requested is technologically independent from other existing units.

ATTENTION!

The transfer within an investment project such as the establishment of a new unit, an activity from other existing units (assets, staff, etc.) is not accepted.

In the case of an extension of the capacity of an existing establishment, the undertaking must demonstrate that:

- the activity for which funding is requested for capacity expansion is authorized in the location for which funding is requested,
- the degree of utilization of the existing capacity cannot ensure the coverage of the additional demand for products / services (both for the location where the investment is made and for other locations of the company where similar products are made, which address the same geographic market)

- there is a demand for products / services on the market that cannot be covered by the offer of competing companies.

ATTENTION!

In the case of investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE, the enterprise must substantiate the need to expand the capacity for each location in which it makes the investment.

In the case of diversifying the production of an existing unit, the company must:

a) to demonstrate that the products/services related to the investment project are not carried out in the current activity of the company, which can be carried out on the same NACE code or on a different NACE code, according to the Order no. 337/2007 of the President of the National Institute of Statistics regarding the updating of the Classification of activities in the national economy - NACE, as follows:

- present the list of products / services they carry out in their current activity,
- present the list of products / services that shall be achieved through the investment project.

b) declare the carrying amount of reused assets related to the new business as follows:

- to identify each asset to be reused with name, inventory number from the Register of Fixed Assets and book value, as they were recorded in the financial year preceding the beginning of the works.

The value of new assets related to the investment project must exceed by at least 200% the carrying amount of the reused assets.

In the event of a fundamental change in the overall production process, the company must declare the amount of depreciation of the assets related to the activity to be upgraded, calculated during the previous three financial years. The information shall be submitted in tabular format.

The value of the new assets related to the investment project must exceed the value of the amortization, calculated during the three previous financial years of the similar assets related to the activity for which financing is requested. The company shall complete the table below.

-lei-

Assets existing within the enterprise at the date of submission of the Application for Financing Agreement			New assets related to the investment project	
Depreciation value			Total depreciation value	Value
YEAR -3	YEAR -2	YEAR -1		

2.2. Investment plan

The investment plan must include all eligible and ineligible assets required to carry out the activity for which the financing is requested, their value excluding VAT, by categories of expenditure, by year and by total, according to the model in Annex 4.

The need to acquire the categories of assets presented in the investment plan is substantiated, in relation to the object of activity, the objectives of the investment project.

The company must briefly describe the main constructions and their functions as well as the major categories of equipment that are the subject of the investment plan and the main stages of the technological flow.

ATTENTION!

The amounts of eligible and ineligible costs related to the asset classes presented in the investment plan will be filled in without decimals.

ATTENTION!

When presenting the main constructions, the presentation of the General Estimate and the Estimate by object for each building body is also taken into account.

The general estimate must include information on all chapters, except the section for obtaining land and chap. 6 Expenditure on commissioning.

ATTENTION!

In the case of investments made in the sectors of activity included in section F - Constructions, according to the Classification of activities in the national economy - NACE which is made in several locations, the investment plan for each location will be presented separately.

2.3. Demonstration of the viability of the investment project and the economic efficiency of the enterprise following the realization of the investment project

2.3.1. Analysis of the relevant market in which the company will operate as a result of the realization of the products / provision of the resulting services as a result of the implementation of the investment project

DEFINITIONS:

The relevant market comprises a product or group of products and the geographical area in which they are produced and/or marketed.

The relevant market therefore has two components: the product market and the geographic market.

The relevant product market includes all products that are considered by buyers to be interchangeable or substitutable due to their characteristics, price and use. These products must be sufficiently similar for consumers or beneficiaries to take them into account when making purchasing decisions.

Identifying the relevant product market involves performing an analysis to determine the products that are part of that market, taking into account determining factors such as substitutability, prices, elasticity of demand for the product based on the prices of other products, etc.

The relevant geographic market includes the area where the economic agents involved in the delivery of the products / services included in the product market are located, the area where the conditions of competition are sufficiently homogeneous, and which can be differentiated in neighbouring geographical areas due in particular to substantially different competition.

Factors to be taken into account in defining the relevant geographic market include the type and characteristics of the products involved, the existence of barriers to entry, consumer preferences, differences in market shares of economic operators in neighbouring geographical areas, substantial differences in product prices to suppliers, as well as the share of transport costs in the total costs.

Depending on the factors taken into account, the geographical area in which the competing producers are located is defined. In order to be considered on the same relevant geographic market, it is not necessary for the products to be manufactured in the same or nearby localities. It is important that all these products are accessible to the same buyers, so that each of them is a real economic alternative for the others. For some products or services, the relevant geographic market may be part of a locality, a locality, a county, a region or an area of Romania, for others, the whole country or areas outside the country.

(see:

- COMMUNICATION OF THE COMMISSION on the definition of the relevant market within the meaning of Community competition law (97/C 372/03) and
- ORDER no. 388 of the President of the Competition Council of 5 August 2010 for the implementation of the Instructions on the definition of the relevant market)

ATTENTION!

The analysis of the relevant market must result in an excess of demand which cannot be covered by the existing products/services on the market offered by the competing companies.

In describing the relevant market, the company must present and justify the market share it currently holds, in the case of operating companies, as well as the market share it will hold as a result of the implementation of the investment project.

2.3.2. Justification of the need to make the investment

The enterprises are required to provide data on:

a) Production capacity

The company has the obligation to present and substantiate by calculation, explaining each of its components:

- existing production capacity and that resulting from the implementation of the investment project in the case of operating enterprises, as well as the degree of its use,
- production capacity resulting from the implementation of the investment project in the case of newly established enterprises, the degree of its use.

DEFINITION:

The production capacity represents the maximum production, of a certain structure and quality that a production unit can achieve in a certain period of time, in the optimal technical-organizational conditions, using as fully as possible the fixed productive means, the most suitable working regime and organization of production and work.

ATTENTION!

Production capacity should not be confused with the planned or achieved production volume.

b) Achievement of the turnover

The company has the obligation to substantiate the turnover by presenting information regarding:

- the types of products/services currently provided by the enterprise, their quantity, price and value,
- the types of products/services to be realized by the enterprise as a result of the realization of the investment project, their quantity, price and value.

ATTENTION!

All the components of the turnover (products, quantity, price, value) shall be substantiated justifying the way in which they were established and will be correlated with the information presented in subchapter 2.3.3.

ATTENTION!

In order to support the information for substantiating the turnover, supporting documents will be presented, such as contracts, pre-contracts, letters of intent from potential customers. The supporting documents submitted must substantiate a turnover which will be achieved after the submission of the application.

The supporting documents will be accompanied by a summary table in which the following elements will be found: customer name, no. and date letter of intent / contract / pre-contract, product type, quantity, unit price and value, taken from them.

2.3.3. Economic - financial analysis of the investment project

The company must demonstrate the viability of the investment project as follows:

In the case of **newly established enterprises**, financial projections are prepared on a project basis with state aid.

In the case of **operating enterprises**, in addition to financial projections related to the project with state aid, financial projections related to the current activity of the enterprise, as well as financial projections related to the consolidated activity of the enterprise (current activity + project), with state aid.

ATTENTION!

The **operating** companies make the projections starting from the financial statements approved and submitted according to the legal provisions, related to the last financial year ended.

The **newly established** companies make the projections taking into account the established objectives.

ATTENTION!

There shall be projections of the Profit and Loss Account, the Balance Sheet and the Cash Flow, during the implementation of the investment, the creation of jobs and for the next 5 years from the creation of the last jobs.

It is necessary to substantiate the respective revenues and expenses, each component element of the financial projections in order to demonstrate the reality of the data used.

ATTENTION!

The financial projections shall be prepared according to the model presented in Microsoft Excel format, which can be downloaded from the website of the Ministry of Finance.

2.3.4. Quantitative indicators

In order to demonstrate the viability of the investment project and the economic efficiency of the enterprise, all enterprises shall consider falling within the limits of the following quantitative indicators:

Quantitative indicators	Limits of indicators
Overall solvency ratio $R_{sg} = \text{Total Assets} / \text{Total Liabilities}$	$R_{sg} > 1,66$
Turnover profitability $RCA = 100 \times (\text{Net Profit} / \text{Turnover})$	$Rca \geq 2,5\%$
Current liquidity rate $RLC = (\text{Current Assets} / \text{Current Liabilities})$	$(R_{lc}) \geq 1,00$
Debt indicator * $Igi = (\text{Borrowed Capital} / \text{Employee Capital}) \times 100$	$(R_{ig}) \leq 65\%$

*) Borrowed capital = loans over one year

Employee capital = borrowed capital + equity

ATTENTION!

The quantitative indicators shall be calculated during the implementation period of the investment, job creation and for the next 5 years from the creation of the last jobs based on the financial projections presented in sub-item 2.3.3. The calculation method shall be detailed with the explanation and substantiation of the obtained result.

In the case of the enterprises that carry out their activity, they shall be calculated on the basis of the consolidated financial projections (current activity + investment project with state aid).

In the case of newly established enterprises, they shall calculate on the basis of the financial projections related to the investment project with state aid.

During the investment implementation period, it is accepted that the quantitative indicators do not fall within the recommended limits, given that a substantiation is presented in this regard.

ATTENTION!

Quantitative indicators shall be calculated according to the model submitted in Microsoft Excel format, which can be downloaded from the website of the Ministry of Finance.

2.3.5. Qualitative indicators

- a) Ensuring the financial resources necessary for the development of the investment

DEFINITION

Source of financing means the financial resources of the enterprise destined to the realization of the investment plan, obtained from own sources, respectively increase of subscribed and paid capital except for the contribution in kind, reinvested profit, intragroup loan or bank credit

ATTENTION!

The beneficiary of state aid must **provide a financial contribution equal to the total value of the investment (eligible expenditure + ineligible expenditure) less the amount of state aid**, in a form that is not subject to any other public aid.

When submitting the application for financing agreement, the company must mention in the Business Plan the type of each source of financing and its value, which will be used to carry out the investment project and taken into account when preparing the financial statements.

ATTENTION!

The supporting documents submitted within 6 months of the issuance of the financing agreement in order to demonstrate the existence of a certain source of financing must be correlated with the information presented in the business plan. The amounts in the supporting documents, which will be presented for each source of financing, must be at least at the level of those submitted in the Business Plan that was the basis for issuing the Financing Agreement.

Supporting documents to demonstrate the existence of a reliable source of funding to be provided by the company **within 6 months of the issuance of the financing agreement**:

Source of funding	Documents
Increase of subscribed and paid-in capital, in the case of natural or legal shareholders	<ul style="list-style-type: none"> ▪ GMS decision of the beneficiary of state aid regarding the provision of financing sources, mentioning the object of the capital increase ▪ Confirmation of company details stating the share capital subscribed and paid in full ▪ Trial balance for the month preceding the date of presentation of the certain source of funding.
Reinvested profit	<ul style="list-style-type: none"> ▪ GMS decision of the state aid beneficiary regarding the assurance of their sources of financing, approving the reinvestment of the profit ▪ Trial balance for the month preceding the date of presentation of the certain source of funding ▪ Approved annual financial statements, corresponding to the last financial year ended
Loan from shareholders of legal entities or other associated companies	<ul style="list-style-type: none"> ▪ Decision of the GMS of the beneficiary of state aid regarding the provision of financing sources, approving the conclusion of a loan agreement in favour of the enterprise with the precise purpose of financing the investment project ▪ Loan agreement from shareholder or associated companies with a precise destination, financing of the investment project with a precise destination, financing of the investment project with the specification of the value, etc.
Bank credit	<ul style="list-style-type: none"> ▪ GMS decision on the benefit of state aid regarding the provision of financing sources, approving the conclusion of a credit agreement in favour of the company, with the precise purpose of financing the investment project ▪ Loan agreement

b) Experience in the field for which they are applying for funding

If the company has so far carried out the activity for which it is requesting financing, a description of the evolution of its activity will be presented, in which relevant information regarding the experience in the field will be found.

If the company has not yet carried out the activity for which it is requesting financing, the shareholders or managers of the company who have been involved in the implementation of similar projects will present supporting documents regarding the experience in the field, such as: collaborations / partnerships which show that the shareholders or managers of the company have been involved in activities that provide them with experience in the field for which funding is requested.

Other supporting documents may be provided to demonstrate experience in the field, such as:

- contracts / agreements concluded with natural or legal persons carrying out or having carried out similar activities.
- supporting documents proving that the natural or legal persons with whom the contracts / agreements are concluded have experience in the field for which funding is requested.

c) The company's contribution to economic growth and regional development

DEFINITION!

Contribution to regional development means the amount of contributions to regional development of the nature of taxes and duties to the general consolidated state budget related exclusively to the initial investment and jobs created directly by it, actually paid by the state aid company during implementation and 5 years from its completion date.

The number of new jobs created as a result of the implementation of the investment project is presented in tabular format, specifying the functions and the related salaries, broken down during their implementation period.

The values of the contributions to the state budget related to the employee and the employer calculated by applying the legal percentages in force on the salary fund are presented in tabular format, as follows:

Contributions	Year I	Year II	Year	Total
Gross salary fund				
Employee contributions:				
Health insurance fund (...%)				
Health insurance contribution (...%)				
Tax (...%)				
Total employee contributions				
Employer contributions:				
Insurance contribution for work (...%)				
Total employer contributions				
Total employee and employer contributions				

It is also presented, in table format, the estimate of all the contributions to the component budgets of the general consolidated budget during the implementation of the investment and 5 years from the completion of the investment.

Contributions	Year I	Year II	Year	Total
1	2	3	4	5
Employee contributions:				
Employer contributions:				
Corporate tax				
Local taxes (land, construction)				
Other types of taxes and duties constituting revenue in the component budgets of the general consolidated budget (excluding VAT)*				
Grand total				

*) The taxes and / or duties arising from the economic activity related to the investment project will be quantified and specified concretely.

ATTENTION!

The above tables are presented in Microsoft Excel format, both in print and electronically, with all the formulas.

ATTENTION!

The values of the contributions mentioned in this table must be correlated with those estimated in the projections of the financial statements.

ATTENTION!

The State aid paid may **not** exceed the total amount of regional development contributions related to the investment for which funding is requested.

The amount of the regional development contributions related to the investment for which the financing is requested shall be calculated in accordance with the legislation applicable at the time of the application for the financing agreement.

ATTENTION!

Whereas, following the issuance of the financing agreement, amendments are made to the general legislation governing the framework for the organization and operation of companies, at the end of the investment maintenance period, the amount of the regional development contribution provided for in the documentation attached to the application for financing agreement shall be recalculated in relation to these changes.

DEFINITIONS:

Jobs created directly by an investment project are jobs related to the activity that is the subject of the investment, including jobs created as a result of an increase in the utilization rate of the capacity created by the investment.

Job creation is the net increase in the number of jobs created directly by the State aid company in order to achieve the objectives of the investment project after receiving the financing agreement, in relation to the average of the 12 months preceding the month in which the application for financing agreement is registered, after deducting from the apparent number of jobs created the jobs abolished compared to the average.

ATTENTION!

The company will mention in the business plan the average number of jobs calculated for the 12 months preceding the month in which the application for financing is registered.

ATTENTION!

The number of new jobs created as a result of the investment influences the level of contributions to regional development.

d) Involvement of the company in various social projects with a positive impact on the community in the region where the investment is made

It is mentioned:

- the social activities in which the enterprise will be involved, such as activities in educational, medical, sports, etc. units. or local collaborations with AJOFM in order to recruit unemployed people and to organize professional training courses,
- the estimated value in lei of the social projects in which the enterprise will be involved for the entire period, respectively in the period of implementation and maintenance of the investment.

e) The multiplier effect of making the investment quantifiable in the economy by training and other related investments and the development of local suppliers of products and services in the region

It is presented and quantified:

- the economic and social implications of carrying out the investment project on the area in which it is implemented,
- the estimated number of newly created jobs by training and other related investments and the development of local suppliers of products and services, during the period of realization and maintenance of the investment.

- the estimated value in lei of the contracts concluded with the local suppliers as a result of the implementation of the investment project, during the period of realization and maintenance of the investment.

f) The legal situation of the location of the investment, respectively the demonstration of the existence and a real right over the location on which the investment is to be made

When submitting the application for financing, the company must mention in the Business Plan the location where the investment project will be carried out (at least the locality and the county), as well as the type of real right over the location (property, rent, concession / assignment, etc.).

ATTENTION!

Supporting documents submitted within 6 months of the issuance of the financing agreement in order to demonstrate the existence of a real right (ownership, lease, concession / assignment, etc.) on the location of the investment must be correlated with the information presented in the application for financing agreement and in the business plan that was the basis for issuing the financing agreement.

Supporting documents corresponding to a location other than the one mentioned in the application for the financing agreement and in the business plan that formed the basis for issuing the financing agreement will not be accepted.

In order to support the legal situation of the location where the investment **is to be made, the company presents within 6 months** from the issuance of the financing agreement the following documents, as the case may be:

- contract of sale
- purchase / certificate of heir etc. and land book extract,
- lease agreement,
- lease / assignment agreement or any other legal document proving the existence and ownership of the lease,
- other supporting documents.

ATTENTION!

When establishing the location of the investment, it will be taken into account that it will be valid at least during the implementation period of the investment and for the next 5 years from the completion of the investment.

The company must demonstrate, within 6 months of the issuance of the financing agreement, a real right (ownership, lease, concession / assignment, etc.) over the location on which the investment is to be made.

The documents submitted, within 6 months from the issuance of the financing agreement, in order to support a property right over the location where the investment is to be made must prove that the land on which the initial investment is made and the buildings in which the investment is made are free of any encumbrances.

Tasks are allowed if they are listed:

- after the submission of the application for financing agreement and have as object the realization of the investment for which financing is requested;
- to ensure the right of way and / or easement for utility providers

ATTENTION!

If the undertaking presents an extract from the land register in which tasks are entered after the submission of the application for financing agreement and which have as their object the realization of the investment for which financing is requested, a copy of the undertaking (s) for which those tasks are entered shall be provided.

The legal documents proving the ownership of the location must be valid during the implementation of the investment and 5 years from the date of its completion.

ATTENTION!

The initial investment must be made within the same perimeter.

Perimeter - the same cadastral parcel or adjacent cadastral parcels.

2.4. The incentive effect of state aid

In order to demonstrate the incentive effect, the undertaking must take into account the following:

- submission of the application for financing agreement,
- starting the investment after submitting the Application for financing agreement at the General Registry of the Ministry of Finance but not later than 6 months from obtaining the financing agreement.

Annex 4**INVESTMENT PLAN**

-LEI without VAT-

Cost category	Value of eligible costs				Value of ineligible costs				Grand total
	Total	Year 1	Year 2	Year n	Total	Year 1	Year 2	Year n	
1	2	3	4	5	6	7	8	9	10
Investments in tangible assets									
Achievement of construction									
Construction rental									
Technical installations, machines and equipment									
Investments in intangible assets									
Patents, licenses, know-how or other intellectual property rights									
Grand total									

ATTENTION!

The amounts of eligible and ineligible costs related to the asset classes presented in the investment plan will be filled in without decimals.

Instead of Year 1, Year 2, Year ..., indicate the calendar years in which the eligible or ineligible expenditure is made.

Annex 5

Comparative situation of the initial investment plan with the modified investment plan

-lei without VAT-

	Initial investment plan									Amended investment plan								
Cost category	Value of eligible costs				Value of ineligible costs				Grand total	Value of eligible costs				Value of ineligible costs				Grand total
	Total	Year 1	Year 2	Year..	Total	Year 1	Year 2	Year..		Total	Year 1	Year 2	Year ...	Total	Year 1	Year 2	Year ...	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Investments in tangible assets																		
Achievement of construction																		
Construction rental																		
Technical installations, machines and equipment																		
Investments in intangible assets																		
Patents, licenses, know-how or other intellectual property rights																		
Grand total																		

ATTENTION!

The amounts of eligible and ineligible costs related to the asset classes presented in the investment plan will be filled in without decimals. Instead of Year 1, Year 2, Year ..., indicate the calendar years in which the eligible or ineligible expenditure is made.