

Commission Regulation (EC) No 70/2001 of 12 January  
2001 on the application of Articles 87 and 88 of the EC  
Treaty to State aid to small and medium-sized enterprises

*Article 4*

**Investment**

1 Aid for investment in tangible and intangible assets inside or outside the Community shall be compatible with the common market within the meaning of Article 87(3) of the Treaty and shall be exempt from the notification requirement of Article 88(3) of the Treaty if it fulfils the conditions of paragraphs 2 to 6.

[<sup>F12</sup> Where the investment takes place in areas or in sectors which do not qualify for regional aid pursuant to Article 87(3)(a) and (c) of the Treaty at the moment the aid is granted, the gross aid intensity shall not exceed:

- a 15 % in the case of small enterprises;
- b 7,5 % in the case of medium-sized enterprises.

3 Where the investment takes place in areas and in sectors which qualify for regional aid at the moment the aid is granted, the aid intensity shall not exceed the ceiling of regional investment aid determined in the map approved by the Commission for each Member State by more than:

- a 10 percentage points gross in areas covered by Article 87(3)(c), provided that the total net aid intensity does not exceed 30 %; or
- b 15 percentage points gross in areas covered by Article 87(3)(a), provided that the total net aid intensity does not exceed 75 %.

The higher regional aid ceilings shall only apply if the aid is granted under the condition that the investment is maintained in the recipient region for at least five years and the beneficiary's contribution to its financing is at least 25 %.]

4 The ceilings fixed in paragraphs 2 and 3 shall apply to intensity of the aid calculated either as a percentage of the investment's eligible costs or as a percentage of the wage costs of employment created by the carrying-out of an investment (aid to job creation) or a combination thereof, provided the aid does not exceed the most favourable amount resulting from the application of either calculation.

5 In cases where the aid is calculated on the basis of the investment's costs, the eligible costs of tangible investment shall be the costs relating to investment in land, buildings, machinery and equipment. In the transport sector, except for railway rolling stock, transport means and transport equipment shall not be included in the eligible costs. The eligible costs of intangible investment shall be the costs of acquisition of the technology.

6 In cases where the aid is calculated on the basis of jobs created, the amount of the aid shall be expressed as a percentage of the wage costs over a period of two years relating to the employment created under the following conditions:

- a job creation shall be linked to the carrying-out of a project of investment in tangible or intangible assets. Jobs shall be created within three years of the investment's completion;

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**Changes to legislation:** There are currently no known outstanding effects for the Commission Regulation (EC) No 70/2001, Article 4. (See end of Document for details)

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- b the investment project shall lead to a net increase in the number of employees in the establishment concerned, compared with the average over the previous twelve months; and
- c the employment created shall be maintained during a minimum period of five years.

[<sup>F27</sup> Where the investment concerns the processing and marketing of agricultural products listed in Annex I to the Treaty, the gross aid intensity may not exceed:

- a 75 % of eligible investments in the outermost regions;
- b 65 % of eligible investments in the smaller Aegean Islands within the meaning of Council Regulation (EEC) No 2019/93<sup>(1)</sup>;
- c 50 % of eligible investments in regions eligible under Article 87(3)(a) EC;
- d 40 % of eligible investments in all other regions.]

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#### **Textual Amendments**

- F1** Substituted by [Commission Regulation \(EC\) No 364/2004 of 25 February 2004 amending Regulation \(EC\) No 70/2001 as regards the extension of its scope to include aid for research and development.](#)
- F2** Inserted by [Commission Regulation \(EC\) No 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to State aid to small and medium-sized enterprises active in the production of agricultural products and amending Regulation \(EC\) No 70/2001.](#)

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(1) [<sup>F2</sup>OJ L 184, 27.7.1993, p. 1.]

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**F2** Inserted by Commission Regulation (EC) No 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to State aid to small and medium-sized enterprises active in the production of agricultural products and amending Regulation (EC) No 70/2001.

**Changes to legislation:**

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