

Government of the Republic of Srpska adopted at its 73rd meeting, held on July 5th, 2012. the Regulation on Requirements and Manner of Implementation of the Investment and Employment Support Program.

The Regulation sets forth requirements for and manner of encouraging and supporting direct investments and employment growth in the territory of the Republic of Srpska, criteria for award of funding, schedule of payment of awarded funding, and other issues relevant to competitiveness growth of the Republic of Srpska through inflow of direct investments aimed at employment in new jobs, transfer of new knowledge and technologies and balancing of regional development of the Republic of Srpska. Total funding to be awarded shall be set in proportion to the value of investment and number of the newly employed, taking into account also the place of investments and fulfillment of criteria set forth by this Regulation, for investments in manufacturing sector of minimum investment value of BAM 2.000,000 and providing employment for at least 20 workers, i.e.:

1. in the territory of the developed and medium-developed local self-governance units in the Republic, in the amount of BAM 3.500,00 and
2. in the territory of the underdeveloped and extremely underdeveloped local self-governance units in the Republic, in the amount of 5.000,00. BAM

Level of development of a local self-governance unit in the Republic is set in accordance with the Decision on Level of Development of Local Self-Governance Units in the Republic, for the next year.

By way of exception from Article 4 of this Regulation, investment projects with investment value over 25.000.000,00 BAM, which provide employment to at least 100 new employees, regardless of the level of development of the local self-governance unit where the investment takes place, will receive the funds in the amount of 15% of the total value of investment.

The funding will be awarded under the following conditions:

1. property acquired through direct investment is used exclusively by the beneficiary of the funding,
2. investor has not reduced the number of persons employed for an undefined period during

previous year, counting from the date of issue of public competition, and during the period of implementation of the investment project and

3. after implementation of the investment project, i.e. after payment of the last tranche of the awarded funding, number of persons employed by funding beneficiary for undefined period will not decrease during at least three years after such payment.

Application for participation in the procedure of funding award may be filed by investors implementing investment projects in manufacturing sector in the territory of the Republic, which provide new employment.