

# Making Your Business Grow – Incentives in Germany

Facts & Figures



# Incentives in Germany

## The EU Incentives Framework

The legal and financial framework of public funding throughout Europe is provided by the European Union (EU) – meaning that public funding has to follow certain criteria applicable to all EU member states.

The objectives of public funding are the overall long-term advancement and maintenance of economic growth and development in all different economic regions within the EU. This is to be achieved by strengthening competitiveness and employment, improving training and education, and boosting research and development activities to reduce inequalities between regions with different economic development levels.

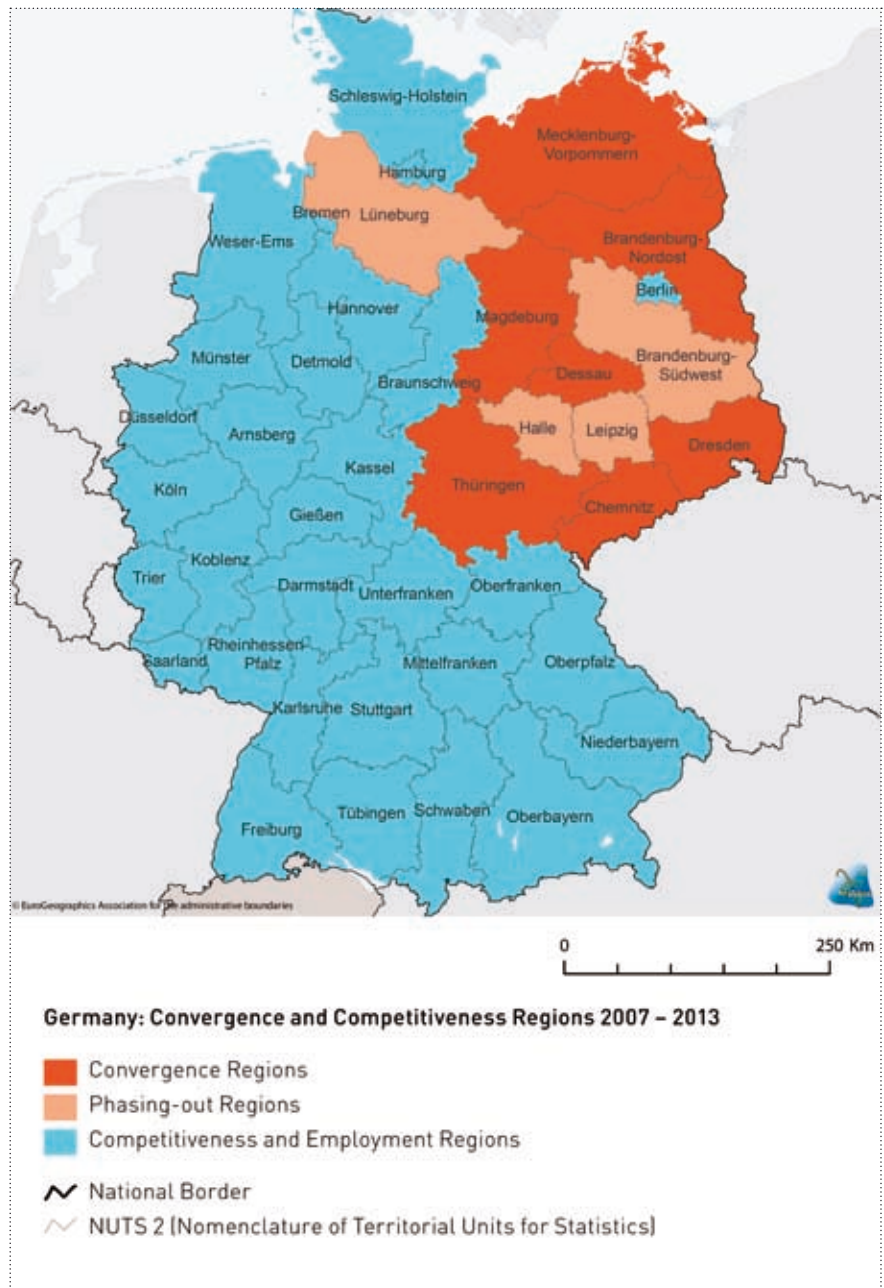
To realize this, the EU has defined two types of regions which receive diverse levels of support:

“**Convergence Regions**” that require comprehensive support in order to bridge the gap with well-developed regions in Europe.

“**Regional Competitiveness and Employment Regions**” that receive assistance to maintain and expand their economic competitiveness levels.

Germany comprises both regions. Western Germany has largely been defined as a “Regional Competitiveness and Employment Region”, whereas Eastern Germany is classified as a “Convergence Region.” Both areas are eligible for a broad variety of public financial support programs.

Overview of Different Incentives Regions in Germany



# Incentives in Germany

## Incentives at a Glance

Germany offers numerous incentives to all investors – regardless of whether they are from Germany or not. Funds are provided by the German government, the individual federal states, and the European Union (EU). These are predominantly aimed at new investments geared towards fostering economic growth. Germany has EUR 26.3 billion funding

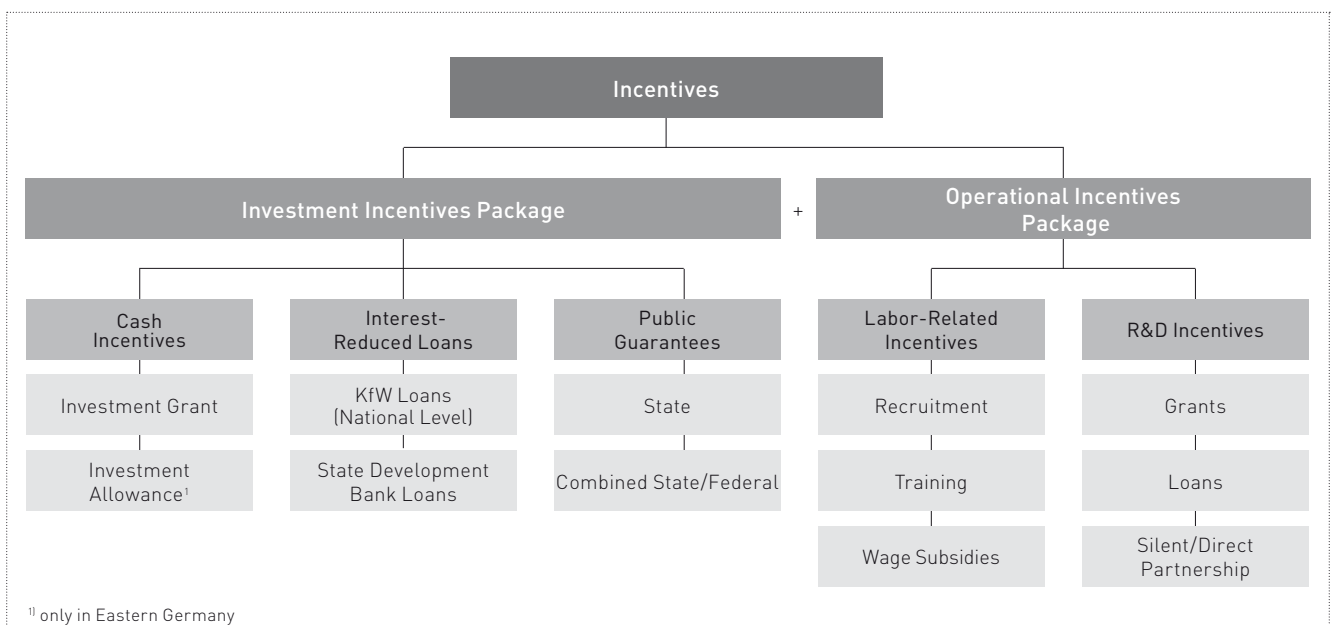
provided by the EU (co-financed using means obtained from German national and regional budgets) at its disposal until 2013. In addition, Germany and its individual states make their own incentives funds available.

### Incentives Programs

There are a number of incentives programs available which can be grouped into two overall packages: the investment incentives package which includes

different measures to reimburse investment costs; and the operational incentives package to subsidize costs once the location-based investment has been realized. Investment incentives can be made up of cash incentives, interest-reduced loans, and public guarantees. Operational incentives package components include labor-related incentives and R&D incentives.

### Germany's Different Incentives Packages and Respective Programs



### Exploring Incentives in Germany

Our "Incentives in Germany Facts & Figures" make up the essential tool for investors seeking to establish a new business in Germany. Inlays describe the different parts of each incentives package available and outline the most

prominent programs in detail. This includes fundamental questions such as project eligibility, promotion rate levels and application procedures. Explore the possibilities of new investments in Germany - explore our "Incentives in Germany!"

# Incentives in Germany

## Incentives Meeting the Capital Needs of Investment Projects

Investment incentives and operational incentives can be combined. This means that support does not stop at one point, but is available at all of the different

investment process stages and beyond – suiting the financial needs at each step of the project.

During the investment phase (when capital needs are high), cash incentives programs reimburse direct investment costs by providing non-repayable cash grants. Public loan programs and guarantees round off investment project financing.

Once operations have started, labor-related incentives programs support companies during all stages of building up a workforce. Particular emphasis is placed on R&D projects which receive financial assistance from a number of different programs.

Criteria Determining Company Size				
Company Category	Staff Headcount	Annual Turnover	<or>	Annual Balance Sheet Total
Small Enterprise	< 50	≤ EUR 10 million	<or>	≤ EUR 10 million
Medium-Sized Enterprise	< 250	≤ EUR 50 million	<or>	≤ EUR 43 million
Large Enterprise	≥ 250	> EUR 50 million	<or>	> EUR 43 million

The criterion concerning the headcount is compulsory. In addition, either of the annual turnover or the balance sheet criteria must also apply.

### How to Determine Investment Project Incentives Levels

Each incentives program defines industries as well as forms of investments (e.g. greenfield projects or expansions) eligible for funding. Foreign investors are subject to exactly the same conditions available to German investors.

Each program has a set of criteria (such as company size or planned investment project location) which determine individual investment project incentives levels.

Company size is determined according to a European Union-wide classification system in which enterprises are categorized as being small, medium-sized or large according to their staff headcount, annual turnover or annual balance sheet total.

Most incentives programs offer the highest incentives rates to small and medium-sized enterprises (SMEs). Some programs may even specifically target SMEs (this is very often the case with R&D programs).

Other criteria determining project eligibility may be defined subject to individual incentives programs and federal state regulations.



# Cash Incentives

## Investment Incentives Package

Cash Incentives | Interest-Reduced Loans | Public Guarantees

## Operational Incentives Package

Labor-Related Incentives | R&D Incentives

## Effectively Reducing Investment Costs

Investor production facility set-up costs can be significantly reduced using a number of different measures from Germany's investment incentives package. Cash incentives provided in the form of non-repayable grants make up the main components of this package.

There are two major programs directing the allocation of these cash incentives: the "Joint Task for the Promotion of Industry and Trade" (Joint Task); and a special cash incentives program to promote investment activities in Eastern Germany called the "Investment Allowance."

### Joint Task Cash Grants

The Joint Task regulates the distribution of non-repayable grants for investment costs throughout Germany. Money available through this program is usually distributed in the form of cash payments which are based on either investment costs or assumed wage costs.

The actual incentive amount granted varies from region to region subject to economic development level. Regions with the highest incentives rates offer grants of up to 30 percent of eligible expenditures for large enterprises, up to 40 percent for medium-sized enterprises, and up to 50 percent for small enterprises respectively. These higher incentives rate regions are mainly situated in Eastern Germany.

Several regions within the western parts of Germany and Berlin are also designated incentives regions, but at a lower incentives rate level than their eastern counterparts. In these regions, large companies can receive subsidy rates of up to 15 percent, medium-sized companies up to 25 percent, and small companies up to 35 percent of eligible project costs respectively.

Incentives Regions Defined by the Joint Task Program



Source: Federal Ministry of Economics and Technology, 36th GA Framework "Improving the Regional Economic Structure" 2007-2010

Regions	Small Enterprises	Medium-Sized Enterprises	Large Enterprises
A Region	50%	40%	30%
A Region in Transition <sup>1</sup>	50% (until end 2010) 40% (from 2011 on)	40% (until end 2010) 30% (from 2011 on)	30% (until end 2010) 20% (from 2011 on)
C Region	35%	25%	15%
D Region	20%	10%	max. EUR 200,000 within 3 years
C/D Region	35% / 20%	25% / 10%	15% / max. EUR 200,000 within 3 years
E Region	No investment incentives area, special relocation regulations		

<sup>1</sup>These areas will be reviewed by the EU Commission in 2010 and could be reduced to the lower level from 2011 onward.

# Cash Incentives

## Investment Incentives Package

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Eligible investment costs are purchase or production costs of fixed assets (i.e. buildings, machinery, equipment), purchase costs of intangible assets (i.e. patents, license) and leased assets (capitalized by the applicant).

The eligible investment amount depends on the number of new jobs created by the investment. Maximum costs eligible are up to EUR 500,000 per job created (but may not exceed the maximum of total investment costs). Each state is free to determine individual ceilings, but is bound to the maximum incentives level prescribed by its respective location.

Eligible industries include most manufacturing and certain service industries. Investment projects suitable for funding range from initial production facility set-up to the expansion and diversification of existing business.

Generally speaking, investment projects receiving funds from the Joint Task program must create long-term jobs (i.e. any jobs created have to remain in the investment location for at least five years).

### Eastern Germany's Investment Allowance

The Investment Allowance is a special incentives program created to promote investment activities in Eastern Germany. As such, the program is only open to investment projects settling in Eastern Germany (Berlin, Brandenburg, Mecklenburg-Vorpommern, Saxony, Saxony-Anhalt, and Thuringia). The Investment Allowance usually takes the form of a tax-free cash payment but can also be allotted in the form of a tax credit.

The program is based on the 2007 Investment Allowance Act which guarantees investor funding based on automatic legal entitlement. This means that investors automatically receive Investment Allowance funding (subject to all eligibility criteria being satisfied) when investing in Eastern Germany – without having to go through general incentive program application procedures.

### Investment Allowance Promotion Rates

	Small and Medium-Sized Enterprises (SMEs)	Large Enterprises
<b>Purchase or production costs of new depreciable equipment</b>	25.0%	12.5%
<b>Purchase or production costs of new buildings</b>	12.5%	12.5%

All promotion rates are increased by a further 2.5 percentage points for investments settled in border regions to Poland and the Czech Republic.

### Combining Funds from Joint Task and Investment Allowance

**Example:** Photovoltaic company; investment location: A region; small enterprise, creating 100 new jobs; eligible capital expenditures: EUR 49,000,000

	Joint Task Grants	Investment Allowance	Max. Regional Incentives Level
<b>Investment costs for building: EUR 11,000,000</b>	37.5% <sup>1</sup>	12.5%	50.0% <sup>1</sup>
<b>Investment costs for machinery &amp; equipment: EUR 38,000,000</b>	25.0% <sup>1</sup>	25.0%	50.0% <sup>1</sup>
<b>Maximum available incentives amount</b>	EUR 13,625,000 <sup>1</sup>	EUR 10,875,000	EUR 24,500,000 <sup>1</sup>

<sup>1</sup> Please be aware of individual regulations in the states, which might reduce the given maximum possible percentage level.

As with incentives receivable under the Joint Task program, most manufacturing and some service industries are eligible for funding. The Investment Allowance is open to projects setting up new facilities, expansion projects, and existing business diversification.

The Investment Allowance can be combined with investment grants received under the auspices of the Joint Task program. However, the overall sum received from the two programs combined may not exceed the maximum possible Joint Task incentives rate of the respective region.

Eligible investment costs are purchase or production costs of fixed assets (i.e. buildings, machinery, equipment). All equipment and buildings subsidized with funds from the Investment Allowance must

remain in Eastern Germany for at least five years after the investment has been made.

### Our Project-Specific Incentives Services

We provide you with a project-specific comparison of cash incentives options for your favored investment locations in Germany. This includes a detailed calculation of the funding level available. Furthermore, we organize and accompany negotiations with the relevant funding authorities. Last but not least, we help you prepare the appropriate applications.

# Interest-Reduced Loans

## Investment Incentives Package

Cash Incentives | Interest-Reduced Loans | Public Guarantees

## Operational Incentives Package

Labor-Related Incentives | R&D Incentives

## Financing Investment Projects with Interest-Reduced Loans

Investors can access publicly subsidized loan programs in Germany. These programs usually offer loans at below current market value interest rates in combination with attractive grace periods. These loans are provided by so-called development banks: publicly owned and organized banks which exist at the national and state level.

Each financial tool or program offered by such banks is accessible to foreign investors subject to the same conditions available to investors from Germany. Investors profit from interest-reduced loans as they are a means of acquiring capital in a cost effective way during the investment phase, thus easing financial long-term planning. Small and medium-sized enterprises in particular can profit from interest-reduced loans.

### German KfW Banking Group Loan Programs

The KfW Banking Group (Kreditanstalt für Wiederaufbau - KfW) is the nationally operating development bank of the Federal Republic of Germany. It makes available a number of different financing tools such as promotional loan programs, mezzanine financing, and private equity. The KfW is organized into different departments or subdivisions - each specialized according to different target groups and available financing tools.

A general overview of the KfW organizational structure is provided online at the KfW website. ([www.kfw.de](http://www.kfw.de))

Most important for investment project financing is the KfW Mittelstandsbank which offers a number of loan programs for investment projects including the Entrepreneur Loan (Unternehmerkredit) and Entrepreneur Capital (ERP Unternehmerkapital).

The KfW is usually contacted via the applicant's private bank which normally complements its own financial package using the range of KfW financing tools available. Investors should have a German bank or a subsidiary of their domestic bank in Germany to ease the KfW loan application process.

### Entrepreneur Loan (Unternehmerkredit)

#### Who can profit?

All privately owned commercial enterprises are eligible (group turnover does not exceed EUR 500 million per financial year). Special emphasis is placed on start-ups.

#### What can be financed?

The Unternehmerkredit specifically targets investment projects. Loans of up to EUR ten million are available. The available financing share is 100 percent of the eligible expenses (buildings, machinery, plant, equipment, etc.).

#### Loan Conditions

Interest rates are risk-adjusted determined and subject to the debtor's credit rating and securities (at levels still below existing market rates). They are generally fixed for ten years by a redemption-free grace period of up to three years.

The Unternehmerkredit may be combined with other KfW and additional cash incentives programs.

### Entrepreneur Capital (ERP Unternehmerkapital)

Under its Entrepreneur Capital program the KfW Mittelstandsbank offers investors a range of long-term subordinated loan programs. These loans are normally repaid after other debt has been serviced. Subordinated loans combine the advantages of debt and equity capital allowing companies to strengthen their equity base.

The Entrepreneur Capital is made up of three components, adjusted to the needs of companies in different development phases.

#### ERP Capital for Start-Ups

- Available for start-ups and young companies up to a period of two years after the start of business.

#### ERP Capital for Growth

- Available for young companies that have been in business for more than two years but less than five years.

#### Capital for Work and Investment

- Available for established companies that have been operating in the market for more than five years.

# Public Guarantees

## Investment Incentives Package

Cash Incentives | Interest-Reduced Loans | **Public Guarantees**

## Operational Incentives Package

Labor-Related Incentives | R&D Incentives

### State Development Bank Loan Programs

In addition to the KfW, each German state has its own development bank financing projects within the respective state. They offer own loan programs, especially targeted at start-ups and growing companies.

Compared to KfW programs, state development bank loans are generally tailored to meet the requirements of small and medium-sized enterprises (according to the EU Commission's SME definition).

Loans are collateralized with the usual securities. Applications are made through the investor's private bank to the respective state development bank. Interest-reduced loans constitute a subsidy and these can usually be combined with other public funding. Please be aware that the total amount of cash incentives available may be reduced when combined with other programs.

### Our Project-Specific Incentives Services

Public loan and guarantee programs round off investment project financing. Our team of experts furnish you with an overview of the different loan and guarantee program offers relevant to your specific project. We organize the first contact process to banks and guarantee-managing authorities by organizing meetings and accompanying negotiations.

## Public Guarantees to Secure Bank Loans

Young and innovative businesses in particular don't have it easy when it comes to financing their investment projects through the capital market. The credit grantor or lender of capital is less well equipped to

assess the attached risk than the business itself. Recoverable, normal banking securities can resolve the financing problem. Public guarantees can replace absent securities in this instance, making funding by banks possible. Commitments to be vouched for within public guarantees are normally subject to an intensive individual examination by external assessors.

### Types and Conditions of Public Guarantees

	Individual State Governments	State Governments and Federal Government in Combination
<b>General Conditions</b>	- Available throughout Germany	- Available in Eastern Germany and in parts of Berlin
<b>Amount</b>	- For guarantee needs up to EUR ten million.	- For guarantee needs over EUR ten million.
	Guarantee covers up to 80% of the loan amount.	
<b>Application Process</b>	<ul style="list-style-type: none"> <li>- Before starting investment, application has to be submitted to state mandatory (normally the respective state development bank) via investor's commercial bank.</li> <li>- State guarantee committee deliberates on application and submits a recommendation.</li> <li>- Finally, state Minister of Finance decides on allocation.</li> </ul>	<ul style="list-style-type: none"> <li>- Before starting investment, application has to be submitted to PWC as federal mandatory via investor's commercial bank.</li> <li>- Guarantee committee level fits close analysis on application.</li> <li>- Finally, approval is given by the federal authorities in cooperation with the respective state.</li> <li>- Concurrent EU authority notification necessary.</li> </ul>



# Labor-Related Incentives

## Investment Incentives Package

Cash Incentives | Interest-Reduced Loans | Public Guarantees

## Operational Incentives Package

Labor-Related Incentives | R&D Incentives

## Supporting Human Resources Build-Up

Labor-related incentives play a significant role in reducing the operational costs incurred by new businesses. Germany's Federal Employment Agency (Bundesagentur für Arbeit) and the German states offer a range of labor-related incentives programs designed to fit the different company needs when building a workforce. The range of programs offered can be classified into four main groups: programs focusing on recruitment support, training support, wage subsidies, and on-the-job training.

Labor-related incentives are available throughout Germany; independent of factors such as company size, industry sector, or investment project location. Programs can be carried out and adjusted by local authorities according to investor needs - usually in close cooperation with the investor.

### Matching Personnel: Recruitment Support

With over 800 local job centers located throughout Germany, the Federal Employment Agency assists companies in finding new employees. Regardless of the qualification or experience level required, job centers offer a highly competent and professional service as well as market expertise to help identify prospective employees in all sectors.

Assistance provided covers everything from job vacancy advertising and pre-selection of candidates (i.e. assessment centers) to the provision of facilities for holding job interviews. Because job centers are governmental institutions, all services are provided entirely free of charge.

### Labor-Related Incentives at Different Stages of the Hiring Process

#### Stages of Building a Workforce → Available Incentives

Stage 1: **Finding Suitable Staff** → **Recruitment Support**

Stage 2: **Testing Candidates** → **Pre-Hiring Training**

Stage 3: **Hiring Employees** → **Wage Subsidies**

Stage 4: **Further Education** → **On-the-Job Training**

### Enhancing Qualification Measures: Pre-Hiring Training

Prospective employees often need to participate in appropriate training measures before operating machinery and technical equipment. Such measures can be organized and administered by external specialist institutions. In general, training program costs of up to 50 percent can be met by regional program managing authorities.

### Supporting Integration: Wage Subsidies

Employers can be granted a direct cash payment paid as a proportion of the employee's wage. Grants can account for up to 50 percent of wage costs including social security contributions. They may be provided for a period of up to twelve months. Wage subsidies are granted when hiring long-term unemployed individuals.

When hiring long-term unemployed people who have disabilities or who are older, wage subsidies can be raised to a maximum 70 percent of wage costs paid for a period of up to eight years.

Wage subsidies are generally allocated if investors provide long-term employment contracts. Note that wage subsidy applications should be made in advance of the contract being signed.

### Advancing Professional Development: On-the-Job Training

The German federal states and the European Social Fund (ESF) offer a variety of on-the-job training programs. Companies can be supported with subsidies covering up to 50 percent of all training costs. European Union (EU) authorization is required if the amount awarded to a single company exceeds EUR two million.

# Labor-Related Incentives

## Investment Incentives Package

Cash Incentives | Interest-Reduced Loans | Public Guarantees

## Operational Incentives Package

Labor-Related Incentives | R&D Incentives

### What Labor-Related Incentives Programs Offer

Incentives Programs	Recruitment Support	Pre-Hiring Training	Wage Subsidies	On-the-Job Training
<b>Program Offerings</b>	<ul style="list-style-type: none"> <li>- Organization and/or support of recruitment process by local job centers</li> <li>- Assessment center provided by training agencies</li> </ul>	<ul style="list-style-type: none"> <li>- Organization of training courses for unemployed candidates by local job centers in close cooperation with investor</li> <li>- No binding work contracts required</li> </ul>	<ul style="list-style-type: none"> <li>- Provided for employment of long-term unemployed candidates or unemployed candidates under the age of 25</li> <li>- Company has to provide a work contract with a minimum 15 hour working week</li> </ul>	<ul style="list-style-type: none"> <li>- For all employees</li> <li>- Financed by the European Social Fund (ESF)</li> <li>- EU notification required for grants exceeding EUR two million per company</li> </ul>
<b>Eligible Costs</b>	<ul style="list-style-type: none"> <li>- Job vacancy advertisements, applicant screening and pre-selection</li> <li>- Assessment center</li> </ul>	<ul style="list-style-type: none"> <li>- Trainee labor costs</li> <li>- Training course costs</li> </ul>	<ul style="list-style-type: none"> <li>- Wage costs</li> <li>- Social benefits</li> </ul>	<ul style="list-style-type: none"> <li>- Training courses</li> </ul>
<b>Possible Promotion Rates</b>	<ul style="list-style-type: none"> <li>- Up to 100% of eligible costs subject to local job center budget</li> </ul>	<ul style="list-style-type: none"> <li>- Up to 100% of eligible costs for a training period of up to three months</li> </ul>	<ul style="list-style-type: none"> <li>- Normally up to 50% of eligible costs for up to 12 months</li> </ul>	<ul style="list-style-type: none"> <li>- Up to 50% of eligible costs</li> </ul>
<b>Managing Authority</b>	<ul style="list-style-type: none"> <li>- Local job centers</li> </ul>	<ul style="list-style-type: none"> <li>- Local job centers</li> </ul>	<ul style="list-style-type: none"> <li>- Local job centers</li> </ul>	<ul style="list-style-type: none"> <li>- Appropriate federal state labor ministry</li> </ul>

These incentives programs are typically managed by the local job centers which also administer the relevant funding budgets. Accordingly, the available labor-related incentives and their specific design may vary from municipality to municipality. Local job centers offer their services free of charge. The state ministries for labor are responsible for managing on-the-job training programs financed through the European Social Fund (ESF).

### Our Project-Specific Incentives Services

*Invest in Germany* provides you with a detailed overview of labor-related incentives programs ranging from recruitment support to on-the-job training. We organize first meetings with local job centers and the appropriate federal state labor ministries. Our experts also give you advice about how to add labor-related incentives to the whole incentives package available in Germany.

# R&D Incentives

## Investment Incentives Package

Cash Incentives | Interest-Reduced Loans | Public Guarantees

## Operational Incentives Package

Labor-Related Incentives | R&D Incentives

## Research and Development Project Incentives

Research and development (R&D) is considered to be among the most important areas for the development of the German economy. Industry and the public sector have made a commitment to spend around three percent of national GDP per year on R&D activities. This amounts to EUR 70 billion R&D spending each year.

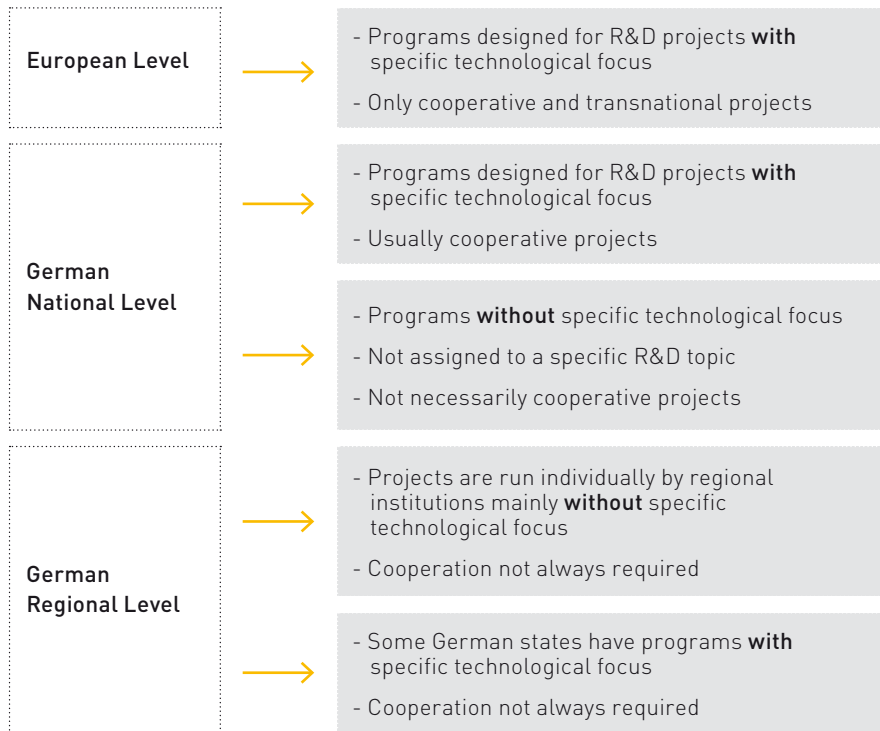
Accordingly, R&D projects can count on numerous forms of financial support. There are many programs allocating R&D grants, interest-reduced loans, and special partnership programs. Financing is provided by the European Union (EU), the German government, and the individual German states.

R&D incentives programs generally provide money for R&D project personnel expenditure. Other costs for instruments and equipment may also be eligible if they can be clearly assigned to the relevant R&D project.

### There are three research categories:

- **Fundamental Research**  
Experimental or theoretical work aimed at gaining new knowledge
- **Industrial Research**  
Research with a specific practical objective aimed at improving existing products, processes, or services
- **Experimental Development**  
Research aimed at producing drafts, plans, and prototypes

### R&D Incentives in Germany



### How to Profit from Public R&D Spending

To participate in R&D funding programs, companies must define an R&D project with clear objectives and a fixed time line. The project application should highlight the innovative character of the project and the technological risks involved.

An application for R&D funding also has to set out a commercialization plan, detailing how research results will be transformed into products, processes or services which generate additional turnover and/or employment in the region where the R&D project is located.

The total amount of incentives a project may receive depends on the research category and size of the company.

### EU R&D Incentives

The EU's 7th Research Framework Program (FP7) offers financial support to R&D projects at the European level. Support is allocated in the form of grants covering up to 75 percent of project expenditures for small and medium-sized enterprises (SMEs). FP7 will run until the end of 2013.

FP7 is the world's largest research funding program with a total budget of more than EUR 50 billion. FP7 support is usually provided to R&D projects working on a transnational level with different project partners.

Applications are submitted in the form of a proposal by all transnational project partners (so-called "consortium"). The EU usually issues a call for proposals announcing the research area, eligibility guidelines, and the available budget.

# R&D Incentives

## Investment Incentives Package

Cash Incentives | Interest-Reduced Loans | Public Guarantees

## Operational Incentives Package

Labor-Related Incentives | R&D Incentives

### German Federal Government R&D Grants

Since 2006 all research programs financed by the German federal government have been concentrated within the federal High-Tech Strategy. The High-Tech Strategy defines specific industry sectors with a high dependency on ongoing high-tech research and development. Each defined industry sector consists of a number of different R&D programs.

Approximately EUR 12 billion in total is reserved for R&D projects in the form of non-repayable project grants. Grant rates can reach up to 50 percent of eligible project costs. Higher rates may be possible for SMEs or projects settling in

Eastern Germany. Cooperation between project partners, especially between enterprises and research institutions, is usually required. The federal government periodically calls for R&D project proposals followed by a competition of best project ideas.

In addition, a number of national programs without a specific technological focus also exist. Application for incentives available under these programs is possible at all times, without any prior calls for proposals or application deadlines. For these programs a total budget of EUR 2.6 billion is reserved. These programs are usually targeted at SMEs.

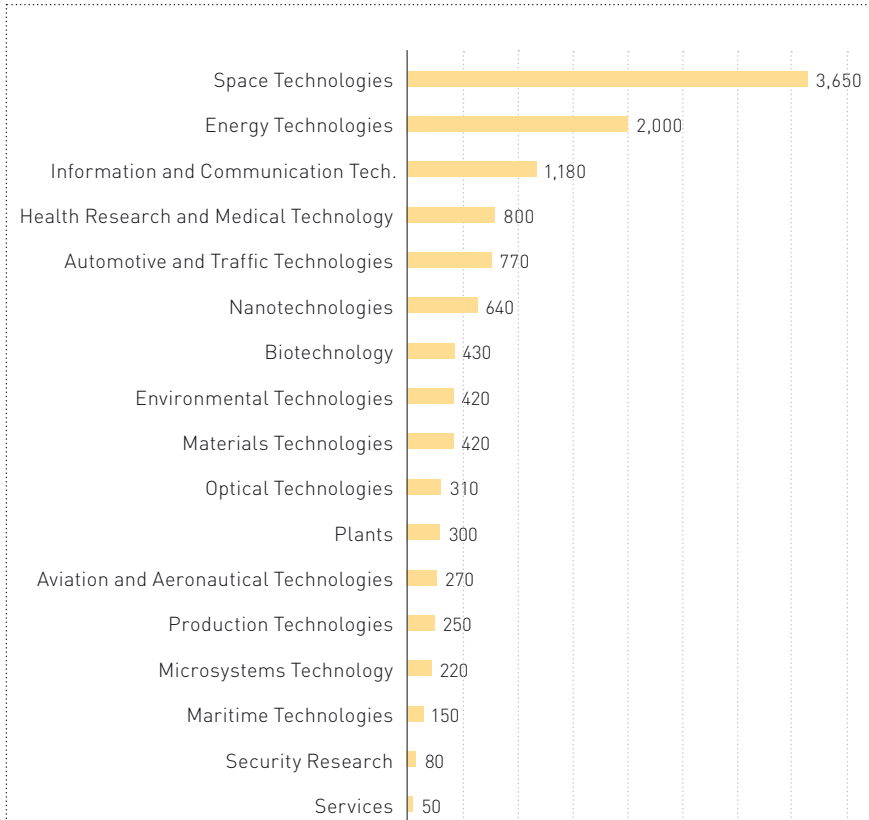
### German Federal State Funding

In addition to programs run by the federal government, each German state has R&D grant programs in place. Some states put particular focus on specific industry clusters, but programs without specific technological focus also exist. Cooperation between project partners is not always necessary.

### Additional Support for R&D Projects

R&D loans can be an alternative to R&D grants and entail several specific advantages: they are not usually attached to a specific technology field, application is possible at all times (no deadlines), and they can cover higher project costs. R&D loans are provided by different governmental programs. For instance, the ERP Innovation Program offers 100 percent financing of eligible R&D project costs up to EUR five million.

The High-Tech Strategy: Sectors with Relevant Budgets until 2009 (in EUR million)



Source: German Federal Ministry for Education and Research (BMBF)

Public (silent) partnerships are offered by both the KfW Banking Group and state-owned venture capital companies to technically oriented companies. Direct shareholding by a public investment company is also possible. Conditions are negotiated on a case-by-case basis.

### Our Project-Specific Incentives Services

Should R&D incentives be important to your investment plans in Germany, *Invest in Germany* helps to identify suitable programs for the project and region in question. We provide assistance in formulating a draft project outline which normally serves as the first step in the R&D incentives application process. Our managers initiate meetings with the relevant program managing authorities and provide advice during the entire application process.



# Invest in Germany Support

## Incentives Information and Consulting Services

Investors can count on *Invest in Germany's* financing and incentives consultancy services from project beginning to project completion.

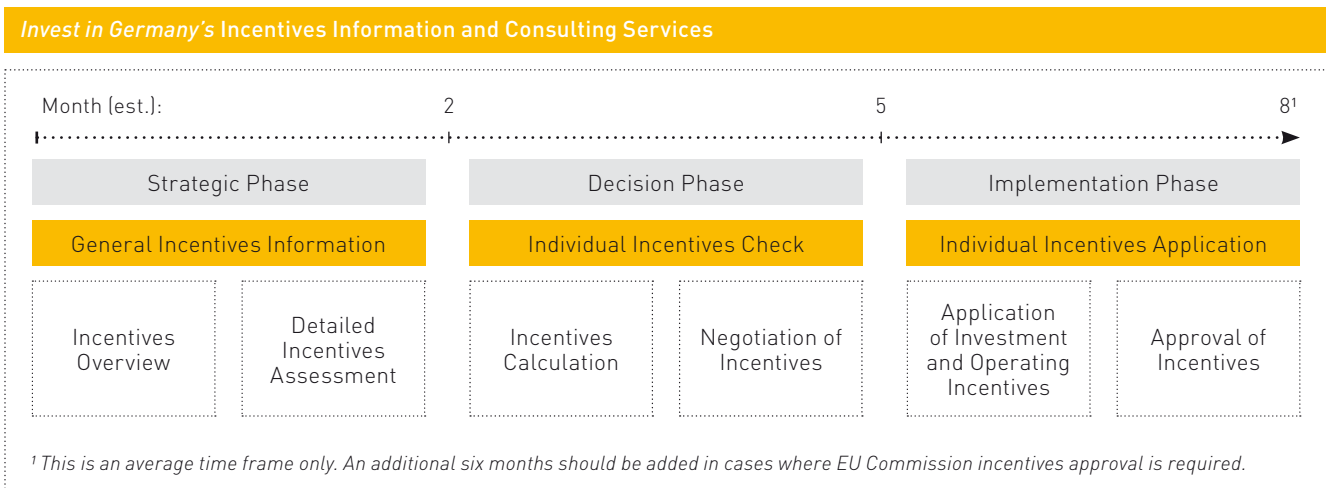
Our team of experts offers detailed information and reliable consulting services.

Financial planning is guaranteed as investors receive firsthand information about the public assistance available for their project from the outset. Our services match investor demands at all stages of the investment process.

We focus on a comprehensive incentives assessment of the investor's project plan; followed by a detailed calculation of possible support which eases actual incen-

tives negotiations with local authorities. Where necessary, our experts accompany investors during these negotiations and offer assistance throughout the application process until all incentives have been approved.

Take advantage of our array of services and benefit from our comprehensive knowledge.



### General Incentives Information

Our services start with basic information regarding all available types and sources of incentives programs in Germany. According to the individual project scope we help identify the most suitable incentives programs. Based on the investor project plan we assess the possible incentives level, comparing different locations within Germany.

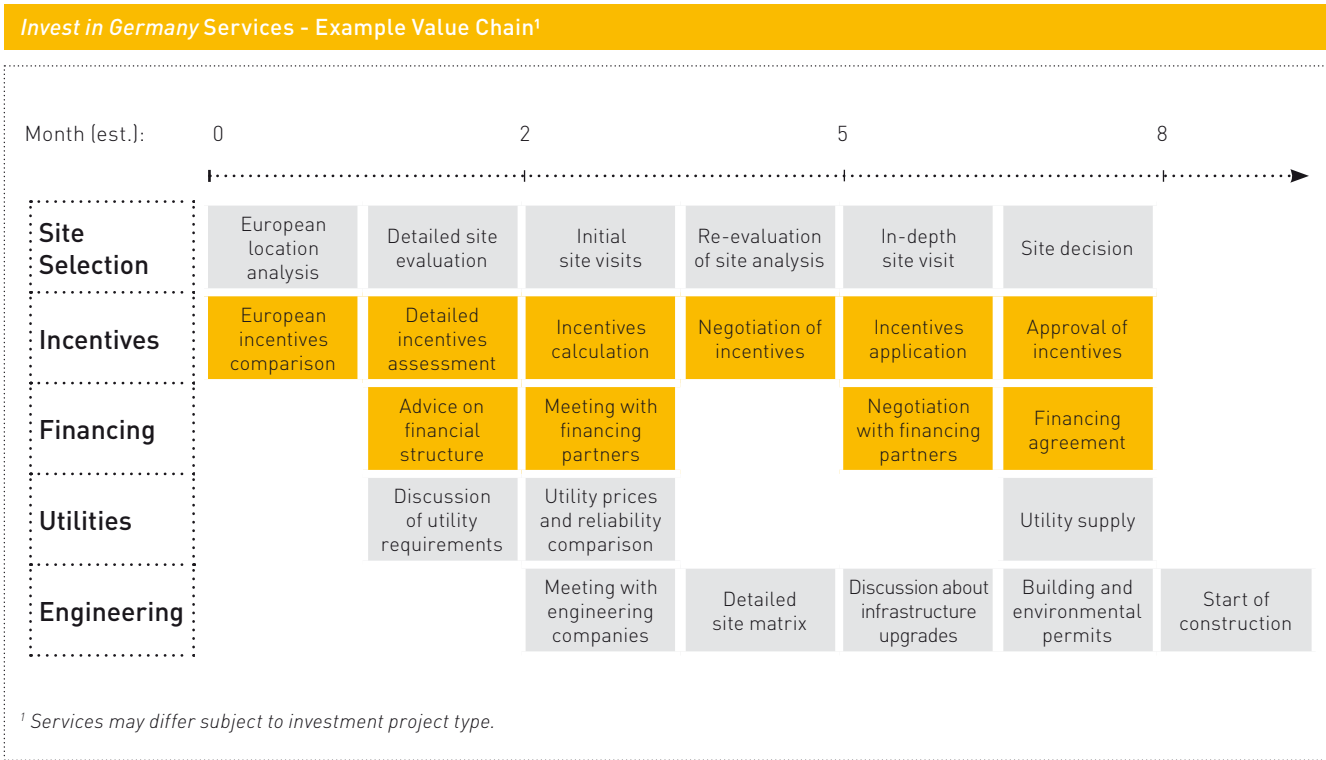
### Individual Incentives Check

Once an investment site or a shortlist of sites has been identified by the investor, we calculate the amount of possible incentives available. This calculation is based on the planned investment expenditure. We initiate meetings with the relevant local authorities, negotiating possible incentives volume.

### Individual Incentives Application

When the individual incentives package has been determined, applications must be submitted to the granting authorities. Our team offers support throughout the entire application process; assisting for example in preparing application forms, and by facilitating and accelerating the incentives application process. We also help if an incentives application has to be approved by the European Commission.

# Invest in Germany Support



## Invest in Germany Supports You

As a "one-stop agency", *Invest in Germany* supports investors closely at all stages of the decision-making process: from identifying business opportunities to selecting sites, providing advice and information on financing, tax and legal issues, and helping in the search for suitable local partners.

Every investment project is unique. We adjust our services to meet individual investor needs.

Our teams of industry experts will assist you in setting up your operations in Germany. We can support your project man-

agement team from the earliest stages of your expansion strategy onwards.

Profit from our experience and know-how to identify the investment location which meets your specific investment criteria best. We help turn your requirements into concrete investment site proposals, providing free consultation services to ensure you make the right location decision.

We coordinate site visits, meetings with potential suppliers, service providers, technology partners, universities, and other institutes relevant to your industry sector.

Our team of experts is at hand to provide you with the relevant background infor-

mation on Germany's tax and legal system. Financial experts help you create the appropriate financial package for your investment and bring you into contact with suitable financial partners.

Take advantage of our range of entirely free of charge services.

**For more information on incentives and investment project financing,  
please contact *Invest in Germany's* Financing & Incentives team.**

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Ms. Iris Kirsch  
Senior Manager  
Financing & Incentives  
kirsch@invest-in-germany.com  
T. +49 30 200 099-505  
F. +49 30 200 099-999

Mr. Marko Schiller  
Senior Manager  
Financing & Incentives  
schiller@invest-in-germany.com  
T. +49 30 200 099-520  
F. +49 30 200 099-999

Mr. Friedrich Henle  
Manager  
Financing & Incentives  
henle@invest-in-germany.com  
T. +49 30 200 099-503  
F. +49 30 200 099-999



## About Us

*Invest in Germany* is the inward investment promotion agency of the Federal Republic of Germany. We assist and advise potential investors interested in Germany. Foreign enterprises planning to establish their business operations in

Germany can obtain information on the business environment, such as the corporate investment framework, tax regulations, and subsidies.

Our range of services includes strategic planning, market research and competitive analysis. Our experts provide comprehensive project management and support

services from site selection to the final realization of the investment. All inquiries are kept confidential and our services are free of charge.

We support investors from our headquarters in Berlin and from our offices in the US, China, and Japan.

### Headquarters

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Invest in Germany GmbH  
Friedrichstraße 60  
10117 Berlin  
Germany  
T. +49 30 200 099-0  
F. +49 30 200 099-111  
request@invest-in-germany.com

[www.invest-in-germany.com](http://www.invest-in-germany.com)

