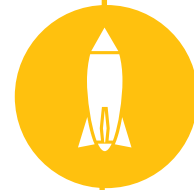
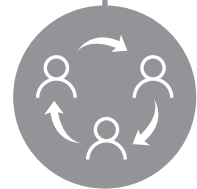


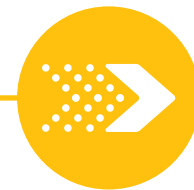
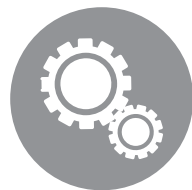


rubikhub



Investor's Guide 2017

Invest in North-East Romania



North-East Regional Development Agency

9, Lt. Drăghiescu Street
Piatra Neamț, Neamț County
Romania 610125

adnrdest@adnrdest.ro
+40 233 218 071
+40 233 218 072

www.investnortheast.ro
www.adnrdest.ro

Business Development Directorate
| Private Investments Office

Cosmin Cristal
cosmin.cristal@adnrdest.ro
+40 759 037 043

Robert Cotună
robert.cotuna@adnrdest.ro
+40 746 857 193



Dear Reader,

As far as I'm concerned, investors are not just buyers of assets, shares, etc. They are the people we invite in to our homes to work together, to develop together and to win together. In the same manner one does not want unwelcome guests, neither do investors look for unfriendly hosts. Therefore, we do not want to just "attract investment" but build lasting relationships based on correct knowledge, trust and common interests with people who want to experience the joy of discovering our region. The North-East Region is like a gift not necessarily perfectly wrapped, but valuable. It is a combination of value and age, underdevelopment and potential that you do not encounter too often.

The factor that gives me the greatest faith in our ability to match, if not exceed, the best in the world today is our people, the growing number of young people and not only young, but well educated and well trained people, that want to and will get involved.

So, I invite you to discover the places, the opportunities and the people here and I assure you that you will not regret it.

Sincerely,

Vasile Asandei
 General Director
 North-East Regional Development Agency

Our Services



PROJECT MANAGEMENT ASSISTANCE

Assisting worldwide entrepreneurs in project implementation (one point of contact/assigned project manager)



Customized solutions for developing new or current working sites



Assisting with site selection and identifying local suppliers



Matchmaking investor's needs with the local resources (natural resources, HR placement and training companies, logistic infrastructure)



Consultancy and guidance during all stages of the decisional process (state aid & fiscal incentives, legal fiscal policy framework & regulation)



Main liaison between local / regional authorities, universities, R&D and Innovation centers



Facilitator for European funding



Mapping the best investment opportunities of the region (from brownfield or greenfield locations to joint-ventures, mergers and acquisitions opportunities)



Accessing the partnership resources of the Enterprise Europe Network



Connecting investors with the entrepreneurial environment through the business incubator Rubik HUB



COMMON GOALS



High quality "after-care" services



Identifying business counterparts along vertical or horizontal value chains and organizing investment events

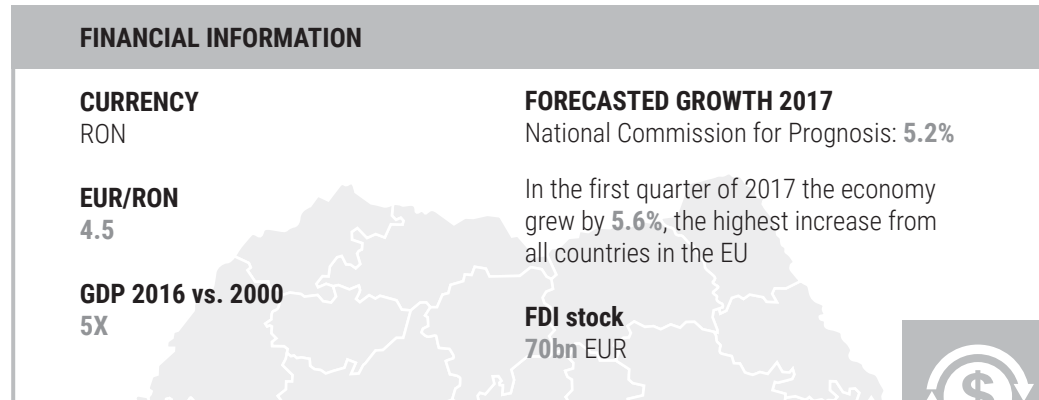

ZOOM IN

LOCATION South-Eastern Central Europe	CAPITAL Bucharest
NEIGHBOURS Bulgaria, Republic of Moldova, Serbia, Ukraine and Hungary	POPULATION approx: 20 mill.
	AREA 238,391 km²



FINANCIAL INFORMATION

CURRENCY RON	FORECASTED GROWTH 2017 National Commission for Prognosis: 5.2%
EUR/RON 4.5	In the first quarter of 2017 the economy grew by 5.6% , the highest increase from all countries in the EU
GDP 2016 vs. 2000 5X	FDI stock 70bn EUR

INTERNATIONAL POLICIES

2007 EU membership	2004 NATO membership
------------------------------	--------------------------------




COMPETITIVE ADVANTAGES



MOODY'S Baa3-Positive	FITCH BBB-Stable
LABOR COSTS RANKING 2 nd , one of the most competitive labor force in the EU	GAS PRICES RANKING 1 st lowest gas prices 5 th lowest electricity in Europe
MAXIMUM BROADBAND SPEED 1 st in EU for average peak connection speeds	WORLD BANK EASE OF DOING BUSINESS 36 th , ahead of Bulgaria, Croatia, Hungary, Italy, Turkey, Serbia or Greece
GATEWAY to a 500 million consumers market	MARITIME opening represented by the Black Sea and the Danube harbors
2nd largest country in CEE and the largest in SEE in terms of size (the 9 th in EU28) and population (the 7 th in EU28)	AT THE CROSSROADS OF 3 GREAT MARKETS the European Union, the CIS states and the Middle East




Part of the historical province of **Moldova**, the Northeastern Region of Romania is an area where history, culture and tradition complement the natural environment, particularly attractive. The North-East Region is the largest development region of Romania in terms of the number of inhabitants and the area owned, being composed of six counties: Bacău, Botoșani, Iași, Neamț, Suceava and Vaslui.


ZOOM IN

POPULATION 3,263,564	EMPLOYMENT
NUMBER OF MUNICIPALITIES 17	UNEMPLOYMENT RATE 6.3%
NUMBER OF CITIES 29	COMPANIES 54,132
AREA 36,850 km ²	EMPLOYEES 513,600

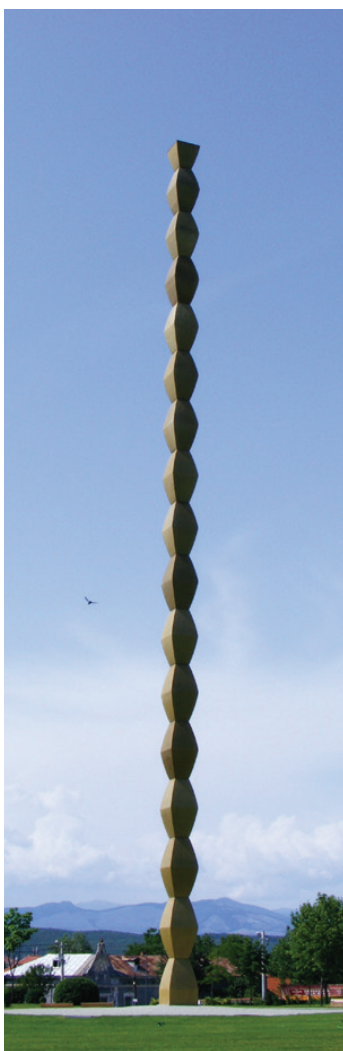
COMPETITIVE ADVANTAGES

Regional FDI ~ 3%	REGIONAL GDP ~ 10%
INDUSTRIAL PARKS 5	COMPANIES per/1000 people 16.6
GROSS AVG. EARNINGS (EUR) 483	MINIMUM MONTHLY GROSS WAGE (EUR) 322 (408 starting with January, 2018)
STATE AID INTENSITY 50%	GDP/inhabitant (EUR) 5,022



GEOGRAPHY

Relief The region is divided into 3 zones: • the Carpathian mountains - 28% • the Subcarpathian area - 12% • the eastern plateau area - 60%	Hydrographic network The region is crossed by two major rivers: • Siret (42,890 km²) • Prut (10,990 km²)	Climate Average annual temperatures - 8-9° C.
---	--	--



TOTAL SCHOOL POPULATION IN THE REGION
~ 644,768, OF WHICH:

- Pupils enrolled in the pre-university education: ~ 575,266 (2015)
- The total number of students is ~ 69,500 (2015)

High school and vocational education, number of units ~ 250;

In the N-E Region a **dual education system** can be found as a form of organization of vocational and technical education with the following specific characteristics:

- It is organized at the initiative of interested companies as potential employers and practice partners;
- Provides excellent opportunities for education and training on the basis of a partnership contract and individual training agreements, through practical training sessions organized by the companies;
- The companies will also provide scholarships and other expenses for a qualitative student education;
- The companies will have the chance of being involved in the decision-making mechanisms within the partner education unit.



3 UNIVERSITY CENTERS: IAȘI (3rd LARGEST IN THE COUNTRY), BACĂU, SUCEAVA

7 STATE UNIVERSITIES

Institution	No. of Faculties	Bachelor Students	PhD Students / 35 PhD Schools	Location
"Alexandru Ioan Cuza" University	15	16895	748	Iași
"Gheorghe Asachi" Technical University	11	9291	849	Iași
"Grigore T. Popa" University of Medicine and Pharmacy	4	9002	307	Iași
"Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary Medicine	4	3101	264	Iași
"George Enescu" University of Arts	3	1043	109	Iași
"Ștefan cel Mare" University	9	6003	271	Suceava
"Vasile Alecsandri" University	5	3764	72	Bacău

4 PRIVATE UNIVERSITIES

Institution	No. of Faculties	Location
"George Bacovia" University	1	Bacău
"Apollonia" University	2	Iași
"Petre Andrei" University	5	Iași
"Dimitrie Cantemir" Ecological University	9	Iași

**RESEARCH CENTERS (NCHE SR CERTIFIED)**

- **03** Centers of Excellence in Research
- **06** Research Centers

GRADUATES

- **97,027**⁽²⁰¹⁴⁾ No. of graduates for all forms of education
- **17,900**⁽²⁰¹⁴⁾ No. of graduates with a diploma (bachelor's degree, master, postgraduate courses, doctorate and postdoctoral programs)
- **41.7%** High university degree for the population aged 25-34

LANGUAGES STUDIED BY ROMANIAN STUDENTS

- **95%** of young romanians speak English
- **47%** speak at least another one foreign language
- **26%** speak at least another 2 foreign languages





In the North-East Region there are 3 international airports - Iași, Bacău and Suceava, serving both domestic and foreign flights. Iași Airport also offers general cargo facilities.



Road Infrastructure



THE NORTH-EAST REGION IS CROSSED BY A SERIES OF EUROPEAN ROAD CORRIDORS, AS FOLLOWS:

Bucharest • Bacău • Roman • Suceava • **Siret** (border checkpoint and crossing point) E 85

Suceava • Vatra Dornei • **Cluj Napoca** (E 576) which connects with E 60 Cluj Napoca–Oradea

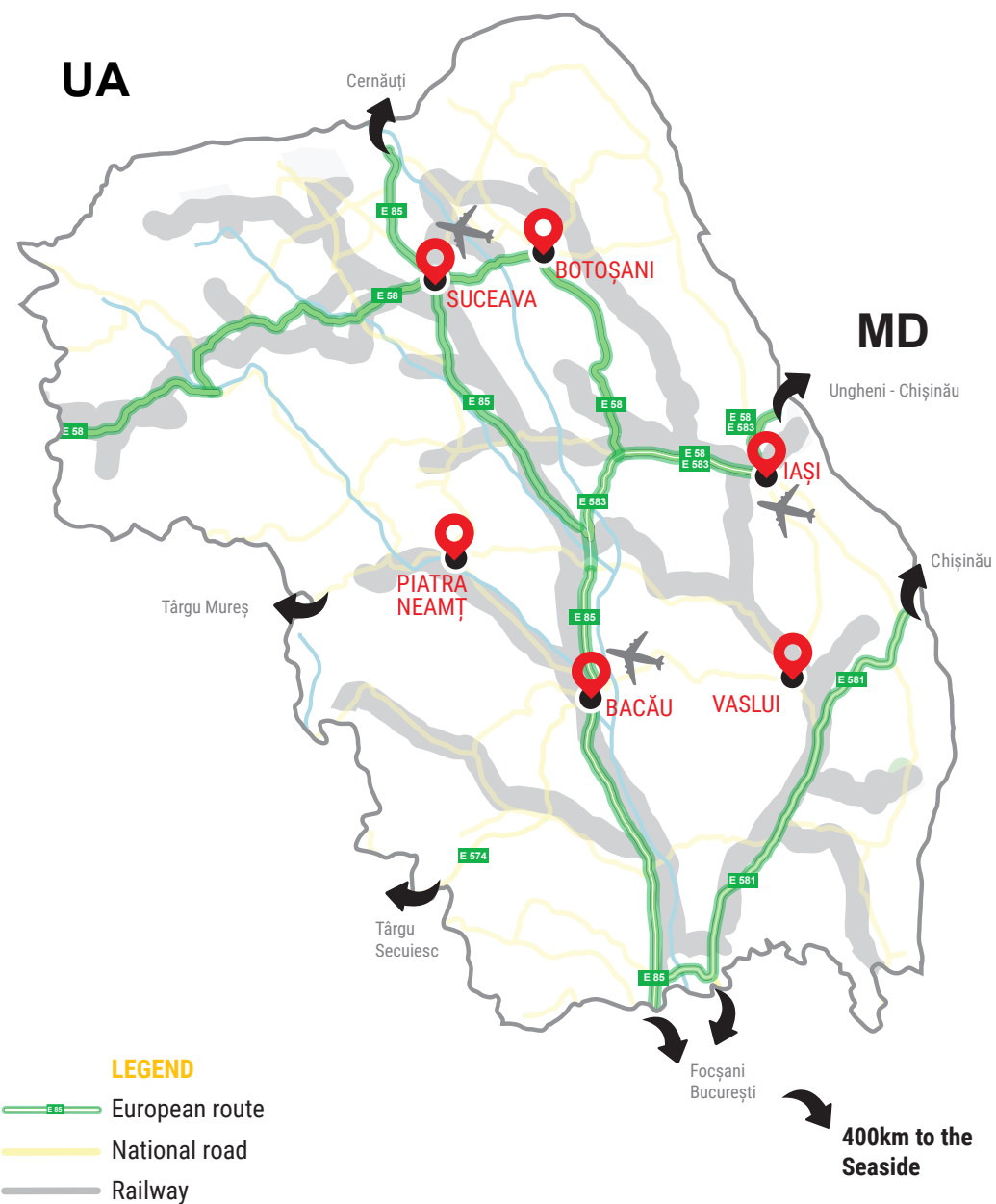
Bacău • Braşov • **Piteşti** (E 574 which makes the connection with E 70 Craiova – Vidin – Skopje)

Bucharest • Bârlad • Albiţa (border crossing point) • **Chişinău** (E 581 which crosses Vaslui County)

Roman • **Târgu Frumos**
with ramifications to Botoşani (E 58) and Iaşi – Sculeni (border crossing point – E 583)

TransEuropean and Railway Network - Transport

North-East Region



LEGEND

- European route
- National road
- Railway

At a national level, a Master Plan for Transport of Romania (TEN-T) has been developed on short, medium and long term, document that is designed to provide a clear strategy for development of the transport sector in Romania for the next 15 years.



Air Infrastructure

IAŞI AIRPORT

AIRLINES	Tarom (Romania)	Wizz Air (Hungary)
	Blue Air (Romania)	Austrian Airlines Viena (Austria)

Local authorities and the European Union invested approx. 60 million EUR in the modernization of the passenger terminals, a new 2400 m flexible runway and lighting systems.

Iaşi Airport also offers general cargo facilities.



BACĂU AIRPORT

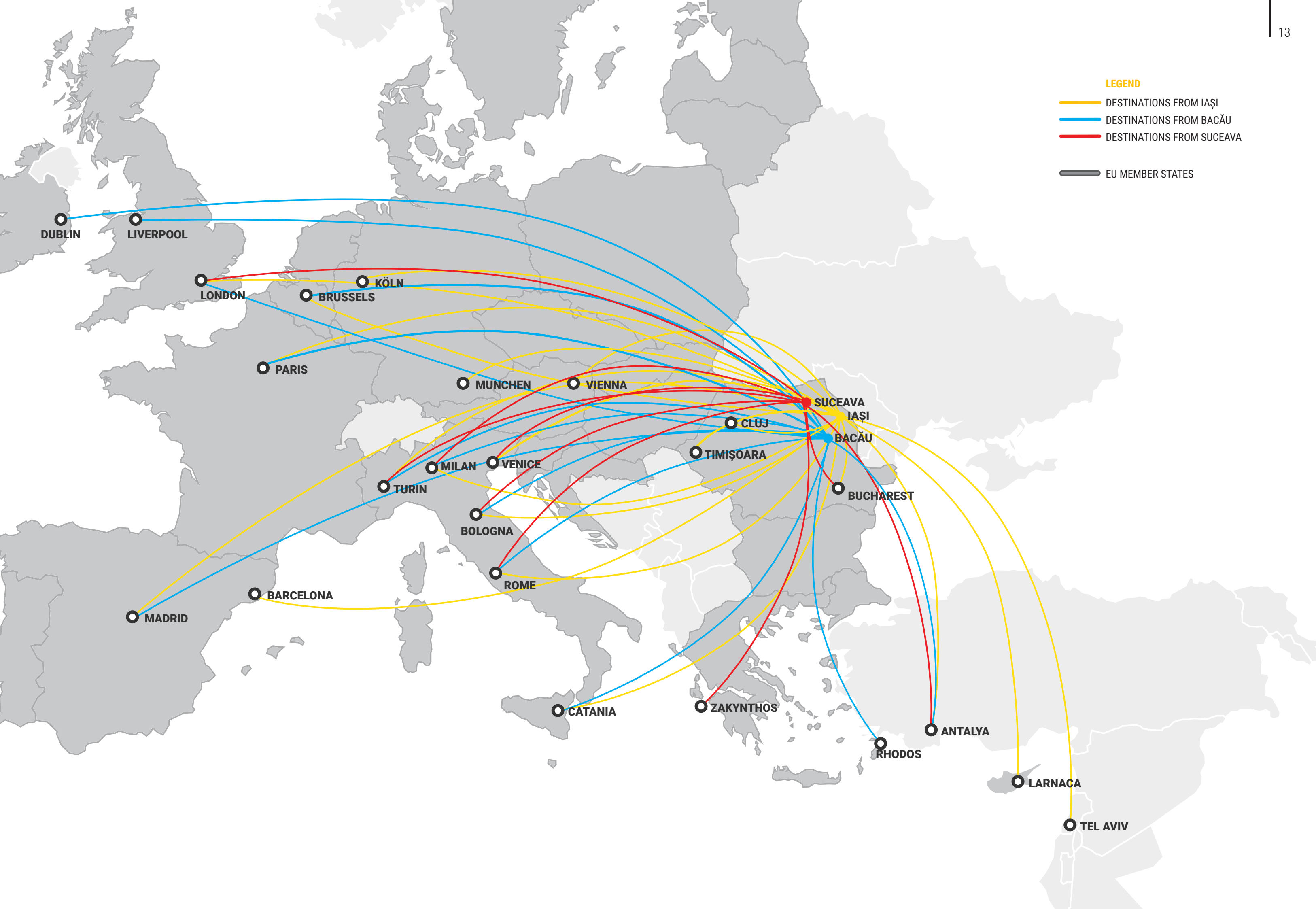
AIRLINES | Blue Air (Romania)

SUCEAVA AIRPORT

AIRLINES | Tarom (Romania) | Wizz Air (Hungary)

LEGEND

- DESTINATIONS FROM IAȘI
- DESTINATIONS FROM BACĂU
- DESTINATIONS FROM SUCEAVA
- EU MEMBER STATES





“

5 industrial parks and 8 clusters are spread across the North-East Region, playing the role of regional industrial and innovation hubs which promote both local and foreign key sectors such as IT&C, agro-food or biotechnologies.



Why invest in the North-East Region?

SUPPORTING YOUR BUSINESS

Solid network of training organizations and HR integrated services;

Qualified human resources, flexible and creative, good English literacy;

Less bureaucracy – more proficiency – timely, customized and efficient business support services provided by the North-East RDA;

Supportive regulatory framework for regional development (including the recent fiscal relaxation);

Strong university center;

Rich pool of local resources and opportunities;

Wide range of banking services available;

Quality life – unspoiled nature, quality food, well-known tourist area;

Easy access to local institutions.



BOOSTING YOUR BUSINESS

The highest rate of active population in the country, at competitive costs (compared to EU countries and Romania's other regions);

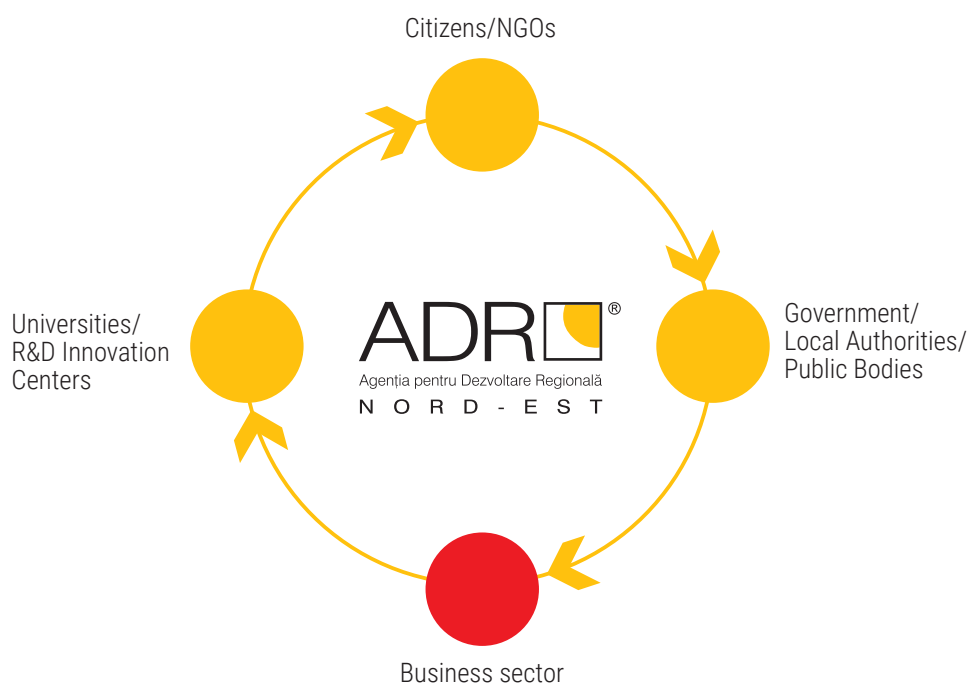
Competitive costs for utilities and real estate;

Industries with traditions in the region;

Land availability;

Variety of foreign languages spoken;

Power of adaptability.



Industrial Parks

EXISTING INDUSTRIAL PARKS IN THE NORTH-EAST REGION

MIROSLAVA, Iași County

Total area: 464,400 sqm;

Extremely valuable human resources that can be provided by the existence of the oldest and most prestigious university center, in Iași, with more than 60,000 enrolled students;

The presence of other important investors in the commune of Miroslava;

Ease of access:

- A 300 meters maximum distance from the E85 European road;
- Front opening to Iași ring road;
- Easy access to Iași International Airport (20 km);
- Heavy rail road nearby (300 m).

SIRET, Suceava County

Total area: 159,000 sqm, with possibility of expansion to 409,000 sqm;

Available workforce. The number of jobs per 1,000 inhabitants is twice as low as compared to the counties in Western Romania;

The average gross salary in Suceava County is lower by 100-190 Euros compared to the average net salary being paid in Western Romania;

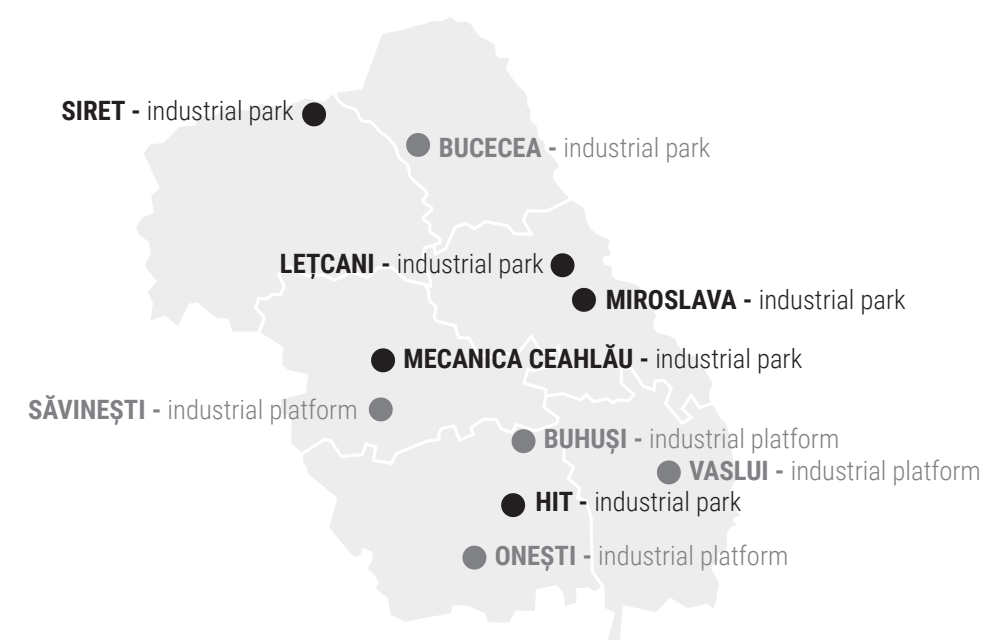
Siret City Hall is collaborating with the Trade Register, Suceava County Council and the "Lațcu Vodă" Technical College to support investors.

Transport link:

- Direct access to the European Road - E85;
- Sea ports located: Galați (Danube) - 388 km, Constanța (Black Sea) - 576 km;
- Railway line: 2 km from the park.
- Nearest international airports: Suceava - 43 km, Iași - 168 km, Bacău - 191 km.

INDUSTRIAL PARKS LEGAL INCENTIVES:

- Deduction of taxes perceived for destination change or for the removal of the industrial park area from agrarian circuit;
- Tax deduction for the land coincident with the industrial park area;
- Tax deduction for buildings pertaining to industrial park infrastructure;
- Exemption from the payment of some taxes due to the local budgets of the administrative-territorial units;
- Any other facilities which can be awarded, according to law, by the local public authority.



LEGEND

- EXISTING industrial parks
- FUTURE industrial parks / platforms

The North-East Region of Romania nurtures a clean, stable and safe business environment by linking to macro-economic EU framework conditions and by implementing European Commission's Smart Specialization Strategy (RIS3).

Based on that, our team started a mapping and appraisal process of the existing high potential value chains in the region. The main focus of this process is on closing the loops in each value chain, to make the transition to a circular economy, and to transform the missing links into investment opportunities.

SECTOR OF ORIGIN	FUNDAMENTAL FIELD	FUTURE DEVELOPMENT DIRECTIONS & IDENTIFIED VALUE CHAINS
ENVIRONMENT	Agricultural sciences (plant genetics, forestry)	Responsible exploitation and sustainable management of green heritage New plant genotypes with increased resistance to climate change Precision agriculture
	Environment engineering	Biodiversity Enzymatic systems for pollution monitoring Waste water treatment technologies Waste recycling technology Focus on activities like collecting, sorting, recycling and waste recovery from: Textile waste Packaging (composite materials, plastic, PET bottles) Construction demolition and decommissioning Automotive waste (tires, plastic, metal) Agricultural waste Electrical and electronic equipment waste
	Industrial management	Smart factoring – energy efficiency and waste water valorisation Industrial water monitoring, surface and ground water management Focus on the following actions: Water recirculation and industrial water consumption reduction Clean and safe water – diminishing the nitrite and nitrate level Supplying the Region with drinking water Sludge valorification
BIOTECHNOLOGY	Chemical and technologic engineering	Pharmaceutical biotechnologies (obtaining effective antitumor, antiviral, antimicrobial vaccines preparations) Biofuels, bio-catalysts of industrial use
	Biology and micro-biology	Bio Nano technologies (markers and imaging for early diagnosis of maladies)
	Food engineering	Agrofood biotechnologies (new improved products)
TEXTILES AND NEW MATERIALS	Chemical engineering	Advanced biomaterials Innovative product design (nano bio textiles, incorporated sensors)
	Technology of textile products	Functional textile with applicability in medicine Intelligent textiles Exploitation of natural fibres Technical textiles, composite textile structures
	Engineering of knitted fabrics and clothing	Knitted structures with thermal properties, knitting for mechanical protection, synergetic clothing Focus on the knitwear & apparel value chains
	Constructions	New materials for constructions Ecologic materials ZEB (zero emissions buildings)
	Industrial management	Waste collection and recycling (up-cycling, slow fashion) New business models (digital fashion, interaction with the customer)

Key sectors



Key sectors

SECTOR OF ORIGIN	FUNDAMENTAL FIELD	FUTURE DEVELOPMENT DIRECTIONS & IDENTIFIED VALUE CHAINS
IT&C	Computers and information technology	Artificial intelligence (robotics, manufacturing integrated systems, computing systems, voice recognition) Improved energy efficiency, energy-net, Smart city Cybernetic security
	New media	Gamification
	Public health	Big-data analysis applied in telemetry, telematics, tele-assistance, telemedicine e-Medicine, e-inclusion Real-time monitoring of social systems Tracking food products along the whole value chain
	Electronic engineering & telecommunications	Nano electronics, optoelectronics Industrial software
AGRO-FOOD	Agronomy	Sustainable development of field crops production – circular agriculture (secondary and tertiary crops) Culture of technical plants Focus on the hemp value chain
	Horticulture	Development of new products, practices, processes and technologies in horticulture Agrofood products processing technologies, winemaking technologies, plant genetics Focus on the pomiculture value chain
	Zootechnics	Healthy, sustainable and competitive zootechnics Intelligent farms Fishery techniques, aquaculture, biotechnology
	Food engineering	New innovative business models for traditional products Safe food products – organic products certification and selling with focus on domestic products Nutritionally optimized food products (additives, concentrates and nutritional supplements) Focus on the potato value chain
	Forestry and wood engineering	New innovative business models for traditional products Bio-energy Development of new products, processes and technologies
TOURISM	Computers and information technology	IT&C solutions for tourism accommodation, vehicle renting, tour operators, restaurants, tourism agencies and tourism destination management – reservation through ERP solutions, web portals
	New media – Creative and cultural industries	Creative marketing and promotion
	Health/ Biotechnologies	Medical recovery Balneal-/ physical-/ kineto-therapy Nutrition and diets
	Agro-Food	Slow-food Healthy food

“ From a tax perspective, the number of payments required to fulfil fiscal obligations has dropped dramatically from 113 in 2012 (historic maximum) to only 14 in 2016. Coupled with a tax system that is one of the friendliest in the EU, even more accessibility is the next step for growth. The government is committed to aiding emerging entrepreneurs through more and more incentives.



Employer's contributions



- 15.8%** **Social Security Contribution** – between 15.8% and 25.8% (depending on the work conditions, 15.8% for the normal working conditions) of the total salary fund, capped at the level of five times the medium gross salary per economy and multiplied with the number of employees;
- 5.2%** **Health Fund Contribution** – applied to the gross salary fund; starting with January 2017 the health fund contribution will be capped;
- 0.85%** **Medical Leaves Contribution** – applied to the gross salary fund, capped at the level of twelve times the national minimum salary, multiplied by the number of employees;
- 0.5%** **Unemployment Fund Contribution** – applied to the gross salary fund;
- 0.25%** **Guarantee Fund for Salary Debts Contributions** – applied to the gross salary fund;
- 0.15%** **Contribution to the Fund for work accidents and professional diseases** –
- 0.18%** **applied to the gross salary fund, depending on the core activity of the company.**

Employee's contributions



- 10.5%** **Pension Contributions** – applied to the monthly gross income earned by the individual, capped at the level of five times the medium gross salary;
- 5.5%** **Health Fund Contribution** – applied to the salary income subject to income tax;
- 0.5%** **Unemployment Fund Contribution** – applied to the monthly gross income earned by the individual.

Employee's income tax



- 16%** **Income tax** – applied to the monthly taxable income earned by the individual (gross income deducted with employee's social charges).

Starting with January, 2018, amendments to the Fiscal Code on Social Contributions entered into force and were transferred to employees. Also, the number of mandatory social contributions was decreased from 6 to 3.

The total social contribution, which exempts the employee's income tax (decreased from 16% to 10%) is 37,25 % of gross wage (35% employee and 2,25 % employer).

Romanian tax system

VAT - 19%

VAT 9% goods and services, such as prosthesis and orthopedic products, medicine, accommodation services, food and non-alcoholic drinks, restaurant and catering;

VAT 5% goods and services, such as books and magazines, access to museums, castles, zoo and botanical gardens, cinema, expositions and cultural events and buildings as part of the social policy, including the land on which they are built, under certain conditions.

VAT Refunds

Romanian VAT registered entities in a VAT refundable position may request the reimbursement by ticking the refund box on the VAT return. The tax authorities should process the VAT refund claims within **45 days** from the day when the VAT refund claims were submitted. In practice however, the VAT refund proves to be a lengthy procedure and significant delays may result. Usually, the VAT refund is preceded by a VAT audit from the tax authorities. Following such audit, there may be cases where part of the amount requested for refund is denied, if the tax

authorities conclude that the conditions governing VAT deduction are not met. Companies that are not VAT established in Romania, but EU established, may recover the VAT incurred in Romania via the **9th Directive**. Companies that are not established in the EU may recover input VAT in Romania via the **13th Directive**, provided that Romania has **reciprocity agreements** with their country of residence. Currently, Romania has concluded such agreements with Switzerland, Norway and Turkey (limited applicability).



VAT exemptions

The Romanian legislation provides certain VAT exemptions with **deduction right** of the input VAT, such as exports and intra-Community supplies, international transport of people, VAT exemptions for goods placed in **special customs** regimes and financial and insurance services rendered to non-EU customers.

There are also other types of VAT exemptions, without deduction right of input VAT, such as certain supplies of general interest (e.g. hospital care, public post, cultural activities), supply of real estate, (with some exceptions), the supplier having the option to apply VAT on them, financial-banking services (with some exceptions), insurance services.

The above lists are **not exhaustive**.

Customs

Since **1 May 2016**, the new European customs legislation applies - Union Customs Code. The customs simplifications and the customs **special regimes** are conditioned by fulfilling the Authorized Economic Operators conditions.

VAT deduction right

A taxable person is entitled to deduct the input tax on its acquisitions, as long as the acquired goods/services are used for the purposes of its taxable transactions, or VAT exempt transactions with **deduction right**, as described above.

The VAT deduction right may be exercised within a timeframe of five years, if the beneficiary holds a correct invoice. In addition, in case of imports, the beneficiary must hold the import customs declaration, which mentions the taxable person as the importer for **VAT purposes**.

Where a taxable person carries out both supplies with VAT deduction right and supplies without VAT deduction right, and it cannot allocate the inputs to one of the two categories of supplies, it should deduct input VAT based on pro-rata.

Pro-rata is determined by dividing the total amount of supplies with VAT deduction right per year, to the total amount turnover per year, i.e. supplies with VAT deduction right and without VAT deduction right.

PERSONAL INCOME TAX: 16%

Tax Payers from a personal income tax perspective are:

- Resident individuals;
- Non-resident individuals who are performing independent activities through a permanent establishment in Romania;
- Non-resident individuals performing working activities in Romania;
- Non-resident individuals obtaining Romanian sourced income.



The standard income tax rate is 16% for most of the types of income mentioned before - for the income derived from dividends a tax rate of 5% applies as of January 2016; also, different tax rates may apply for income derived from real estate transactions, depending on the value and holding period.

CORPORATE & INCOME TAX RATE: 16%

Corporate income tax ("CIT") is chargeable at a flat rate of **16%** and is applicable on worldwide income, in the case of resident entities or on the earnings in Romania, in the case of non-resident companies.

In this respect, in the category of taxpayers who are required to declare and pay CIT according to Romanian law are now included non-resident entities which have the place of effective management in Romania. In an attempt to stimulate the business environment, the general deductibility rule has been redefined as to cover a larger base. Thus, as of 1 January 2016, expenses are deductible for CIT purposes provided they are incurred with the purpose of conducting economic activities.

Participation exemption rules are available. Dividends received from a Romanian legal entity, irrespective of the holding percentage and period, become non-taxable income.

Income from dividends received from a company in an EU Member State or a country with which a double tax treaty was concluded by Romania / gains from alienation of shares / income from liquidation / income from revaluation of shares held in a Romanian company or a company located in a country with which Romania concluded a double tax treaty may be exempt if the recipient holds at least **10% of the shares** of the company distributing dividends / being sold / being liquidated / being subject to evaluation for at least one year.

Non-residents obtaining income from the sale of shares in companies owning real estate in Romania are not subject to 16% tax if:

- Romania has a **Double Taxation Treaty ("DTT")** concluded with the country of residency of the non-resident;
- The Company receiving the income holds more than 10% of the shares and if the operation is performed after a period of minimum one year; Still, if the conditions above are not met, the **non-resident obtaining income** from the sale of shares in companies owning real estate in Romania are not subject to **16%** tax if:
- A DTT is concluded between the country of residency of the non-resident and Romania;
- The non-resident provides the buyer with a fiscal residency certificate;
- According to the DTT, the taxation right does not belong to Romania.

REINVESTED PROFIT TAX: 0%

As regards reorganization processes, from a corporate income tax perspective, mergers, spin-offs, transfer of business may be performed under tax neutrality provided that certain conditions are met. **Cross-border reorganization processes** may also be performed generally under the same rules as provided by the Merger EU Directive (as implemented in the domestic legislation).

Tax losses may be carried forward for **7 years**. Thin cap rules apply. More specifically, the deductibility of interest and net foreign exchange losses related to loans is limited under the two criterions detailed below. Such limitations do not apply to interest and net foreign exchange losses related to loans contracted from credit institutions, nonbanking financial institutions or other entities that grant credit according to the law.

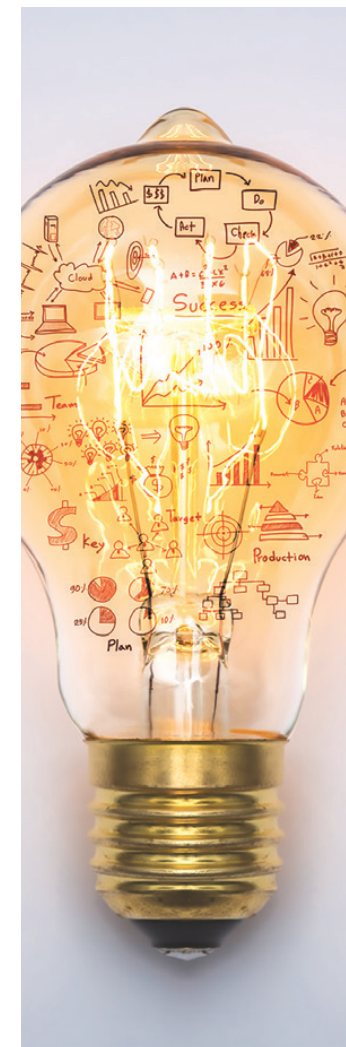
The law limits the level of interest deductibility for the loans at:

- The National Bank of Romania's (NBR) reference interest rate for the last month of the quarter for RON denominated loans;
- **4%** annual interest rate for foreign currency denominated loans.

Interest expenses exceeding this limit are non-deductible and cannot be carried forward in future periods. The deductibility of interest expenses and net foreign exchange losses related to loans granted for more than one year is further subject to the debt-to-equity ratio test.

If the debt-to-equity ratio is **higher than 3:1** or the company has negative equity the interest expenses and net foreign exchange losses are fully non-deductible, but available to be carried forward until their full deductibility (i.e., when debt-to-equity ratio is lower than or equal to **3:1** and the Company is in a positive equity position).

DIVIDEND TAX RATE 5%



Investment Support
Fiscal incentives

IT&C
0% income tax for employees

Eligibility criteria:

- Bachelor's degree in one of the **14** technical specializations available;
- Employee is hired on a software engineer/programmer/software analyst position;
- Annual revenue per exempted employee must be over **USD 10 000**.



R&D
0% income tax for employees
0% income tax for R&D companies for the next 10 years

Deduction of R&D eligible expenses:

- Depreciation of R&D equipment, salaries for R&D personnel;
- **50%** of these expenses can be deducted from the taxable income.



OTHER
0% profit tax for the reinvested profit in new technological equipment used for business purposes

- If a company benefits from exemption on the income tax for reinvestment it will not benefit from accelerated depreciation.



North-East Region state aid intensity: 50%**STATE AID - GD 807/ 2014**

The State Aid Scheme 807/2014 has a budget of **EUR m 900** foreseen for the **2014-2020** period. It aims at supporting major CAPEX investment.

ELIGIBLE COSTS

- Construction of new buildings
- Renting costs for existing buildings
- CAPEX aimed at technical installations and tools
- Acquisition of intellectual property

ELIGIBILITY CRITERIA FOR INVESTMENTS

- Minimum value: **EUR 10 million** investment
- To be viable and determine the operational efficiency of the company
- To prove the stimulating effect of the state aid
- To generate contributions to regional development
- To facilitate extra investments in the region

ELIGIBILITY CRITERIA FOR COMPANIES

- Net profitability for existing companies: > 0%
- Equity for new companies: ≥ **RON 100,000**

STATE AID - GD 332 / 2014

The State Aid Scheme 2014/332 has a budget of **EUR m 600** foreseen for the **2014-2020** period. It aims at supporting the creation of new jobs.

ELIGIBLE COSTS

- Salary costs registered for a **2** consecutive year period resulted as a direct consequence of the investment
- Salary costs are comprised of gross average annual salary plus benefits

ELIGIBILITY CRITERIA FOR INVESTMENTS

- To lead to the creation of **10** new jobs per investment location, out of which **3** positions to be covered by disadvantaged workers
- To be viable and determine the operational efficiency of the company

ELIGIBILITY CRITERIA FOR COMPANIES

- Net profitability for existing companies: > 1%
- Equity for new companies: ≥ **RON 30,000**

COMPANIES ALREADY BENEFITTING FROM ROMANIAN STATE AID

Continental – Iași	Atos – Iași	TRW Airbag Systems – Roman
Endava Romania – Iași	Ness Romania – Iași	Delphi Diesel Systems – Iași

State aid 2014-2020

**ORACLE®**

"Oracle is proud to be one of the biggest employers in the IT industry in Romania with over 4200 employees. Expansion outside the capital had been planned for some time and Iași was considered among the best alternatives.

Iași is a well-known academic center with several universities, offering skills and abilities matching perfectly Oracle's recruitment needs: a mix of technical, financial and sales expertise and foreign language skills. Furthermore we could find here a developed telecommunications infrastructure, an airport and good road connections, and office buildings enabling us to offer high quality work environment to our colleagues.

We have been impressed with the quality of the staff we employ in Iași. Our local team makes a valuable contribution to Oracle's success in Romania and beyond."

Sorin Mîndruțescu
Country Leader Oracle Romania

**CONDUENT** 

"With approximately 2000 employees, Conduent was the first company from Romania which offers innovative and complete solutions, gaining an important position on the Outsourcing services market. Currently, we conduct our activity in four cities, Iași - Headquarters, Bucharest, Oradea and Bacău, offering support within two business areas: Business Process Outsourcing (BPO) and Customer Care (CC)."

Florentina Vasiliu
Head of HR - Albania, Romania, Hungary & SSC

Testimonials



Continental

Continental Iași has been established in 2006. In 11 years of activity, the Research & Development center grew from a number of 30 people in 2006 to over 1500 employees, becoming the largest high technical education employer from Iași. During this period, the company invested over 40 million EUR locally.

"In 2006 the company saw in the North-East Region of Romania a high development potential for the engineering and IT sector thanks to the northeastern young people and specialists market. This potential soon turned out to be valid. We were really glad to discover that when we established the Iași headquarters, many of our Continental colleagues from other romanian locations, originally from the Moldova region, decided to return here and to work within the local team. Also, an important pillar in the Iași headquarters development is represented by the collaboration with the universities from Iași, through the dedicated programs for students and graduates."

Marian Petrescu
Continental Iași Director

"The colleagues from Iași manage to combine technical knowledge with creativity and to develop complex projects like hybrid cars and automatic driving. These pioneering solutions generate an automotive systems development. And especially these projects recommend the company as an attractive and progressive-minded employer."

Dr. Christian von Albrichsfeld
Continental Romania General Manager

The Research and Development Center in Iași includes divisions like Chassis & Safety, Interior and Powertrain.

Testimonials

Top foreign investors in NER

Automotive



IT&C



Textile and fibres



Top local investors in NER

Trade construction materials,
interior design



Processing and preserving
poultry meat



Manufacture of basic
pharmaceutical products



Water capture, treatment
and distribution



Manufacture of clothing



Manufacture of shirts
and blouses



Manufacture of measuring,
checking, controlling, navigating
instruments and devices



Construction work for residential
and non-residential buildings



Producer of paints and varnishes

