



# Investment Incentives

2017 MARCH

# SMART INVEST LT+

	Type of Activity	Project duration	Aid Limits, m €	Aid Intensity (large-small)	Partners	Eligible costs
Supported activities	<u>Activity 1:</u> Industrial Research & Experimental Development	up to 24 months	0.05 – 3	50-70%* 25-45%*	higher education and research institutions, private entities	<ul style="list-style-type: none"> <li>- Knowledge and patents bought or licensed from outside sources;</li> <li>- Costs of contractual research;</li> <li>- Costs of materials, supplies and similar products, incurred directly as a result of the project;</li> <li>- Depreciation costs of long term assets;</li> <li>- Personnel costs (including costs for business trips);</li> <li>- Additional overheads.</li> </ul>
	<u>Activity 2:</u> A company's initial investment for building or expanding an existing enterprise R&D infrastructure	up to 36 months	0.05 – 6.5	25-45%	not available	<ul style="list-style-type: none"> <li>- Costs of construction or reconstruction;</li> <li>- Long term assets (furniture, computers, software, patents, licenses, equipment).</li> </ul>
	<u>Activity 3:</u> Activities related to process and organizational innovations	up to 24 months	0.05 – 0.5	15-50%	when the applicant is a large company – SMEs (required)	<ul style="list-style-type: none"> <li>- Knowledge and patents bought or licensed from outside sources</li> <li>- Costs of contractual research;</li> <li>- Costs of materials, supplies and similar products, incurred directly as a result of the project;</li> <li>- Depreciation costs of long term assets;</li> <li>- Personnel costs (including costs for business trips);</li> <li>- Additional overheads.</li> </ul>

\*\* According to Commission Regulation (EU) No 651/2014, aid intensities for industrial research and experimental development may be increased by **15%** if the project involves effective collaboration

## NOTES:

- Aid Intensity shall not exceed 80 %
- Project value shall not exceed 50 m €
- Project activities must be implemented in Lithuania
- Work on the project or activities can only be commenced once the original signed application **has been submitted** to the Lithuanian Business Support Agency.

## Requirements for the applicant

- Investor has not carried out R&D activities in Lithuania.
- Applicant's project corresponds to the Lithuanian Innovation Development Programme for 2014-2020, i.e. the product/s created during or after the implementation of the project shall be new on corporate or market level, or on the global level, as specified in the Oslo Manual.
- Applicant's project activity falls within one of the Smart Specialization Programme sponsored activity sub-groupings.



# HR INVEST LT+

	Type of Activity	Potential applicants	Aid Limits	Aid Intensity (large-small)	Eligible costs
<b>Supported activities</b>	Support for employees' training and qualification including job training in the working place	<ul style="list-style-type: none"> <li>- private foreign entities (investors), branch</li> <li>- partners - not eligible</li> </ul>	<ul style="list-style-type: none"> <li>- Maximum aid amounts: € 500.000 per one project, € 3.000 per one working place</li> <li>- Minimum aid amount – € 30.000</li> </ul>	50-70%	<ul style="list-style-type: none"> <li>- Trainers' personnel costs, for the hours during which the trainers participate in the training</li> <li>- Trainees' personnel costs for the hours during the trainees participate in the training</li> <li>- Travel expenses in Lithuania for the trainers' (only for the project related activities, accommodation costs are excluded)</li> <li>- Travel expenses for the trainees' (only for the project related activities, accommodation costs are excluded)</li> <li>- Materials and supplies directly related to the project (short term assets), if the applicant organizes trainings itself</li> <li>- Depreciation of tools and equipment to the extent that they are used exclusively for the training project</li> <li>- Costs of advisory services linked to the training project</li> <li>- Accommodation costs for trainees' who are workers with disabilities</li> <li>- General indirect costs</li> </ul>

**NOTES:**

- Work on the project or activities can only be commenced once the original signed application **has been submitted** to the European Social Support Agency.

## Requirements for the project

- The applicant's investments in Lithuania shall be  $\geq 3$  m € or  $> 50$  jobs created or 1,5\*average salary
- Investor's annual average income for the last 3 years is  $\geq 0,3$  m € or Investor's (including investor's group of undertakings) assets is  $\geq 1$  m €
- Maximum duration of the project – 36 months
- Project activities could be carried out in the Republic of Lithuania and abroad
- Remote trainings are possible;  $< 10\%$  of eligible costs



# RENEWABLE INDUSTRY LT+

	Type of Activity	Potential applicants	Aid Limits	Aid Intensity (large-small)	Eligible costs
<b>Supported activities</b>	<ul style="list-style-type: none"> <li>The installation of renewable energy generation resources. The energy produced should be used to meet the internal needs of the company. Any surplus energy produced could be transferred to other industrial companies or to the central grid;</li> <li>The development and installation of new more energy efficient technologies in the industrial companies</li> </ul>	SMEs and large industry companies active for at least 3 years and with average annual income >300.000 Eur (for the previous two financial years)	- Maximum aid amounts: € 500.000	60-80%	- Extra investment costs necessary to promote the production of energy from renewable sources

## NOTES:

- Work on the project or activities can only be commenced once the original signed application **has been submitted** to the Lithuanian Business Support Agency.

## Requirements for the project

- Maximum duration of the project – 36 months

- The project must comply with the “Investment Promotion and Industrial Development Program for 2014-2020”<sup>1</sup> second goal – to modernize, integrate and develop industry and the second objective – to encourage more efficient use of raw materials and energy in industry.

- The project activities must comply with the recommended measures in the approved Audit<sup>2</sup>. Audit, accomplished in accordance with the methodology approved by the Ministry of Energy, must be provided together with the application form.



<sup>1</sup> approved by the Government of the Republic of Lithuania in 2014, 17 September. Resolution No. 986

<sup>2</sup> methodology approved by the Ministry of Energy in 2010, 10 May. Order No. 1-141

# INCENTIVES FOR EMPLOYMENT

	Type of Activity	Potential applicants	Aid Limits	Aid Intensity (large-small)	Eligible costs
<b>Supported activities</b>	Financial incentives (compensation of wage costs) for employers who employ unemployed persons registered at Labour Exchange database: <ul style="list-style-type: none"> <li>• Long term unemployed;</li> <li>• Persons under 29;</li> <li>• persons over 50;</li> <li>• others.</li> </ul>	Companies	- € 760* per one employee ( <i>Notice: grants may not exceed 2 minimum monthly wages*</i> )	50%	- Wage costs

- Notice. Financial support is administrated by Lithuanian Labour Exchange

## Requirements for the project

- Maximum duration of the support - 6 months



\* 2 MW (2\*380 Eur)\*6 months  
 Minimum monthly wage. <http://www.socmin.lt/en/social-statistics.html> <http://www.socmin.lt/en/social-statistics.html>

# INVEGA SUPPORT FOR THE FIRST JOB

	Type of Activity	Potential applicants	Aid Limits	Aid Intensity (large-small)	Eligible costs
<b>Supported activities</b>	Financial incentives (compensation of wage costs) for employers who employ: <ul style="list-style-type: none"> <li>• first-time employees from 18 to 29;</li> <li>• persons over 54.</li> </ul>	Companies	<ul style="list-style-type: none"> <li>- Max aid for employees aged 18 to 29 – 2 124,96 Eur<sup>1</sup></li> <li>- Max aid for employees over 54 – 4 249,92 Eur<sup>2</sup></li> <li>- Max aid per project – 200 000 Eur</li> </ul>	Up to 23,3%	- Wage costs

– Notice. Financial support is administrated by Invega



<sup>1</sup> 2 MW (760 Eur)\*0,233 (fixed unit costs)\*12 months

<sup>2</sup> 2 MW (760 Eur)\*0,233 (fixed unit costs)\*24 months

# OTHER TAX RELIEFS

**Investment project tax relief** allows companies implementing investment projects to reduce their taxable profit by deducting the actually incurred acquisition costs of fixed assets

<b>Goals</b>	<b>To promote technological development and productivity of companies</b>
<b>Support limits</b>	Taxable profit reduction by up to <b>50%</b>
<b>Eligibility</b>	Fixed assets meet certain requirements* Taxable profit can be reduced by deducting these costs if they are incurred in 2009-2018 taxable periods
	*Fixed asset requirements to meet eligibility criteria <ul style="list-style-type: none"><li>• Assets have not been used and were produced not earlier than two years ago</li><li>• Assets are attributable to the following classes of fixed assets:<ul style="list-style-type: none"><li>• plants and machinery</li><li>• installations</li><li>• computers and communications equipment</li><li>• Software</li><li>• acquired rights</li></ul></li></ul>





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