

Amendment to the Act on Investment Incentives

Offered both new and existing investors for new investment projects

1 EUR = app. CZK 25

Type of activity	Types of Investment Incentives		Eligibility criteria		Eligible costs	Maximum permissible state aid ⁴
	Investment	Strategic investment	Investment	Strategic investment		
Manufacturing industry	Corporate income tax relief for up to 10 years Transfer of a land at a discount Moreover, in Regions A ¹ : Job creation grants CZK 50 ths./per employee Training and retraining grants 25 % of eligible training costs	Cash grant on capital investment up to 5 % of eligible costs (max. CZK 1,5 bil.) Corporate income tax relief for up to 10 years Transfer of a land at a discount Moreover, in Regions A ¹ : Job creation grants CZK 50 ths./per employee Training and retraining grants 25 % of eligible training costs	Minimum investment into assets ³ : Regions I ² – CZK 50 mil., of which at least CZK 25 mil. must be invested into new machinery Regions II ² – CZK 100 mil., of which at least CZK 50 mil. must be invested into new machinery	Minimum investment into assets ³ CZK 500 mil., of which at least CZK 250 mil. must be invested into new machinery and at the same time creation of at least 500 new jobs	Assets ³ , of which at least half must be new machinery	40 % of total eligible costs (30 % in Regions II and for investment in low-tech sectors)
Technology centres (R&D)	Corporate income tax relief for up to 10 years Transfer of a land at a discount Moreover, in Regions A ¹ : Job creation grants CZK 50 ths./per employee Training and retraining grants 25 % of eligible training costs	Cash grant on capital investment up to 5 % of eligible costs (max. CZK 0,5 bil.) Corporate income tax relief for up to 10 years Transfer of a land at a discount Moreover, in Regions A ¹ : Job creation grants CZK 50 ths./per employee Training and retraining grants 25 % of eligible training costs	Minimum investment into assets ³ CZK 10 mil., of which at least CZK 5 mil. must be invested into new machinery and at the same time creation of at least 40 new jobs	Minimum investment into assets ³ CZK 200 mil. of which at least CZK 100 mil. must be invested into new machinery and at the same time creation of at least 120 new jobs	Assets ³ , of which at least half must be new machinery or 2-years gross wages of employees on newly created positions	40 % of total eligible costs
Business support services centres (SW development, shared service centres, high-tech repair centres)	Corporate income tax relief for up to 10 years Transfer of a land at a discount Moreover, in Regions A ¹ : Job creation grants CZK 50 ths./per employee Training and retraining grants 25 % of eligible training costs	X	Creation of at least 40 new jobs at software development centres Creation of at least 100 new jobs at other business support services centres	X	Assets ³ , of which at least half must be new machinery or 2-years gross wages of employees on newly created positions	40 % of total eligible costs

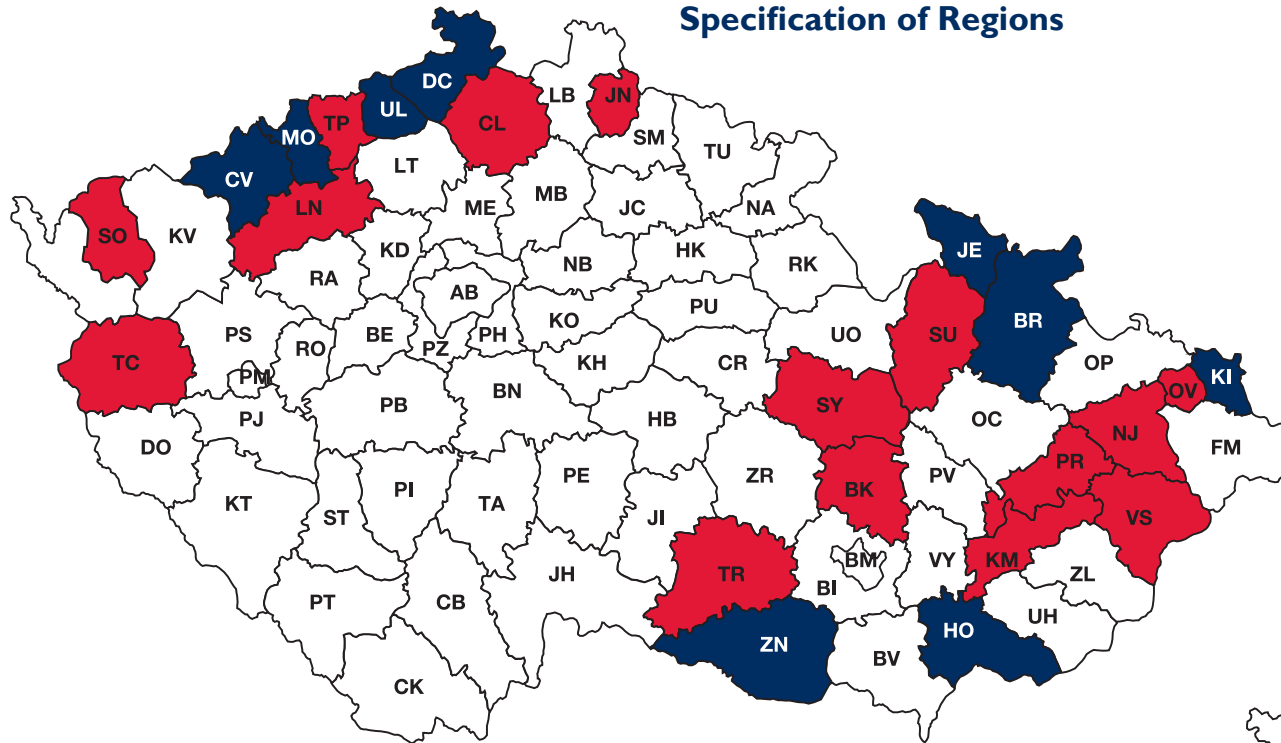
¹Regions A – regions in which the unemployment rate is at least 50 % higher than the average unemployment rate of the Czech Republic

²Regions I – Regions A and regions with concentrated state aid, Regions II – other regions

³Assets – acquisition value of long-term tangible and intangible assets

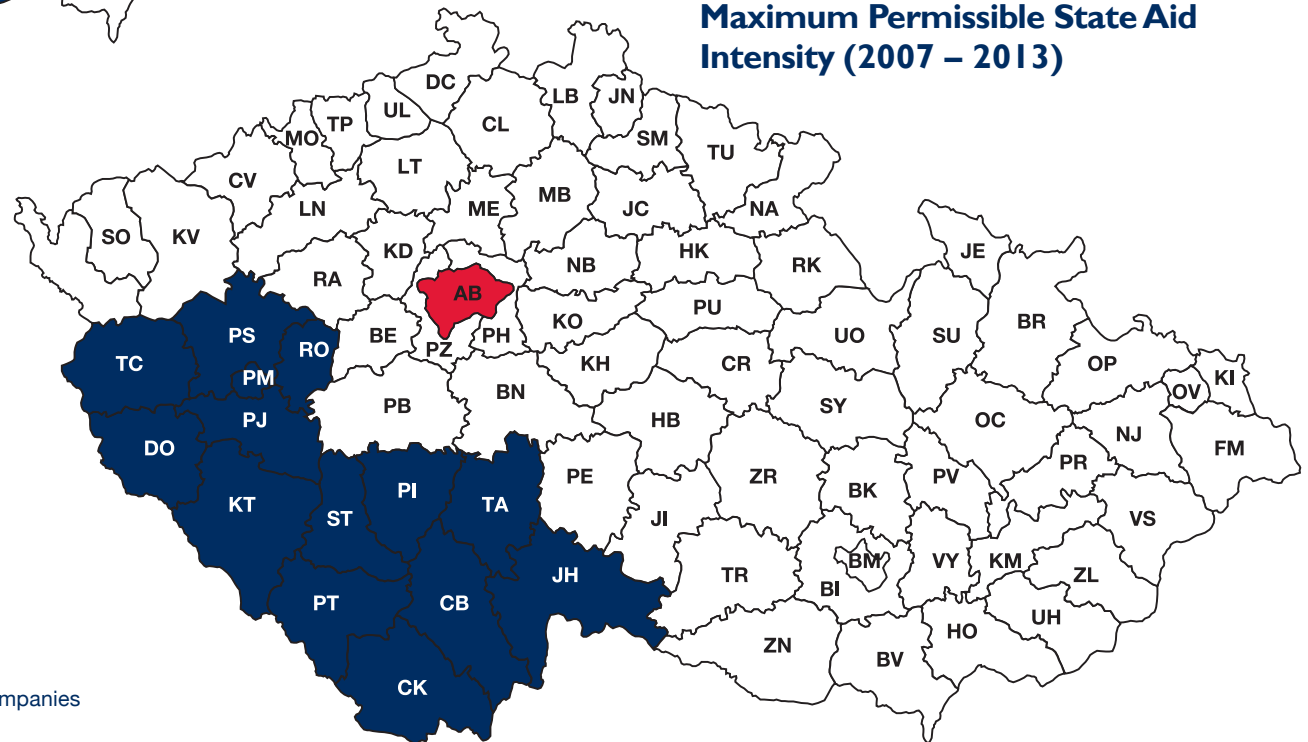
⁴Maximum permissible state aid (see the map)

Specification of Regions



Valid from 1 January to 30 June 2013

Maximum Permissible State Aid Intensity (2007 – 2013)



Region	State Aid
Prague	0 %
South – West	30 %
Other Regions	40 %

Public support is increased by 10 percentage points for medium-sized companies and 20 percentage points for small companies.