

Regulation on establishing the Program for Encouraging the Development of Entrepreneurship through Financial Support for Women's Entrepreneurship in 2023

*("Official Gazette of the
RS", no. 65/2023 and
70/2023-corr.)*

In the Official Gazette of the Republic of Serbia No. 65 as of August 4th, 2023, the Regulation on establishing the Program for Encouraging the Development of Entrepreneurship through Financial Support for Women's Entrepreneurship in 2023 was published, which was adopted with the aim of strengthening female entrepreneurship, increasing the number of business entities, and further encouraging employment, and which entered into force the day after its publication.

The Law on the Budget of the Republic of Serbia for the year 2023 ("Official Gazette of the RS", number 138/22) allocated funds in the amount of RSD 1.915.000.000,00 intended for the implementation of the project Support for the development of Entrepreneurship. Of the stated amount, RSD 600.000.000,00 is intended for the implementation of the Program for Encouraging the Development of Entrepreneurship through Financial Support for Women's Entrepreneurship in 2023 (hereinafter: "**Program**").

Incentives awarded based on this Program represent dedicated grants - subsidies, which are, as such, exempt from compulsory

collection. The Program is implemented by the Ministry of Economy in cooperation with the Development Fund of the Republic of Serbia (hereinafter: "**Fund**").

I WHO CAN APPLY?

Incentives determined by the Program are intended for financial support of:

- newly established entrepreneurs;
- existing entrepreneurs as well as
- micro and small companies, which are registered in the Business Registers Agency (hereinafter: "**BRA**"), and whose founder and legal representative is a woman.

In a company with several founders, the minimum share that must be owned by one or more women is 50% and one of the legal representatives must be a woman.

The founders of a business entity can only be natural persons.

II WHAT IS THE FINANCIAL FRAMEWORK?

Business entities that meet the conditions of the Program can be awarded the right to financial support in the form of grants in the amount of up to **40% of the investment value**, i.e. **up to 50% of the investment value** for business entities that belong to local self-government units that are classified in the third or fourth development group in accordance with Article 12 of the Law on Regional Development ("Official Gazette of the RS", no. 51/09, 30/10 and 89/15 - other law) i.e. business entities from underdeveloped and extremely underdeveloped local self-government units.

The remaining investment amount will be financed from the Fund's loan:

- For business entities registered in the BRA from January 1st, 2021 onwards, as well as those registered until

December 31st, 2020 and on December 31st, 2022, do not have a minimum of five employees, the minimum total amount of funds (loan + grant) that can be approved is RSD 400.000,00, and the maximum RSD 6.000.000,00;

- For business entities that are registered in the BRA until December 31st, 2020 and have a minimum of five employees, including female entrepreneurs with a balance as of December 31st, 2022, a minimum total amount of funds (loan + grants) that can be approved is RSD 400.000,00, and a maximum of RSD 12.000.000,00.

Exceptionally, business entities that perform service activities in which the business operations do not require a large amount of funds, can be granted funds (non-refundable and loans) in the total amount of up to RSD 3.000.000,00.

III FOR WHAT CAN THE RECEIVED FUNDS BE USED?

The funds determined by the Program are intended for:

- Purchase of machines/equipment/tools, new computer equipment and software and vehicles used for transporting own products, raw materials and other means of transport involved in the production process and provision of services (new or used, not older than five years). The equipment/vehicle that is the subject of financing, in accordance with this Program, i.e. for the procurement of which grants are awarded, cannot be purchased from a natural person, unless an entrepreneur;

- ongoing maintenance, adaptation of business and/or production space up to RSD 1.000.000,00, from the total investment funds, regardless of whether the facility in which ongoing maintenance activities are carried out is leased or owned by the applicant;
- purchase of business/production space for business entities that are registered in BRA until December 31st, 2020 and employ a minimum of five employees on December 31st, 2022 (including the entrepreneur herself, regardless of the basis on which she is insured);
- operating costs, which can take up to 25% of the structure of the total investment for which Program funds are requested.

IV WHAT CAN'T THE RECEIVED FUNDS BE USED FOR?

Funds under this Program cannot be used for the purpose of performing the following activities:

- trade activity, except activities that have a certain degree of processing;
- organizing games of chance, lotteries and similar activities;
- production and sale of weapons and military equipment;
- circulation of oil and oil derivatives;
- steel and synthetic fibre production and coal mining;
- production and trade of any product or activity, which, according to domestic regulations or international conventions and agreements, are considered prohibited;
- production of tobacco and tobacco products.

Funds under the Program cannot be used for projects of business entities from other sectors

if they do not contribute to the achievement of the objectives of the Program.

Funds under the Program cannot be used to reimburse costs within activities that were started or completed before the signing of the grant agreement in accordance with the Program.

The public call is open until the amount of requested grants does not exceed the amount of funds available for the implementation of the Program by 35%, which is the average percentage of rejected and abandoned requests before resolution in previous years. The application for the allocation of grants is submitted simultaneously with the application for a loan to the Fund by submitting a completed unified application form, as well as accompanying documentation that proves the fulfilment of the requirements of the Program.

For any additional consultation or legal assistance in connection with submitting a request for the allocation of funds, you can contact the Tasić & Partners team by email at office@tasiclaw.com or by phone at +381116302233.