

AID FOR INVESTMENT



Melilla offers exceptional aid for investment

The incentives for investment established by Central Government and by the Autonomous City of Melilla allow Melilla to offer exceptional aid that can amount to 50% of the investment (up to 40% in the case of medium-sized companies and up to 30% in the case of large investments).

The aid is classified as follows:

- Regime of regional incentives for the Melilla Economic Promotion Zone.
- Microcredit facilities.
- Regime of financial aid for companies that create steady employment.
- Aid for general projects within the programme "Innoempresas".
- Aid for fostering business activities among women.
- Aid for fostering companies with a technological base and in Local Employment Initiatives.
- Financial aid to Micro-companies.
- Financial aid for large investments.
- Aid for projects of special interest for the Autonomous Community of Melilla.
- Aid to foster the employment of young people, women and the unemployed in Micro-companies.
- Financial incentives for obtaining the Quality Mark.
- Aid for Investment.



Non-returnable subsidies, up to a maximum amount of 30% of the investment approved for investments exceeding 600,000 euros

■ 1 REGIME OF INCENTIVES FOR THE ECONOMIC PROMOTION OF MELILLA

OBJECTIVE

- To promote business initiative by particularly helping small and medium enterprises.
- To foster harmonious development by intensifying actions in the services, industrial and crafts sectors.

BENEFICIARIES

- Conversion industries and production-support services which, while abiding by the sectoral criteria for competent bodies, include advanced technology, pay special attention to environmental improvements and involve a significant improvement in process or product quality or innovation; and most particularly, those that foster the introduction of new technologies and the provision of services in the subsectors of the information technologies and communications and those that significantly improve commercial provision and structures.
- The sectoral criteria laid down by the competent bodies, are innovative in nature particularly as relates to environmental improvements and significantly improve the endogenous potential of the zone.
- The sectors not cited are considered to be excluded sectors. As an exception, subsidies may be granted to projects included in other sectors.

AMOUNT

- Non-returnable subsidies, up to a maximum amount of 30% of the investment approved for investments exceeding 600,000 euros.



CONDITIONS

The investment projects seeking to apply for the benefits planned for this Economic Promotion Zone shall have to comply with the following requirements:

- Being technically, economically and financially viable.
- Self-financing of at least 25% of its approved investment.
- The investment has to be made after the application and the notification from the Examining Body, stating specifically that the project is eligible for receiving a subsidy.

PROCESSING

- The aid is regulated and granted by the Ministry of the Economy and Treasury, while Proyecto Melilla, S.A. manages and processes the aid grants.

■ 2 MICROCREDITS FACILITY

On 16 June 2004 a Collaboration Agreement was signed between Caja de Ahorros y Pensiones de Barcelona and Proyecto Melilla, S. A. to give instrumental form to the Microcredits financing facility, with the following characteristics:

OBJECTIVE

To foster the financing and promotion of self-employment through the granting of small “microcredits”, with the purpose of meeting social needs and following criteria of economic sustainability. They are aimed at financing projects promoted by persons suffering from financial exclusion.

BENEFICIARIES

Natural persons (i.e. private individuals) or micro-companies that, due to having no guarantees or credit history, have difficulties gaining access to financing through the usual channels of the financial system.

AMOUNT

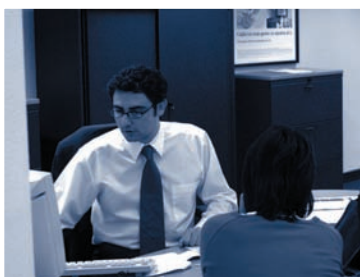
The financing for each project will up to 95% of the investment to be made, with no limits set on the division of assets.

CONDITIONS

- Maximum loan of 15,000 euros.
- Monthly amortisation: the deadline for repayment is 5 years plus an optional six-month period of grace.
- Maximum loan of 15,000 euros.
- Fixed interest rate: 7.75%
- No commission charges
- Personal sureties without guarantees.

PROCESSING

Through Proyecto Melilla, S.A. and La CAIXA.



3 REGIME OF FINANCIAL AID FOR COMPANIES THAT CREATE STEADY EMPLOYMENT

OBJECTIVE

Via this regime, co-financed by the ERDF, the creation of steady jobs is incentivated through the creation or enlargement of companies.

BENEFICIARIES

Any SME, independently of the legal form adopted, including self-employed workers seeking to undertake investment projects in the Autonomous City of Melilla that involve the creation of steady employment in the city.

AMOUNT

- 7,000 euros for self-employed workers under 35 years, over 45 years and the long-term unemployed who create a new company.
- For capital grants, a maximum of 30,000 euros is set for each job created.
- For the subsidising of interest, a maximum of five points of the interest rate of the lender is set.
- The maximum subsidy will be 40% of the investment.

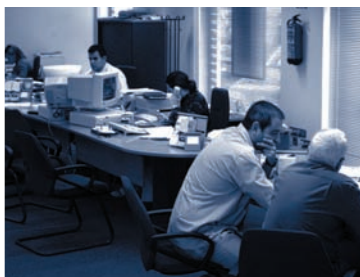
CONDITIONS

The requirements that must be met by the investment projects opting for these forms of aid are:

- Being technically, economically and financially viable.
- Involving the creation of steady jobs.
- The beneficiary shall have to take part in financing of the project with at least 25% of its amount by own funds or funds with outside financing.
- The investment has to be made after the application and the notification from the Examining Body, stating specifically that the project is eligible for receiving a subsidy.

PROCESSING

Aid granted by the Autonomous City of Melilla and managed by Proyecto Melilla, S.A.



Up to 30,000 euros of subsidy which is non-returnable per job created.



■ 4 AID FOR REGIONAL PROJECTS WITHIN THE “INNOEMPRESAS” PROGRAMME

OBJECTIVE

Its objective is to facilitate the access of small and medium enterprises from the Autonomous City of Melilla and of intermediate bodies to the subsidies laid down under the aid regime of the INNOEMPRESA Programme, as long as they implement projects that lie within one of the following three lines of action:

- Organisational innovation and advanced management.
- Technological innovation and quality.
- Projects of innovation in collaboration.

BENEFICIARIES

Small and medium companies and intermediate bodies that are carrying out or are going to carry out activities in the Autonomous City of Melilla.

PROMOTABLE SECTORS

- Industry (including food and agriculture)
- Construction
- Retail
- Services
- Tourism

AMOUNT

For Intermediate Bodies: up to 100% of the subsidisable expenses with a limit of 55,000 euros for fixed investment and 50% of outside collaborations.

For SMEs: up to 50% of the subsidisable expenses. Fixed investments will have a ceiling of 18,000 euros.

The aid must be applied exclusively to expenses attributable to the project. Under no circumstances shall the financing exceed 100% of the project.

CONDITIONS

- The projects must include the provision of measurable services or the delivery of goods to a set of SMEs who take part in formulating, executing or financing them.
- The investments must be maintained for a period of three years.

PROCESSING

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■ 5 AID FOR FOSTERING BUSINESS ACTIVITIES AMONG WOMEN

OBJECTIVE

This aid is for fostering the promotion of new businesswomen via a subsidy mechanism that allows the initial times in business activities to be moved beyond.

BENEFICIARIES

The beneficiaries of this Regime are women intending to implement a business project whose business activity is approached as being permanent in nature, either individually or under the form of trading companies or associated-work cooperatives, as long as the women in question hold management posts therein.

AMOUNT

FOR WOMEN BETWEEN 35 AND 45 YEARS:

- Maximum subsidy of 7,000 euros exclusively for payment of Self-Employed Special Social-Security quotas for two years and start-up expenses incurred from two months prior to registration for the IAE (tax on business activities) and up to three months from that date.
- For applications filed by SMEs that are jointly owned, business companies or cooperatives, the aid ceiling per company will be 21,000 euros (7,000 euros per person holding management posts in the entity).

FOR WOMEN UNDER 35 YEARS, THE LONG-TERM UNEMPLOYED AND WOMEN AGED OVER 45 YEARS:

- It will be subsidised by a fixed amount of 7,000 euros for the creation of the new company.

CONDITIONS

For access to this regime, the following requirements must be met:

- Not having been registered in the Self-Employed Special Social-Security regime nor having held a senior-management post during the three years prior to the date of application for the aid.



- Starting the subsidised business activity within a deadline of three months, counted from notification of the decision to approve the aid.
- The beneficiary cannot be registered for more than one regime of the Social Security, from the start of the activity and for at least two years from that date.

PROCESSING

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■ 6 AID FOR FOSTERING COMPANIES WITH A TECHNOLOGICAL BASE AND IN LOCAL EMPLOYMENT INITIATIVES

OBJECTIVE

To foster the hiring of people in companies with a Technological Base or deemed to be Local Employment Initiatives by means of a system of incentives for hiring workers.

BENEFICIARIES

Companies, irrespective of their legal form, which effectively and materially operate in the Autonomous City of Melilla and that draw up employment contracts under the various modalities in any of those sectors.

- Companies that involve the implementation of new technologies in Melilla.
- Tourism
- Industry
- New sources such as:
 - Daily-life services (home services, child care, new information technologies, etc).
 - Services to enhance quality of life (better housing, security, collective transport, etc.).
 - Cultural and leisure services (tourism, cultural development, etc.).
 - Environmental services (waste management, protection of natural zones, etc.).

AMOUNT

FOR COMPANY-EMPLOYED WORKERS:

The amount of the subsidies according to the hiring modality is as listed in the following table:

TYPE OF EMPLOYMENT CONTRACT TOTAL €

Permanent and full-time	6,000
Permanent, half-time	3,600
Temporary full-time, with duration of more than 24 months,	5,000
Temporary full-time, with duration of more than 12 months but less than 24 months,	2,400
Temporary half-time, with duration of 12 months,	1,200
Temporary half-time, with duration of 24 months,	1,800

The amount of the subsidies is modulated in function of the types of contract.



FOR SELF-EMPLOYED WORKERS AGED BETWEEN 35 AND 45 YEARS:

- Maximum amount of 7,000 euros exclusively for payment of the Self-Employed Special Social-Security quotas for two months prior to registration in the IAE and three months after that date.
- For applications filed by SMEs that are jointly owned, business companies or cooperatives, the aid ceiling per company will be 21,000 euros (7,000 euros per person holding management posts in the entity).

FOR THE SELF-EMPLOYED UNDER 35 YEARS, THE LONG-TERM UNEMPLOYED AND PERSONS AGED OVER 45 YEARS:

- It will be subsidised by a fixed amount of 7,000 euros for the creation of the new company.

CONDITIONS

- Increasing the company staff, within a deadline of 12 months from grant of the subsidy.
- Hiring persons with legal residence in the European Union, unemployed in the month preceding registration and registered at the employment office at the time when they are hired.
- Maintaining the staff at least three years for the indefinite hiring. and the time stated in the contract for temporary hiring.

PROCESSING

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■ 7 REGIME OF FINANCIAL AID TO MICRO-COMPANIES

OBJECTIVE

To facilitate by means of financial subsidies the creation, enlargement or modernisation of micro-companies located in the Autonomous City of Melilla.

BENEFICIARIES

Exclusively micro-companies (fewer than 10 people and with annual turnover or annual general balance not exceeding two million euros), irrespective of their legal form, including self-employed workers, who plan to implement investment projects in the Autonomous City of Melilla.

AMOUNT

- Subsidising of interest: up to five points of the interest rate (with maximum principal of the loan of 25,000 euros per project, on loans up to 10 years and at a maximum nominal interest rate of 10%).
- Capital grants: up to 35% of the subsidisable investment.
- The total maximum subsidy per project, of capital and Interest where applicable, is 25,000 euros.

CONDITIONS

- Being technically, economically and financially viable.
- The beneficiary must participate in the admissible financing with 25% of its amount using funds free from all aid.
- They must be new tangible and intangible fixed assets, while works must bring an improvement in the quality of the service or an increase in the value of the company.
- The investment has to be made after the application and the notification from the Examining Body, stating specifically that the project is eligible for receiving a subsidy.
- Incompatible with any other public aid that subsidises the same expenses.

PROCESSING

Aid granted by the Autonomous City of Melilla and managed by Proyecto Melilla, S.A.



■ 8 AID FOR PROJECTS OF SPECIAL INTEREST FOR THE AUTONOMOUS COMMUNITY OF MELILLA

OBJECTIVE

To foster investment and contracting in business projects whose size leads them to be considered of special interest for the Autonomous City of Melilla.

In sectors considered of special interest for aid to business projects whose investment exceeds €200,000 and creates at least 20 jobs.

BENEFICIARIES

- Any company can be a beneficiary, whether or not it be an SME, if it creates employment has its work centre in the Autonomous City of Melilla.
- This subsidy can also go to already created companies whose project involves development of an already established business activity or the start of others, whether or not they be related with the activity in which the applicant company engages, as long as new jobs are created.
- The aid beneficiaries can be any projects belonging to all economic activities, except for:
 - Activities in the sectors of fishing and aquiculture;
 - Primary production of agricultural products;
 - Activities of conversion and marketing of agricultural produce;
 - Activities in the sectors of coal, steel, naval construction and synthetic fibres.

AMOUNT OF THE SUBSIDY

The projects, which must exceed €200,000, shall receive a fixed subsidy in accordance with the jobs to be created, as set out in the chart below:

JOBS CREATED

- Between 20 and 50 subsidisable jobs.
- Between 51 and 100 subsidisable jobs.
- Over 100 subsidisable jobs.

FIXED AID

- 20% of the investment subsidisable, and 30% for SMEs.
- 25% of the investment subsidisable, and 35% for SMEs.
- 30% of the investment subsidisable, and 40% for SMEs.



SUBSIDISABLE EXPENSES

- Acquisition of real estate and land
- Civil engineering work appropriate for the needs of the project
- Capital goods;
- Project planning and engineering work and compulsory overseeing of the works;
- Intangible assets.

PROCESSING

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■ 9 AID TO FOSTER THE EMPLOYMENT OF YOUNG PEOPLE, WOMEN AND THE UNEMPLOYED IN MICRO-COMPANIES

OBJECTIVE

The objective of this aid is the fostering and subsequent maintenance of employment in companies through the hiring of unemployed persons who are, among others, young people aged under thirty years, and particularly women, in micro-companies.

BENEFICIARIES

Companies, irrespective of their legal form, that effectively and materially operate in the Autonomous City of Melilla, as long as they lie within the sphere of micro-companies in accordance with the Recommendation of the Commission of 6 May 2003.

The following contracts are expressly excluded:

- Contrats à durée déterminée en intérim.
- Contrats à durée déterminée pour contraintes de production.
- Contrats de formation.
- Contrats de travail temporaire de remplacement.
- Contrats de haute direction.

REQUIREMENTS

The contracting of workers object of the subsidy shall meet the following requirements:

- The types of hiring object of subsidies shall be as laid down in each invitation to apply.
- The contracting fostered has to result in an increase of staff in the company, such as to surpass the arithmetic mean of the twelve months prior to the date of filing of the application for aid.
- Beneficiaries shall be obliged to maintain their staff for at least the time stated in the application for the subsidy.
- In the event of termination of the employment relationship, the post must be filled by a new worker.
- The beneficiary shall have to carry out the hiring object of the subsidy within a deadline of 12 months.
- The subsidies exclude hiring arranged with spouses, ascendants, descendants and other relatives by consanguinity or affinity up to the second degree.
- The hiring of persons who had worked with the beneficiary company within the two years preceding the application for aid shall not be considered job-creation.



REQUIREMENTS

The basis for calculation shall be the amount of the employer's contribution to Social Security (excluding the premium for workplace accidents and work-related illnesses) corresponding to the year 2009.

CONTRACT TYPE	AID
Full-time	
• 12 months.....	75% of the base with a total ceiling of €2,000
• More than 12 but less than 24 months.....	85% of the base with a total ceiling of €185.50 / month (max. of €4,500)
• Permanent.....	100% of the base with a total ceiling of €5,000
Half-time	
• 12 months.....	75% of the base with a total ceiling of €1,000
• More than 12 but less than 24 months.....	85% of the base with a total limit of €93.75 (max. of €2,250)
• Permanent.....	100% of the base with a total ceiling of €2,500
Contracts for women	Increase of 10% over previous numbers

For the sectors of hotel, travel-agency work, tour operators and other tourist-support activities; trade and industry, with the exception of energy and water, the amount of this aid will be reduced by 40%

PROCESSING

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■ 10 FINANCIAL INCENTIVES FOR OBTAINING THE QUALITY MARK

OBJECTIVE

To boost by means of financial subsidies the implementation and certification of quality systems, such as:

- The “Melilla Quality” mark, according to the Quality Plans of the Autonomous City of Melilla.
- Access to certification under the standard UNE-EN ISO 9001, Q lcte, OSAS or EFQM, where the companies can show that they are users of the “Melilla Quality” mark.

BENEFICIARIES

Any SME irrespective of legal form and having permanent establishment open in the Autonomous City of Melilla which is going to make investments for improvement and quality and had applied for or were already a user of the “Melilla Quality” mark or any other quality mark as stated above.

AMOUNT

- Fixed percentage of 35% of the capital grant.
- Fixed percentage of 50% of the costs with a maximum of 4,000 euros for outside collaborations.
- Up to 5 points of the interest rate for subsidising interest payments.
- Under no circumstances shall the above amounts exceed 30,000 euros per project.

CONDITIONS

The requirements that must be met by the investment projects opting for these forms of aid are:

- Voluntary participation of the company in the sectoral quality plan approved for obtaining and maintaining the “Melilla Quality” mark.
- SMEs wishing to maintain the aforesaid mark and those wishing to gain other higher models shall have to prove they are users of the “Melilla Quality” mark.
- The contribution of beneficiaries for financing the projects shall have to be at least 25%. That minimum contribution to the project cannot be from aid of any kind.



- The investment has to be made after the application and the notification from the Examining Body, stating specifically that the project is eligible for receiving a subsidy.

PROCESSING

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