



**UBA**  
**XVII CORPORATE LAW FORUM**

**STATE SUPPORT  
OF THE INVESTMENT PROJECTS  
WITH SIGNIFICANT INVESTMENTS**

# THE LAW OF UKRAINE No. 1116

## “On State Support of Investment Projects with Significant Investments in Ukraine” (amended as of 09.08.2023)

### STATE SUPPORT

up to 30% CAPEX

In the form of tax exemptions and/or receiving monetary compensations for built infrastructure and/or providing with the right to use land plot under special conditions with preemptive right to purchase.

### INVESTMENT PROJECT

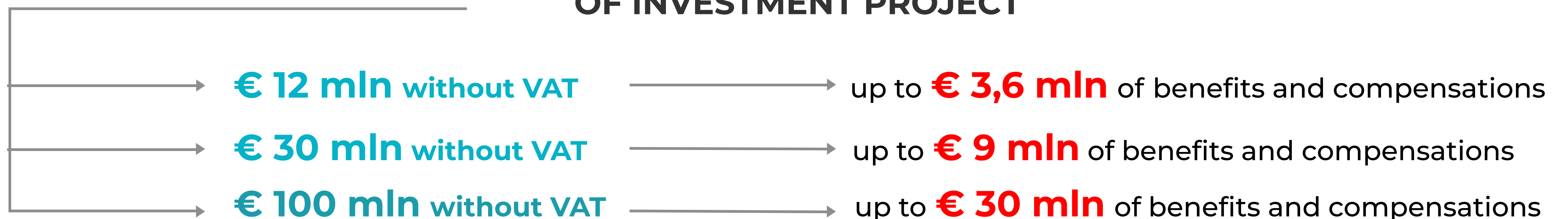
CAPEX (Significant Investments)\*



**€ 12 mln >**  
not counting VAT

An investor has a right to receive a compensation of losses caused by state and local authorities` decisions, which violate an investor`s rights during implementation of an Investment Project with Significant Investments.

## CAPEX OF INVESTMENT PROJECT

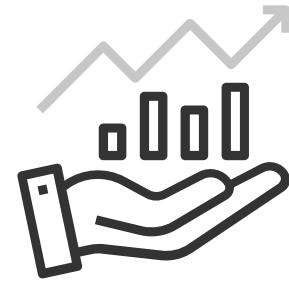


\* An applicant can make investments not earlier than 18 months before the date of application submission to the Authorised Body and more than 30% of total amount of Significant Investments necessary to implement an Investment Project with Significant Investments.

# FORMS OF STATE SUPPORT



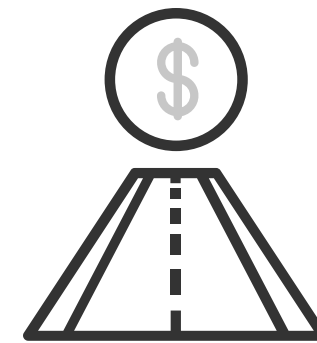
**CIT exemption\***  
(for any 5 subsequent years within the validity period of a SIA)



**Exemption from VAT\*\***  
for importing new equipment and components to it



**Exemption from import duties\*\*** for new equipment and components to it



**Construction/compensation** for built engineering and transport infrastructure



Lease of **state or communal land plots without land auctions**



**Compensation for costs of connection** to engineering and transport infrastructure



**Land tax exemption/reduced land tax rates**



**Exemption from compensation for losses of forestry production**



**up to 30% CAPEX\*\*\***

\* Not applicable to projects in the sphere of extraction for the purpose of further processing and/or enrichment of natural resources.


\*\* The list and quantity of equipment are approved by the Cabinet of Ministers of Ukraine for each project.

\*\*\* No earlier than 18 months before a date of submission of an application to the Authorised Body, an applicant may contribute Significant Investments in objects of investments(CAPEX) in an amount not exceeding 30% of the total amount of Significant Investments required for the implementation of an Investment Project with Significant Investments.

# KEY REQUIREMENTS TO INVESTMENTS PROJECTS

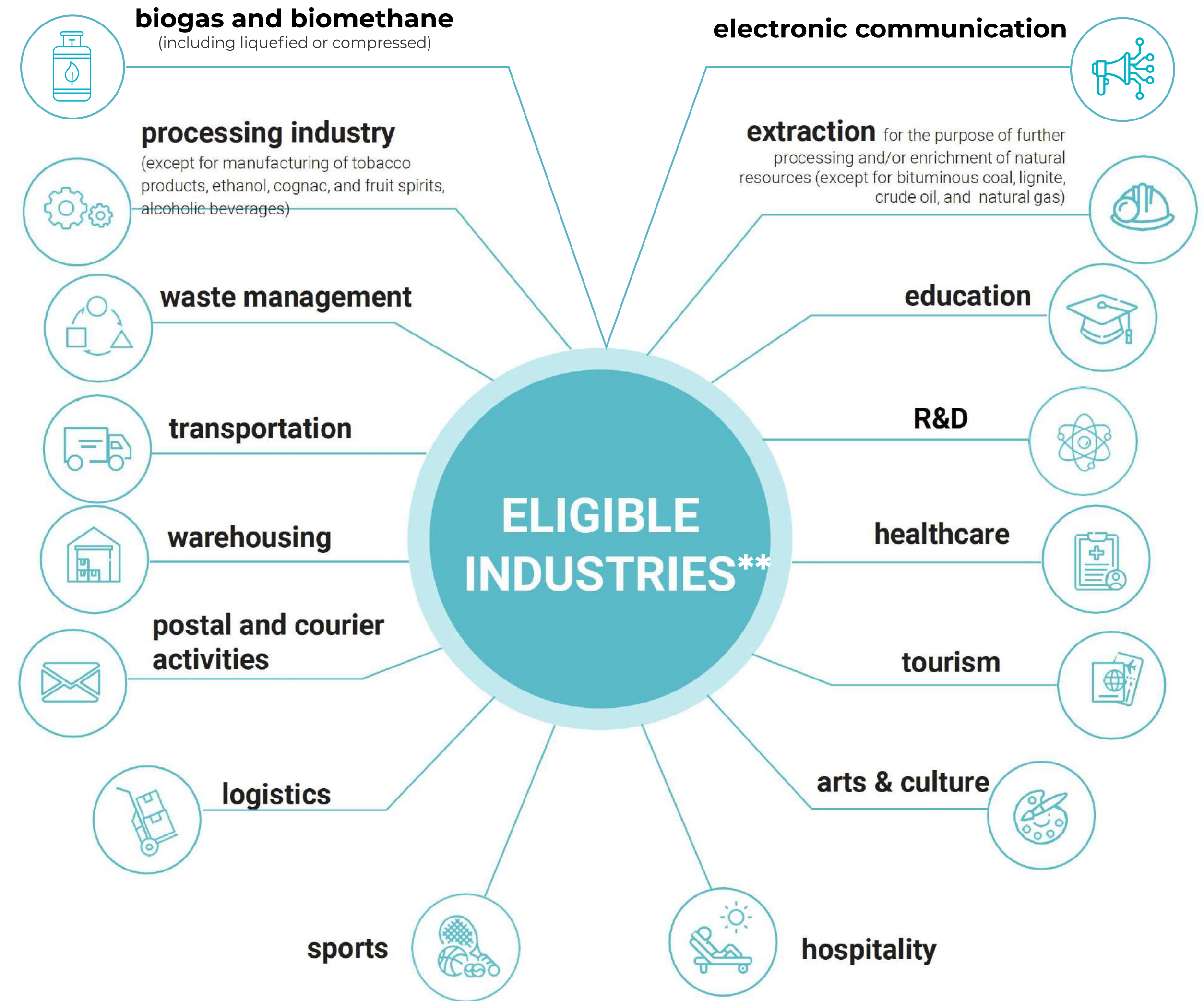



  
**€ 12+ mln**
  
 investments\*


  
**10+**
  
 of new jobs


  
**up to 5 years**
  
 of project
 implementation


  
**construction, modernization,**
  
 technical and/or
 technological
 re-equipment



\* Objects of investments (capital assets, except intangible assets and goodwill).

\*\* Compliance with the eligible industries requirement is determined by the type of economic activity according to section of economic activities of the State Classifier 009:2010 to which a given code belongs.

# REQUIREMENTS FOR OWNERSHIP STRUCTURE



## APPLICANT(S) BEFORE ENTERING INTO THE SIA\*



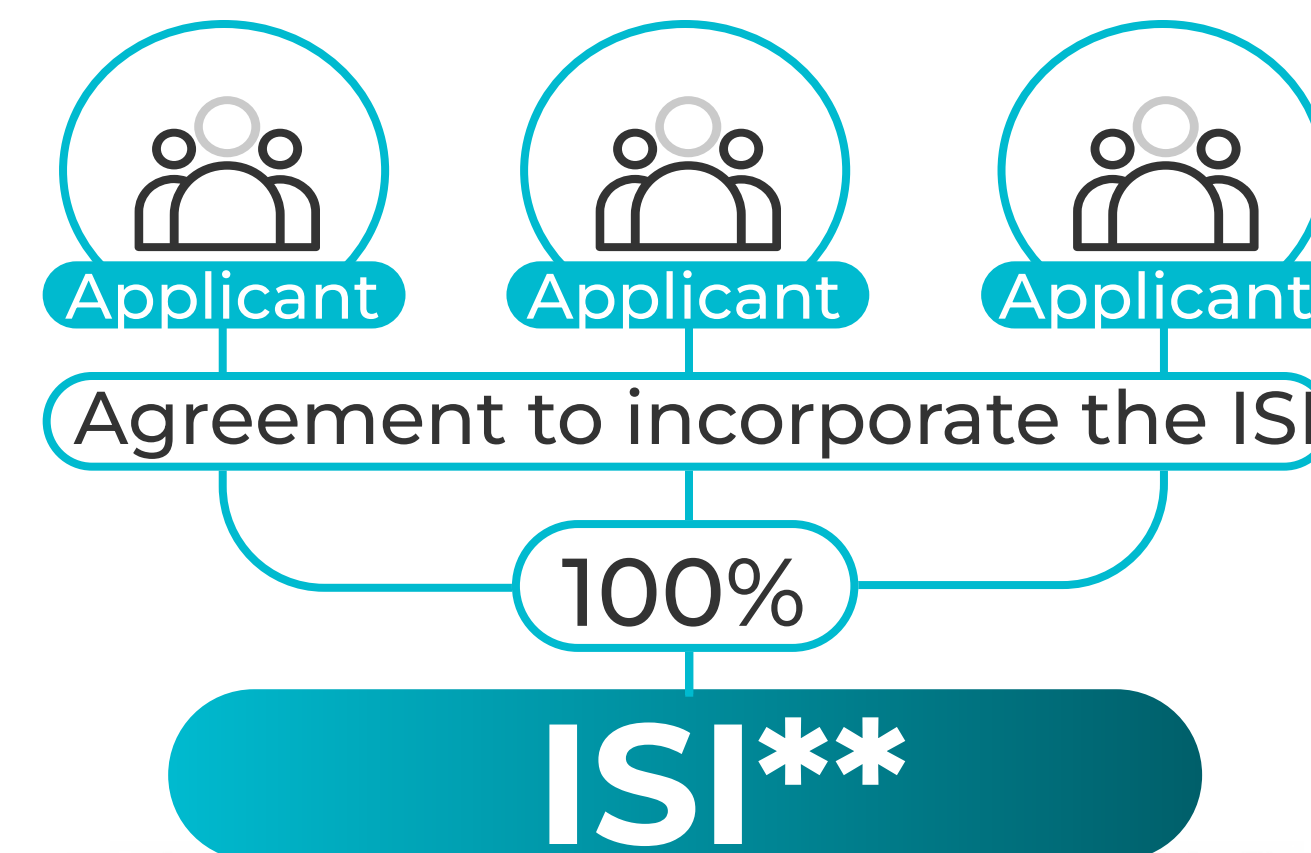
already owns **100%** of the shares (stakes) of the ISI

OR



is a **special vehicle company** for the project implementation and will become an ISI\*\*\*

OR



will **take measures** to incorporate the ISI



The Law No. 1116 provides for the possibility to apply for investment projects:

- that **have not yet been started**; or
- started **no earlier than 18 months** before the date of submission an application and the applicant has made **no more than 30%** of the total amount of Significant Investments.



\* Special Investment Agreement.

\*\* Investor with Significant Investments.

\*\*\* Provided that an ISI meets all the requirements to an applicant and if project was started no earlier than 18 months before the date of application and no more than 30% of the Significant Investments were made.

# APPLICATION CONTENT



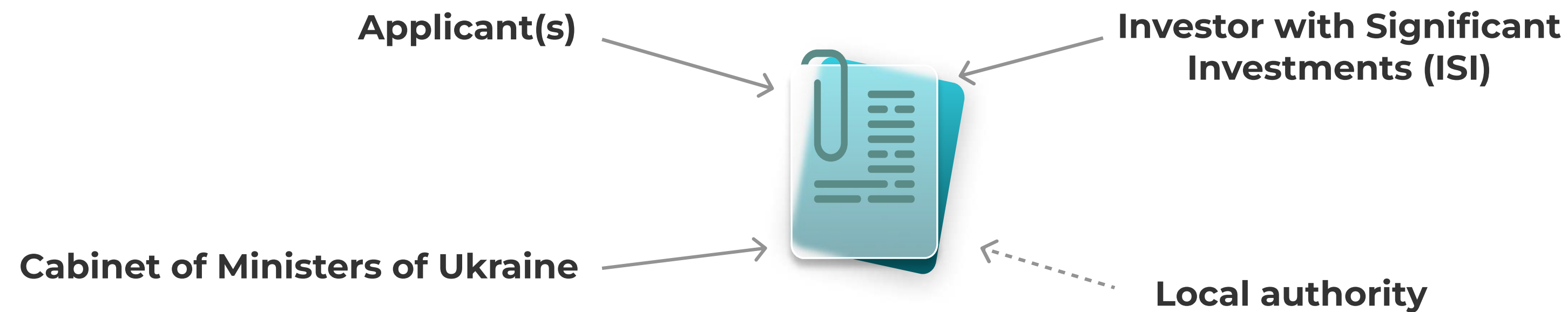
- **Application** according to the form set in the Annex 1 to the Assessment Procedure\*
- **Feasibility study and financial model** of an Investment Project with Significant Investments
- **Power of attorney** or other document confirms powers of applicant's representatives
- **Certificate on the Applicant's ownership structure** and list of related companies with extracts from corporate registers
- **Confirmation documents** on applicant's compliance with the **financial capacity requirements**
- **Confirmation letter and annexes** to it confirming applicant's compliance with the requirements set in **part 4 of Article 7** of the Law of Ukraine No. 1116
- **Draft of the Special Investment Agreement (SIA)** suggested by an applicant
- **Certificate with information about an applicant** and its representatives
- **Copies of financial statements and audit reports of an applicant** (and, if necessary, also of related companies)
- **Copies of documents confirming the amount of Significant Investments made in objects of investments** (in case of already made investments)
- **A copy of a founding or corporate agreement, etc.** regarding legal entity of an ISI (in case an application is submitted by several legal entities)

*If it is necessary to obtain additional information and/or documents required for the assessment procedure, the Ministry of Economy of Ukraine may request applicants in this regard.*

# SPECIAL INVESTMENT AGREEMENT (SIA)

**Indicative template\* of the SIA is approved by the Ministry of Economy of Ukraine**

**Special investment Agreement (SIA)** means an agreement concluded between the Cabinet of Ministers of Ukraine, an Investor with Significant Investments, an Applicant and a local authority (in case of granting state support by such authority) defining a procedure and conditions for implementing an Investment Project with Significant Investments.



up to 15 years  
validity period



option to choose  
the applicable law



option to choose dispute  
resolution mechanism



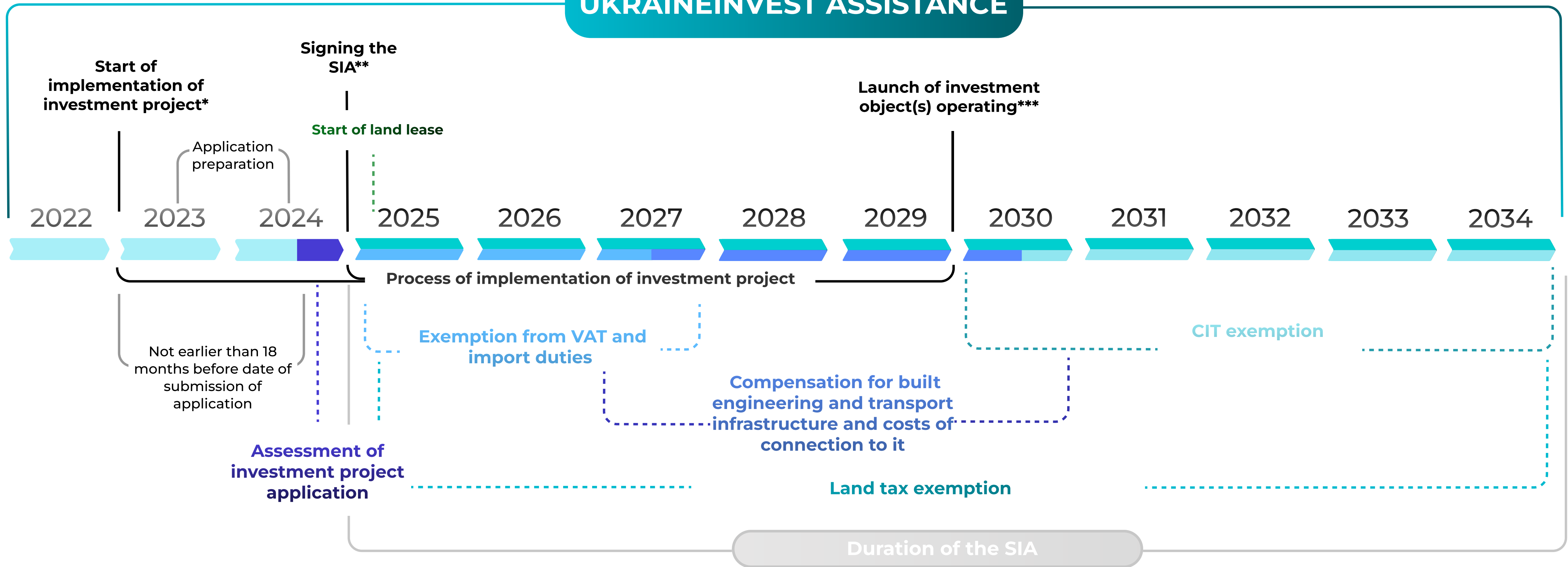
possibility to amend by  
consent of parties\*\*

\* Please request UkraineInvest to provide bilingual indicative template of the SIA (UA/ENG) if needed.

\*\* The provisions on the requirements for the investment project are not subject to change.

# ILLUSTRATION OF THE IMPLEMENTATION PROCESS OF INVESTMENT PROJECT WITH SIGNIFICANT INVESTMENTS

## UKRAINEINVEST ASSISTANCE



\* Implementation of investment project can be launched before SIA conclusion, as well as after its signing, but no earlier than 18 months before the potential application submission date.

\*\* Special Investment Agreement.

\*\*\* No more than 5 years after signing the SIA.

This illustration demonstrates the advantages of the State Support granting for implementation of an Investment Project with Significant Investments and for the investors to receive the benefits and compensations provided by the Law No. 1116. All terms and other information given in the picture are invented. Investment projects can be implemented on land plots under communal or state ownership, provided for lease in accordance with the terms of the SIA, as well as on land plots of private ownership.



## UKRAINEINVEST SERVICES



Informational and advisory assistance regarding the implementation of Investment Projects with Significant Investments



Preliminary check of investment projects comply with the requirements of the relevant law



Providing support to prepare an application and implement an investment project, as well as assistance in the execution of the SIA by the state and local authorities

**UKRAINEINVEST** is an authorized institution to support preparation and implementation of investment projects.

**FREE OF CHARGE ASSISTANCE**



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