

Application for incentives for initial investment

According to Act No 41/2015 on incentives for initial investment in Iceland

Applicant (company): _____

ID number: _____ **Telephone/Mobile phone:** _____

Address: _____ **Postal code:** _____

Email: _____

Applicant's agent: _____

Telephone/Mobile phone: _____

Email: _____

All information is applicant's responsibility. Incentive shall be annulled and granted incentives shall be reclaimed if it will be revealed that the applicant provided incorrect information or did not provide necessary information that did influence the offering of the incentive.

With an application for incentive please include information regarding the following points:

- a) Detailed information regarding the investment project in question, such as a timeline, detailed description of the project notified (“the first phrase”) and an operational plan, in the form of a project plan from the beneficiary, and it must be demonstrated that the granting of the incentive is a condition for the investment project to materialize in Iceland. The operation plan has to be submitted in the form of an unlocked excel-document.
- b) Detailed information regarding the parties behind the project and how the ownership is divided between the parties.
- c) Detailed information regarding the arrangements of financing, the parties behind the financing and a break-down of the amount of credit and equity. A confirmation, shall also be included, that at least 75% of the investment cost is financed without State Aid and that the own equity of party applying for the incentive is at least 20%.
- d) An operation plan that demonstrates that; A) the annual turnover of the prospective investment project will be at least ISK 300 million or the new investment will create a minimum of 20 man-years of employment with the applicant in the operation of the investment project in its first two years of operation. B) That the operation of the investment project in Iceland will be for at least 10 years in the area in question.
- e) A confirmation that the investment project in question has not been initiated.
- f) Detailed information about the market that the company will focus on, the specific countries the company will focus on and the company’s marketing position (e.g. according to forecasts for supply and demand).
- g) A confirmation that the equipment acquired for the investment will be new or almost new and will comply with legislation on health and pollution protection.
- h) Environmental impact assessment for the project shall be available or information that the project does not require environmental impact assessment in accordance with Act No. 106/2000.
- i) A confirmation that the company in question, or its owners, are not in default of any taxes or charges payable to the State or any municipality in Iceland, nor shall they be subject to any recovery claims pursuant to the third paragraph of Article 31 of the Competition Act No. 44/2005
- j) A confirmation that the company in question is not in financial difficulties or undergoing financial restructuring as defined by the EFTA Surveillance Authority State Aid Guidelines on Rescue and Restructuring Aid.
- k) Fill out an excel form, “Appendix 1 - Filloutform1”, where the owners will have to explain the category of aid and company’s size as well as confirm that the undertaking is not in difficulty or subject to an outstanding recovery of illegal/incompatible aid.
- l) Categorize the company’s size into micro, small or medium sized company according to the instructions from the SME-Guide. The company is categorized according to staff headcount and annual turnover or annual balance sheet total. This data should be based on the data contained in your last approved annual accounts. For newly established enterprises which do not yet have approved annual accounts, you should

make a realistic bona fide estimate of the relevant data during the course of the financial year.

In addition a declaration must be included in the application which will state that the owners and the executive director of the company are statutory, have an unblemished reputation which corresponds to rules on normal and healthy trade practices, have not been declared bankrupt in the last five years and that they have not, in connection with commercial activity, have received a sentence in the last five years for punishable action according to the general penal code, Competition Act, Act on limited liability companies, Act on private limited liability companies, Act on accounting, Act on annual accounts, Act on bankruptcy etc. and Act on direct payment of official duties.

Please note that:

- A separate company must be established in Iceland for the investment project; an Icelandic branch or agency of a company registered in another Member State of the European Economic Area shall be considered a separate company.
- The operation of the company benefiting from an incentive shall fully comply with Icelandic law and official edict and be regarded as proper.
- All investment agreements and key information about them will be published publicly on the Ministry of industries and innovation's webpage. The information published will include aid intensity, eligible costs and the aid ceiling of each investment project.

The committee can request further information than mentioned above, if it considers it necessary in order to reach a conclusion.

Date

Signature