



MINISTRY OF FINANCE

APPLICANT'S GUIDE

***prepared based on the Government Decision no. 300/2024
for the establishment of state aid schemes aimed at regional
development by stimulating investment***

- Revision 0, April 2024

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. 300/2024, published in the Official Gazette of Romania, Part I , no. 300/04.04.2024,

Information on how to fill in the supporting documents to be submitted with the Application for Financing Agreement under this State aid scheme, as well as all the conditions to be met in order to obtain the Financing Agreement can be found in this document and on the website of the Ministry of Finance.

It is necessary to analyze in advance the provisions of G.D. no. 300/2024 *for the establishment of a state aid scheme aimed at regional development by stimulating investment*, all the information contained in this Guide, as well as the other data made available on the website of the Ministry of Finance, www.mfinante.ro.

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 may be submitted, which shall be treated with due urgency, if they are not already covered in this document and on the website of the Ministry of Finance.

Formular asistență Ajutor de Stat

Date societate

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Persoana de contact

Telefon* de contact	E-mail
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Introduceti intrebarea

TABLE OF CONTENTS

CHAPTER I - GENERAL INFORMATION

1. What is the objective of the State aid scheme?	4
2. What is the budget of the State aid scheme?.....	4
3. What is the validity period of the State aid scheme?.....	5
4. Who can apply for funding under the State aid scheme?.....	5
5. What are the eligible business sectors?.....	6
6. What are the eligible and ineligible expenditure related to the initial investment?.....	6
6.1 Eligible expenditure.....	7
6.2 Ineligible expenditure	8
7. What are the eligibility criteria of enterprises?.....	9
7. How is State aid calculated?.....	11

CHAPTER II – METHOD OF GRANTING STATE AID14

1. How is the registration and assessment of applications for financing agreement conducted?.....	15
2.1. Registration of the Application for Financing Agreement	15
1.2. Calculation of the score and publication of the List of applicant undertakings.....	15
1.3. Assessment of the Financing Agreement Application and the attached documents	15
2. Results of the assessment of the Financing Agreement Application	19
3. Under what conditions is the Financing Agreement issued?.....	20
4. Under what conditions is it required to complete the application for financing agreement?.....	20
5. Under what conditions is the letter rejecting the application for financing agreement issued?.....	21

CHAPTER III – STARTING THE INVESTMENT23

CHAPTER IV - MAINTAINING THE INVESTMENT24

CHAPTER V – ISSUANCE OF THE AMENDED FINANCING AGREEMENT OR ISSUANCE OF THE CORRECTED FINANCING AGREEMENT26

1. Amendment of the investment plan and issuance of the amended Financing Agreement.....	26
2. Issuance of corrected Financing Agreement.....	28

CHAPTER VI - REVOCATION OF THE FINANCING AGREEMENT30

CHAPTER VI - RECOVERY OF STATE AID32

CHAPTER VIII – REFUND OF UNDUE RECEIVED AMOUNTS.....33

ANNEX 1 List of sectors of activity for which State aid is granted	34
ANNEX 2.1 Application for Financing Agreement	35
ANNEX 2.2 Instructions for filling in the Application for Financing Agreement	39
ANNEX 3 Business plan.....	49
ANNEX 4 Investment plan	59
ANNEX 5 Comparative situation of the initial investment plan with the modified investment plan	60
ANNEX 5 ¹ Statement of the investment plan carried out	61
ANNEX 6 Criteria on the basis of which the score of the applicant enterprises is calculated.....	62
ANNEX 7 Bank comfort letter.....	63

CHAPTER I – GENERAL INFORMATION

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

The purpose of G.D. no. 300/2024 is to establish a State aid scheme with a major impact on the economy, hereinafter referred to as the scheme, with the aim of regional development by investments that ensure the stabilisation of Romania's balance of trade in the sectors listed in Annex no. 1 hereto.

The State aid scheme has been established in accordance with the provisions of Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as subsequently amended and supplemented, of European Commission Decision C (2021) 9750 final approving the map for granting regional aid for the period 2022-2027.

The amount of eligible expenditure of an investment project must be a minimum of RON 50 million and a maximum of RON 500 million. These amounts were determined by reference to an equivalent value of approximately EUR 10 million, EUR 100 million, respectively (calculated at an exchange rate of RON 5/EUR).

DEFINITIONS:

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

Initial investment = an investment in tangible and intangible assets related to the setting up of a new establishment, the extension of the capacity of an existing establishment, the diversification of the output of an establishment into products or services that not previously produced in the establishment or a fundamental change in the overall production process of the product (s) or the general provision of the service (s) of an existing establishment, located in the same perimeter; a replacement investment does not constitute an initial investment.

Initial investment in favour of new economic activity = an investment in tangible and intangible assets related to one or both of the following activities: setting up of a new establishment; diversification of the activity of an establishment, under the condition that the new activity is not the same or a similar activity to the activity previously performed in the establishment; and the investment must be in the same perimeter. The mere acquisition of the shares of an undertaking is not an initial investment in favour of new economic activity.

WARNING!

Investment projects the total eligible expenditure of which is less than RON 50 million or more than RON 500 million shall not be eligible for State aid funding 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 **RON 2.249,985 million**, i.e. the equivalent of approximately **EUR 449,997 million**, as follows:

- a) commitment appropriations for the issuance of financing agreements for the period 2014-2020;
- b) budget appropriations for the payment of the State aid approved on the basis of the financing agreements issued, for the period 2015-2025.

The average annual budget of the scheme is **RON 749,995 million**, i.e. the equivalent of approximately **EUR 1 49,999 million**, as will be established by the annual budget laws.

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

Financing agreements may be issued under the scheme until **2024-2026**, 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 **2025 and 2032** based on the financing agreements issued, within the annual budget allocated to the scheme by the annual budget laws.

4. Who can apply for funding under the State aid scheme?

The undertakings that can apply for State aid based on this scheme are **newly created undertakings** or **active undertakings**, both **SMEs and large enterprises**, with **legal personality**, established according to the **Companies Law 31/1990**, republished, with subsequent amendments and supplements.

DEFINITIONS

Newly created undertaking = the enterprise established in the year of registration of the financing agreement application or the enterprise that carried out/did not carry out economic activity, but not more than three consecutive years before the date of registration of the application.

Active undertaking = the undertaking carrying out economic activity for more than 3 consecutive years from the date of registration of the application for financing agreement and has approved annual financial statements corresponding to 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 Article 42 of the Companies Law 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 Article 43 (1) of the Companies Law 31/1990, republished, with subsequent amendments and supplements.

Places of business (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 Article 43 (3) of the Companies Law 31/1990, republished, with subsequent amendments and supplements

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 EUR 50 million, or have total assets that do not exceed the RON equivalent of EUR 43 million, and is classified, in accordance with the provisions of Law 346/2004 on stimulating the establishment and development of small and medium-sized enterprises, with subsequent amendments and supplements, 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 EUR 50 million, equivalent in RON, or has total assets that do not exceed the equivalent in lei of EUR 43 million;

(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 EUR 10 million, equivalent in RON;

(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 EUR 2 million, equivalent in RON.

Large enterprise is the enterprise that does not fall within the definition of SMEs according to Annex I of the Regulation.

WARNING!

The classification of enterprises in the category of SMEs or large enterprises is made at the time of registration of the Financing Agreement Application in order to correctly fill in the information provided in the Financing Agreement Application.

5. What are the eligible business sectors?

The investments that are made in one of the sectors provided for in Annex no. 1 shall be eligible, in compliance with the provisions of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as subsequently amended and supplemented.

WARNING!

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.

WARNING!

Shareholders controlling several undertakings may apply for State aid under this scheme only on behalf of one of them.

WARNING!

The activity for which funding is requested may be main or secondary.
The activity of the investment project must be related to a single four-digit NACE code.

6. What are the eligible and ineligible expenditure related to the initial investment?

DEFINITION

Investment plan = summary document, presented in a tabled format, which includes the eligible and ineligible expenditure related to the initial investment, by categories and with the determination of the total value of the investment and the timing of the investment.

Eligible and ineligible assets included in the investment plan must be the exclusive property of the company benefiting from State aid during the implementation and maintenance of the investment.

WARNING!

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 expenditure will be submitted, per year. Within the payment procedure, the eligibility of the expenditure shall be verified by including the assets in the provisions of the Government Decision no. 2139/2004 approving the Catalogue regarding the classification and the normal operation durations of the fixed assets, with subsequent amendments, with the minimum value of entry of the fixed assets established according to the legal provisions in force.

6.1 Eligible expenditure

DEFINITION:

Eligible expenditure = costs net of VAT related to the achievement, respectively the acquisition, as the case may be, of tangible and intangible assets, related to the realization of the initial investment.

6.1.1 Eligible expenditure related to tangible assets

DEFINITIONS

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

- a) constructions of any type, i.e. the expenditures incurred in carrying out new constructions;
- b) new technical installations, machinery and equipment classified as per Government Decision no. 2139/2004 *for the approval of the Catalogue on the classification and normal operating times of fixed assets*, as subsequently amended, with the minimum entry value of fixed assets established according to the legal provisions in force.

New assets = assets that have never been used.

Automated installations or machinery = installations or machinery that operate independently without direct human intervention.

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

Tangible assets must cumulatively meet the following eligibility conditions:

- to be operated exclusively by the company receiving State aid in the location of the investment and only to achieve the objectives of the investment for which the financing was requested;
- to be included in the assets of the company receiving State aid and to remain associated with the investment in the location presented in the business plan, for which the financing was granted, for a period of at least five years after the completion of the investment;
- to be purchased under market conditions, respectively conditions of transparency and competitiveness;
- to be amortisable;
- to be new.

WARNING!

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:

Assets acquisition under market conditions = the method of acquisition of assets, the procedure of which will be detailed in the Payment Guide.

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 materialization, such as patents, licenses, know-how or other intellectual property rights.

Intangible assets must cumulatively meet the following eligibility requirements:

- to be operated exclusively by the company receiving State aid in the location of the investment and only to achieve the objectives of the investment for which the financing was requested;
- to be included in the assets of the company receiving State aid and to remain associated with the investment in the location presented in the business plan, for which the financing was granted, for a period of at least five years after the completion of the investment;
- to be purchased under market conditions, respectively conditions of transparency and competitiveness;
- to be amortisable;
- to be purchased from third parties unrelated to the buyer.

DEFINITIONS:

Assets acquisition under market conditions = the method of acquisition of assets, the procedure of which will be detailed in the Payment Guide.

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

- (i) natural persons who are spouses or relatives up to the third degree, including those of the buyer's personnel or management;
- (ii) natural persons who are employees of the buyer;
- (iii) natural or legal persons acting as seller and have influence over the structure, votes or decisions of the governing bodies of the buyer;
- (iv) natural or legal persons acting as seller and over whom the buyer has influence over the structure, votes or decisions of its governing bodies.

WARNING!

In order to be considered eligible, the costs related to intangible assets may not exceed 20% of the total eligible costs related to the investment.

WARNING!

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

6.2. Ineligible expenditure

Net of VAT costs, related to the investment project and included in the company's assets following the acquisition of tangible and intangible assets, which do not meet the conditions to be considered eligible expenses in accordance with the provisions of this State aid scheme shall be considered ineligible. Ineligible expenditure shall not be financed by State aid.

WARNING!

The following are considered ineligible expenditure related to constructions in the investment plan:

- the acquisition, modernization, rehabilitation of constructions and additional construction works necessary to change the use of some existing constructions;
- expenses mentioned in the general estimate in chapters other than 4.1.

WARNING!

All expenses that do not meet the requirements to be eligible expenditure shall be considered ineligible expenditure.

For example, shall not be eligible tangible assets such as technical installations, machinery and equipment that:

- do not fall within the classification presented in the Government Decision no. 2139/2004 *for the approval of the Catalogue on the classification and normal operating times of fixed assets*, as subsequently amended;

or

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

or

- they are not new.

or

- they are not amortisable.

At the same time, in the case of tangible assets, the following shall not be 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 undertakings?

On the date of submission of the Financing Agreement Application, undertakings must cumulatively meet the following conditions:

<u>General</u>	a) to be registered according to the Companies Law no. 31/1990, republished, with subsequent amendments and supplements.
	b) to make an initial investment in Romania, in one of the eligible fields of activity, according to the timing of investment;
	c) not fall into the category „ <i>undertakings in difficulty</i> ”;
	d) not undergo enforcement proceedings, insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity,
	e) not be the subject to decisions for the recovery of State aid or de minimis or, if such decisions were issued, they have been enforced according to the legal provisions in force;
	f) have not been granted regional State aid for eligible costs for tangible and intangible assets within the same single investment project,
	g) have not relocated to the establishment where the initial investment for which the aid is requested is to take place in the last two years preceding the registration of the financing agreement application and, at the time of registration of the application, provide a commitment that they 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;
<u>Additional for active undertakings</u>	h) have a profitability of turnover >0 in one of the last three financial years ended;
	i) have positive equity in the last financial year ended;
<u>Additional for newly established undertakings</u>	j) have subscribed paid share capital amounting to at least RON 100,000;

	k) do not belong to shareholders who hold or have held in the last two years preceding the date of registration of the application for financing agreement another undertaking registered according to Companies Law 31/1990, republished, as subsequently amended and supplemented, which carries out or carried out the activity for which it requests financing.
<u>Additional provided for in the Commission Recommendation (EU) 2020/1039 of 14 July 2020¹, for both active and newly established undertakings</u>	l) are not resident for tax purposes in non-cooperative jurisdictions listed in the European Union list of non-cooperative jurisdictions or are governed by their tax legislation;
	m) are not controlled, directly or indirectly, by shareholders from the jurisdictions included in the European Union list of non-cooperative jurisdictions, the analysis going up to the level of the beneficial owner, as defined in Article 3 point 6 of Directive 849/2015;
	n) do not control, directly or indirectly, its subsidiaries or permanent establishments in the jurisdictions listed in the European Union list of non-cooperative jurisdictions;
	o) do not exercise the right of ownership jointly with the companies located in the jurisdictions listed in the European Union list of non-cooperative jurisdictions.

WARNING!

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

WARNING!

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

1. if the level of tax liabilities in the Member State providing the support for a certain period of time (for example, the last three years) is considered adequate compared to the total turnover or level of activity of the beneficiary undertaking, at individual and group level, in the same period;
2. if the undertaking makes legal commitments to remove links with jurisdictions listed in the European Union list of non-cooperative jurisdictions, within a short period of time, subject to appropriate monitoring and sanctioning accordingly in case of non-compliance with these commitments

WARNING!

Shareholders controlling several undertakings may apply for State aid under this scheme only on behalf of one of them.

WARNING!

The activity for which funding is requested may be main or secondary.

The activity of the investment project must be related to a single four-digit NACE code.

¹Directive (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.

7. How is State aid calculated?

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

- G.D. no. 300/2024 for setting up a State aid scheme with the aim of regional development by stimulating investment,
- 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,
- G.D. no. 311/2022 on the maximum intensity of regional state aid in the period 2022-2027 for initial investments

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%	33.000.000
	Bistrița-Năsăud	50%	41.250.000
	Cluj	40%	33.000.000
	Maramureș	50%	41.250.000
	Satu Mare	50%	41.250.000
	Sălaj	50%	41.250.000
Center	Alba	50%	41.250.000
	Brașov	40%	33.000.000
	Covasna	40%	33.000.000
	Harghita	40%	33.000.000
	Mureș	50%	41.250.000
	Sibiu	40%	33.000.000
North-East	Bacău	60%	49.500.000
	Botoșani	60%	49.500.000
	Iași	40%	33.000.000
	Neamț	60%	49.500.000
	Suceava	60%	49.500.000
	Vaslui	60%	49.500.000
South-East	Brăila	60%	49.500.000
	Buzău	60%	49.500.000
	Constanța	40%	33.000.000
	Galați	60%	49.500.000
	Vrancea	60%	49.500.000
	Tulcea	60%	49.500.000
South-Muntenia	Argeș	50%	41.250.000
	Călărași	60%	49.500.000
	Dâmbovița	50%	41.250.000
	Giurgiu	50%	41.250.000
	Ialomița	60%	49.500.000
	Prahova	40%	33.000.000
	Teleorman	60%	49.500.000
South-West	Dolj	50%	41.250.000

REGION	Component counties	Maximum intensity %	Maximum level of state aid that a company can benefit from - euro -
Oltenia	Gorj	70%	57.750.000
	Mehedinți	60%	49.500.000
	Olt	60%	49.500.000
	Vâlcea	60%	49.500.000
West	Arad	30%	24.750.000
	Caraș-Severin	40%	33.000.000
	Hunedoara	50%	41.250.000
	Timiș	30%	24.750.000
"C" areas that are not predefined			
Bucharest-Ilfov	Ilfov partial: Ciorogârla, Domnești, Clinceni, Cornetu, Bragadiru, Dărăști-Ilfov, Jilava, 1 Decembrie, Copăceni, Vidra and Berceni	30%	24.750.000
	Ilfov partial: Periș, Ciolpani, Snagov, Gruiu, Nuci, Grădiștea, Petrăchioaia, Dascălu, Moara Vlășiei, Balotești, Corbeanca, Buftea, Chitila, Glina, Cernica, Dobroești and Pantelimon	40%	33.000.000

WARNING!

Given that:

- The State aid scheme established by G.D. no. 300/2024 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. 300/2024 bonuses supplementing the maximum State aid intensity in the case of SMEs shall not be granted.

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 EUR 50 million, 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:

$$\text{The maximum aid} = R \times (A + 0,50 \times B + 0 \times C)$$

R = the maximum aid intensity applicable in the area concerned

A = the eligible initial costs in the amount of EUR 55 million

B = the part of the eligible costs between EUR 55 million and EUR 110 million

C = the part of the eligible costs of over EUR 110 million

DEFINITIONS:

Single investment project - any initial investment concerning the same or a similar activity started by the same beneficiary, at group level, within three years of the date of start of works on another investment benefiting from aid in the same level 3 region of the Nomenclature of territorial units for statistics (NUTS 3), respectively county.

Group - the parent company and all its subsidiaries.

WARNING!

Where such a single investment project is a large investment project, the total aid amount for the single investment project shall not exceed the adjusted aid amount for large investment projects.

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

The RON value of the eligible expenditure related to the single project consists of the RON value of the eligible expenditure approved or actually settled with State aid, as the case may be, related to the previous projects and the RON value of the eligible expenditure 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.

Examples:

For an undertaking that makes an investment of RON 150 million, respectively the equivalent of approximately EUR 30 million, and the value of the eligible costs is RON 50 million, respectively the equivalent of approximately EUR 10 million, in Pitești, a town located on the regional map in the South-Muntenia region, Argeș County, county with a maximum intensity of 50%, the **State aid is determined as follows:**

Total amount of eligible costs x Maximum intensity = RON 50 million x 50% = RON 25 million

For an undertaking that makes an investment of RON 350 million, respectively the equivalent of approximately EUR 70 million, and the value of the eligible costs is RON 300 million, respectively the equivalent of approximately EUR 60 million, in Pitești, a town located on the regional map in the South-Muntenia region, Argeș County, county with a maximum intensity of 50%, the **State aid is determined as follows:**

Maximum aid amount = $0.5 \times (\text{EUR } 55,000,000 + 0.50 \times \text{EUR } 5,000,000) = 0.5 \times \text{EUR } 57,500,000 = \text{EUR } 28,750,000$

Mechanism for submitting, analyzing and resolving Financing Agreement Applications

Financing Agreement Applications are recorded in sessions, the duration of each session being of 30 working days.

The application registration period shall be communicated by the Ministry of Finance on its website, according to Article 18(2) of the decision, at least 60 working days before the opening date of the sessions.

The registration of Financing Agreement Applications shall be suspended on the date of expiry of the session in which Financing Agreement Applications can be registered.

Interested undertakings shall submit online Financing Agreement Applications accompanied by supporting documents.

The supporting documents that must accompany the Financing Agreement Applications and the compliance conditions they must meet are presented in Chapter II, point 1.3.1 of this Guide.

The Ministry of Finance shall calculate, according to the provisions of Annex no. 6 to this Guide, a score for the undertakings that submit Financing Agreement Applications during the registration session and draw up the List of applicant companies in descending order based on the score obtained, mentioning the State aid requested in each Financing Agreement Applications.

The score is made only on the basis of the information mentioned in the Financing Agreement Applications.

Within a maximum of 10 working days from the end of the session for submitting applications for financing agreements, the Ministry of Finance publishes on its website the List of applicant companies in descending order based on the score obtained.

From the date of publication of the above-mentioned list on the website, the requests for financing agreements that fall within the budget allocated to the session shall be analysed in the order of the score obtained within 60 working days.

If there are two or more undertakings that have obtained the same score, the order of entry in the analysis will be based on the value of the contribution to regional development mentioned in the Financing Agreement Applications.

The analysis of the Financing Agreement Applications is completed, after the documentation is considered complete, with:

- Financing Agreement;

or

- Rejection letter

Financing agreements shall be issued within the limits of the budget allocated to the session.

If there is a budget available as a result of the issuance of rejection letters or the budget allocated to the session is supplemented, the analysis continues, in the order of the score obtained, with the requests for financing agreements that were not initially included in the budget allocated to the session.

The exhaustion of the session budget occurs when the remaining amount available from the session budget, after the issuance of the last financing agreement, does not cover the state aid requested by the next undertaking that did not initially fall within the session budget.

The Ministry of Finance shall verify and assess the Financing Agreement Applications accompanied by the supporting documents within 60 working days from the date of review of each Financing Agreement Application.

1. How is the registration and assessment of applications for financing agreement conducted?

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 60 working days before the opening date of the sessions. The announcement shall include the opening date of the session on which the applications for financing agreement are submitted, the duration of the session, the budget allocated to the session within the limit of the annual budget allocated to the scheme, as well as the last day on which the applications for financing agreement may be registered.

WARNING!

Only applications for financing agreements registered with the Ministry of Finance from the opening date of the session until the last day inclusive, on which applications for financing agreements can be registered, according to the data communicated in the announcement published on the site, will be considered.

In order to obtain the financing agreement, the **applicant undertaking shall submit a Financing Agreement Application online, accompanied by the supporting documents** necessary for the assessment, in electronic format.

WARNING!

The completion and **online** submission of the Financing Agreement Applications and the supporting documents to the **Ministry of Finance** shall be carried out according to the *User's Guide for online submission within the Big Project Application*, published on the website of the Ministry of Finance, under the section <https://mfinante.gov.ro/Aplicatia-Big-Project>.

The Application for Financing Agreement form can be found in the section www.mfinante.gov.ro – *Informed Investor – Big Project Application – Big Project Application Online Submission Access*.

1.2. Calculation of the score and publication of the List of applicant undertakings

The Ministry of Finance shall calculate, according to the provisions of Annex no. 6 to this Guide, a score for the undertakings that submit applications for financing agreement during the registration session and draw up the List of applicant undertakings in descending order based on the score obtained, mentioning the state aid requested in each application for financing agreement.

Within a maximum of 10 working days from the closing date of the financing agreement application session, the Ministry of Finance shall publish on its website the List of applicant undertakings in descending order based on the score obtained, specifying the companies that enter into the analysis within the limit of the budget allocated to the session.

If in the first 15 working days from the opening date of the session there are applications for funding of which score is at least 124 points², they will be subject to verification starting with the date of submission.

1.3. Assessment of the Financing Agreement Application and the attached documents

1.3.1 Verification of the existence and compliance of the Financing Agreement Application and the documentation attached thereto

²80% of the maximum score of 155 points that can be obtained

The Application for Financing Agreement shall be accompanied by the following documents:

- a) **Confirmation of Company Details**
- b) approved **annual financial statements** corresponding to the last financial year ended.
- c) **business plan and related supporting documents**
- d) **investment plan**
- e) **power of attorney**, where relevant
- f) **identity document** of the person authorized to legally represent the undertaking.

All documents submitted to the Ministry of Finance by the undertaking shall be accompanied by a the **list of documents** shall mention the name of each document and the page to which it is filed.

WARNING!

All documents sent to the Ministry of Public Finance by the undertaking shall be submitted in Romanian. In the case of documents submitted in a foreign language, the undertaking shall submit such documents accompanied by their translations into Romanian, certified by certified 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 honour within the application for financing agreement.

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 shall not be taken into account.

The application for financing agreement shall be rejected if it is not accompanied by all the documents referred to in letter a – letter f.

Supporting documents and Compliance checklist

Document	Compliance checklist
Application for financing agreement	<ul style="list-style-type: none"> - it has all the fields filled in with the required data, it complies with the form in Annex 2.1 to this Guide and it is dated and signed by the person authorized to legally represent the undertaking; - contains information consistent with the Confirmation of company details, the financial statements, the investment plan, the ID document of the authorised person or Power of Attorney, where applicable.
Confirmation of company details	<ul style="list-style-type: none"> - is issued no later than 10 working days before the date of registration of the application for agreement, either in original, issued by the Trade Register Office attached to the court where the undertaking is seated, or electronically, with information obtained from the service portal of the National Trade Register Office RECOM Online, - it is updated with data valid on the registration date of the application for financing agreement and contains at least the following: identification data, tax identification number, shareholders and legal representatives of the undertaking, the main field of activity, all secondary fields of activity and places of business of the undertaking.
Financial statements for the last financial year ended	<ul style="list-style-type: none"> - are submitted and approved according to the legal provisions in force, as the case may be, - are attached in copy, - Contain:

	<ul style="list-style-type: none"> • 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. <p>The obligation to submit financial statements shall not apply to newly established undertakings which did not carry out activity.</p>
Business plan	<ul style="list-style-type: none"> - includes all the necessary information according to the definition and instructions in the Applicant's Guide, it is dated and signed by the person authorized to legally represent the undertaking; - is prepared during the implementation of the investment and for at least 5 years after its completion; - shows the financial projections during the implementation of the investment and at least 5 years after its completion (profit and loss account, balance sheet and cash flow) starting from the last financial statements, if applicable, in accordance with the legal provisions in force and with the templates presented on the website of the Ministry of Finance, www.mfinante.ro, - contains information correlated with the information in the Financing Agreement Application, - shall also be submitted in editable format.
2.2. Investment plan	<ul style="list-style-type: none"> - complies with the template in Annex no. 4 to this Guide; - the amounts of eligible expenditure, total and by years and the period of investment will be correlated with the corresponding information in the Financing Agreement Application;
Supporting documents to substantiate the business plan	shall be attached in copy.
Power of Attorney	<ul style="list-style-type: none"> - signed by the legal representative of the applicant undertaking, - attached in original.
Identity document of the person legally authorised to represent the undertaking	shall be attached in copy.

WARNING!

If the legal representative of the undertaking, according to the Confirmation of company details, cannot sign the documentation necessary to access the state aid, it is allowed to appoint another person to legally represent the undertaking in relation to the Ministry of Finance, the application for financing agreement being accompanied by a Power of attorney in this regard, outlined in letter e).

WARNING!

If the profitability on turnover is less than 0 in the last financial year ended, the approved annual financial statements corresponding to one of the two financial years preceding it shall also be submitted, in which the profitability on turnover is greater than 0.

DEFINITION:

Business plan = document showing the economic efficiency of the undertaking and the viability of the investment, covering at least the following aspects: business description, location of the investment, presentation of the investment, investment plan and its substantiation, analysis of the relevant market on which the undertaking is seeking financing, substantiation of turnover, current financial situation and financial projections. The document shall substantiate: 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.

DEFINITION:

Investment Plan - summary document, presented in a tabled format, which includes the eligible and ineligible expenditures related to the initial investment, with the determination of the total value of the investment, as well as the timing for the investment.

Timing of investment - the maximum period of 3 years for the implementation of the investment plan, calculated from the date of commencement of the investment.

DEFINITIONS:

Finalisation of the investment = the date on which all the assets related to the initial investment made by the company **physically exist at the location** of its realization, **are recorded in the accounts (in the account of fixed assets/non-current assets in progress) and are identified by an inventory number applied to each asset.**

The finalisation of the investment may not exceed 3 years from the start date of works.

After the date on which the investment must be finalised, no eligible or ineligible costs will be capitalized to affect the value of the investment.

1.3.2 Assessment of the Financing Agreement Application and the attached documents in terms of meeting the eligibility conditions and criteria

a) Application for financing agreement

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

- makes an initial investment in Romania with a total amount of eligible costs, net of VAT, of at least RON 50 million and a maximum of RON 500 million, in one of the eligible fields of activity,
- is not classified as “undertaking in difficulty”,
- does not undergo enforcement proceedings, insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity,
- is not the subject to decisions for the recovery of State aid or de minimis or, if such decisions were issued, they have been enforced according to the legal provisions in force,
- has not been granted regional State aid for eligible costs for tangible and intangible assets within the same single investment project,
- has not relocated to the establishment where the initial investment for which the aid is requested is to take place in the last two years preceding the registration of the financing agreement application and, at the time of registration of the application, provide a commitment that they 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 shareholders who hold or have held in the last two years preceding the date of registration of the application for financing agreement another undertaking registered according to Companies Law 31/1990, republished, as subsequently amended and supplemented, which carries out or carried out the activity for which it requests financing, in the case of newly established undertakings,
- is not a resident for tax purposes in non-cooperative jurisdictions listed in the European Union list of non-cooperative jurisdictions or are governed by their tax legislation;
- is not controlled, directly or indirectly, by shareholders from the jurisdictions included in the European Union list of non-cooperative jurisdictions, the analysis going up to the level of the beneficial owner, as defined in Article 3 point 6 of Directive 849/2015;
- does not control, directly or indirectly, its subsidiaries or permanent establishments in the jurisdictions appearing on the European Union list of non-cooperative jurisdictions;
- does not exercise joint ownership with undertakings located in jurisdictions listed in the

European Union list of non-cooperative jurisdictions,

- shareholders controlling more than one undertaking may apply for State aid under this scheme only on behalf of one of them,
- requests funding for a single economic activity, namely a single NACE code, and the activity for which funding is requested may be main or secondary,

b) Confirmation of Company Details

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

- is registered according to the Companies Law no. 31/1990,
- has a subscribed share capital of at least RON 100,000, in the case of newly established undertakings,
- the activity for which it requests financing is 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 undertaking:**

- has a profitability of turnover > 0 in one of the last 3 financial years ended, in the case of active undertakings ($= 100 \times \text{Net profit} / \text{Turnover}$),
- has positive equity in the last financial year ended, in the case of active undertakings (taken from the Financial Statements - Form 10)
- has a subscribed paid share capital of at least RON 100,000, in the case of newly established undertakings (to be taken over from the Financial Statements – Form 10, if applicable, or from the Confirmation of Company Details 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.

e) Investment plan

In order to **meet the eligibility criteria, it shall be verified whether the undertaking** makes an initial investment with a total amount of eligible costs, net of VAT, of at least RON 50 million and a maximum of RON 500 million.

2. Results of the assessment of the application for financing agreement

The results of the assessment of the application for financing agreement that fall within the budget of the session

Following the assessment process of the application for financing agreement that fall within the budget of the session, the Ministry of Finance issues, as appropriate:

- financing agreement,
- request for information and / or documents to complete the application for financing agreement,
- letter rejecting the application for financing agreement

WARNING!

All documents issued by the State Aid Scheme Implementation Unit (financing agreement, request for information and/or documents for completing the financing agreement application, letter rejecting the application for financing agreement) shall be submitted by electronic means.

If there is a budget available as a result of the issuance of rejection letters, the analysis shall continue, in the order of the score obtained, with the applications for financing agreement that did not initially fall within the budget allocated to the session.

WARNING!

The Ministry of Finance shall verify and assess the Financing Agreement Applications and the attached documents, in terms of:

- existence and compliance
- eligibility conditions and criteria

The applications for financing agreement and the documents attached thereto, which fall within the budget allocated to the session, shall be assessed within 60 working days from the date of publication on the website of the List of applicant undertakings in descending order based on the score obtained.

3. Under what conditions is the Financing Agreement issued?

In order to obtain the financing agreement, the applicant undertaking must submit all the documents mentioned in the assessment 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 shall verify and assess the applications for financing agreement accompanied by the supporting documents provided for in point 1.3 of this Guide, within 60 working days from the date of analysis of each application for financing agreement.

WARNING!

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 approval.

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

If:

- there are inconsistencies in the information provided,
- the documents do not comply with the conditions of conformity,
- 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 application for financing agreement.

WARNING!

The applicant undertaking shall submit the completion of the documentation within a maximum of 15 working days from the receipt of the request for information and/or documents for the completion of application for financing agreement.

If the documents submitted to complete the Financing Agreement Application require additional information, the term for reviewing the Financing Agreement Application shall be of 60 working days from the date of its completion. The application analysis circuit shall be resumed until the date when the application is considered complete.

WARNING!

Any documents submitted by the undertaking on its own initiative, in order to complete the financing agreement application, shall not be taken into consideration.

5 Under what conditions is the letter rejecting the application for financing agreement issued?

The letter rejecting the application for financing agreement shall be issued in the following situations:

- **The application for financing 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 application for financing agreement, either in original-, issued by the Trade Register Office attached to the court where the undertaking is seated, or electronically, with information obtained from the service portal of the National Trade Register Office - RECOM Online, stating at least the following: identification data, tax identification number, shareholders and legal representatives of the undertaking, the main field of activity, all secondary fields of activity, including the secondary field for which financing is requested, as well as the places of business of the undertaking;
- 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 undertaking
- d) investment plan
- e) power of attorney signed by the legal representative of the applicant undertaking, if a person other than him/her signs the application for financing agreement;
- e) identity document of the person authorized to legally represent the undertaking;

- **At least one of the eligibility criteria for the investment is 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 Ilfov county within Bucharest - Ilfov development region;
- b) to have a total value of eligible costs, net of VAT, of at least RON 50 million, equivalent to approximately EUR 10 million and a maximum of RON 500 million, equivalent to EUR 100 million;
- c) to 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) to demonstrate the achievement of the incentive effect of the State aid;
- e) to meet the quantitative and qualitative indicators;
- f) to generate a quantifiable multiplier effect in the economy by engaging other related investments and developing local suppliers of products and services.

- **At least one of the undertaking's eligibility criteria is not met:**

<u>General</u>	a) be registered according to the Companies Law no. 31/1990, republished, with subsequent amendments and supplements.
	b) to make an initial investment in Romania, in one of the eligible fields of activity, according to the timing of investment;
	c) not fall into the category „ <i>undertakings in difficulty</i> ”;
	d) not undergo enforcement proceedings, insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity,
	e) not be the subject to decisions for the recovery of State aid or de minimis or, if such decisions were issued, they have been enforced according to the legal provisions in force;
	f) have not been granted regional State aid for eligible costs for tangible

	and intangible assets within the same single investment project, g) have not relocated to the establishment where the initial investment for which the aid is requested is to take place in the last two years preceding the registration of the financing agreement application and, at the time of registration of the application, provide a commitment that they 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;
<u>Additional for active undertakings</u>	h) have a profitability of turnover >0 in one of the last three financial years ended; i) have positive equity in the last financial year ended;
<u>Additional for newly established undertakings</u>	j) have subscribed paid share capital amounting to at least RON 100,000; k) do not belong to shareholders who hold or have held in the last two years preceding the date of registration of the application for financing agreement another undertaking registered according to Companies Law 31/1990, republished, as subsequently amended and supplemented, which carries out or carried out the activity for which it requests financing.
<u>Additional provided for in the Commission Recommendation (EU) 2020/1039 of 14 July 2020³, for both active and newly established undertakings</u>	l) are not resident for tax purposes in non-cooperative jurisdictions listed in the European Union list of non-cooperative jurisdictions or are governed by their tax legislation; m) are not controlled, directly or indirectly, by shareholders from the jurisdictions included in the European Union list of non-cooperative jurisdictions, the analysis going up to the level of the beneficial owner, as defined in Article 3 point 6 of Directive 849/2015; n) do not control, directly or indirectly, its subsidiaries or permanent establishments in the jurisdictions listed in the European Union list of non-cooperative jurisdictions; o) do not exercise the right of ownership jointly with the companies located in the jurisdictions listed in the European Union list of non-cooperative jurisdictions.

• **Shareholders controlling more than one undertaking may request State aid under this scheme on behalf of more than one of them.**

• **Apply for funding for several NACE codes**

WARNING!

The activity of the investment project must be related to a single four-digit NACE code.

• **The undertaking fails to comply with the term of maximum 15 working days from the date of receipt of the request for information and/or documents for completing the application for financing agreement**

WARNING!

It is considered the date of receipt of the request for information and/or documents for completing the application for financing agreement, the date of the message "Submitted to the SPV" (Virtual Private Space).

• **The information underlying the calculation of the score shall not be confirmed following the assessment carried out by the Ministry of Finance according to Chapter II, point 1.3., resulting in a score lower than that originally calculated.**

³Directive (EU) 849/2015 of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes 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:

Start of works - the earlier of either the start of construction works under the investment, or the first legally binding commitment to order equipment or any other commitment by which the investment becomes irreversible.

The value of the assets or construction works related to the start of works related to the investment must be at least 3% of the total value of the investment.

The value of at least 3% of the total value of the investment is determined taking into account the value of all commitments concluded between the start date⁴ and the 6-month term from the date of issue of the financing agreement in which the company must submit the proof of start.

Buying of land and preparatory works such as obtaining permits and conducting preliminary feasibility studies shall not be considered as start of works.

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

WARNING!

The undertakings have the obligation to start the works related to the investment for which they have requested financing within 6 months from the date of issue of the financing agreement, in compliance with the timing assumed in the documentation attached to the application.

The undertaking may start the investment after registering the Application for Financing Agreement with the Ministry of Finance, but at its own risk. The start of investment after filing the Financing Agreement Application does not oblige the Ministry of Finance to issue a Financing Agreement.

The undertaking has the obligation to send to the Ministry of Finance data and information on the start of investment and to attach, in certified copy, both the first agreement or firm order for the execution of construction works or purchase of equipment, as well as certified copies of the Agreements and/or firm orders for the execution of construction works or purchase of equipment that shall be submitted to demonstrate the value of at least 3% of the total value of the investment.

The documentation regarding the start of works related to the investment shall be accompanied by a declaration on honour regarding the fact that during the period between the date of submission of the Financing Agreement Application and the 6-month period from the date of issue of the Financing Agreement, the company:

- did or did not receive de minimis aid and other State aid
- has or has not received State aid for the same, single investment project from other provider of aid

⁴when the investment becomes irreversible

CHAPTER IV - MAINTAINING THE INVESTMENT

The undertaking has the obligation to maintain in operation the initial investment made, in the location presented in the business plan, for a period of at least five years from the date of its completion, and to achieve, at the end of the period of maintenance of the investment, a profitability of turnover of more than 2.5%, calculated as an average of the last four years of maintenance of the investment, under the conditions of achieving a turnover of at least 80% of the estimated value over the same period, calculated as an average, for the entire activity of the company.

WARNING!

Fiinalisation of the investment = the date on which all the assets related to the initial investment made by the company **physically exist at the location** of its realization, **are recorded in the accounts (in the account of fixed assets/non-current assets in progress) and are identified by an inventory number applied to each asset.**

The finalisation of the investment may not exceed 3 years (36 months) from the start date of works.

After the date on which the investment must be finalised, no eligible or ineligible costs will be capitalized to affect the value of the investment.

The initial investment made **shall be maintained operational** at least until December 31st of the fifth year from the date of its completion.

WARNING!

Should there be any signs of wear and tear or obsolescence of the assets under the initial investment, these can be replaced in order to ensure the continuity of the funded activity.

The notification sent 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 is/are worn out or obsolete,
- the name of the assets to be replaced,
- the name of the assets that will replace the worn out or obsolete assets,
- brief description of the assets that will replace the worn out or obsolete assets, with placement in the technological flow.

By June 30th, inclusive, of the year following the fiinalisation of the investment, the undertaking shall submit to the Ministry of Finance a report audited by an authorized company, which does not have the status of a person affiliated with the undertaking benefiting from State aid, certifying that:

- a) following the implementation of the investment, the undertaking carries out the activity that was financed by State aid;
- b) the value of the eligible expenditure must be at least 90% of the value that was the basis for the calculation of the score, but not less than the value of RON 50,000,000;
- c) the degree of automation is greater than or equal to the one that was the basis for calculating the score;
- d) if the investment for which the financing agreement was received was classified as an initial investment of the type of fundamental change of the production process, the company shall demonstrate that all eligible costs for which financing was obtained exceeded the amortisation made during the last 3 financial years (concluded before the submission of the financing application) for the assets related to the activity that has been modernized.

The report audited by an authorised company must include the following:

1. general identification data of the undertaking – the data shall be correlated with the information in the Confirmation of company details, the Financial Statements;
2. general context of the investment project – description of the general and specific objectives of the investment project;
3. realization of the investment plan – submission of the investment plan that was the basis for issuing the Financing Agreement and the investment plan as it was achieved; submission of the degree of achievement of the eligible expenditure (as a ratio between the value of the eligible expenditure incurred and the value of the estimated eligible expenditure, which were the basis for calculating the score); submission of the degree of automation that must be greater than or equal to the one that was the basis for calculating the score, as the case may be.
4. supporting documents attesting the implementation of the investment plan such as: Inventory Register and Summary of fixed assets related to the assets (eligible and ineligible) of the investment plan.
5. demonstrating that following the implementation of the investment, the undertaking carries out the activity that was financed by state aid.

DEFINITION

Degree of automation - the percentage ratio between the value of eligible assets representing automated installations or machinery or the value of eligible assets to be used in production processes containing automated installations or machinery and the total value of eligible assets;

Automated installations or machinery - installations or machinery that operate independently without direct human intervention;

WARNING!

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

- the investment plan carried out,
- the value of the eligible expenditure incurred compared to the value of the estimated eligible expenses presented in Chapter IV *Submission of the eligible costs and of the requested financing* in the Financing Agreement Application;
- the degree of automation achieved, as the case may be,
- the categories of products/services achieved 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,
- the turnover achieved as a result of the implementation of the investment project,
- the method of fulfilling other specific conditions provided for in the Financing Agreement issued.

WARNING!

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 will carry out the annual on-the-spot verification in order to establish the fulfillment of this condition.

The undertaking shall be notified by the Ministry of Finance of the period of verification. The undertaking has the obligation to allow the access of the representatives of the Ministry of Finance to the place where the investment is carried out and to provide them with all the documents necessary to verify the maintenance of the investment.

The undertakings shall report annually, at the request of the Ministry of Finance, the contribution to the regional development achieved as a result of the implementation of the investment project.

DEFINITION

Contribution to regional development - the value of contributions to regional development in the form of taxes and duties to the general consolidated budget of the State related to the initial investment and the jobs created directly by it, effectively paid by the undertaking receiving State aid during implementation and 5 years from the date of its completion;

CHAPTER V – ISSUANCE OF THE AMENDED FINANCING AGREEMENT OR ISSUANCE OF THE CORRECTED FINANCING AGREEMENT

1. AMENDMENT OF THE INVESTMENT PLAN AND ISSUANCE OF THE AMENDED FINANCING AGREEMENT

WARNING!

Applicant undertakings are required to complete the investment for which they have requested financing according to the timing for the investment, which was the basis for issuing the Financing Agreement.

DEFINITION

Timing for the investment – the maximum period of 3 years for the implementation of the investment plan, calculated from the date of commencement of the investment.

WARNING!

Changes in the timing of the investment represent the reallocation of amounts related to eligible expenditure and State aid determined by the need to extend the project implementation period, without exceeding 3 years (36 months) from the start date of the investment and without exceeding the maximum amount of total approved State aid.

The undertaking may request the Ministry of Finance to approve the modification of the timing of investment if at least 25% of the investment value is achieved.

The realized value of the investment shall be considered the value of all the assets related to it that **physically exist in the location** of its realization, **are recorded in the accounts (in the account of fixed assets/non-current assets in progress) and are identified by a provisional or definitive inventory number.**

In order to justify the value of the investment carried out, the company shall fill in the Statement of the investment plan carried out submitted in Annex 5¹ to this Guide.

The time of construction shall be the time when the construction works have been partially or totally carried out, have been partially or totally accepted and have at least the following documents associated: progress reports, invoice, acceptance protocol.

The time of acquisition of the assets represents the time when the asset was received at the location of the investment and at least the following documents are associated: invoice, acceptance protocol.

If the timing of the investment changes **not exceeding the period of maximum 3 years (36 months) calculated from the start date of the investment**, the undertaking has the obligation to request the Ministry of Finance to approve these changes, **during the implementation of the initial investment**, attaching a substantiation in this regard and the following supporting documents:

a) Confirmation of company details, issued no more than 10 working days before the date of registration of the application, either in original, issued by the Trade Register Office attached to the court where the undertaking is seated, or in electronic form, with information obtained from the service portal of the National Trade Register Office - RECOM Online, stating at least the following: identification data, tax identification number, shareholders and legal representatives of

the undertaking, the main field of activity, all secondary fields of activity, including the secondary field for which financing is requested, as well as the places of business of the enterprise;

b) approved annual financial statements corresponding to the last financial year ended, in copy, as the case may be;

c) the status of the investment plan **carried out** until the date of submission of the request for amendment of the plan, showing the degree of achievement of the value of the investment.

d) Comparative status of the initial investment plan with the **amended** investment plan and the amended investment plan proposed for approval;

WARNING!

The undertaking must submit the **Comparative status of the initial investment plan with the amended investment** plan, according to the template presented in Annex 5 to this Guide, stating separately the eligible and ineligible expenditure related to the implementation period, as provided for in the documentation underlying the issuance of the Financing Agreement in relation to the eligible and ineligible expenditure as found in the new timing of investment.

e) the business plan with the presentation of the elements that change following the modification of the timing;

WARNING!

The business plan shall include at least the following subchapters:

- Justification of the need to change the timing of the investment,
- Achievement of turnover;
- Economic and financial analysis of the investment project,
- Quantitative indicators

f) power of attorney signed by the legal representative of the applicant undertaking, if a person other than him/her signs the request for amendment of the investment plan;

g) identity document of the person legally authorised to represent the undertaking, in copy;

h) Section IV Presentation of eligible costs and funding requested from the Financing Agreement Application, revised according to the amended timing.

All documents submitted to the Ministry of Finance by the undertaking shall be accompanied by a **list of documents** stating the name of each document and the page to which it is filed.

WARNING!

In the substantiation and support document of the elements that determine the modification of the timing of investment, the following are 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 shall send a request for information and / or documents to complete the request to amend the investment plan.

WARNING!

The undertaking shall submit the completion of the documentation within a maximum of 10 working days of receipt of the request for information.

WARNING!

If it is found that the investment still meets 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 provided for in this scheme, the financing agreement shall be revoked.

WARNING!**The financing agreement shall be revoked:**

- if the timing for the implementation of the investment records changes not exceeding the maximum period of 3 years calculated from the start date of investment, and the undertaking does not request the Ministry of Finance to approve these changes, during the implementation of the initial investment,
- if the undertaking requests the Ministry of Finance to approve the change of the timing of investment, and the value of the investment made until the date of submission of the request for plan change is less than 25% of the value of the estimated investment.

2. ISSUANCE OF THE CORRECTED FINANCING AGREEMENT**WARNING!**

At the time of submitting the application for financing agreement, the applicant undertaking is required to declare all State aid received in the last 3 years in order to verify compliance with the rule of cumulation of State aid, compliance with the notion of "single investment project", compliance with the intensity applied, verification of compliance with the maximum ceilings by county or by town in the case of Ilfov county etc.

The documents regarding the start of investment shall also include a declaration on honour regarding the fact that during the period between the date of submission of the Financing Agreement Application and the 6-month period from the date of issue of the Financing Agreement, the company:

- did or did not receive de minimis aid and other State aid;
- has or has not received State aid for the same, single investment project from other provider of aid;

In the event that

- The Competition Council shall initiate the procedure provided for in Article 15 of the Government Emergency Ordinance no. 77/2014 on national procedures in the field of State aid, as well as for amending and supplementing the Competition Law 107/1996, as subsequently amended and supplemented.
- The Ministry of Finance takes possession of data and/or information different from those underlying the issuance of the Financing Agreement and/or
- there are requests from State aid beneficiaries,

The Ministry of Finance shall verify the data and/or information underlying the issuance of the Financing Agreement according to the new data/information arising after the issuance of the Agreement.

If further clarification is required, the Ministry of Finance shall request data and/or information from the State aid beneficiary, the Competition Council, other suppliers etc.

If the verifications carried out lead to the conclusion that the data and/or information underlying the issuance of the Financing Agreement was not in accordance with reality, in the sense that the State aid beneficiary did not declare or declared incomplete/incorrect information and/or data

on the aid received in the last 3 years prior to the submission of the financing agreement application, the Ministry of Finance shall order measures to ensure compliance with the legislation, by correcting the amount of the approved State aid and issuing a corrected Financing Agreement.

WARNING!

During the period of clarification of the arisen situation, until the corrected Financing Agreement is issued or not, the Ministry of Finance shall suspend the payment of the State aid provided for in the Financing Agreement issued.

WARNING!

If the corrected Financing Agreement is issued by the Ministry of Finance after the State aid has been paid in full, and the application of the recalculated intensity to the amount of eligible expenditure results in a decrease in the initially approved State aid, the difference between the amount of State aid initially approved and the amount of State aid approved by the corrected Financing Agreement shall be recovered.

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

CHAPTER VI - REVOCATION OF THE FINANCING AGREEMENT

The Ministry of Finance shall apply measures regarding the revocation of the financing agreement if:

- a) the undertaking has not started the investment within 6 months from the date of issue of the financing agreement, in compliance with the timing assumed in the documentation attached to the application and the value of the assets or construction works related to the start is not at least 3% of the value of the investment;
- 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
- c) In the event of a fundamental change in the production process, the undertaking does not comply with the condition regarding the eligible costs that must exceed the amortisation made during the last 3 financial years for the assets related to the activity to be modernized
- d) the undertaking fails to submit by June 30th of the year following the completion of the investment, to the Ministry of Finance, a report audited by an authorized undertaking, which does not have the status of a person affiliated with the undertaking receiving State aid, which shall certify that:
 - following the implementation of the investment, the company carries out the activity that was financed by the project;
 - the value of the eligible expenditure is at least 90% of the value that was the basis for the calculation of the score, but not less than RON 50 million,
 - the degree of automation is greater than or equal to the one that was the basis for the calculation of the score, as the case may be.
- e) the applicant undertaking does not finalise the investment for which it has requested financing according to the timing of investment;
- f) if the timing for investment records changes not exceeding the period of maximum 3 years calculated from the start date of the investment, and the undertaking does not request the Ministry of Finance to approve these changes, during the implementation of the initial investment,
- g) if the undertaking requests the Ministry of Finance to approve the change of the timing of investment, and the value of the investment made until the date of submission of the request for plan change is less than 25% of the value of the estimated investment,
- h) the investment no longer meets the conditions provided for in this scheme, in the event of a change in the timing of investment
- i) the total value of eligible expenditure, net of VAT falls below the threshold of at least RON 50 million, respectively the equivalent of approximately EUR 10 million or exceeds the value of maximum RON 500 million;
- j) the undertaking falls into the category of "undertakings in difficulty" defined as per Article 2(18) of the Regulation;
- k) the undertaking has relocated to the establishment where the initial investment for which the aid is requested is to take place in the last two years preceding the registration of the financing agreement application and, at the time of registration of the application, provide a commitment that they 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;
- l) the undertaking fails to meet the conditions set out in the financing agreement for which its revocation is specified;
- m) the undertaking informs the Ministry of Finance that it is unable to make the investment or requests the revocation of the financing agreement;

- n) The Ministry of Finance finds, after issuing the financing agreement, that the investment started prior to the submission of the financing agreement application;
- o) following the recalculation of the approved State aid, in order to issue the corrected Financing Agreement, it results that the amount of the recalculated State aid is zero;

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

CHAPTER VII - RECOVERY OF STATE AID

The State aid paid shall be recovered in proportion to the degree of non-fulfillment in the following situations:

- the undertaking does not achieve a profitability on turnover of more than 2.5%, calculated as an average of the last four years of maintenance of the investment, under the conditions of achieving a turnover of at least 80% of the estimated value over the same period, calculated as an average, for the entire activity of the company;
- the undertaking does not meet other conditions provided in the special mention section of the financing agreement;

WARNING!

If several conditions are laid down 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 is calculated by reporting the value of the indicator achieved to the value of the indicator mentioned in the financing agreement or business plan, as the case may be,
- b) the arithmetic mean of the degrees of fulfillment of all the conditions is calculated,
- c) the percentage calculated according to letter b) shall apply 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 amount of State aid to be recovered.

The State aid paid shall be fully recovered in all cases of revocation of the financing agreement.

WARNING!

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 enforceable title.

The recovery of the State aid paid is carried out according to the recovery procedures provided by the Government Emergency Ordinance no. 77/2014 regarding national procedures in the field of State aid, and for amending and supplementing the Competition Law 21/1996, as approved with amendments and supplements by Law 20/2015, as subsequently amended, as well as by the Order of the Minister of Finance no. 324/2016 on the approval of the Implementing Rules for the implementation by the Ministry of Finance of the procedures for stopping/recovering State aid or de minimis, as subsequently amended and supplemented.

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

The applicable interest rate is the one established according to the provisions of Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union and of Commission Regulation (EC) No 794/2004 of 21 April 2004 implementing Council Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty.

The interest shall be calculated from the date that the aid was made available to the beneficiary until the date of the actual recovery, according to the principle of capitalisation.

The recovery decision shall be sent to the beneficiary and, for the purpose of implementation, to the competent tax authorities administering State aid beneficiaries.

CHAPTER VIII – REFUND OF UNDUE RECEIVED AMOUNTS

The undertakings have the obligation to verify the amount of State aid transferred by the Ministry of Finance to account 50.70 " Cash from subsidies and transfers ".

WARNING!

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 Article 8(1) of the Government Emergency Ordinance no. 37/2008 on the regulation of financial measures in the budgetary field, approved with amendments by Law 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 undertakings, the Ministry of Finance shall charge interest and related penalties, due from the date of collection until the date of restitution, according to Law 207/2015 on the Fiscal Procedure Code, with subsequent amendments and supplements.

List of sectors of activity for which State aid is granted

No.	NACE code	NACE code name
1	109	Manufacture of prepared animal feeds
2	11	Manufacture of beverages
3	16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
4	17	Manufacture of paper and paper products
5	20	Manufacture of chemicals and chemical products
6	21	Manufacture of basic pharmaceutical products and pharmaceutical preparations
7	23	Manufacture of other non-metallic mineral products
8	25	Manufacture of fabricated metal products, except machinery and equipment
9	26	Manufacture of computer, electronic and optical products
10	27	Manufacture of electrical equipment
11	29	Manufacture of motor vehicles, trailers and semi-trailers
12	30	Manufacture of other transport equipment
13	31	Manufacture of furniture
14	32	Other manufacturing n.e.c.
15	38	Waste collection, treatment and disposal activities; material recovery

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. _____, having the quality of _____, hereby request the financing in the conditions of the provisions of the scheme aiming at regional development by investment, approved by the Government Decision no. 300/2024,

I. Presentation of the undertaking

Name of the enterprise: _____

Date of registration of the enterprise: _____

Registration number with the Trade Register Office: _____

Tax identification number: _____

Address: _____, PO Box: _____

Phone: _____

E-mail: _____

Legal form: _____

Share capital: _____ RON, held by:

- Natural persons: _____ %

- SME⁵: _____ %

- large enterprises⁶: _____ %

The main object of activity: _____

NACE Code: _____

Object of activity for which financing is requested⁷: _____

NACE code: _____

II. Submission of the current situation of the company

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

- average number of employees: _____

- turnover: _____ RON

- total assets value⁸: _____ RON

- net profit: _____ RON

- profitability on turnover⁹: _____ RON

- equity: _____ RON

- tax expense: _____ RON

- interest expense: _____ RON

- amortisation expense: _____ RON

- EBITDA¹⁰: _____ RON

⁵The enterprise that falls within the definition provided in annex no. 1 the Regulation

⁶The enterprise that does not fall within the definition of SMEs according to the provisions of annex no. 1 the Regulation

⁷Funding may be requested for a single economic activity, namely a single NACE code, and the activity for which funding is requested may be main or secondary

⁸Total assets are defined as fixed assets plus current assets plus prepaid expenses.

⁹Profitability on turnover = 100 x (Net profit/ Turnover)

¹⁰EBITDA = Net profit + Tax expense (account 635+691) + Interest expense + Amortisation expense

- ratio (EBITDA/turnover) x 100: _____ %

III. Brief presentation of the investment made under the scheme:

a) project name:

.....

b) description of the investment project:

.....

c) classification of the investment within the category of the initial investment:

- setting up a new establishment,
- expanding the capacity of the establishment,
- diversifying the production of the establishment,
- fundamental change in the overall production process within the establishment

or

- placing the investment within the category of the initial investment in favour of a new economic activity:

- setting up a new establishment,
- diversification of the establishment's activity;

d) investment value: RON;

e) the location of the project financed by State aid:

f) the estimated date of the start of works related to the investment according to the investment plan:

g) the estimated date of completion of the investment¹¹ according to the investment plan:

h) degree of automation¹².....%

- total value of eligible assets.....RON,

- the value of eligible assets representing automated installations or machinery¹³ or the value of eligible assets to be used in production processes containing automated installations or machineryRON,

IV. Presentation of eligible costs and requested funding

Name of activity	Type of eligible expenditure for which funding is requested	Amount of eligible expenses ¹⁾ - RON -				Maximum aid intensity in the county / locality in the case of Ilfov county	The amount of state aid requested -RON-			
		Year I ^{**}	Year II ^{**}	Year III ^{**}	Total		Year I ^{***}	Year II ^{***}	Year III ^{***}	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) Technical installations, machines and equipment									
	<input type="checkbox"/> b) Eligible costs for investments in intangible assets									
	TOTAL									

¹¹No more than 3 years (36 months) from the date of commencement of the investment

¹²degree of automation= 100 x(value of eligible assets representing automated installations or machinery or value of eligible assets to be used in production processes containing automated installations or machinery/total value of eligible assets

¹³automated installations or machinery =installations or machinery operating independently without direct human intervention

*) the amount of eligible expenses net of 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

IV. Declaration on honour

I, the undersigned, _____, holder of ID Card Series _____ no. _____, issued by _____ on _____, domiciled in locality _____, Street _____, no. _____, bl. _____, entrance _____, apt. _____, district/county _____, as legal representative of the undertaking _____, I hereby declare on honour that all 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 hereby declare on honour that the undertaking:

- 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 "undertakings in difficulty" according to the provisions of Article 2 (18) of Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty;
- does not undergo enforcement proceedings, 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 establishment where the initial investment for which the aid is requested is to take place in the last two years preceding the registration of the financing agreement application and, at the time of registration of the application, provide a commitment that they 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 shareholders who hold or have held in the last two years preceding the date of registration of the application for financing agreement another undertaking registered according to Companies Law 31/1990, republished, as subsequently amended and supplemented, which carries out or carried out the activity for which it requests financing.
- is not a resident for tax purposes in non-cooperative jurisdictions listed in the European Union list of non-cooperative jurisdictions or are governed by their tax legislation;
- is not controlled, directly or indirectly, by shareholders from the jurisdictions included in the European Union list of non-cooperative jurisdictions, the analysis going up to the level of the beneficial owner, as defined in Article 3 point 6 of Directive 849/2015;
- does not control, directly or indirectly, its subsidiaries or permanent establishments in the jurisdictions appearing on the European Union list of non-cooperative jurisdictions;
- does not exercise joint ownership with undertakings located in jurisdictions listed in the European Union list of non-cooperative jurisdictions.

I hereby declare on honour that shareholders:

- do not control several undertakings;
- control several undertakings, but they apply for State aid under this scheme only on behalf of one of them;

I hereby declare on honour that, in the last 3 years¹⁴, the undertaking:

- 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 granting the aid	Start date	Provider of aid	Purpose of the aid	Normative act	Amount of aid -euro ¹⁵ -

Also, I hereby declare on honour that the undertaking:

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

No.	Name of the investment project	Investment location (county)	Year of granting the aid	Start date	Provider of aid	Purpose of the aid	Normative act	Amount of aid -euro ¹⁶ -

Name:.....

Position:

¹⁷Signature:

Signing date:

¹⁴The last 3 years are considered: the current tax year and the previous 2 years.

¹⁵ 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.

¹⁶The equivalent in EUR shall be taken from the legal act or shall be determined at the exchange rate valid on the date of granting the aid according to the legal act.

¹⁷The application shall be signed by the person authorized to legally represent the company.

**INSTRUCTIONS FOR FILLING IN
THE APPLICATION FOR FINANCING AGREEMENT**

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

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

APPLICATION FOR FINANCING AGREEMENT

The undersigned _____, with the identification data mentioned at point I, duly represented by Mr./Mrs. _____, having the quality of _____, hereby request the financing in the conditions of the provisions of the scheme aiming at regional development by investment, approved by the Government Decision no. 300/2024

I. Presentation of the undertaking

Name of the enterprise: _____

Date of registration of the enterprise: _____

Registration number with the Trade Register Office: J_____/_____/_____

Tax identification number: _____

Address: _____ (county, locality, district, street, number, block, entrance, floor, apartment), PO Box: _____

Phone: _____, Email: _____

Legal form: _____

Share capital: _____ RON, held by:

- Natural persons: _____ %

- SME¹⁸: _____ %

- large enterprises¹⁹: _____ %.

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

Object of activity for which funding is requested²⁰: _____ (to be filled in with the activity for which funding is requested may be main or secondary)

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

WARNING!

Financing can only be requested for one activity, i.e. one NACE four-digit code.
Financing can be requested either for the main or a secondary activity.

¹⁸The undertaking that falls within the definition provided in annex no. 1 the Regulation

¹⁹The undertaking that does not fall within the definition of SMEs according to the provisions of annex no. 1 the Regulation

²⁰Funding may be requested for a single economic activity, namely a single NACE code, and the activity for which funding is requested may be main or secondary

WARNING!

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 status of the undertaking

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

- average number of employees: _____ (to be taken from the Financial Statements - Form 30)
- turnover: _____ RON (to be taken from the Financial Statements - Form 20)
- total assets value: _____ (= *fixed assets + current assets + prepayments – to be taken from the Financial Statements - Form 10*)
- net profit: _____ (to be taken from the Financial Statements – Form 20)
- profitability on turnover: _____ (= $100 \times (\text{Net profit} / \text{Turnover})$ - to be taken from the Financial Statements – Form 20)
- ratio (EBITDA/turnover) x 100: _____ %
- equity: _____ (to be taken from the Financial Statements – Form 10)
- Tax expense: _____ RON (to be taken from the Financial Statements – Form 20)
- Interest expense: _____ RON (to be taken from the Financial Statements – Form 20)
- Amortisation expense: _____ RON (to be taken from the Financial Statements – Form 20)
- EBITDA: _____ RON
(= net profit + tax expense (account 635+691) + interest expense + amortisation expense shall be taken from the Financial Statements – Form 20)

WARNING!

All the information in section II shall be taken from the annual financial statements approved and submitted to the fiscal administrations of the territorial area where the undertaking is seated for tax purposes.

III. Brief description of the investment project implemented under the scheme, including the following information:

- project name: _____ (to be filled in with the project name mentioned in the Business Plan)
- description of the investment project: _____ (describe the investment and present the fundamental objective of the project to be detailed in the Business Plan);
- 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 establishment,
 - expanding the capacity of the establishment,
 - diversifying the production of the establishment,
 - fundamental change in the overall production process within the establishment
- or
- placing the investment within the category of the initial investment in favour of a new economic activity:
 - setting up a new establishment,
 - diversification of the establishment's activity;

WARNING!

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.

WARNING!

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

DEFINITIONS

The initial investment is an investment in tangible and intangible assets related to the setting up of a new establishment, the extension of the capacity of an existing establishment, the diversification of the output of an establishment into products or services that not previously produced in the establishment or a fundamental change in the overall production process of the product (s) or the general provision of the service(s) of an existing establishment, located in the same perimeter. A replacement investment does not constitute an initial investment.

The initial investment in favour of new economic activity is an investment in tangible and intangible assets related to one or both of the following activities: setting up of a new establishment; diversification of the activity of an establishment, under the condition that the new activity is not the same or a similar activity to the activity previously performed in the establishment; and the investment must be in the same perimeter. The mere acquisition of the shares of an undertaking is not an initial investment in favour of new economic activity;

Setting up of a new establishment means the creation of a new establishment for carrying out the activity for which funding is requested, technologically independent from other existing establishments.

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 establishment means increasing the production capacity at the existing site due to the existence of unmet demand.

Diversifying the production of an existing establishment means obtaining products or services that were not previously made in that establishment. 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 an establishment 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 overall production process involves the implementation of a fundamental process innovation of an existing establishment in the same perimeter. Eligible costs must exceed the amortisation made during the last 3 financial years for the assets related to the activity to be modernized. Simply replacing individual assets without fundamentally altering the entire production process is not considered an initial investment of the type of fundamental change in the overall production process

WARNING!

In case of expansion 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) to 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.

WARNING!

In case of diversification of the production of an existing establishment, the undertaking 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

WARNING!

In case of a fundamental change in the overall 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;

WARNING!

In the case of large enterprises that make initial investments that create a new economic activity, in the Bucharest – Ilfov Development Region, only investments related to starting a new establishment or diversifying the activity of an establishment are eligible, provided that the new activity is not the same or similar to the activity previously carried out in that establishment.

DEFINITIONS

The initial investment in favour of new economic activity - investment in tangible and intangible assets, related to the setting up of a new establishment or diversification of the activity of an establishment, provided that the new activity is not the same or similar to the activity previously carried out in the respective establishment; the investment must be within the same perimeter.

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

- value of the investment: _____ RON/(*total amount of eligible and ineligible costs*)

- location of the investment: (*registered office or one of the places of business of the undertaking where the investment is made*);

DEFINITIONS

Site represents the location of the investment where the assets forming the investment project for which financing is requested are fitted.

The location of the project is the location of the investment, respectively the registered office or one of the places of business of the undertaking, registered or to be registered with the Trade Register Office, where the investment is made.

Perimeter – the location of assets in the same cadastral plot or in adjacent cadastral plots.

WARNING!

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

WARNING!

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.

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

DEFINITION

The start of works the earlier of either the start of construction works under the investment, or the first legally binding commitment to order equipment or any other commitment by which the investment becomes irreversible.

Buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered start of works.

WARNING!

Start of construction works - means the conclusion of the contract or any firm order to execute the construction works, whichever occurs first.

- the estimated date of completion of the investment according to the Investment Plan: _____ (*date of commissioning of the last assets to be purchased according to the Investment Plan, not exceeding 3 years²¹ from the start date of investment*);

- degree of automation.....%

- total value of eligible assets.....RON,

- the value of eligible assets representing automated installations or machinery or the value of eligible assets to be used in production processes containing automated installations or machinery.....RON,

DEFINITIONS

Automated installations or machinery are installations or machinery that operate independently without direct human intervention.

The degree of automation is calculated as a percentage ratio between the value of eligible assets representing automated installations or machinery or the value of eligible assets to be used in production processes containing automated installations or machinery and the total value of eligible assets.

IV. Presentation of eligible costs and funding requested

WARNING!

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

²¹36 months

Name of activity	Type of eligible expenditure for which funding is requested	Amount of eligible expenses- RON-				Maximum aid intensity in the county / locality in the case of Ilfov county	The amount of state aid requested -RON-			
		Year I	Year II	Year III	Total		Year I	Year II	Year III	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) Technical installations, machines and equipment									
	<input type="checkbox"/> b) Eligible costs for investments in intangible assets									
	TOTAL									

WARNING!

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 net of 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%

Instead of Year I Year II Year III, the calendar years in which the eligible expenditure is to be made shall be indicated, respectively the years in which funding is requested.

V. Declaration on honour

I, the undersigned, _____ (*last name and first name of the legal representative of the undertaking*) 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 undertaking _____ (name of the company), I hereby declare on honour 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 hereby declare on honour that the undertaking: (*tick the situations that correspond to the company*)

- falls into the category of large enterprises²²;
- falls into the category of small and medium enterprises²³;
- the investment project for which it is requesting financing has not started;

²²The definitions in section 4 Chapter I of this Guide shall be taken into account

□ does not fall into the category of "undertakings in difficulty" according to the provisions of Article 2 (18) of Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty;

Definition:

According to the Commission Regulation (EU) no. 651/2014 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) (e) In the case of a company that is not an SME, when in the last two years:

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.

WARNING!

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 amortisation 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**.

- does not undergo enforcement proceedings, insolvency, bankruptcy, judicial reorganization, dissolution, operational closure, liquidation or temporary suspension of the activity,

WARNING!

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.

- 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;

DEFINITIONS

Single investment project means any initial investment related to the same or a similar activity started by the same beneficiary, at group level, within three years of the date of start of works on another aided investment in the same level 3 region of the Nomenclature of territorial units for statistics (NUTS 3), respectively county.

Group - the parent company and all its subsidiaries.

- has not relocated to the establishment where the initial investment for which the aid is requested is to take place in the last two years preceding the registration of the financing agreement application and, at the time of registration of the application, provide a commitment that they 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;

DEFINITIONS

Relocation – a transfer of the same or a similar activity or part thereof from an establishment in one contracting party to the EEA Agreement, the initial establishment, to the establishment to the establishment in which the aided investment takes place in another contracting party to the EEA Agreement, the aided establishment. There is a transfer if the product in the initial and in the aided establishments serves at least partly the same purposes and meets the demands or needs of the same type of customers and jobs are lost in the same or similar activity in one of the initial establishments of the aid beneficiary in the EEA.

WARNING!

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 establishment 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 shareholders who hold or have held in the last two years preceding the date of registration of the application for financing agreement another undertaking registered according to Companies Law 31/1990, republished, as subsequently amended and supplemented, which carries out or carried out the activity for which it requests financing.

WARNING!

This situation shall be ticked only by newly established undertakings.

- is not a resident for tax purposes in non-cooperative jurisdictions listed in the European Union list of non-cooperative jurisdictions or are governed by their tax legislation;
- is not controlled, directly or indirectly, by shareholders from the jurisdictions included in the European Union list of non-cooperative jurisdictions, the analysis going up to the level of the beneficial owner, as defined in Article 3 point 6 of Directive 849/2015;
- does not control, directly or indirectly, its subsidiaries or permanent establishments in the jurisdictions appearing on the European Union list of non-cooperative jurisdictions;
- does not exercise joint ownership with undertakings located in jurisdictions listed in the European Union list of non-cooperative jurisdictions.

I hereby declare on honour that shareholders:

- do not control several undertakings;
- control several undertakings, but they apply for State aid under this scheme only on behalf of one of them;

WARNING!

The legal representative has the obligation to verify that the shareholders of the applicant company who control several undertakings, apply for State aid under this scheme only on behalf of one of them.

I hereby declare on honour that, in the last 3 years²³, the undertaking: (*tick only one of the two variants*):

- 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 granting the aid	Start date	Provider of aid	Purpose of the aid	Normative act	Amount of the aid -euro ²⁴ -

WARNING!

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 contract, financing agreement etc.
- date of grant,

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

²⁴The equivalent in EUR shall be taken from the legal act or determined at the exchange rate valid on granting the aid according to the legal act.

- the amount of aid granted in euro.

Also, I hereby declare on honour that the undertaking:

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

No.	Name of the investment project	Investment location (county)	Year of granting the aid	Start date	Provider of aid	Purpose of the aid	Normative act	Amount of the aid -euro ²⁵ -

Name: _____ (last name and first name of the legal representative or the company)

Position: _____ (shareholder, director, attorney-in-fact)

Authorized signature of the applicant²⁶: _____

Signing date: _____

WARNING!

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.

²⁵idem 8

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

BUSINESS PLAN**WARNING!**

The document will not exceed 50 pages only the annexes.

It will also be sent as an editable document (e.g. word).

TITLE SHEET

Name of the company: _____

Name of the investment project: _____

Name: _____ (*last name and first name of the legal representative of the company*)

Position: _____ (*shareholder, director, attorney-in-fact*)

Authorized signature of the legal representative of the company: _____

Signing date: _____

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

Name of the enterprise: _____

Date of registration of the enterprise: _____

Registration number with the Trade Register Office: J_____ / _____ / _____

Tax identification number: _____

Address: _____ (*county, locality, district, street, block, entrance, floor, apartment*)

Phone: _____

E-mail: _____

Legal form: _____

Share capital: _____ RON, held by:

- Natural persons: _____ %

- SME: _____ %

- large enterprises: _____ %.

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

Object of activity for which funding is requested: ___ (*to be filled in with the activity for which funding is requested may be main or secondary*)

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

Place of business: _____ (*county, locality, district, street, no., to be filled in if the investment is made at the place of business*)

WARNING!

All information in section 1.1. shall be 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

The economic objectives that summarize and quantify the long-term goals envisaged and which refer to the evolution of turnover, profit, quality of products and services offered shall be presented.

1.3. Presentation of the current activity

It presents the activity that the company is currently carrying out with the indication of the NACE 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

The following are presented:

- NACE code activity for which funding is requested, as stated in the Financing Application,
- 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,
- the date of completion of the investment, not exceeding 3 years (36 months) from the date of commencement,
- resulting products or services provided,
- number of newly created jobs,
- experience in the field,
- the location of the project financed by state aid,

2. PRESENTATION OF THE INVESTMENT PROJECT

2.1. Classifying the investment into the initial investment category

The variant selected in chap. III of the application for financing agreement shall be substantiated.

In the case of setting up a new establishment, the undertaking must demonstrate that the new location created for carrying out the activity for which funding is requested is technologically independent from other existing establishments.

WARNING!

Transfer within an investment project such as setting up a new establishment, an activity from other existing establishments (assets, personnel etc.) shall not be 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 markets)
- there is a demand for products / services on the market that cannot be covered by the offer of competing companies.

In case of diversification of the production of an existing establishment, the undertaking shall:

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) To declare the carrying amount of the reused assets related to the new activity, as follows:

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

-RON-

Assets existing within the undertaking at the date of submission of the Application for Financing Agreement			Eligible new assets related to the investment project	
Amortisation value			Total amortisation value	Value
YEAR - 3	YEAR - 2	YEAR - 1		

In the case of diversification of the activity of an establishment, the undertaking must carry out a new activity that is not identical or similar to the activity previously carried out in that establishment.

The new activity must be assigned to another four-digit NACE code.

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 being net of 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.

The company must present the automated installations or machinery taken into account when determining the degree of automation, indicating their total value, if any.

WARNING!

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

WARNING!

When presenting the main constructions, it is also considered the presentation of the General Estimate and the Itemised estimate for each building body. The value of the general estimate must be equal to the value of the eligible expenditure + the value of the ineligible expenditure related to the construction.

The general estimate must include information in all chapters, except for the section for obtaining the land and chap. 6 Commissioning expenses.

With regard to the subchapters 4.2-4.6 of the General Estimate, only the value of tangible and intangible assets to be capitalized in the value of the construction shall be included.

2.4. Demonstration of the viability of the investment project and the economic efficiency of the undertaking 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 the products and/or services that the consumer considers interchangeable or substitutable, due to the characteristics, prices and use for which they are intended, as well as the geographical area in which they are 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 when defining the relevant geographic market include the type and characteristics of the products involved, the existence of barriers to entry, consumer preferences, differences in the market shares of economic operators in neighboring geographic areas, substantial differences in the prices of products at suppliers, as well as the share of transport expenses in 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)

WARNING!

The analysis of the relevant market must result in a surplus of demand that cannot be covered by the supply of competing firms.

The submission of letters of intent/contracts/pre-contracts etc. from potential customers does not demonstrate a surplus of demand that cannot be covered by the offer of competing companies.

In describing the relevant market, the company must present and justify the market share it currently holds, in the case of active 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

Undertakings are required to submit 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 active undertakings, as well as the degree of its use,
- production capacity resulting from the implementation of the investment project in the case of newly established undertakings, 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.

WARNING!

Production capacity should not be confused with planned or realized 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 undertaking, their quantity, price and value,
- the types of products/services to be realized by the undertaking as a result of the realization of the investment project, their quantity, price and value.

WARNING!

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

WARNING!

In order to support the information to substantiate the turnover, supporting documents such as contracts, pre-contracts, letters of intent from potential customers shall be submitted.

The supporting documents submitted must substantiate a turnover that will be achieved after the submission of the application.

The supporting documents shall be accompanied by a summary table containing the following elements: customer name, no. and date of letter of intent/contract/pre-contract, product type, quantity, unit price and value, taken from their contents.

A summary table will be presented, which will include the value of the turnover for the entire activity for the last four years of maintaining the investment and their average.

Name of indicator	Maintenance year				Total (RON)	Average of the four years
	Year II	Year III	Year IV	Year V		
Company's turnover (RON)						

2.3.3. Economic and financial analysis of the investment project

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

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

In the case of **active undertakings**, in addition to financial projections related to the project with state aid, financial projections related to the current activity of the undertaking, as well as financial projections related to the consolidated activity of the undertaking (current activity + project), with state aid shall be prepared.

WARNING!

The **active undertakings** 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 undertakings** make the projections taking into account the established objectives.

WARNING!

Projections of the Profit and loss account, Balance Sheet and Cash Flow will be presented during the implementation of the investment and for the next 5 years after the completion of the investment.

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.

WARNING!

The preparation of the financial projections and the manner of implementation shall be carried out according to the model presented in Microsoft Excel format, which shall 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 undertaking, the calculation and substantiation of the following indicators will be carried out:

Quantitative indicators	Indicator limits
Overall solvency ratio Rsg = Total Assets / Total Liabilities	Rsg > 1.66
Profitability on turnover	Rca ≥ 2.5%

Rca = 100 x (Net Profit / Turnover)	
Current liquidity rate RLC = (Current Assets / Current Liabilities)	(R _{lc}) ≥ 1.00
Debt indicator * Igi = (Borrowed Capital / Employee Capital) x100	(R _{ig}) ≤ 65%
*) Borrowed capital = loans over one year Employee capital = borrowed capital + equity	

WARNING!

The quantitative indicators shall be calculated during the implementation of the investment and for the next 5 years after the completion of the investment based on the financial projections presented in section 2.3.3. The method of calculating them will be detailed with the explanation and substantiation of the result obtained.

In the case of active undertakings, they will be calculated on the basis of consolidated financial projections (current activity + state aid investment project).

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

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

WARNING!

The quantitative indicators will be calculated according to the model presented in Microsoft Excel format, which is downloaded from the website of the Ministry of Finance.

2.3.5 Qualitative indicators

a) Ensuring the own contribution necessary to carry out the investment

Definition:

The own contribution represents the strictly financial resources of the undertaking intended to achieve the initial investment, obtained from own sources, respectively increase of subscribed and paid-up capital, reinvested profit, intra-group loan or bank loan, in a form not subject to any other State aid or de minimis.

WARNING!

The State aid beneficiary **must provide a financial contribution equal to the total amount 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.

At the time of submitting the application for financing agreement, the company must:

- state 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 projections of the Financial Statements.
- to submit the supporting documents in order to prove the existence of a certain source of funding.

Supporting documents necessary to demonstrate the existence of a certain source of funding to be submitted by the company:

Source of funding	Documents
Increase of subscribed and paid-in capital, in the case of	<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

natural or legal shareholders	<p>capital increase</p> <ul style="list-style-type: none"> ▪ 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 with the precise purpose of financing the investment project ▪ 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 undertaking 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 the precise purpose of financing the investment project with the specification of the value, etc
Bank credit	<ul style="list-style-type: none"> ▪ GMS decision of the beneficiary 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 or Bank Comfort Letter.

WARNING!

The bank comfort letter must be valid on the date of submission of the Financing Agreement Application and shall be made according to the template in Annex 7 to this Guide.

b) Experience in the field for which they apply 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 submitted to demonstrate experience in the field, such as:

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

c) The multiplier effect of achieving the quantifiable investment in economy through the involvement of other related investments and development of local suppliers of products and services in the region

The following shall be presented and quantified:

- the economic and social implications of the implementation of the investment project on the area in which it is implemented,
- the estimated number of jobs newly created through the involvement of 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 RON of the contracts concluded with the local suppliers as a result of the implementation of the investment project, during the implementation and maintenance period of the investment.

d) The legal situation of the location of the investment, respectively demonstration of a right in rem over the location on which it is to make the investment

At the time of submitting the application for financing agreement, the company must:

- state in the Business Plan the location where the investment project will be carried out as well as the type of the real right over the location (ownership, lease, concession/assignment etc.),
- to submit the supporting documents in order to demonstrate a real right (ownership, lease, concession/assignment etc.) over the location of the investment.

WARNING!

The location of the investment represents the registered office or one of the places of business of the undertaking, registered or to be registered with the Trade Register Office, where the investment is made.

In order to support the legal situation of the location where the investment is to be carried out, the company shall submit the following documents, as appropriate:

- sales and purchase agreement/ certificate of succession etc. and Land Registry excerpt,
- lease agreement,
- concession/assignment agreement or any other legal document proving the existence and ownership of the location,
- other supporting documents.

WARNING!

When establishing the location of the investment, it shall be considered that it is valid at least for the period of implementation of the investment and for the next 5 years after the completion of the investment.

The documents submitted, in order to support a ownership right over the location where the investment is to be made, including the Land Registry excerpt, must prove that the land on which the initial investment is made and the buildings where the initial investment is to be made are free of encumbrances.

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

WARNING!

The initial investment must be made in the same perimeter.

Perimeter - the same cadastral plot or adjacent cadastral plots.

2.4. Incentive effect of State aid

In order to demonstrate the incentive effect, the company must consider the following:

- submitting the application for financing agreement before the start of works;
- compliance with the template of the Application for State aid (Annex 2.1 to this Guide);

WARNING!

If the applicant company starts the investment before submitting the application for financing agreement, the entire investment shall not be eligible.

2.5. Miscellaneous

The value of all contributions to the component budgets of the consolidated general budget made during the implementation of the investment and 5 years after the completion of the investment shall be presented in tabular format.

Contribution	Year I	Year II	Year ...	Total
1	2	3	4	5
Employee contributions				
Employer contributions				
Corporate tax				
Local taxes (land, constructions)				
Other types of taxes and duties that constitute income to the component budgets of the consolidated general budget (excluding VAT)*				
Grand total				

*) The fees and/or taxes arising from the economic activity related to the investment project shall be quantified and specifically stated

WARNING!

The table above shall be submitted in Microsoft Excel format, with all formulas.

INVESTMENT PLAN

-RON net of VAT-

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

WARNING!

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 3, the calendar years in which the eligible or ineligible expenditure is incurred shall be mentioned.

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

-RON net of VAT-

Cost category	Initial investment plan							Modified investment plan									
	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	Total	Year 1	Year 2		Total	Year 1	Year 2	Year 3	Total	Year 1	Year 2	Year 3		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Investments in tangible assets																	
Construction																	
Technical installations, machines and equipment																	
Investments in intangible assets																	
Patents, licenses, know-how or other intellectual property rights																	
Grand total																	

WARNING!

The amounts of eligible and ineligible costs related to the categories of assets presented in the Comparative Statement of the initial investment plan with the modified investment plan shall be filled in without decimals.

Instead of Year 1, Year 2, Year 3, the calendar years in which the eligible or ineligible expenditure is incurred shall be mentioned.

Statement of the achieved investment plan

- RON net of VAT-

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

CRITERIA
on the basis of which the score of the applicant companies is calculated:

Assessment criteria	Method of determination	Score
The amount of eligible expenditure	(Value of eligible expenses in RON/RON 50,000,000) x 2	The obtained result is converted into number of points (2 decimal places)
Initial investment	- setting up of a new establishment by a newly created undertaking;	20 points
	- setting up of a new establishment by an active undertaking;	
	- fundamental change in the overall production process	15 points
	- diversification of the activity of an existing establishment;	
	- diversification of the production of an existing establishment;	
- extending the capacity of an existing establishment;	10 POINTS	
Location of the investment	- county with 70% intensity	25 points
	- county with 60% intensity	20 points
	- county with 50% intensity	15 points
	- county with 45% intensity	10 points
	- county with 40% intensity	5 points
NACE for which funding is requested, with a negative balance in Romania's balance of trade	109, 20, 26, 25	25 points
	21	15 points
	23, 32	10 points
	11, 17	5 points
Degree of automatization	Minimum 40%	50 Points
	Minimum 30%	40 points
	Minimum 20%	30 points
	Minimum 10%	20 points
EBITDA/CA ratio ²⁷	≥10%	15 points
	(5% – 10%)	5 points
	≤ 5%	0 points

²⁷It will be calculated based on the financial statements for **the last** financial year ended before the submission of the Financing Agreement Application, if applicable

Bank [bank header]
 No. /.....
 To: (identification data of the comfort letter applicant)
 C/O: (applicant's representative)

FOR THE INFORMATION OF:

Ministry of Finance

The "Unit for the implementation of the State aid scheme established by G.D. no.300/2024

BANK COMFORT LETTER

The Bank, headquartered in, registered with J/..... and tax identification number, represented by Mr./Mrs....., as....., hereby confirms that for [name of the applicant company], a credit facility (s) has/have been approved in the total amount of RON/EUR [hereinafter referred to as the "Facility"/"Facilities"] (A facility in the amount of... for.... months, another facility in the amount of ... for.... months, etc.)²⁸ for the implementation of the project ".....", proposed for financing under the State Aid Scheme approved by GD no.300/2024 for setting up a State aid scheme with the aim of regional development by stimulating investment.

The Loan Facility (s) shall be made available to the Client after its submission to the Bank of the Financing Agreement issued by the Ministry of Finance for the granting of regional State aid for the aforementioned project, according to the terms and conditions of the Loan Agreement concluded between the Bank and the Client.

Given that, between the date of issue of this Comfort Letter and the date of submission by the client of the Financing Agreement issued by the Ministry of Finance, there are situations of the nature:

- changes in the financial situation, changes in the company's financial data (no longer meet the Bank's eligibility criteria in terms of profitability / solvency / indebtedness / liquidity / etc.),
- significant changes in ownership or management structure, etc.,
- major changes in the project parameters,
- the impossibility of setting up the guarantees initially agreed with the Bank or any other structure of guarantees agreed by the Bank, which would make it unacceptable for the Bank to make available the Facility (s), the Bank shall notify the Ministry of Finance and the Applicant as soon as possible of the refusal to grant the Facility (s).

This Comfort Letter serves as a supporting document attesting to the existence of the Applicant's source of funding for the aforementioned project.

A copy of the Regional State Aid Financing Agreement shall be submitted to the Bank by the Applicant no later than five working days from the date of its receipt.

The validity of this Comfort Letter is.... calendar days, with the possibility of extension.

Signature

Date

²⁸Where applicable, separately specify the amounts and terms for each facility