



# Aid measures for increasing competitiveness of undertakings in relation with the COVID-19 outbreak

KPMG Legal Tőásó Law Firm – KPMG Advisory Ltd

22 April 2020



# The aim and amount of the aid



## Purpose, use and form of the aid

The purpose of the aid is to encourage investment, therefore it **shall only be used to acquire tangible or intangible assets.**

The aid is **non-refundable** and **can be requested through a tender** from the competent authority administering the scheme, the Hungarian Investment Promotion Agency Non-Profit Ltd. (HIPA), while the granting authority is the Ministry of Foreign Affairs and Trade of Hungary.

## The amount of the aid

**The total amount of aid** per applicant shall not exceed the forint equivalent of **EUR 800 000**. The grant will be paid as a **100% grant advance** in one instalment, in HUF.

The amount of the aid is **adjusted to the volume of the investment**, as follows:

Investment volume	The amount of aid
EUR 150 000 – EUR 300 000	30%
EUR 300 001 – EUR 500 000	40%
above EUR 500 000	50%



# Beneficiaries



The beneficiaries of the aid are companies, that are

- 1 established, or having a place of business or branch, in Hungary, and
- 2 medium or large sized enterprises.

The following can be considered as medium or large sized companies:

	Number of employees	Annual turnover	or	Annual balance sheet
Medium-sized enterprises	between 50 and 249 persons	between EUR 10 million and EUR 50 million (does not exceed EUR 50 million)		between EUR 10 million and EUR 43 million (does not exceed EUR 43 million)
Large-sized enterprises	exceeds 249 persons	exceeds EUR 50 million		exceeds EUR 43 million



The aim and amount of the aid



Beneficiaries



Eligible activities



Aid application requirements 1.



Aid application requirements 2.



Accounting considerations



Contacts

# Eligible activities



The measure is open to all sectors of the economy, with the exception of:

No aid can be provided in the following sectors:

- a) the steel sector;
- b) the shipbuilding sector;
- c) the coal sector;
- d) the synthetic fibres sector;
- e) the transport of passengers by aircraft, maritime transport, road, rail, or by inland waterway, or freight transport services for hire or reward;
- f) primary agricultural production; (BUT: Aid to companies active in the processing and marketing of agricultural products is conditional),
- g) investments in the fisheries and aquaculture sector falling within the scope of Regulation 1379/2013/EU;
- h) projects in energy production, energy supply projects;
- i) commercial activity projects;
- j) projects involving activities which are subject to a concession;
- k) tourism activity projects;
- l) export-related activities, namely aid directly linked to the establishment and operation of a distribution network, or to other current expenditure linked to the export activity.



The aim and amount of the aid



Beneficiaries



Eligible activities



Aid application requirements 1.



Aid application requirements 2.

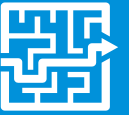


Accounting considerations



Contacts

# Aid application requirements (1/2)

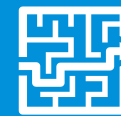


Aid may be granted to enterprises that:

- 1 undertake to maintain their base headcount until the end of the investment, but at least until December 31, 2020;
- 2 meet the requirement of distinguished labour relations at the date of the application;
- 3 have complied with the order for recovering unlawful State aid, if they had been previously ordered to do so;
- 4 certify that they are not an undertaking in difficulty within the meaning of GBER on 31 December 2019, but became an undertaking in difficulty due to COVID-19 outbreak or have suffered losses or had other financial difficulties as a result of that outbreak;
- 5 certify that their sales revenue or the volume of their sales orders has dropped by at least 25% as a result of the COVID-19 outbreak and there is causal link between that outbreak and those losses;
- 6 declare not being responsible for their losses and that they have conducted the business with care as reasonably expected;



# Aid application requirements (2/2)

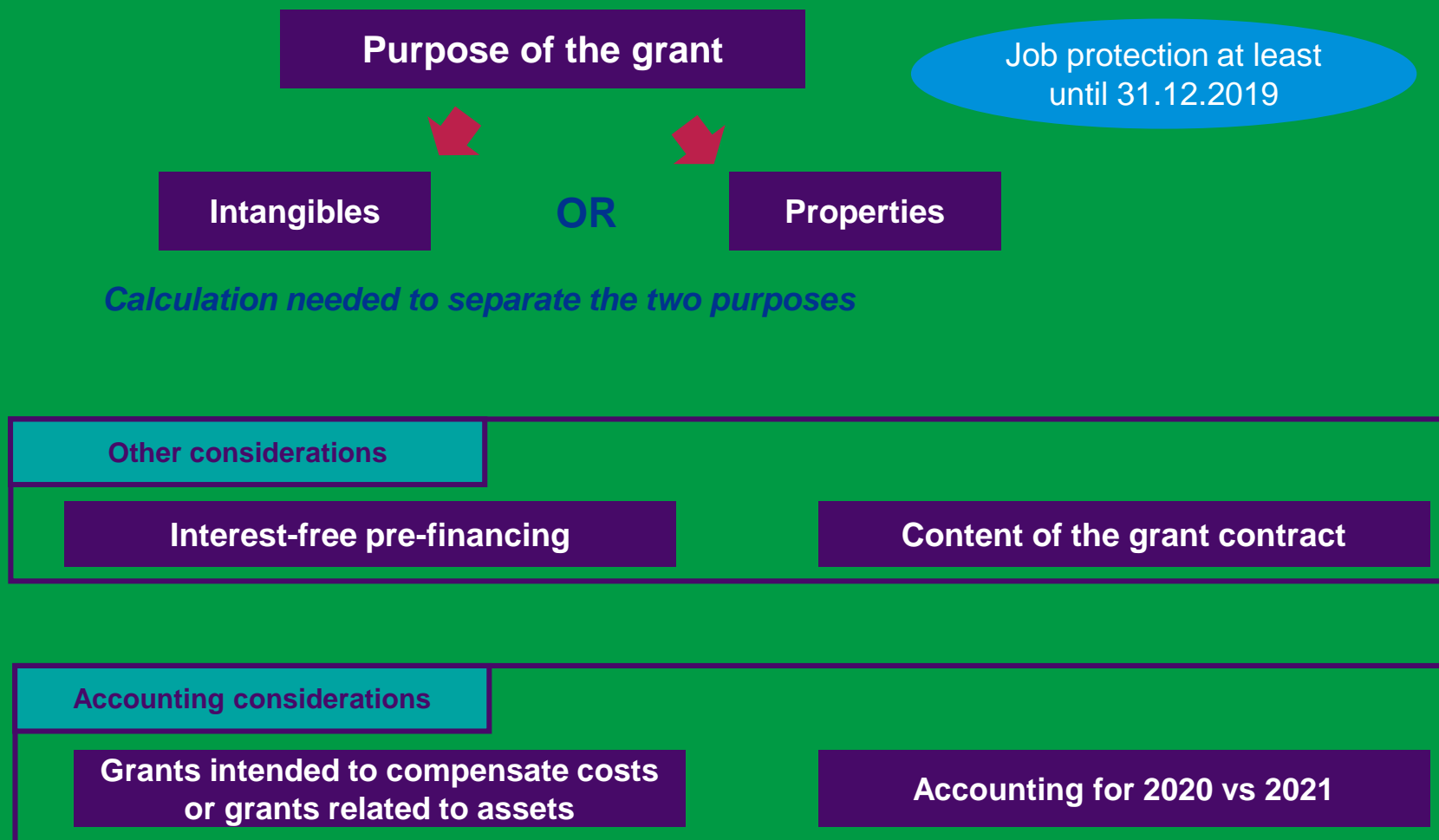


Aid may be granted to enterprises that:

- 7 declare having no insurance covering the losses, or the insurance available does not compensate the losses in full;
- 8 undertake to implement an investment in Hungary of a volume of at least 150 000 EUR until June 30, 2021;
- 9 declare that their application was submitted before starting the aforementioned investment.
- 10 are listed in the database on taxpayers without public debt, or certify that they have no outstanding tax debts and submit their application for being entered in the database on taxpayers without public debt.



# Accounting considerations for the aid





The aim and amount of the aid



Beneficiaries



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Aid application requirements 1.



Aid application requirements 2.



Accounting considerations



Contacts

# Contacts



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