

An aerial photograph of an industrial park. A wide river flows through the center, with a long bridge crossing it. The park is filled with various industrial buildings, some with blue roofs, and several tall smokestacks. The background shows a residential area and a forested landscape under a clear sky.

STATE SUPPORT FOR INDUSTRIAL PARKS

(Law of Ukraine No. 5018-VI)

August 2022

STATE SUPPORT *



full or partial compensation of interest rates on loans for arranging an industrial park, carrying out economic activity **



compensation for **connecting to engineering grids** **



VAT exemption for importing new equipment **



10-year **corporate income tax exemption** ***



exemption from **import duties** for new equipment **



non-refundable financing for arranging an industrial park and/or construction of related infrastructure facilities **



favorable **land tax rates** ****



exemption from **real estate tax** for industrial buildings ****

* Obtaining state support for industrial parks does not prevent from obtaining other incentives, in particular, provided for by Law No. [1116-IX](#) or the legal regime of [Diia.City](#).

** The procedure for granting incentives will be approved by the Cabinet of Ministers of Ukraine.

*** Incentive is granted if the respective amount of money will be reinvested into the investment project development.

**** Incentive is granted by decision of a local authority.

***** The building is owned by an industrial enterprise (according to Classification of Economic Activities-2010), is an industrial building according to State classifier of buildings and structures 018-2000 (code 125) and is used for business purposes, is not rented, leased, or loaned to other business entities.

As of August 2022, the Ministry of Economy is working on the development of relevant bylaws to launch the system of state support for industrial parks.

REQUIREMENTS TO INDUSTRIAL PARKS

Requirements to land plots



industry lands



suitable for **industrial use**



min 30 years
of use (lease)



an area of **10 to 1000 ha**



REQUIREMENTS TO INDUSTRIAL PARKS

Subjects *



Initiator of creation

State authority, local authority endowed with the powers for land disposal;

Legal entity or individual – the owner or lessee of the land plot.



Management company

Legal entity with which the initiator of creation concluded the agreement on creation and operation of an industrial park.



Participant of industrial park

Business entity which:

- is registered on the territory of the industrial park, **and**
- acquired the right (ownership/lease) to a land plot or real estate object, **and**
- concluded the agreement with the management company on conduct of business activities within the industrial park.

Subjects' areas of business activities



processing industry



processing of industrial and/or household waste (except waste disposal)



R&D



IT and telecommunications

FOLLOWING ENTITIES AND INDIVIDUALS MAY NOT BE FOUNDERS OF INITIATOR, MANAGEMENT COMPANY, PARTICIPANT

- Citizens of the aggressor state, occupying state;
- Legal entities registered in the aggressor state, occupying state;
- Legal entities under sanctions;
- Individuals, legal entities connected with the aggressor state by economic ties.

* Other business entities which acquired the right (ownership/lease) to a land plot or real estate object and concluded the respective agreement with the management company may conduct business activities on the territory of the industrial park. However, such business entities are not eligible for state support.

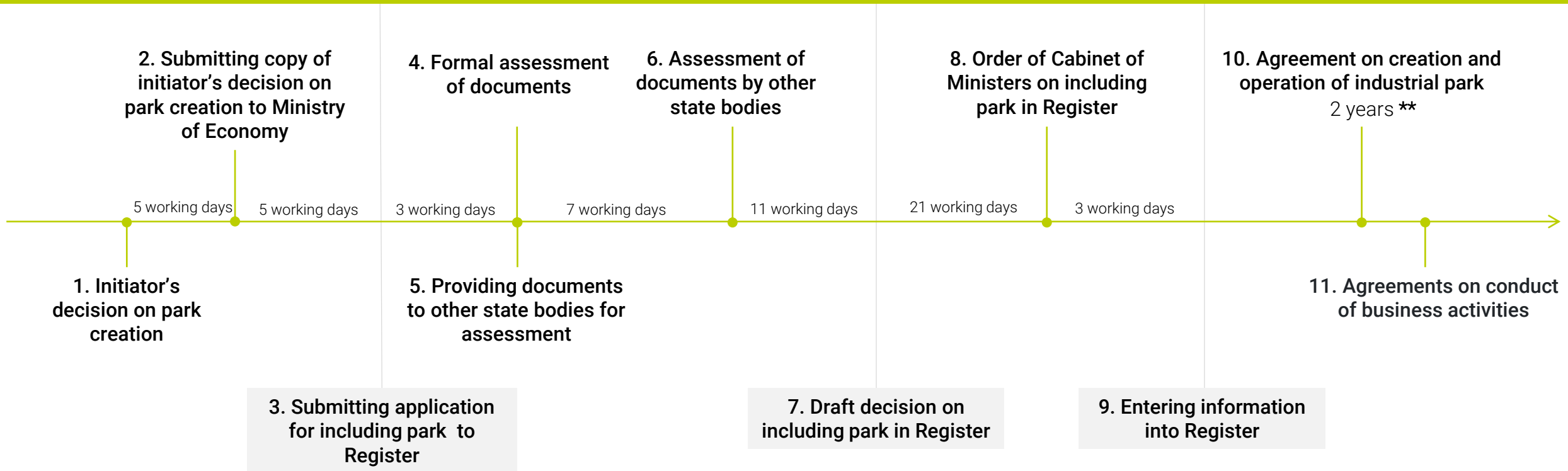
ALGORITHM OF INDUSTRIAL PARK CREATION

Preparatory stage

Evaluation of application by Ministry of Economy up to 21 working days

Inclusion in Register up to 24 working days *

Operation of park



* Inclusion of an industrial park in the Register of Industrial Parks takes place within 45 working days from the moment the Ministry of Economy receives the application from the initiator of creation.

** Agreement on creation and operation of the industrial park is concluded between the initiator of creation and management company within 2 years укладається між ініціатором створення та керуючою компанією within 2 years from the date of the decision on creation of the park.

DOCUMENTS FOR INCLUSION TO REGISTER OF INDUSTRIAL PARKS

- Application *
- Initiator's decision on industrial park creation
- Industrial park concept
- Name of management company and participants **
- Extract from the land cadastre re the land plot and title documents for real estate objects
- Documents confirming compliance with urban planning documentation of the territory of the industrial park
- Documents confirming the suitability of the land plot for industrial use
- Documents confirming the absence of production facilities put into operation within the last 10 years
- Documents confirming the absence of production facilities operated during the last 5 years
- Documents regarding facilities located on the territory of the industrial park **
- Copy of the land lease agreement***
- A copy of the lessor's decision to approve the industrial park concept ***

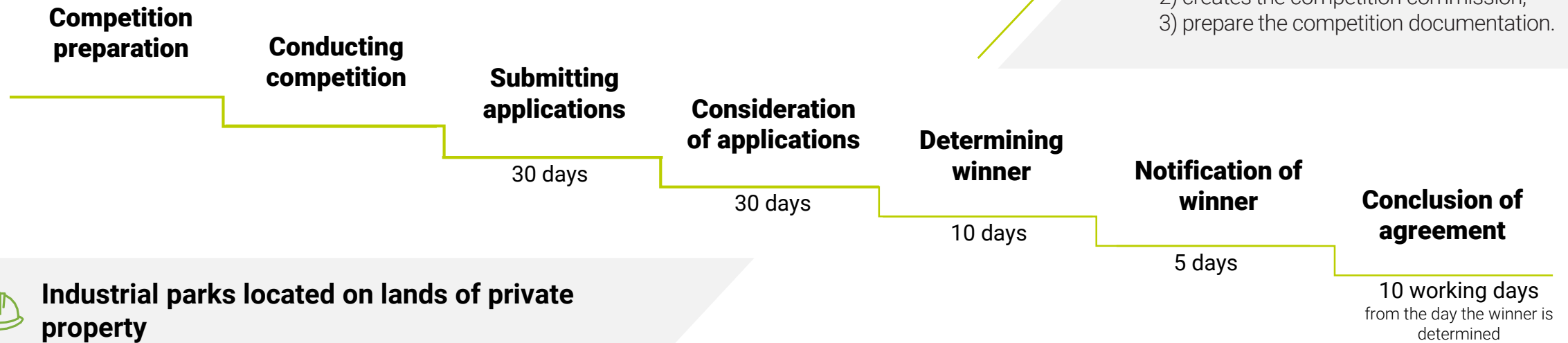
* When submitted in paper form, such an application is drawn up in free form. In case of submitting by means of the Unified state web portal of electronic services, the application is generated by software in free form.

** Subject to availability.

*** Submitted in case of initiation of the industrial park on leased lands.

CHOISE OF MANAGEMENT COMPANY

Industrial parks located on lands of state or communal property



Industrial parks located on lands of private property

The initiator of creation independently determines the management company.



Industrial parks located on leased land plots

The initiator of creation independently determines the management company and informs the relevant state body, local authority and the lessor about it within 3 working days .

Agreement on creation and operation of industrial park

Form of the standard agreement on creation and operation of the industrial park was approved by the [order](#) of the Ministry of Economy No. 386 as of 15 April 2013.

Integral parts of the agreement:

- 1) decision on the industrial park creation;
- 2) industrial park concept;
- 3) industrial park business-plan.

EXCLUSION FROM THE REGISTER

Підстави



liquidation of industrial park *



failure to conclude the agreement on creation and operation of the industrial park within 2 years from the date of the decision to create it



non-compliance with the requirements of the [Law](#) of Ukraine "On Industrial Parks"



non-performance of economic activity by all participants within 3 years



failure to submit reports on the functioning of the industrial park to the Ministry of Economy during 2 reporting periods **

Exclusion of an industrial park from the Register is not a reason for its liquidation.

An industrial park excluded from the Register may be re-included in it no earlier than 6 months after exclusion.

* Industrial park shall be liquidated if:

- the agreement on creation and operation of the industrial park has not been concluded within 2 years from the date of the decision on its creation;
- no economic activity is carried out by all participants within 3 years.

The decision to liquidate the industrial park is made by the initiator of creation. After liquidation, the management company or participants may continue to conduct their economic activities as business entities on a general basis.

** The procedure for reporting to the Ministry of Economy will be approved by the Cabinet of Ministers of Ukraine.



support in partner and location search



resolving business-related problematic issues



establishment cooperation with state bodies, local authorities



consulting on conducting business in Ukraine



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