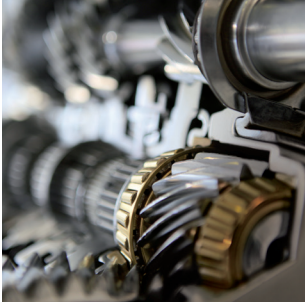
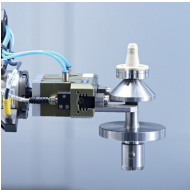


ECONOMIC DEVELOPMENT IN RHEINLAND-PFALZ

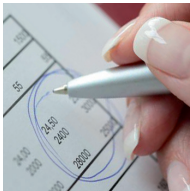
# ISB SERVICES FOR INVESTORS



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## THE ISB – A POWERFUL PARTNER IN RHEINLAND-PFALZ

The federal state of Rheinland-Pfalz is an attractive location for companies.

This is not only due to its favourable geographical location in the centre of Europe, but above all due to an effective business development network that optimally supports companies in all phases of their development.



Dr. Ulrich Link, Ulrich Dexheimer

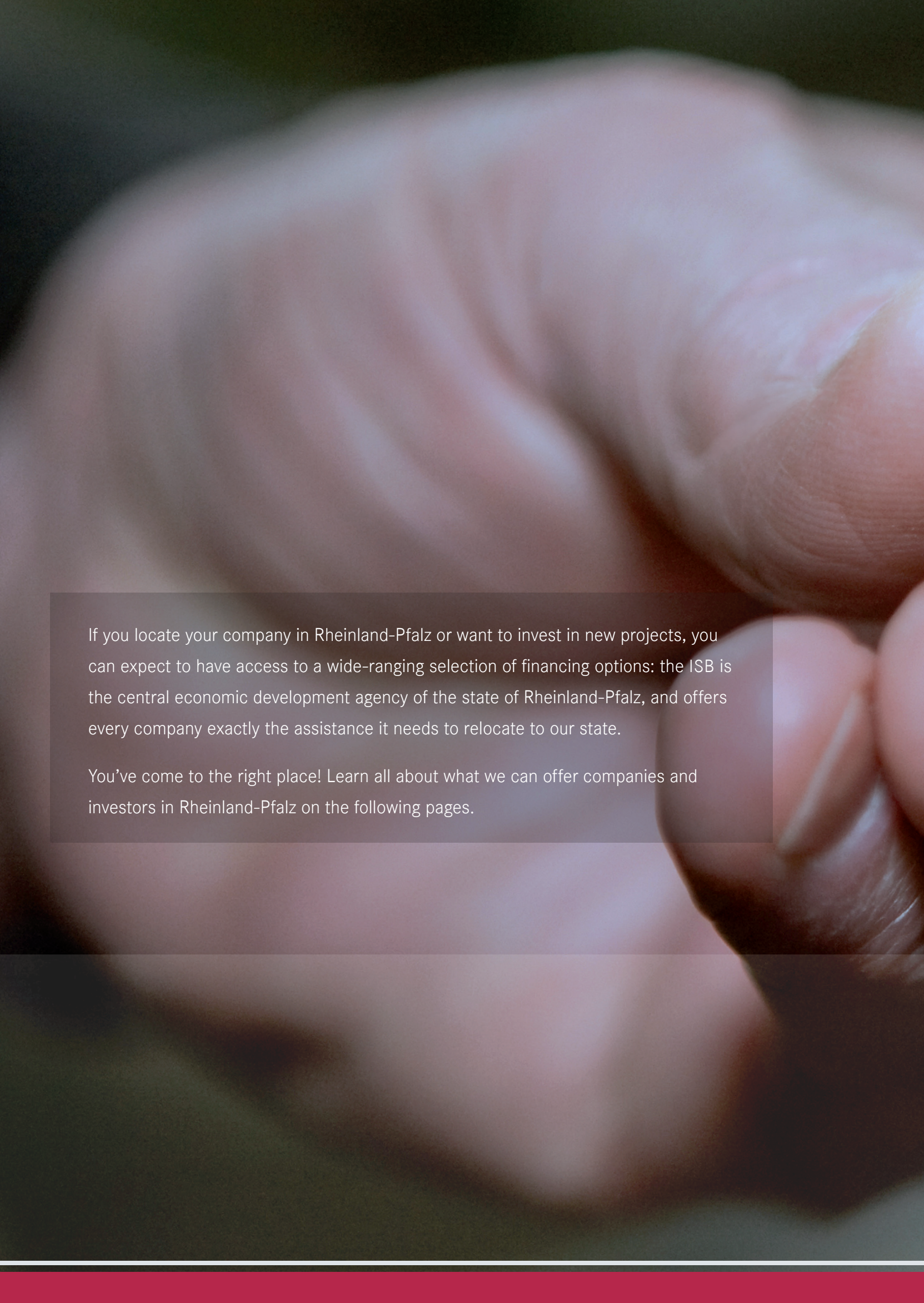
Innovation, future, growth: Entrepreneurial spirit manifests itself in investments. They promote the survival and growth of companies and create jobs in the region.

The Investment and Economic Development Bank of Rheinland-Pfalz (Investitions- und Strukturbank Rheinland-Pfalz (ISB) supports your investments with customised financing. Whether you want to set up your business in Rheinland-Pfalz or invest in an existing company, we will advise you comprehensively and put together an individual financing package for you consisting of a combination of low-interest loans, loan guarantees, equity investments and subsidies.

This publication gives you an initial insight into the possibilities that we as a business development institution can offer you.

Contact us if you would like more information.





If you locate your company in Rheinland-Pfalz or want to invest in new projects, you can expect to have access to a wide-ranging selection of financing options: the ISB is the central economic development agency of the state of Rheinland-Pfalz, and offers every company exactly the assistance it needs to relocate to our state.

You've come to the right place! Learn all about what we can offer companies and investors in Rheinland-Pfalz on the following pages.



Chemicals, pharmaceuticals, automotive, energy and environmental technology, metalworking, mechanical engineering, and food products: the economy of Rheinland-Pfalz offers a robust and healthy mixture of industries.

ONE-STOP  
ASSISTANCE  
– WHAT DOES  
THAT MEAN  
FOR ME?

## OUR SERVICES

**A**s a competition-neutral partner in the financial market we work together with any bank with which a client has a standing relationship. The principal banking procedure has two distinct advantages for businesses and investors: Filing applications is made as simple as possible, and at the same time you profit from our favourable refinancing opportunities.

### **What does “one-stop” mean?**

The scope of services we offer is even broader. “One-stop assistance” means that we not only offer our own programmes, but can also incorporate funds from the German federal government and the EU into the financing packages. We work in cooperation with the federal economic development agencies of the KfW, the Landwirtschaftliche Rentenbank (LR), and the European Investment Bank (EIB), whose offerings are in some cases closely coordinated with our programmes. What we offer is not in competition with what is offered by these institutions, but supplements them. The same is true with regard to EU aid: thus, for example, we provide funds for subsidizing individual companies, regions, and technologies, as well as venture capital funding, that is co-financed by the European Regional Development Fund (ERDF).

### **Rheinland-Pfalz –**

#### **an attractive location for your company**

As a partner, we inform potential investors about the economy and infrastructure in the state, put together individual site packages, and answer any questions about Rheinland-Pfalz as a center of economic activity, as well as queries related to trade promotion and cooperation. We act as a “pilot” for investors and companies newly arrived in our region: we find contact persons offering land parcels and properties, make contact with permitting authorities, and support you every step of the way toward successfully locating your firm here. The statewide location finder, available online at [www.locationfinder.rlp.de](http://www.locationfinder.rlp.de), is an important instrument in finding the right location for you. In this way, we offer a smooth process for finding and deciding on a location, then setting up your business here. This service is provided at no cost to you.

We also support companies from Rheinland-Pfalz in matters of promoting foreign trade and cooperation. This is carried out in close cooperation with our partners – the Ministry of Economic Affairs, the state’s Chambers of Commerce, and the Foreign Trade Chambers and Rheinland-Pfalz contact offices overseas. ■



*“One-stop assistance” also means that the ISB not only offers its own programmes, but can also integrate funds from the German federal government and the EU into its financing packages.*




## THIS IS THE ISB

*The ISB is the Investment and Economic Development Bank for the Federal State of Rheinland-Pfalz, located in the state capital of Mainz. Our focus is on promoting economic development and housing in our region – for the people who live here and for all who come here as entrepreneurs and investors.*

*Rheinland-Pfalz is located in the southwest of the Federal Republic of Germany, and has some four million residents. Its largest cities are Kaiserslautern, Koblenz, Ludwigshafen, Mainz and Trier.*

*One focus of our work is promoting the development of small and medium-sized enterprises (SMEs) through means such as low-interest loans, loan guarantees, equity investments, and subsidies. ■*





Rheinland-Pfalz is a state in which small and medium-sized enterprises play an especially important role – we at the ISB are reliable partners for such SMEs in particular. We offer SMEs comprehensive financing possibilities, aid in attracting new companies, and offer investors the possibility of finding attractive commercial properties, business partners, and skilled employees in Rheinland-Pfalz.



More than 99 % of all companies in Rheinland-Pfalz are SMEs, i.e. companies with annual revenues of less than 50 million Euros. In other words, SMEs are the motor that drives the economy of Rheinland-Pfalz and they provide stable jobs for 56 % of all employees subject to social insurance contributions.

WE OFFER YOU:

ADVICE

SERVICE

FINANCING

FUNDING

# FUNDING OPPORTUNITIES FOR ENTREPRENEURS AND INVESTORS

**Y**ou want to take over an existing company? You're looking to invest in real estate or machinery? You're planning to start a company, launch innovations, hire employees? Whether you want to relocate your firm to Rheinland-Pfalz or invest in an existing company: before you make your decision, you should understand all your options.

### Grants

#### Investments

If you would like to set up a new business location in one of the economic development regions of the state of Rheinland-Pfalz receiving assistance or would like to expand your existing business location, then we can offer you support – and what is more, with a financial grant which does not need to be repaid. Such financial resources are available as part of regional economic development programmes, and you can apply for them directly through us. We can tell you which regions are eligible for such aid, and what level of financial subsidy you can expect.

#### Innovations

You want to bring your innovation to market? You're developing a product that's not yet on the market in the EU? Then our funding programme "InnoTop"

might be something for you. With this programme, the state promotes research and development projects leading to new products or production methods. If you first want to evaluate the fundamental technical feasibility of your idea, we can provide you the financial means for a feasibility study. Personnel and material costs and research and development costs are also eligible for subsidies; in some cases, grants can cover more than half the costs.

Applying for assistance is easy and saves time. We're happy to invite you for a preliminary discussion at no charge to you; all we need from you is a brief project sketch.

#### Advice

And even if you want to consult with external experts, we can assist you: we can provide financial assistance for strategic planning and market development, image promotion, and product optimization through grant programmes for advising and consulting. In this way, we can take on up to 50 % of your total advising costs.

#### Loans

In many cases, a company's need for financing goes well beyond what can be provided as a grant. Do



you need a loan to realize your planned investment or company establishment? The ISB offers various loan programmes with attractive conditions for borrowers – for projects requiring long-term financing which can be expected to result in lasting economic success and the creation and safeguarding of jobs.

In this way, industrial companies and professional firms can apply for loans from various ISB programmes to assist SMEs in making investments. For investments contributing to climate and environmental protection, the RLP efficiency credit is available. For financing operating resources and inventories, we can offer the RLP operating resource loan. Whatever your plans may be – talk to us!

The loans are generally applied for and handled via applicants' local bank; under certain conditions, a release from liability is possible.

### **Equity investment**

Rapidly growing companies in particular are often faced with the challenge of maintaining their equity ratio. For such companies, the ISB can provide equity capital in the form of direct equity investment and/or mezzanine capital through various subsidiary companies. Such


equity investment does not restrict the entrepreneurial freedom of the company. A further advantage: in economic terms, the mezzanine capital is also considered part of the company's equity capital, thus increasing the company's creditworthiness in the eyes of banks, and the company's own collateral is available for securing additional financing.

Another focus of the ISB's equity investment activities is the financing of technology-oriented startup companies. With some 150 companies currently receiving financing, we play a leading role in this field in Rheinland-Pfalz, have strong connections with all startup initiatives in Rheinland-Pfalz, and have excellent contacts to other investors, such as business angels and the high-tech startup fund.

### **Loan guarantees**

A loan guarantee from the ISB provides the security your project needs if you're unable to supply sufficient collateral yourself. We're able to provide your local bank with our own loan guarantees, as well as loan guarantees from the Rheinland-Pfalz state loan guarantee programme. Furthermore, we are able to offer corresponding guarantees from the Bürgschaftsbank Rheinland-Pfalz GmbH through our network. ■



A person's hands are holding a dark-colored smartphone. The background is a blurred outdoor scene with sunlight filtering through trees, creating a bokeh effect. Overlaid on the image is a semi-transparent world map with a network of white lines and dots connecting various locations. The text is contained within a dark, semi-transparent rectangular box on the left side of the map.

If you want to relocate your company to our region, acquire an existing firm or start a new one, you've come to the right place with the ISB. We offer a comprehensive array of assistance for entrepreneurs coming to Rheinland-Pfalz, and this service is free of charge for you.





YOU WANT  
TO ESTABLISH YOUR  
COMPANY HERE?  
LET US  
HELP YOU!



## OUR SERVICE FOR INVESTORS

If you're new to our region, you'll have lots of questions. We can help you quickly and easily find the right answers so you can successfully realize your plans – here with us in Rheinland-Pfalz.

### **Foreign investment service**

Properties, land parcels, permits: We at the ISB see ourselves as “pilots” for investors and entrepreneurs from abroad who take an interest in our state. We can advise you, put you in touch with contacts for land and real estate and support you in all steps of a successful foundation process. In addition, we can establish contacts for you at the institutional level.

### **Location finder**

If you're looking for a commercial property in Rheinland-Pfalz, the “location finder” on our Internet platform offers the right source of information for you. Lots of properties in Rheinland-Pfalz are offered here online; you can search by size and location, but also based on different criteria, for example road, rail, and air connections, distance to/from commercial zones and industrial parks, and many others.

All these offers can be found at [www.locationfinder.rlp.de](http://www.locationfinder.rlp.de).



[www.locationfinder.rlp.de](http://www.locationfinder.rlp.de)

**Business succession**

Thousands of entrepreneurs in Germany are looking for a suitable successor – someone who will keep their company going once they hand over the reins and retire.

If you're interested in taking over a company in Rheinland-Pfalz, talk to us: we at the ISB can help you with such a takeover, with loans, loan guarantees, or equity investment.

**Welcome Center**

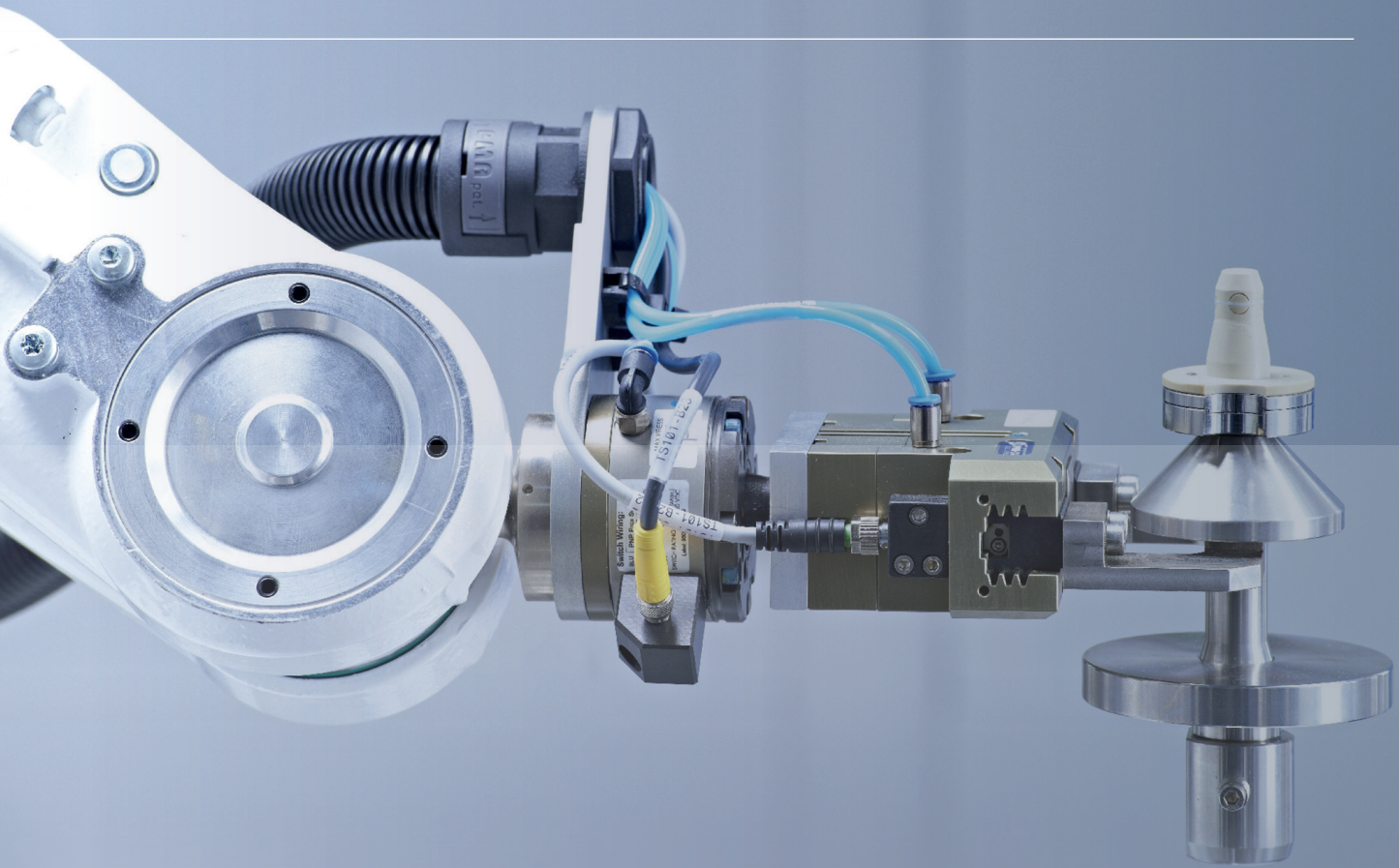
Starting at a new location can bring with it many challenges, both professionally and personally. What permits and qualifications are needed? How do I find a place to live? Where will my children go to school, and what public agencies and officials do I need to talk to? Where can I find language courses? With their "Welcome Centers", the Chambers of Industry and Commerce of Rheinland-Pfalz offer a wide range of support for people relocating to Germany from abroad. Contact them for more information!

Further information can be found at  
<http://welcomecenter.rlp.de/de/english/> ■



<http://welcomecenter.rlp.de/de/english/>





WHO CAN APPLY  
FOR LOAN ASSISTANCE?  
HOW LONG IS  
THE PROCESSING  
TIME?

## FREQUENTLY ASKED QUESTIONS

### **What industries can the ISB provide assistance to?**

As a general matter, all industries are eligible to receive support. Individual programmes may have certain restrictions.

### **Who can apply for loan assistance from the ISB?**

Small and midsize enterprises from the commercial economy (skilled workers, trade and commerce and other service-sector companies) and also natural persons who rent out or lease commercial property can obtain funding loans, provided the company headquarters or the site of the investment is located in Rheinland-Pfalz.

### **Is the choice of legal form of the company relevant for the granting of financial aid?**

In principle, no. Whether financial aid is offered does not depend on the legal form under which an existing or newly established business is conducted.

### **Can I still apply for financial aid if my project is already underway?**

The various aid programmes require that an application be made prior to the start of the project.

### **Does the possible aid depend on the size of the company?**

Some aid programmes offered by the ISB are designed for small and medium-sized enterprises (SMEs) in accordance with the definition used by the EU. Small enterprises by this definition are those employing up to 50 persons and with annual revenues or a balance sheet total of no more than 10 million Euros. Medium-sized enterprises are companies with up to 250 employees and annual revenues of not more than 50 million Euros, or a balance sheet total of not more than 43 million Euros.

Some other programmes offered by the ISB can benefit larger or "mid-cap" companies. "Mid-cap" companies are companies employing more than 250 but fewer than 3,000 people.

### **Can different ISB aid programmes be combined with one another, or with programmes offered by other development agencies and institutions?**

As a general rule, the various aid programmes offered by the ISB can be combined with one another and with those offered by other development agencies and institutions.

### **How long is the processing time for applications for financial aid?**

We already offer a service guarantee for applicants for many of our programs. This means that a decision will be made regarding the aid applied for within a set number of bank working days after the application documents have been submitted in full. These service guarantees are for periods of five to ten bank working days, depending on the programme.

### **What is exemption from liability?**

Exemption from liability means that the ISB (Investment and Economic Development Bank of Rheinland-Pfalz) proportionately accepts a share of the open-ended credit risk. The size of the exemption from liability possible is given in each respective loans programme. The borrowers however remain obliged for the full extent of their repayment. Through exemption from liability the default risk of the principal bank is reduced, so that with insufficient collateral they should rather be prepared to accept a corresponding risk for granting the loan.

Indication: Exemptions from liability cannot be combined with ISB surety programs or with other financial assistance programs exempted from liability. ■



If you have further questions:

# Talk to us!

- |           |  |
|-----------|--|
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| By fax    | > +49 6131 6172-1299   |
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| Or online | > <a href="http://www.isb.rlp.de">www.isb.rlp.de</a>                       |
|           | > <a href="http://www.locationfinder.rlp.de">www.locationfinder.rlp.de</a> |



## Legal notice

<b>Published by:</b>	Investitions- und Strukturbank Rheinland-Pfalz (ISB)
<b>Editors:</b>	Roland Wagner, Head of Department, SME and Municipal Finance Christoph Völker, Director Communication, Investor Services
<b>Photos:</b>	Investitions- und Strukturbank Rheinland-Pfalz (ISB), Alexander Sell, Herbert Piel, Innomag e.V., Georg Banek – <a href="http://www.artepictura.de">www.artepictura.de</a> , allvision/WilliamJu/adiruch na chiangmai/Sergey Nivens – <a href="http://Fotolia.com">Fotolia.com</a>
<b>Design:</b>	Hilger & Boie Design, Wiesbaden

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YOU'VE COME  
TO THE RIGHT  
PLACE!



## ADDRESS

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[www.isb.rlp.de](http://www.isb.rlp.de)

## RLP WORKING CAPITAL LOAN

**The programme offered by the Investitions- und Strukturbank Rheinland-Pfalz (ISB) is intended to help assure the long-term availability of working capital for companies and thus also for the creation and securing of jobs in Rheinland-Pfalz.**

### Who is eligible for assistance?

Commercial enterprises (manufacturing companies, artisans and tradesmen, merchants and other service providers) in accordance with the applicable EU definition for small and medium-sized enterprises (SMEs), as well as MidCap companies and freelancers.

Companies undergoing restructuring or in economic difficulty in accordance with the EU guidelines, are not eligible for assistance.

### What is financed?

- medium and long-term working capital needs
- inventories

The following is excluded:  
Restructuring of debts or supplementary financing of previously concluded projects, follow-up financing, and prolongations.

### How is assistance provided?

Loans are extended by the ISB to the borrower's principal bank for disbursement to the end borrower. The form and scope of the security provided is agreed during the loan negotiations between the applicant and its principal bank.

100% of the costs are eligible for financing with this loan, provided that EU state aid regulations are complied with.

100% of the loan is paid out.

The borrower's principal bank sets the interest rate for the end borrower, based on a price class using the risk-adjusted interest rate system of the KfW. This is determined by taking into account the borrower's economic situation (creditworthiness) and the security provided for the loan.

*Loan terms:* up to 10 years, with no more than 1 initial year in which no principle payments are made

### *Repayment options:*

- equal quarterly instalments
- quarterly annuity
- lump sum at the end of the loan term

The project may not have commenced at the time the application is submitted.

### Where does one apply?

The application is submitted to the ISB by the borrower's principal bank.

*Maximum loan amount:* 5 million EUR

ISB  
SUPPORT

www.isb.rlp.de  
isb-marketing@isb.rlp.de  
For advice please  
contact:  
+ 49 6131 6172-1202

Despite exercising all due care and attention, information may have changed in the meantime. No guarantee can therefore be assumed that the information provided is current, correct or complete.



## GUARANTEES

**By issuing guarantees, the state of Rheinland-Pfalz, together with the Investitions- und Strukturbank Rheinland-Pfalz (ISB) and the Bürgschaftsbank Rheinland-Pfalz GmbH (guarantee bank ) assists companies in the financing of economically and financially viable projects in Rheinland-Pfalz, if the company is not able to provide adequate guarantees. This applies to maximum amount guarantees which are provided to banks, insurance companies and building societies for the securing of investment and working capital loans as well as guarantee credits.**

### Who is eligible for assistance?

Companies domiciled in, and/or with business premises in Rheinland-Pfalz, e.g. manufacturing companies, trading companies and crafts enterprises, housing sector companies, developers, members of free professions, start-ups.

### What is financed?

Guarantees are provided for investment loans or for working capital loans (cash-/guarantee credits).

### How is assistance provided?

The guarantee ratio amounts to:

- maximum 80% for investment loans
- maximum 60% for working capital loans
- maximum 70% for guarantee credits.

The guarantee commitment is made to the company's principal bank.

### *Bürgschaftsbank - maximum guarantee amount:*

- up to 2.5 million EUR

### *ISB maximum guarantee amount:*

- from 2.5 million EUR to maximum 3.5 million EUR
- (from 3.5 million EUR federal state guarantee programme)

For the issuance of a guarantee, a one-off processing fee and an ongoing guarantee fee are charged in accordance with the general terms and conditions.

The term is usually 10 to 15 years, for working capital loans and for guarantee credits usually between six and eight years; the term may not exceed 15 years (or 23 years for construction measures for business purposes).

### Where does one apply?

Depending on the guarantee amount, the application is submitted to the ISB by the borrower's principal bank or the Bürgschaftsbank Rheinland-Pfalz .

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## RESEARCH AND DEVELOPMENT (INNOTOP)

For operational research and development, the InnoTop funding programme allows for the application for non-repayable grants for the implementation of R&D projects. Eligible for this programme is research and development of new products, processes or service provisions which extend the state of the art and carry a significant realisation risk. The R&D activities associated with the realisation must fall under the research categories of industrial research and/or experimental development. Specifically, the projects of the experimental development must show successful economic exploitation prospects for the medium term and indicate an appropriate added value in a business establishment of the supported company located in Rheinland-Pfalz. The InnoTop support programme is divided into funding modules which each have their own application processes. This way, the development process for new products, processes or service provisions can be funded from first analyses and assessments of the potential in terms of prospects of success (support module: Feasibility study) to the implementation of a R&D project including prototypical testing (support module: R&D project).

### Who is eligible for assistance?

Small and medium-sized companies (SMEs) in accordance with the applicable EU definition with a registered office or business premises in Rheinland-Pfalz. Subject to budgetary availability, large companies are also eligible for assistance, provided a project is of special significance for the federal state of Rheinland-Pfalz, or if an outstanding economic effect can be expected for the federal state.

### What is financed?

Four types of expenditure are eligible for assistance:

- personnel expenses
- general expenses
- material expenses
- expenses for external services

Personnel expenses and general expenses are applied for and granted in lump sums.

### How is assistance provided?

Grants for **feasibility studies** and **R&D projects** are funded by the European Regional Development Fund (ERDF) under the scope "Investments in growth and jobs" Rheinland-Pfalz, funding period 2014-2020. For feasibility studies the maximum amount for eligible expenses is set at 75,000 EUR. The non-repayable grant is up to 70% of the ex-

penses eligible for assistance and is limited to a maximum of 52,500 EUR. For R&D projects, the amount of the grant depends on the presence of a demanding level of innovation and significant realisation risks. The maximum grant amount is 500,000 EUR. The entry funding rate for industrial research projects is up to 50%, and for experimental research projects up to 25%. In addition, allowances may be granted depending on the size of the company, the cooperation with other companies and the integration of research institutes, which means that a funding rate of up to 80% of the eligible expenses is possible.

### Where does one apply?

The application is submitted electronically or by post directly to the ISB. No submission deadlines apply. A non-committal preliminary talk is possible before application. For this, a brief project sketch is required.

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## ISB SYNDICATED FINANCING FOR MEDIUM-SIZED ENTERPRISES IN RHEINLAND-PFALZ

**The Investitions- und Strukturbank Rheinland-Pfalz (ISB) participation in a loan syndication is aimed to assist projects in Rheinland-Pfalz which are important to structural policies. In particular, there is a special structural effect when the project is suitable to improve the economic and housing structure or labour supply in Rheinland-Pfalz. The syndicated loan should contribute to the creation and preservation of competitive companies, jobs with a secure future, additional and/or contemporary housing.**

### **Requirements for borrowers**

The borrower's business premises must be located in Rheinland-Pfalz. The borrower's annual turnover should generally not exceed an amount of 500 million EUR.

The creditworthiness and risk analysis by both the syndicate leader and the ISB must justify a commitment. The credit rating performed by the syndicate leader must correspond to a classification of at least "BB" by Standard & Poor's.

Syndicated loans are not available for restructuring or for businesses in financial difficulties.

### **Type and condition of the loan syndication**

The ISB generally only participates in an internal consortium and is only available as a syndicate partner. The ISB will not act as a syndicate leader. The share of the ISB syndicated loan may not exceed 50%.

### **Type of syndicated loan**

The term of the syndicated loan is usually up to 10

years. For construction measures the term is 20 years.

The aim of the syndicated loan is to cover the credit needs of the medium-sized economy.

The syndicated loan can be used for both investment and working capital financing as well as for the provision of bank guarantees.

#### ISB SUPPORT

[www.isb.rlp.de](http://www.isb.rlp.de)  
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## TRADE FAIR GRANT

**This programme is for a straight (non-repayable) grant for costs incurred for the participation in export-oriented trade fairs and product presentations.**

### **Who is eligible for assistance?**

Small and medium-sized companies (SMEs) in accordance with the applicable EU definition for SMEs with a registered office or business premises in Rheinland-Pfalz, including agricultural holdings and members of the free professions. Companies with a majority public shareholding are excluded from the programme.

### **What is financed?**

Costs for participation in trade fairs abroad, providing the trade fair is listed in the internet database of the Ausstellungs- und Messeausschuss der Deutschen Wirtschaft e.V. (Exhibition and Trade Fair Committee of the German Economy) ([www.auma.de](http://www.auma.de)). The presentation of the products is performed by employees of the applicant company.

### **How is assistance provided?**

Funding is provided in the form of fixed amount financing with a grant for the event costs. The grant amount for participation in trade fairs

- within Europe is: 3,000 EUR.
- outside Europe is: 5,000 EUR.

The grant paid out as a fixed amount may not exceed the amount of the eligible expenses.

### **Which expenses are eligible for assistance?**

All costs directly related to the event such as e.g. stand rental, stand construction costs, personnel costs, travel and accommodation costs, advertising media, costs for exhibits, insurances, mailing campaigns etc...

### **Where does one apply?**

The application is submitted to the ISB.

The ISB will only consider applications that are presented to it at least one day before the start of the trade fair.

#### ISB SUPPORT

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# ISB SUPPORT PROGRAMME FOR THE PROMOTION OF SMES ("Mittelstandsförderungsprogramm"). RLP ERP START-UP LOAN

OPTIONALLY WITH A RELEASE FROM LIABILITY BY THE ISB FOR THE PASS-THROUGH BANK

**The subsidised RLP ERP start-up loan follows the ERP Universal start-up loan of KfW. The Investitions- und Strukturbank Rheinland-Pfalz (ISB) additionally subsidises the already low-priced loans of the KfW.**

## Who is eligible for assistance?

- Start-ups in the industrial sector and free professions
- Commercial enterprises (manufacturing companies, artisans and tradesmen, merchants and other service providers) in accordance with the applicable EU definition for small and medium-sized companies (SMEs) as well as freelancers within five years after the start of business

Companies undergoing restructuring or in economic difficulty are not eligible for assistance in accordance with the EU guidelines.

## What is financed?

- investments
- additional working capital requirements

The following is excluded: Debt rescheduling or supplementary financing of previously concluded projects, follow-up financing and prolongations.

## How is assistance provided?

Loans are extended by the ISB to the borrower's principal bank for disbursement to the ultimate borrower. The form and scope of the security provided is agreed during the loan negotiations between the applicant and its principal bank.

### Maximum loan amount:

- 2 million EUR for investment loans
- 500,000 EUR for working capital loans

100% of the costs are eligible for financing with this loan, provided that EU state aid regulations are complied with.

100% of the loan is paid out.

The borrower's principal bank sets the interest rate for the ultimate borrower, based on a price class using the risk-adjusted interest rate system of the KfW. This is determined by taking into account the borrower's economic situation (creditworthiness) and the security provided for the loan.

*Credit term options (maximum number of years in which no repayments are made are indicated in brackets):*

- Investment loan:  
up to 5 (1), up to 10 (2) and up to 20 (3) years
- Working capital loan:  
up to 5 (1) years

The project may not have commenced at the time the application is submitted.

## Liability release

Within the framework of an investment loan, the loan can be extended to companies which have been active in the market for at least three years, with a 50% liability release for the principal bank. This way the credit risk is shared between the principal bank and the ISB

### Maximum loan amount:

- 250,000 EUR for investment loans

The liability release does not constitute a security within the meaning of a guarantee.

## Where does one apply?

The application is submitted to the ISB by the borrower's principal bank.

## ISB SUPPORT

www.isb.rlp.de  
isb-marketing@isb.rlp.de  
For advice please  
contact:  
+ 49 6131 6172-1202

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# ISB SUPPORT PROGRAMME FOR THE PROMOTION OF SMES ("Mittelstandsförderungsprogramm"). RLP ENTREPRENEUR LOAN

OPTIONALLY WITH A RELEASE FROM LIABILITY BY THE ISB FOR THE PASS-THROUGH BANK

**The subsidised RLP ISB Entrepreneur Loan follows the KfW Entrepreneur Loan**  
**The Investitions- und Strukturbank Rheinland-Pfalz (ISB) additionally subsidises the already low-priced loans of the KfW.**

## Who is eligible for assistance?

- commercial enterprises (manufacturing companies, artisans and tradesmen, merchants and other service providers) in accordance with the applicable EU definition for small and medium-sized enterprises (SMEs), as well as freelancers who have been active in the market for at least five years
- individuals who let or lease out commercial properties

Companies undergoing restructuring or in economic difficulty are not eligible for assistance in accordance with the EU guidelines.

## What is financed?

- investments
- additional working capital requirements

The following is excluded:

Debt rescheduling or supplementary financing of previously concluded projects, follow-up financing, and prolongations.

## How is assistance provided?

Loans are extended by the ISB to the borrower's principal bank for disbursement to the ultimate borrower. The form and scope of the security provided is agreed during the loan negotiations between the applicant and its principal bank.

### Maximum loan amount:

- 2 million EUR for investment loans
- 500,000 EUR for working capital loans

100% of the costs are eligible for financing with this loan, provided that EU state aid regulations are complied with.

100% of the loan is paid out.

The borrower's principal bank sets the interest rate for the ultimate borrower, based on a price class using the risk-adjusted interest rate system of the KfW. This is determined by taking into account the borrower's economic situation (creditworthiness) and the security provided for the loan.

*Credit term options (maximum number of years in which no repayments are made are indicated in brackets):*

- Investment loan:  
up to 5 (1), up to 10 (2) and up to 20 (3) years
- Working capital loan:  
2 (2) and up to 5 (1) years

The project may not have commenced at the time the application is submitted.

## Liability release

Within the framework of an investment loan, the loan can be extended to companies which have been active in the market for at least three years, with a 50% liability release for the principal bank. This way the credit risk is shared between the principal bank and the ISB

### Maximum loan amount:

- 250,000 EUR for investment loans

The liability release does not constitute a security within the meaning of a guarantee.

## Where does one apply?

The application is submitted to the ISB by the borrower's principal bank.

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## REGIONAL SUPPORT

– ECONOMIC DEVELOPMENT AREA OF THE JOINT PROJECT –

**Investment projects of companies in structurally weak regions of Rheinland-Pfalz are supported in the context of economic support programmes. This creates opportunities for supporting the community objective of "Improvement of the regional economic structure" (GRW regions).**

### Who is eligible for assistance?

Assistance is available to manufacturing companies operating mainly supra-regionally, as well as certain artisan trades and service providers (including tourist enterprises).

Eligible for assistance:

Small and medium-sized companies (SMEs)

- construction of new business premises
- expansion of existing business premises
- diversification of the production of an existing manufacturing site to include products not previously produced
- fundamental change in the overall production process of an existing manufacturing site.

For large corporations, initial investments for new economic activities in the relevant region are eligible for support.

The provision of assistance is generally predicated on the creation of new jobs or the securing of existing permanent positions.

### What is financed?

Eligible for financing are investments in fixed assets (only new assets) used by the owner for productive purposes (construction costs, machinery/facilities) and certain intangible assets. Not eligible for assistance are investments made for purchasing real estate, motor vehicles, aircraft, ships, used assets, replacement investments and assets not remaining exclusively within the physical location of the premises eligible for assistance, as well as rented or leased assets or those acquired through a lease-to-own programme. Only investment projects which can

be implemented within the maximum possible investment period of 36 months will be considered.

### How is assistance provided?

Assistance is provided in the form of a (non-repayable) investment grant in the amount of the relevant maximum aid rate. Depending on the size of the company and location of the investment, the contribution may total from 10% and up to 30% of the costs eligible for subsidies. For investment measures with a total volume of more than 10 million EUR, a funding rate of 5% of the amount exceeding 10 million EUR is provided. The investment amount eligible for assistance must be at least 50,000 EUR.

### Application process

The application for funding must have been received by the ISB prior to the start of the investment (this is the binding written or oral conclusion of a contract for goods or services attributable to the realisation of the investment). Entering a loan agreement or concluding a finance contract for the intended project, or the commencement of payment of personal contributions can be considered as the start of an investment.

**An investment project should only be commenced once written confirmation has been received from the approving authorities that a project is eligible for assistance.**

Once an application has been made, the ISB will obtain expert opinions from the relevant chamber (IHK, HWK) as well as from the Agentur für Arbeit (Federal Labour Office).

The investment project must commence no later than three months after filing of the application.

#### ISB SUPPORT

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## REGIONAL SUPPORT

– STATE FUNDING PROGRAMME – “STRENGTHENING STRUCTURALLY WEAK REGIONS” (REGIO)

With funding from the European Development Fund (ERDF)

**Investment projects of companies in structurally weak regions of Rheinland-Pfalz are supported in the context of economic support programmes. This opens up funding opportunities in the state support region.**

### Who is eligible for assistance?

Assistance is available to manufacturing companies as well as certain artisan trades and service providers. Accommodation facilities, restaurants and camp sites are not eligible for this funding programme.

For small to medium-sized companies (SMEs), the following are eligible for funding

- construction of new business premises
- expansion of existing business premises.

The provision of assistance is predicated on the securing of existing and creation of new permanent positions.

### What is financed?

Eligible for financing are investments in fixed assets (new assets) used by the owner for productive purposes (construction costs, machinery/facilities and certain intangible assets). Not eligible for assistance are investments made for purchasing real estate, motor vehicles, aircraft, ships, used assets, replacement investments, company-created assets, and assets not remaining exclusively within the physical location of the premises eligible for assistance, as well as rented or leased assets or those acquired through a lease-to-own programme. Only investment projects which can be implemented within the maximum possible investment period of 36 months will be considered.

### How is assistance provided?

Assistance is provided in the form of a (non-repayable) investment grant in the amount of the relevant maximum aid rate.

Depending on the size of the company, the contribution may total from 10% and up to 20% of the costs eligible for subsidies. For investment measures with

a total volume of more than 10 million EUR, a funding rate of 5% of the amount exceeding 10 million EUR is provided. The minimum grant amount at the grant date is 20,000 EUR (for small companies, eligible costs at least 100,000 EUR, for medium-sized companies, at least 200,000 EUR).

### Application process

The application is submitted electronically or by post directly to the ISB. Your grant application must have been received by the ISB prior to the start of the investment (this is the binding written or oral conclusion of a contract for goods or services attributable to the realisation of the investment).

**The written confirmation from the ISB, stating that the grant conditions, subject to a detailed audit, are basically met, must have been issued prior to the commencement of the project.**

Entering a loan agreement or concluding a finance contract for the intended project, or the commencement of payment of personal contributions can be considered as the start of an investment.

Once the application has been submitted, the ISB will obtain expert opinions from the relevant chamber (Chamber of Industry and Commerce (IHK), Chamber of Crafts (HWK) as well as from the Agentur für Arbeit (Federal Labour Office).

The investment project must commence no later than three months after filing of the application.

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## VENTURE CAPITAL (HOLDING)

**The Investitions- und Strukturbank Rheinland-Pfalz (ISB) provides venture capital to companies in Rheinland-Pfalz via its various subsidiaries (equity funds) in the form of direct investments (acquisition of company shares) and/or typical silent partnerships. The equity capital is intended to strengthen the economic equity of the applicant company.**

### Who is eligible for assistance?

Small and medium-sized companies (SMEs) in the form of a corporation with business premises in Rheinland-Pfalz in accordance with the applicable EU definition. A holding by the Innovation Fund Rheinland-Pfalz predicates that the company was founded no earlier than five years prior to the point in time of the application. The applicant company is expected to submit an innovative business model including growth perspective.

### What is financed?

The development and/or market launch of an innovative or technology-oriented product/process or service provision, for which patent protection can generally be applied for. Pure distribution companies are not eligible for venture capital financing. In particular, funding is provided for research and development costs, market launch costs and investments in tangible assets.

### How is finance provided?

Participation can be offered in the form of an open shareholding via the acquisition of company shares or as a typical silent partnership. Often, financing is provided in a combination of an open and typical silent partnership.

The shareholding is provided within the framework of direct project financing; the maximum limit for a

holding in the first financial round is 500,000 EUR and aligns itself with the financial contributions of the shareholders or other investors.

For a silent partnership, a fixed payment as well as a profit-based payment is to be paid, which is individually agreed upon based on the company rating performed. The term for a silent partnership is between five and ten years. For the acquisition of company shares, a purchase price is negotiated with the company on the basis of a company valuation. A processing fee of usually 1% of the investment sum must be paid when applying.

### Where does one apply?

Applications are submitted directly to the ISB. Prior to application, it is recommended to make use of a consultation with the relevant ISB department, in order to clarify the application requirements and further action in a personal meeting. The venture capital department will gladly supply you with preliminary information by phone.

#### ISB SUPPORT

[www.isb.rlp.de](http://www.isb.rlp.de)  
[isb-marketing@isb.rlp.de](mailto:isb-marketing@isb.rlp.de)  
For advice please  
contact:  
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