

# Legal Alert

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## Changes to the Government Grant

The Council of Ministers has adopted amendments to the *Programme for the Support of Investments of Key Importance for the Polish Economy for 2011-2030* (the 'Programme'), which liberalise the criteria for applying for government grants for new investments, in particular for the creation of new plants (e.g. factories or service centres) or reinvestment in existing plants consisting in the increase of production capacity, diversification of production or fundamental changes in the production process. The Programme budget was also increased by an additional PLN 900 million.

### Main changes:

- Adaptation of the quantitative criteria (entry thresholds) to the size of the entrepreneur

Type of investment	So far		After changes									
	Large and SMEs		Large		Developing*		Medium		Small		Micro	
	Expenditure (PLN million)	Workplaces	Expenditure (PLN million)	Workplaces	Expenditure (PLN million)	Workplaces	Expenditure (PLN million)	Workplaces	Expenditure (PLN million)	Workplaces	Expenditure (PLN million)	Workplaces
Strategic	160,00	100	160,00	50	48,00	15	32,00	10	8,00	2	3,20	1
Innovative	7,00	20	7,00	20	2,10	6	1,40	4	0,35	1	0,14	1
BSS	1,50	150/250	1,00	100	0,30	30	0,30	20	0,30	5	0,30	2
R&D	1,00	10	1,00	10	0,30	10	0,30	10	0,30	10	0,30	10

\* A non-SME entrepreneur with fewer than 1,000 employees and an annual turnover or balance sheet total not exceeding €250 million

- Relaxation of criteria for large entrepreneurs investing in areas at risk of exclusion

Type of investment	Standard (large entrepreneur)		In areas at risk of exclusion*	
	Expenditure (million PLN)	Workplaces	Expenditure (million PLN)	Workplaces
Strategic	160,00	50	80,00	25
Innovative	7,00	20	3,50	10
BSS	1,00	100	0,50	50
R&D	1,00	10	0,50	10

\* Location of the investment: in a medium-sized city losing socio-economic functions, indicated in the Ordinance of the Council of Ministers of 27 December 2022 on state aid granted to certain entrepreneurs for the implementation of new investments, surrounding communes or in the area of poviats or cities with poviat rights, in which the unemployment rate is at least 160% of the average unemployment rate in the country - excluding provincial capitals.

- Relaxation of criteria for reinvestment - 90% reduction in the minimum number of new jobs for investment cost support (capital expenditure)
- Simplification of quality criteria
- Limiting the requirement to cooperate with scientific institutions to large entrepreneurs, allowing cooperation with secondary schools and expanding the catalogue of forms of cooperation

- Changes to the maximum amount of support

Title of support	Type of investment	Maximum amount of support	
		So far	After the change
Investment expenditure	Strategic and innovative	10/15%* investment costs	micro and small: 15%/25%*, medium and developing: 10%/20%*, large: 5%/15%* of investment costs
	R&D	15/20%* investment costs	15/25%* investment costs
New jobs	BSS	PLN 12,000/PLN 15,000* per workplace	PLN 7,500 zł/ PLN 15,000* per workplace
	R&D	PLN 15,000 zł/PLN 20,000* per workplace	PLN 15,000/ PLN 20,000* / PLN 30,000** / PLN 40,000*** per workplace
Training grant	All	PLN 5,000 zł/PLN 7,000* per employee	PLN 5,000/ PLN 7,000* per employee

\* Increased value in the case of locating investments in areas at risk of exclusion or in the Warmińsko-Mazurskie, Podlaskie, Lubelskie, Świętokrzyskie, Podkarpackie voivodeships and, after amendment, in part of the Mazowieckie voivodeship (poviats: Garwoliński, Łosicki, Sokółowski, Węgrowski, Siedlce and the city of Siedlce).

\*\* If at least 100 new jobs are created, regardless of the location of the investment.

\*\*\* In the case of the creation of at least 200 new jobs or having the status of a research and development centre in accordance with the Act of 30 May 2008 on certain forms of support for innovative activities, regardless of the location of the investment.

As a rule, the maximum amount of support under the Programme cannot also exceed the maximum level of regional aid intensity for eligible costs of EUR 50 million - in the case of investments < PLN 1 billion or EUR 100 million - in the case of investments ≥ PLN 1 billion. Due to the planned change in EU regulations, the indicated values of eligible costs may soon increase to EUR 55 million and EUR 110 million respectively.

- Increased flexibility in terms of investment outlays and employment - the possibility to reduce outlays and the number of new jobs indicated in the grant agreement by up to 40% (but not less than the minimum resulting from the Programme). Previously, it was possible to reduce the value of investment outlays by up to 15% and the number of newly created jobs by up to 20%.

## Contact us!



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