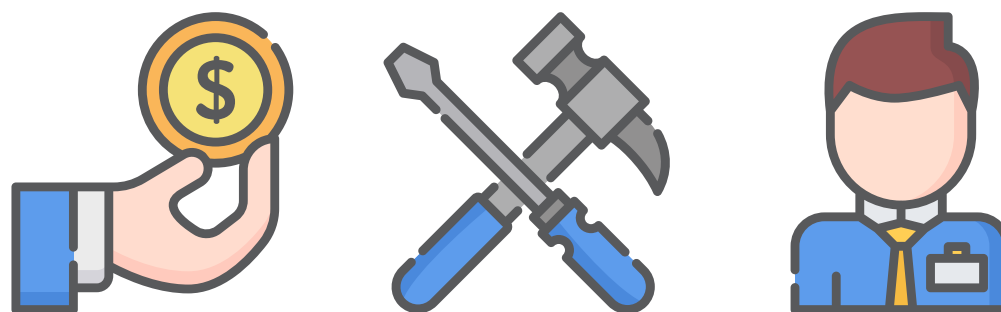


Law №1116–IX

On State Support for Investment Projects with Significant Investments



1116-IX. State Support for Investment Projects with Significant Investments

Eligible Projects

20⁺ mln €

Amount of investment

up to 5 years

Project implementation period

up to 30%

of capital expenditures.
Aggregate amount of support

80⁺ jobs

Creation

Sectors:

- processing industry (except for the production and circulation of tobacco products, ethyl, cognac and fruit alcohol, alcoholic beverages)
- extraction for further processing and/or enrichment of minerals (except for coal and lignite, crude oil and natural gas)
- waste management
- transport, warehousing, postal and courier activities, logistics
- education, scientific and scientific-technical activity
- health care, art, culture, sports, tourism, resort and recreational industry

1116-IX. State Support for Investment Projects with Significant Investments

Supporting Tools



Tax relief: income tax exemption for up to 5 years, abolition of VAT and custom duties for importing new equipment



The government undertakes to secure and to allocate **land necessary for the implementation of the investment project**



The government undertakes to **secure related transport and utilities infrastructure**

1116-IX. State Support for Investment Projects with Significant Investments

Important



Investor's guarantees will be defined in a **direct agreement with the Ukrainian Government and municipal authorities** (in case of their support) ("the Special Investment Contract") to be entered into for a **term of up to 15 years**



The Special Investment Contract may be governed by a **foreign law**. Disputes may be settled by **international arbitration, mediation and expert evaluation**

1116-IX. State Support for Investment Projects with Significant Investments

Eligible Investors

INVESTORS MUST MEET THE FOLLOWING QUALIFICATION CRITERIA:



1. proved good financial standing



2. may not be legal entity incorporated in aggressor state, as defined under the Ukrainian law, or beneficiary owned or controlled by party coming from aggressor state



3. may not be legal entity incorporated in jurisdiction blacklisted by FATF



4. may not be legal entity subjected to sanctions as matter of Ukrainian law or any international sanctions, recognized by Ukraine



5. may not be legal entity incorporated in offshore jurisdiction



1116-IX. State Support for Investment Projects with Significant Investments

Stages of Project Implementation

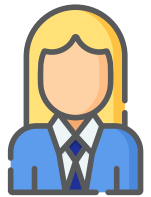
APPOINTMENT OF AN INVESTOR MANAGER WHO WILL ASSIST IN PREPARATION AND IMPLEMENTATION OF PROJECT

- 1.** Project application to Ministry of Economy
- 2.** Analysis of the project for compliance with admission criteria (done by Ministry of Economy)
- 3.** Preparation of the draft Special Investment Contract
- 4.** Negotiation of the draft Special Investment Contract
- 5.** Approval of the Special Investment Contract by the Cabinet of Ministers of Ukraine and signing thereof

* the total term for consideration of the project and decision-making on the conclusion of a Special Investment Contract is approximately 5 months



1116-IX. State Support for Investment Projects with Significant Investments



AUTHORIZED INSTITUTION

Government institution **UkraineInvest**

Government investment promotion agency established by the Cabinet of Ministers of Ukraine in autumn 2016 for attracting investments and for supporting existing investors in Ukraine



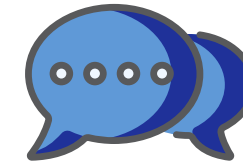
INVESTMENT MANAGER

Manager of the government institution **UkraineInvest** supporting the investor in implementation of the project



AUTHORIZED BODY

Ministry of Economic Development and Trade



Organizational and consulting support of the investor in the course of preparation of documents to be filed with the Ministry of Economy is **provided by the government institution UkraineInvest free of charge**