



## FINANCIAL INCENTIVES: INVESTMENT GRANTS

Anxious to promote economic development in its region, the Wallonia Government has instituted a variety of benefits and subsidies. These incentives provide companies with various forms of assistance with their investment, all of them very effective – making it much easier for them to set up operations in the Wallonia Region. Depending on location, the combined subsidy from both regional and EU sources can amount to as much as 50% of the investment.

This assistance varies

- **by location:** some parts of the Wallonia Region are designated as development zones, where investment attracts a higher level of subsidy. The same applies to the so-called redevelopment sites, known from the French initials as SARs.
- **by company type:** eligible activities include manufacturing and processing, horticulture, forestry and logging, wholesaling, information technology (except grants for engaging an e-business consultant), construction, certain areas of the tourism sector (hotels, holiday villages, theme parks), film production, agriculture, services, craft industries.

This list is not exhaustive. For full information on the sectors permitted or excluded, do not hesitate to contact us. Our contact details are at the foot of page 2.

- **by company size,** depending on whether it's a microenterprise" or a small, medium or large enterprise.

Category	Workforce	Balance-sheet total or turnover
Micro-enterprise	less than 10	< 2 000 000 €
Small enterprise	10 – 49	< 10 000 000 €
Medium-sized enterprise	50 – 249	< 43 000 000 € < 50 000 000 €
Large enterprise	Any company not meeting the SME criteria	

Besides the quantitative criteria, small or medium-sized enterprises must also meet one of the following conditions. It must be:

- a natural person acting as a merchant or practicing an independent profession, or an association of such persons;
- or, among other things, an SPRL (private company with limited liability), an SA (public limited company), an SCRL (cooperative society with limited liability) or an economic interest group
- or a cluster or spin-off.

Juridical persons under public law and not-for-profit organizations are not eligible for these incentives.

### GOOD TO KNOW

#### EXEMPTION FROM PROPERTY TAX

Total exemption from property tax may be granted to SMEs for a maximum of five years on investment in new tools and equipment, as well as on the part of the building subsidized by the Wallonia Region.

Large enterprises may be granted ption for up to seven years on equipment and tooling, and for up to five years on property that is immovable by nature.

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### Investment grants

Investment grants are awarded to companies that:

- create or develop an SME, to create jobs or to participate in the protection of the environment (sustainable development)
- or implement a policy of particular interest to the Wallonia Region, such as developing combined transport facilities, participating in a clustering process, or making more rational use of the region's natural resources.

Eligibility is subject to a minimum investment level (€500,000 for SMEs, €1,000,000 for large enterprises). The investment must relate to the purchase of buildings, new equipment, intangible assets (patents, licenses, technical expertise whether patented or not), or road vehicles exceeding 3.5 tonnes (except in the transport sector) shown as assets in the balance sheet.

These forms of assistance are expressed as a percentage of the eligible amount invested in purchases:

#### SMALL (OR MEDIUM SIZED) ENTERPRISES:

	In development zones (max. 18%, or 20% for SARs)	Elsewhere (max. 13%)
Basic assistance	6%	3,5 - 4%
Job creation	0 - 2 - 4 or 6%	0 - 0,5 or 1% (up to 4%)
Significance of the activity	0 - 4%	0 - 2% (up to 4%)
Quality of employment (training, labor/management relations etc.)	0 - 3%	0 - 1% (up to 2%)
Redevelopment sites (SARs)	2%	0%

#### LARGE ENTERPRISES:

Within the legal framework applicable to large enterprises, the calculation of the grant is the subject of concrete negotiations between the Minister of the Economy and the company, focusing particularly on the scale of the investment program, the significance of the activity for the region, job creation and the quality of the jobs created, and the impact on the environment and the economy. Based on these negotiations, the assistance provided to the company may be as high as 20% (as at 1 January 2007). For the transportation sector the maximum is 7.5%, not including subsidies from the EU – which range from 15% in Liège to 30% in Hainaut.

SMEs and large enterprises must maintain the investment for a period of five years after its completion, otherwise the grants awarded to them are repayable.

[www.investinwallonia.be](http://www.investinwallonia.be)

→ setting up a business

→ business incentives

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