

STATE SUPPORT FOR INDUSTRIAL PARKS

(Law of Ukraine No. 5018-VI)



STATE SUPPORT ¹



full or partial compensation of interest rates on loans for arranging an industrial park, carrying out economic activity ²



10-year **corporate income tax exemption** ⁵



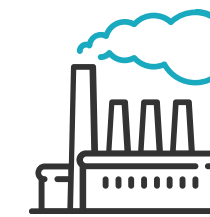
exemption from **import duties** for new equipment ⁷



non-refundable financing for arranging an industrial park and/or construction of related infrastructure facilities ³



land tax exemption/
reduced land tax rates ⁶



exemption from **real estate tax** for industrial buildings ⁸



compensation for **connecting to engineering grids** ⁴



VAT exemption for importing new equipment ⁷



exemption from payment of **forestry production losses** ⁹

1. Obtaining state support for industrial parks does not prevent from obtaining other incentives, in particular, provided for by the Law No. [1116-IX](#) or the legal regime of [Diiia.City](#).
2. The procedure is approved by the [Resolution](#) of the Cabinet of Ministers of Ukraine as of 28 October 2022 No. 1208.
3. The procedure is approved by the [Resolution](#) of the Cabinet of Ministers of Ukraine as of 28 October 2022 No. 1207.
4. The procedure is approved by the [Resolution](#) of the Cabinet of Ministers of Ukraine as of 3 January 2023 No. 10.
5. The procedure is approved by [Resolution](#) of the Cabinet of Ministers of Ukraine as of 20 September 2022 No. 1095.
6. Incentive is granted by decision of a local authority.
7. The procedure is approved by [Resolution](#) of the Cabinet of Ministers of Ukraine as of 7 September 2022 No. 997.
8. 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.
9. In the case of using land plots changing their purpose for the placement of industrial parks according to
10. Article 208 of the Land Code.

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**



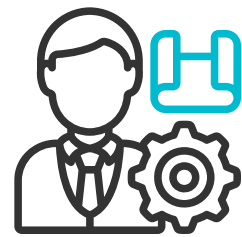
REQUIREMENTS TO INDUSTRIAL PARKS

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

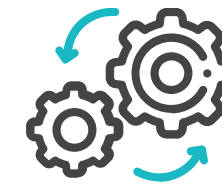
Business entity which:

- 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.

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.

Subjects' areas of business activities



processing industry



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



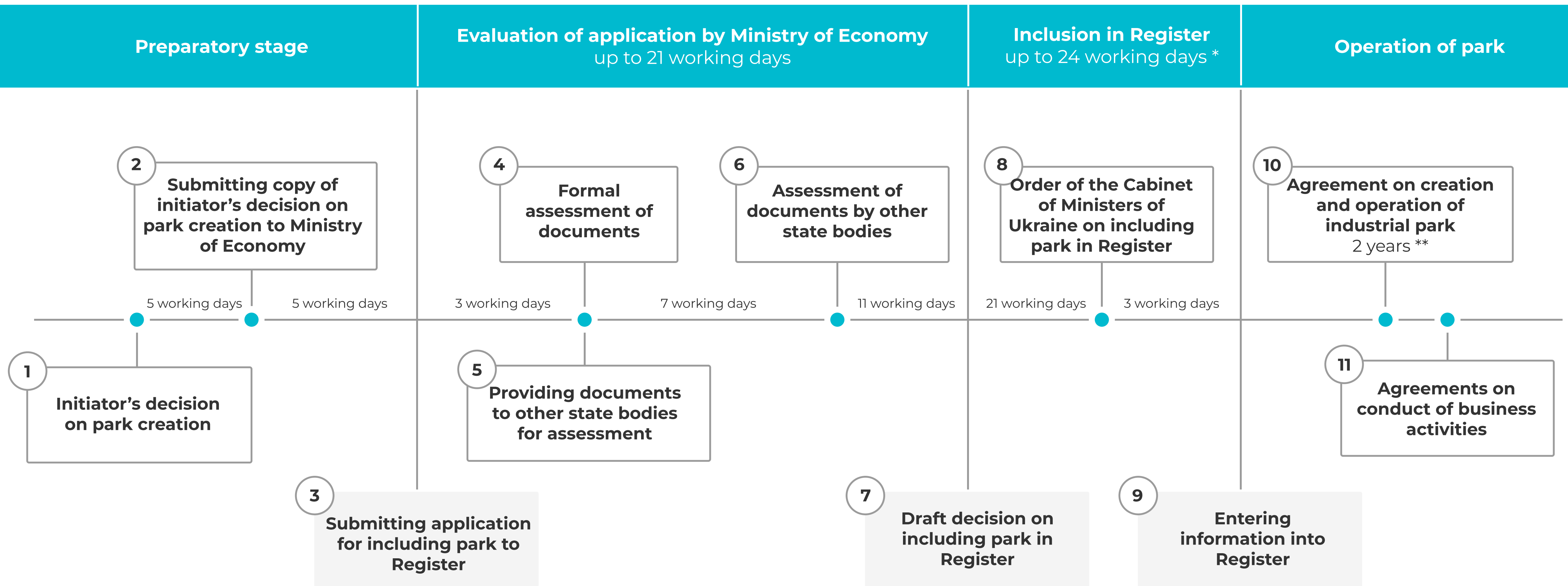
R&D



IT and telecommunications

* 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



* 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 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.

CHOICE 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.

Initiator of creation organizes a competition:

1. Approves the competition conditions;
2. Creates the competition commission;
3. Prepare the competition documentation.

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 of Ukraine 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

Reasons



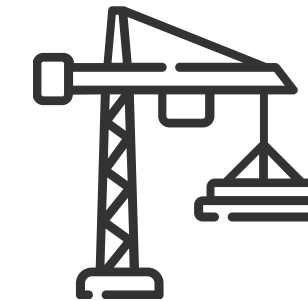
liquidation of industrial park *



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 of Ukraine 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.

UKRAINEINVEST SERVICES



support in partner search and location selection



establishment of cooperation with state bodies, local authorities



resolving business-related problematic issues



consulting on conducting business in Ukraine



Cabinet Ministers of Ukraine 12/2
Hrushevskoho St., office 148,
Kyiv, Ukraine 01008



+38 (044) 256 7832
+38 (098) 567 8899



info@ukraineinvest.gov.ua



www.ukraineinvest.gov.ua

