

Incentives at a Glance

Incentives Instruments in Germany

Incentives programs in Germany are available through different public funding instruments and for different funding purposes.

The following sections outline the most common as well as attractive incentives programs and their application fields in Germany.

[Grants for investments](#)

[Grants for R&D](#)

[Grants for hiring personnel](#)

[Public loans](#)

[Public guarantees](#)

The different incentives instruments can be combined.

Determining Eligibility

Each incentives program defines industries as well as forms of investments (e.g. greenfield projects or expansions) eligible for funding. Foreign investors are subject to exactly the same conditions available to German investors.

Each program has a set of criteria (such as company size, planned investment project location, etc.) which determine individual investment project incentive levels.

EU Criteria Determining Company Size

Company size is generally determined according to an EU-wide classification system in which companies are categorized as being small, medium-sized or large according to their employee numbers, annual turnover and/or annual balance sheet total.

The size of a company is an important criteria to determine the possible incentives level a company may receive. Most incentives programs offer the highest incentives rates to small and medium-sized enterprises (SMEs). Some programs may even specifically target SMEs (this is very often the case with R&D programs).

Enterprise Category	Employee Numbers	Annual Turnover		Annual Balance Sheet Total
Small Enterprise (SE)	< 50	≤ EUR 10 million	or	≤ EUR 10 million
Medium-Sized Enterprise (ME)	< 250	≤ EUR 50 million	or	≤ EUR 43 million
Large Enterprise (LE)	≥ 250	> EUR 50 million	or	> EUR 43 million

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The criterion concerning the headcount is compulsory. In addition, either of the annual turnover or the balance sheet criteria must also apply. Please refer to the explanation of the European Commission for more information.

- [SME Definition of the European Commission](#)

For more information on EU framework conditions, please refer to the following site:

- [Framework Conditions of Public Funding](#)

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