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# Comparison of national incentives in Europe

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# 1. Introduction and scope of analysis

## 1.1 Objective of the document

This document aims to provide a descriptive, structured and comparable analysis of national public incentives to companies in a selection of European countries, with a particular focus on instruments that support business investment, research, technological development, innovation and other strategic activities for competitiveness.

The document has been conceived as a reference tool, aimed at providing a clear, homogeneous vision of the different national models of support for business activity, without making assessments, recommendations or judgments regarding relative attractiveness.

## 1.2 Geographical scope and sectors

The analysis covers the following countries:

- **Spain**
- **Germany**
- **France**
- **Portugal**
- **The Netherlands**
- **The United Kingdom**
- **Poland**
- **Hungary**
- **Romania**

The scope is **exclusively national**. Regional, local or supranational incentives are not included, **except** when such incentives are an explicit part of a **national programme** whose application involves parameters distinguished by regions.

From a sector point of view, the document adopts a **horizontal approach**, covering incentives applicable to companies in different sectors, with special attention to those areas that appear recurrently in national systems:

- R&D and innovation
- Industry and manufacturing
- Digitalization
- Energy and energy transition
- Productive investment and business scaling
- Skilled employment and technological skills

## 1.3 Comparability approach

The analysis is based on a **structured comparability approach**, prioritizing the identification of information that can be presented in a uniform form between countries.

To do this:

- equivalent types of incentives **are analysed**,
- maximum intensities, eligible costs **and** general conditions **are described** where information is available,

The document is **strictly descriptive**.

## 2. Definition of concepts and methodological framework

### 2.1 Types of incentives

#### Tax incentives for R&D and innovation

Tax incentives for R&D and innovation are those instruments that allow companies to **reduce their tax burden** as a result of carrying out research, technological development or innovation activities.

They include, by way of guidance:

- tax deductions,
- tax credits,
- super-deductions,
- monetization or return mechanisms,
- Temporary compensation by carry-forward deductions.

The analysis focuses on the **maximum intensities**, **the categories of eligible costs** and the **general conditions applicable**, without entering into administrative procedures or calls.

#### Tax incentives for productive investment

This includes tax incentives associated with:

- industrial investments,
- productive modernization,
- robotization,
- digitization,
- energy transition,
- creation or maintenance of skilled employment,

provided that such incentives are defined as **national instruments** and their explicit objective involves support for business activity.

## IP Box and equivalent regimes

IP Box schemes are **income-based tax incentives**, which afford preferential tax treatment to income derived from certain **intangible assets**.

The analysis considers:

- the reduced rate or applicable reduction mechanism,
- eligible income,
- the assets covered (patents, software, other intangibles),
- the general conditions of access, including requirements for self-development.

## National subsidies

Subsidies are **non-repayable public aid** granted to companies within the framework of **national programmes**, intended to finance the following, in whole or in part:

- R&D and innovation projects,
- productive investments,
- strategic sector projects,
- energy or digital transition actions.

## Soft loans and guarantees

This includes financial instruments for business support managed nationally, such as:

- public or quasi-public loans on preferential terms,
- public and other guarantees,

The financial conditions **and the role of these instruments within the national incentive system** are generally described.

## 2.2 Definition of concepts and methodological framework

### Maximum intensities

Whenever the information allows this, the maximum support intensities are displayed, expressed as follows:

- A percentage of the eligible cost (in tax incentives or subsidies),
- An applicable reduced rate (in IP Box).

Average intensities or execution results are not analysed.

### Eligible costs

Eligible costs are presented in an **aggregated and comparable** manner, usually grouped into:

- personnel costs,
- materials and consumables,
- depreciation of assets,
- subcontracting,
- other specific costs when defined by the incentive.

## Beneficiaries

The types of eligible beneficiaries **can be described as follows:**

- companies in general,
- SMEs,
- Research centres

## Compatibility between incentives

When the documentation mentions this, information is collected regarding the compatibility or accumulation of various incentives (tax, subsidies and financial incentives), without making additional interpretations.

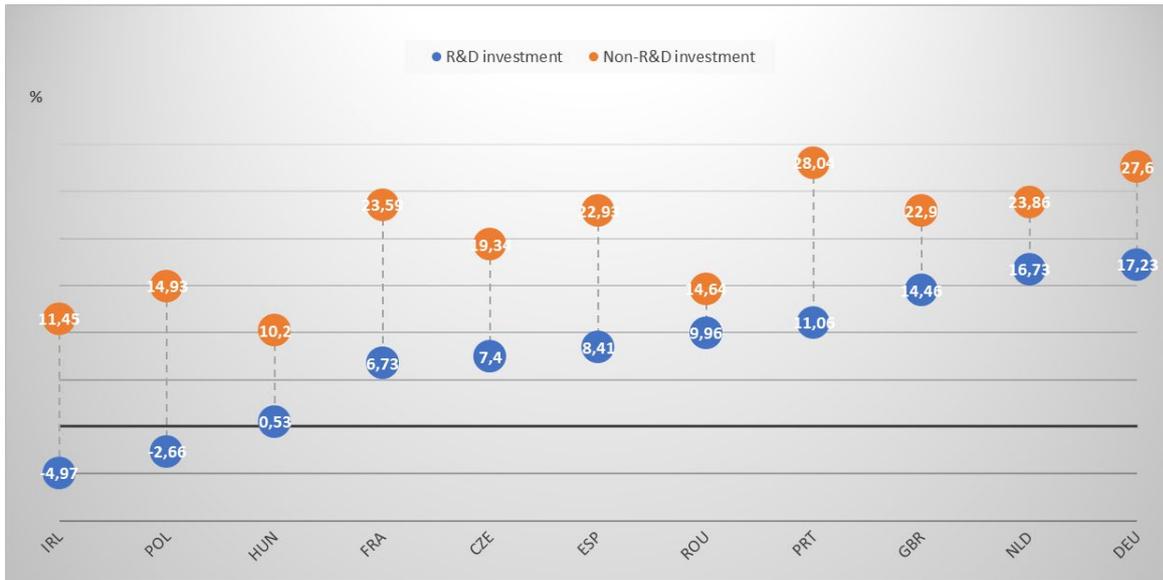


## State aid per capita for the year 2023 (EU-27)

Country	Covid-19 Aid (€m)	Covid-19 (% GDP)	Covid-19 (% Total)	TCTF Aid (€m)	TCTF (% GDP)	TCTF (% Total)	Other Aid (€m)	Other Aid (% GDP)	Other Aid (% Total)	Total Aid (€m)	Total Aid (% GDP)
Hungary	0.00	0.00%	0.00%	3,551.92	1.81%	62.05%	2,172.69	1.11%	37.95%	5,724.60	2.91%
Croatia	14.32	0.02%	0.98%	573.46	0.74%	39.43%	866.65	1.11%	59.59%	1,454.44	1.86%
Malta	0.00	0.00%	0.00%	15.51	0.07%	4.33%	343.13	1.66%	95.67%	358.64	1.73%
Poland	2.24	0.00%	0.02%	3,018.01	0.40%	26.73%	8,272.33	1.10%	73.25%	11,292.58	1.51%
Slovenia	0.86	0.00%	0.09%	321.37	0.50%	34.59%	606.97	0.95%	65.32%	929.20	1.45%
Denmark	371.75	0.10%	7.28%	14.53	0.00%	0.28%	4,723.33	1.25%	92.44%	5,109.62	1.36%
France	4,614.13	0.16%	12.67%	1,596.99	0.06%	4.38%	30,214.85	1.07%	82.95%	36,425.97	1.29%
Greece	442.50	0.20%	15.99%	442.79	0.20%	16.00%	1,882.90	0.84%	68.02%	2,768.19	1.23%
Germany	1,549.80	0.04%	3.06%	13,525.53	0.32%	26.74%	35,510.25	0.85%	70.20%	50,585.58	1.21%
Czech	0.15	0.00%	0.00%	576.03	0.18%	15.62%	3,111.91	0.98%	84.38%	3,688.09	1.16%
Finland	0.00	0.00%	0.00%	465.55	0.17%	15.41%	2,555.48	0.94%	84.59%	3,021.03	1.11%
<b>EU-27 Total</b>	<b>10,547.79</b>	<b>0.06%</b>	<b>5.65%</b>	<b>39,451.78</b>	<b>0.23%</b>	<b>21.12%</b>	<b>136,777.97</b>	<b>0.80%</b>	<b>73.23%</b>	<b>186,777.55</b>	<b>1.09%</b>
Sweden	2.61	0.00%	0.05%	1,648.64	0.30%	28.58%	4,117.10	0.76%	71.37%	5,768.35	1.07%
Lithuania	2.76	0.00%	0.36%	22.30	0.03%	2.92%	737.35	1.00%	96.71%	762.41	1.03%
Romania	315.65	0.10%	9.51%	467.80	0.14%	14.09%	2,536.75	0.78%	76.40%	3,320.19	1.02%
Italy	1,785.46	0.08%	8.26%	7,501.93	0.35%	34.71%	12,325.46	0.58%	57.03%	21,612.85	1.02%
Belgium	2.68	0.00%	0.05%	203.12	0.03%	3.46%	5,671.20	0.95%	96.50%	5,877.00	0.99%
Estonia	9.18	0.02%	2.60%	8.67	0.02%	2.46%	334.72	0.88%	94.94%	352.58	0.92%
Spain	40.16	0.00%	0.32%	3,696.21	0.25%	29.79%	8,669.59	0.58%	69.88%	12,405.96	0.83%
Latvia	0.01	0.00%	0.00%	1.35	0.00%	0.44%	305.23	0.78%	99.56%	306.59	0.78%
Slovakia	8.83	0.01%	0.93%	246.29	0.20%	25.85%	697.56	0.57%	73.22%	952.68	0.78%
Austria	825.15	0.17%	22.83%	378.25	0.08%	10.47%	2,410.79	0.51%	66.70%	3,614.19	0.76%
Luxembourg	116.29	0.15%	23.61%	76.61	0.10%	15.55%	299.72	0.38%	60.84%	492.63	0.62%
Netherlands	290.02	0.03%	4.93%	454.93	0.04%	7.73%	5,142.78	0.48%	87.35%	5,887.73	0.55%
Portugal	130.10	0.05%	8.81%	171.06	0.06%	11.58%	1,176.08	0.44%	79.61%	1,477.24	0.55%
Bulgaria	0.02	0.00%	0.00%	224.05	0.24%	46.83%	254.40	0.27%	53.17%	478.47	0.51%
Cyprus	15.93	0.05%	11.20%	14.43	0.05%	10.15%	111.90	0.36%	78.66%	142.26	0.45%
Ireland	7.21	0.00%	0.37%	234.42	0.05%	11.91%	1,726.86	0.34%	87.73%	1,968.49	0.39%

Source: Annual Report on Public Aid 2025 – CNMC. Does not include railway sector

### Average Effective Tax Rate for R&D, 2024



Source: Own data based on OECD information

The European Commission’s official website on the 2022–2027 Regional Aid Maps ([Maps 2022 2027 - Competition Policy - European Commission](#)) serves as the central access point for understanding how regional state aid is structured across EU Member States. This site provides an overview of the approved regional aid maps for each country, outlining which regions are eligible for support and the maximum aid intensities permitted under EU State aid rules. It also includes links to the corresponding Commission decisions and official documents, allowing you to consult detailed information on regional coverage, applicable percentages, and the legal framework governing regional investment aid.

### 3.2 Spain's relative positioning in the European context

Spain has an **intermediate position in terms of public aid intensity**, with a volume equivalent to approximately **0.8–0.9% of its GDP**, clearly below the European Union average and the continent’s main industrial economies.

In the ranking of Member States:

- Spain is **around 18–20th in the EU** when the weight of aid in GDP is measured.
- In per capita terms, the volume of public aid is **significantly below the European average**, reflecting a lower direct budgetary pressure compared to countries such as Germany, France, Denmark or Italy.
- Spain's effort is significantly lower than that of countries with the greatest strategic use of aid, where the intensity exceeds **1.2–1.5% of GDP**.

However, the lower relative weight of aid in Spain does not imply an absence of major instruments, but a **different combination of policies**, with a greater role for:

- Competitive programmes vs automatic funding.
- Direct subsidies linked to specific projects.
- Financial instruments and subsidised loans.
- Tax incentives focused on R&D&I and certain productive investments.

### Instruments used in Temporary Crisis and Transition Framework (TCTF) aid in 2023 (Spain and EU-27)

Scope	Instrument	2023 (€m)	2023 (%)
SPAIN	Equity participations	0.00	0.00%
	Grants	3,065.43	82.93%
	Guarantees	497.88	13.47%
	Soft loans	31.63	0.86%
	Tax deferrals	0.00	0.00%
	Tax exemptions	0.00	0.00%
	Other	101.27	2.74%
	<b>Total</b>	<b>3,696.21</b>	<b>100%</b>
EU-27	Equity participations	0.57	0.00%
	Grants	29,126.76	73.83%
	Guarantees	4,324.45	10.96%
	Soft loans	722.65	1.83%
	Tax deferrals	0.00	0.00%
	Tax exemptions	5,042.17	12.78%
	Other	235.18	0.60%
	<b>Total</b>	<b>39,451.78</b>	<b>100%</b>

Source: Annual Report on Public Aid 2025 – CNMC.

## 4. Country comparison table

Country	R&D tax incentives	Investment tax incentives	IP Box	National subsidies	Soft loans and guarantees
Spain	25% – 42%	5% – 12%	~15%	25% – 70%	Yes
Germany	10% – 25%	Variable	Yes	25% – 60%	Yes
France	30% – 50%	10% – 40%	~15%	25% – 60%	Yes
Portugal	32,5% – 82,5%	10% – 30%	~18%	25% – 75%	Yes
Netherlands	16% – 40%	5% – 25%	~9%	25% – 50%	Yes
United Kingdom	13% – 27%	Up to 100%	~15%	25% – 50%	Yes
Poland	19% – 38%	10% – 25%	~14%	25% – 70%	Yes
Hungary	10% – 30%	10% – 30%	~10%	25% – 60%	Yes
Romania	16% – 50%	10% – 25%	~5% – 10%	25% – 70%	Yes
Ireland	25%	Tax amortization	~6%	25% – 50%	Yes

## 5. Spain

### 5.1 Overview of the National Incentive System

The Spanish system of national public incentives for companies is structured around **three main pillars**, with clearly differentiated intensities:

1. **Tax incentives**, especially important in R&D and innovation, with **high maximum theoretical intensities** when compared internationally.
2. **National subsidies**, focused on investment projects, R&D and strategic initiatives, with varying intensities depending on the type of project and beneficiary.
3. **Public financing** (loans and guarantees), used as a complementary instrument for capital-intensive investments.

From a strategic point of view, the Spanish system prioritises:

- R&D and technological innovation **activities**,
- **industrial investment** and productive modernization,
- projects linked to **energy, energy transition and digitalisation**,
- industrial sectors considered strategic.

## 5.2 Tax incentives for R&D and innovation

Spain has one of the most intensive R&D tax regimes in Europe, based on tax deductions applicable to the expenses incurred.

### Deductions for R&D

- 25% tax deduction on eligible R&D expenses (basic rate).
- 42% tax deduction on excess expenditure compared to the average of the two previous years (incremental rate).

### Deductions for technological innovation

- 12% tax deduction on eligible expenses associated with such activities.

This incentive extends the scope of the tax system to industrial and technological companies whose projects do not reach the strict R&D threshold.

### Monetization and compensation

The Spanish regime allows, under certain conditions:

- partial monetisation of deductions, with a general limit of 80% of the amount generated, applicable even in the absence of sufficient tax liability,
- the temporary offsetting of deductions not claimed in subsequent years.

This element significantly reduces the risk of non-use of the incentive and increases its practical effectiveness.

### Eligible costs

- costs of personnel dedicated to R&D or innovation,
- consumables and materials,
- depreciation of assigned assets,
- outsourcing of R&D activities,
- other expenses directly related to the project.

## 5.3 Tax incentives for investment and business activity

In addition to the R&D regime, Spain has **additional tax incentives** applicable to certain business activities.

- **Technological innovation**

The 12% **tax incentive** for technological innovation acts as a bridge between R&D and productive investment, supporting:

- process improvements,
- applied technology developments,
- advanced industrial engineering and design.
- **Other tax incentives for investment**

Tax incentives associated with:

- specific productive investments,
- assets linked to energy efficiency,
- certain technology modernization actions.

The tax intensities in these cases are lower than those for R&D, but they can act as a major complement when combined with subsidies or public funding.

## 5.4 IP Box

Spain has a **fully operational IP Box regime**, based on a reduction in income derived from intangible assets.

- **Reduced rate**

The Spanish scheme applies a **60% reduction** on net income from eligible intangible assets.

This implies that only **40% of the income** derived from these assets is subject to taxation, forming a major tax incentive for the exploitation of R&D results.

- **Eligible Assets and Income**

- patents,
- utility models,
- certain software developments,
- other intangible assets defined in the regulations.

- **Conditions**

- compliance with the self-development approach,
- correct traceability between R&D expenditure and incentivised income,
- specific documentary requirements.

## 5.5 National subsidies

The Spanish system of national subsidies is structured around **strategic programmes**, aimed at investment, R&D and innovation.

- **Subsidy Intensities**

Depending on the type of project and beneficiary, the maximum intensities are, in general, in the following ranges:

- **R&D:**

- up to **50%–80%** of eligible costs in industrial research projects, with higher intensities for SMEs.

- **Innovation and experimental development:**

- usual intensities between **25% and 50%**.

- **Productive investment:**

- variable intensities, generally lower than those for R&D, and conditional on strategic objectives.

- **Priority areas**

- advanced industry and manufacturing,
- energy and energy transition,
- digitalization,
- strategic country projects.

## 5.6 Soft loans and guarantees

Public funding complement grants through:

- **loans on preferential terms**, with interest rates below the market and long-term rates,
- **public guarantees**, which reduce the financial risk of innovative or investment projects.

These instruments are often combined with grants or tax incentives, allowing **for blended finance structures**.

## 6. Germany

### 6.1 Overview of the National Incentive System

The German system of national public incentives for companies is based on a **balanced combination of tax incentives for R&D, direct subsidies and public financing**, with a strong footing in the **country's** industrial and technological policy.

Unlike other models more focused on taxation, Germany maintains a **significant weight of national subsidies**, especially in collaborative R&D projects, industrial innovation and energy transition, while the tax incentive for R&D acts as a **complementary cross-cutting instrument**.

The main strategic objectives of the German system are:

- strengthening of the **industrial and manufacturing base**,
- promotion of **applied R&D and technological innovation**,
- energy and climate transition,
- digitalisation of industry.

### 6.2 Tax incentives for R&D and innovation

Germany has a R&D tax incentive that is applicable regardless of the sector or size of the company, and introduced to complement the traditional subsidy system.

#### R&D Tax Credit (Forschungszulage)

The tax incentive is coordinated through a **direct tax credit** applicable to eligible R&D costs, with the following quantitative characteristics:

- **25% tax credit** on eligible R&D costs.
- **35% tax credit** for **SMEs**, according to the applicable definition in the regime.
- **Maximum annual basis of eligible costs: 10 million euros** per company and year.

This implies a **maximum annual incentive amount** of:

- up to **€2.5 million** for large companies,
- Up to **3.5 million euros** for SMEs.
- **Eligible costs**

According to the documentation provided, eligible costs mainly include:

- salary costs of staff engaged in R&D activities,
- associated social security contributions,
- certain costs directly linked to the execution of R&D projects.

The incentive is applicable **irrespective of the benefits obtained**, increasing its effective applicability.

## 6.3 Tax incentives for investment and business activity

Germany does not have general tax incentives for productive investment that are equivalent in intensity to those existing in other countries, except for the following:

- tax incentives linked to energy efficiency or certain assets,
- specific tax instruments associated with industry policies.

Consequently, the **weight of the tax incentive for investment is lower than that for R&D**, with subsidies being the main mechanism to support industrial investment.

## 6.4 IP Box

**Germany does not have an IP Box regime** or an equivalent tax incentive based on income from intangible assets.

The exploitation of R&D results is mainly based on:

- subsidies for the development phase,
- tax incentives for R&D activity,
- public funding for industrial scaling.

## 6.5 National subsidies

National **subsidies** are one of the key pillars of the German incentive system.

- **R&D subsidies**

Depending on the type of project and the beneficiary, the maximum intensities are in the following ranges:

- **Industrial Research:**
  - up to **50%** of eligible costs for large enterprises,
  - up to **60%–70%** for SMEs.
- **Experimental development:**
  - usual intensities between **25% and 40%**, with increases for SMEs.
- **Collaborative projects:**
  - possibility of **additional increases** in intensity when research centres participate.
- **Priority areas**
  - advanced industry and manufacturing,
  - key technologies,
  - industrial digitalization,
  - energy and climate transition,
  - mobility and clean technologies.

## 6.6 Soft loans and guarantees

Public funding plays an important role in Germany, especially for **industrial investment projects**.

- **National instruments**
  - **public loans on preferential terms**,
  - **public guarantees** to provide bank financing,
  - schemes combined with subsidies.
- **General conditions**
  - below-market interest rates,
  - long term,
  - waiting periods,
  - compatibility with subsidies and the tax incentive for R&D.

These instruments allow **blended finance** to be structured for large-scale projects.

## 7. France

### 7.1 Overview of the National Incentive System

The French system of national public incentives for companies is characterised by an **intensive use of tax incentives**, complemented by **major national subsidies** and **structured public funding**, especially in the areas of **R&D, innovation, industry and technological transition**.

France has a **model strongly oriented towards R&D and innovation**, where the tax incentive acts as a central pillar and direct aid is concentrated on strategic projects with a high technological or industrial impact.

From a strategic point of view, the system prioritizes following:

- research and development **activities**,
- technological and industrial innovation,
- reindustrialization,
- energy and digital transition,
- strategic sectors defined at a national level.

### 7.2 Tax incentives for R&D and innovation

France has one of **the most intensive and consolidated R&D tax regimes in Europe**, based on a **volumetric tax credit** applicable to expenditure incurred on R&D activities.

- **R&D Tax Credit (CIR)**

The main instrument is the **Crédit d'Impôt Recherche (CIR)**, with the following intensities:

- **30% tax credit** on eligible R&D expenses up to €100m
- **5% tax credit** on eligible expenses exceeding €100m

This scheme allows high **absolute incentive amounts to be achieved**, especially in companies with high volumes of R&D spending. **Innovation Tax Credit (IIC)**

In addition, SMEs can benefit from the **Crédit d'Impôt Innovation (CII)**, which is applicable to technological innovation activities other than strict R&D:

- **20% tax credit** on eligible innovation expenditure. Up to a maximum of €400,000 of expenses (€80,000 of tax credit).
- Specific annual limit applicable to this incentive.
- **Eligible costs**
  - costs of research and technical personnel,
  - depreciation costs of assets used for R&D,
  - costs of subcontracting research activities. The subcontractor must receive accreditation from the French Ministry of Innovation and Development.
  - operating costs directly linked to projects.

## 7.3 Tax incentives for investment and business activity

In addition to tax support for R&D, France has **tax incentives applicable to certain business activities**, especially when they are linked to:

- industrial modernization,
- technological innovation,
- energy transition.

These incentives have **lower intensities than the CIR**, and usually act as a complement to subsidies or public financing in investment projects.

## 7.4 IP Box

- **Reduced rate**

The scheme applies a **reduced rate of 10%** on net income from eligible intangible assets.

- **Eligible Income and Assets**
  - patents,
  - plant variety certificates,
  - certain software developments,
  - protected intangible assets derived from R&D activities.
- **Conditions**
  - the performance of R&D activities by the company,
  - the existence of a clear link between R&D expenditure and incentivised income,
  - compliance with traceability and documentation requirements.

## 7.5 National subsidies

National **subsidies** are an important component of the French business support system, especially for strategic projects always part of the "State Aid" framework.

- **Subsidy intensities (Grant recoverable advance)**

The usual maximum intensities are in the following ranges:

- **Industrial Research:**
  - up to **50%** of eligible costs for large enterprises,
  - up to **60%–70%** for SMEs.
- **Experimental development:**
  - intensities generally between **25% and 40%**.
- **Strategic or collaborative projects:**
  - possibility of additional increases when research centres or other partners participate.
- **Priority areas**

:

- R&D and innovation,

- advanced industry and manufacturing,
- energy and energy transition,
- digital technologies and deep tech.

## 7.6 Soft loans and guarantees

France has a **structured system of public financing**, complementary to tax incentives and subsidies.

- **National instruments**
  - **public loans on preferential terms**,
  - **public guarantees** to facilitate access to bank financing,
  - co-investment instruments in certain projects.
- **General conditions**
  - below-market interest rates,
  - long durations and waiting periods,
  - compatibility with subsidies and tax incentives.

## 8. Portugal

### 8.1 Overview of the national incentive system

The Portuguese system of national public incentives for companies is structured around three main types of instruments: tax incentives, public subsidies co-financed by European funds and public financing instruments. This model combines recurrent tax support with direct aid and financing under preferential conditions, mainly aimed at R&D projects, innovation, productive investment and economic transformation.

Portugal has a clear tax-intensive approach to R&D, where tax incentives are the main regular support mechanism, complemented by important non-repayable grants and by financial instruments used more selectively, especially in larger projects or with a high capital investment component.

The system's strategic priorities include:

- research, development and innovation and v knowledge enhancement,
- productive investment and industrial modernization,
- climate and energy transition,
- digitalization and adoption of advanced technologies,
- strengthening business competitiveness and strategic sectors and value chains.

### 8.2 Tax incentives for R&D and innovation

Portugal has one of the most intensive tax regimes to support business R&D in Europe, structured around a system of volumetric and incremental tax deductions.

#### Tax deduction for R&D (SIFIDE)

The main instrument is the System of Tax Incentives for Research and Business Development (SIFIDE), which allows access to:

- a tax deduction of **32.5%** on eligible R&D expenditure incurred in the year (base rate),
- a tax deduction of **50%** on the increase in R&D expenditure compared to the average in previous years, subject to an annual limit applicable to the incremental tranche.

The combination of both rates makes it possible to achieve very high effective tax intensities at companies with sustained growth in R&D effort, often exceeding 40% of eligible expenditure.

#### Limits and application

- There is a maximum annual limit to the applicable total deduction.
- The scheme allows for unused deductions to be carried forward for an extended period, currently up to 12 years, mitigating the risk of losing the incentive in companies with limited tax capacity.
- The system does not contemplate mechanisms for direct monetization of deductions.

**Eligible costs that may benefit from the incentive include, by way of guidance:**

- personnel costs involved in R&D activities,
- operating costs directly related to the projects,
- depreciation and amortization of tangible and intangible assets used for R&D activities,
- outsourcing of research activities to bodies in the scientific and technological system,
- other costs that are directly related and technically justified.

### 8.3 Tax incentives for investment and business activity

In addition to the R&D regime, Portugal has specific tax incentives aimed at supporting productive investment and business growth, with special significance for industrial and productive modernization projects.

The main instrument is the **Régimen Fiscal de Apoio ao Investimento (RFAl)**, which allows deductions to be claimed for corporate tax liability, depending on the volume of investment and the regional location of the project.

Applicable tax intensities include:

- up to 30 % tax deduction on the amount of the initial investment in certain regions,
- a **10%** tax deduction for the surplus investment tranche or for investments located in specific regions.

The regime applies to initial investments, such as the creation of new establishments, the increase of productive capacity, the diversification of production or the substantial modification of production processes. It also provides for exemptions or reductions in certain property taxes and allows unused deductions to be carried forward for a prolonged period, reinforcing the effectiveness of the incentive in projects with medium-term returns.

### 8.4 IP Box

Portugal has a fully operational Patent Box regime, aimed at incentivizing the economic exploitation of intellectual property assets derived from R&D activities.

The scheme allows for the exclusion of up to **85%** of the eligible net income associated with intangible assets, in accordance with the *nexus* principle, resulting in significantly reduced effective taxation of this income.

Among other things, the IP Box is applicable to:

- patents,
- industrial designs or models,
- copyrighted software,
- other protected intangible assets resulting from R&D activities.

Access to the regime is conditional on the effective performance of R&D activities, the correct accounting segregation of income and costs per asset and compliance with traceability and documentation requirements.

## 8.5 National subsidies

National subsidies play an important role in the Portuguese incentive system, especially as the main instrument of non-reimbursable support for business projects.

The system is predominantly supported by programmes co-financed by European funds, integrated into frameworks such as **Portugal 2030** and the **Recovery and Resilience Plan**, and it is coordinated through competitive calls based on criteria related to merit, economic impact and strategic alignment.

The usual intensities of support are in the following ranges:

- **Industrial research:** up to **50%–80%** of eligible costs, with higher intensities for SMEs and collaborative projects.
- **Innovation and experimental development:** intensities generally between **25% and 50%**.
- **Productive investment:** variable intensities, usually lower than those for R&D, determined by the region, the size of the company and the alignment with strategic objectives.

The subsidies are concentrated in areas considered a priority for the competitiveness of the Portuguese economy, such as industry and productive modernisation, energy and climate transition, digitalisation and strategic projects with a systemic impact.

## 8.6 Soft loans and guarantees

Portugal has national public financing instruments aimed at facilitating the implementation of business investments and complementing tax incentives and subsidies.

**National instruments include:**

- public loans on preferential terms,
- public guarantees to facilitate access to bank financing,
- financial instruments that can be combined with grants.

**The usual conditions of these instruments include:**

- low interest rates,
- long repayment terms,
- waiting periods,
- compatibility with tax incentives and public subsidies.

The Portuguese system of national public incentives for companies is characterised by a **strong emphasis on tax incentives for R&D**, complemented by **major national subsidies** and **structured public financing**, especially aimed at innovation projects, productive investment and technological transition.

Portugal **clearly has a tax-intensive R&D model**, in which tax incentives reach **high levels of intensity**, while direct aid and public financing are used selectively for investment projects and strategic programmes.

The system's strategic priorities include:

- research, development and innovation,
- industrial modernization,
- energy transition,
- digitization,
- Strengthening business competitiveness.

## 9. Netherlands

### 9.1 Overview of the National Incentive System

The Dutch system of national public incentives for companies is characterised by a **clear predominance of tax incentives**, especially in the field of **R&D, innovation and the exploitation of intangible assets**, complemented by **public financial instruments** and, to a lesser extent, **direct national subsidies**.

The Netherlands presents a **tax-oriented model**, designed to offer certainty and continuity to companies that carry out R&D and technological investment activities, using taxation as the main lever of support and reserving direct aid for specific areas.

The system's strategic priorities include:

- research and technological development,
- applied innovation,
- digitalization,
- sustainability and energy transition,
- attraction and retention of knowledge-intensive activities.

### 9.2 Tax incentives for R&D and innovation

The Netherlands has a **tax system for R&D based mainly on the reduction of labour costs**, and complemented by other tax instruments.

#### Tax reduction of R&D wage costs (WBSO)

The main tax incentive is the **WBSO**, which acts by reducing the labour costs associated with R&D personnel by:

- **A 32% reduction** on the first tranches of R&D wage costs.
- **A 16% reduction** on excess wage costs above the defined threshold.

For **startups and young companies**, the reduction can reach:

- up to **40%** of the first tranche of R&D wage costs.

This incentive is applied directly to the contributions and withholdings associated with the employment of research and technical staff.

#### Eligible costs

Costs that can benefit from WBSO include:

- salaries of personnel engaged in R&D activities,
- associated social security contributions,
- certain costs directly linked to technological development.

## 9.3 Tax incentives for investment and business activity

In addition to the WBSO, the Netherlands has **tax incentives for productive investment**, especially in the areas of sustainability and efficiency.

- **Tax incentives for energy and environmental investment**

There are tax schemes that allow:

- **additional deductions of between 40 % and 75 %** of the amount of certain energy or environmental investments,
- Applicable for specific assets defined as eligible.

These incentives are aimed at:

- energy efficiency,
- clean technologies,
- circular economy.

## 9.4 IP Box

The Netherlands has one of the **most established IP Box regimes in Europe**, fully integrated into its tax system.

- **Reduced rate**

The Dutch IP Box applies a **reduced rate of 9%** on net profits derived from eligible intangible assets.

- **Eligible Income and Assets**

- patents,
- software developments,
- other intangible assets resulting from R&D activities.

- **Conditions**

- the effective implementation of R&D activities,
- the link between the intangible asset and those activities,
- compliance with traceability and documentation requirements.

## 9.5 National subsidies

National **subsidies** have a **lower relative weight** compared to taxation, but they exist for specific areas.

- **Subsidy Intensities**

The usual intensities are in the following ranges:

- **Industrial Research:**
  - up to **50%** of eligible costs for large enterprises,
  - up to **60%–70%** for SMEs.
- **Experimental development:**
  - Intensities of between **25% and 40%**.

These grants are mainly awarded for specific innovation or technological transition projects.

## 9.6 Soft loans and guarantees

The Netherlands has **public financial instruments** aimed at facilitating access to business finance.

- **National instruments**
  - **public guarantees** for bank loans,
  - public financing instruments for innovative projects,
  - support schemes for technology companies in growth phases.
- **General conditions**
  - reduction of financial risk for the company,
  - support for tax incentives,
  - investment orientation and technological scaling.

## 10. United Kingdom

### 10.1 Overview of the National Incentive System

The United Kingdom's system of national public incentives for companies is characterised by a **clear predominance of tax incentives for R&D**, complemented by **competitive domestic subsidies** and **targeted public funding**. Tax support is the central hub of the system, while direct aid is concentrated on specific innovation, technological development and strategic investment projects.

The strategic orientation of the British system prioritises:

- research and technological development,
- business innovation,
- digital and data technologies,
- energy transition,
- high value-added sectors.

### 10.2 Tax incentives for R&D and innovation

The United Kingdom has a **highly developed R&D tax system**, structured into **two different regimes**, depending on the size of the company.

- **R&D Tax Incentives for SMEs (SME R&D Relief)**

Small and medium-sized enterprises can benefit from a specific regime with the following intensities:

- **130% super-reduction** on eligible R&D expenses.
- This allows up to 230% of the actual expenditure **incurred in R&D** to be deducted for tax purposes.
- For loss-making companies, the system allows **for partial monetization**, through a refundable credit equivalent to approximately **14.5% of eligible spending**.

This regime places the United Kingdom among the countries with the **highest effective tax intensity for innovative SMEs**.

- **Tax incentives for R&D for large companies (RDEC)**

Large companies and certain subcontracted projects claim the **Research and Development Expenditure Credit (RDEC)**, with the following characteristics:

- **13% tax credit** applicable for eligible R&D expenses.
- The credit is **refundable**, even in the absence of sufficient taxable income.
- **Eligible costs**
  - costs of research and technical personnel,

- consumables used in R&D projects,
- outsourcing of research activities,
- certain associated indirect costs.

### 10.3 Tax incentives for investment and business activity

In addition to the R&D regime, the United Kingdom has **tax incentives applicable to certain business investments**, especially in technological and productive areas.

These incentives include:

- accelerated tax deductions for certain productive assets,
- incentives linked to investments in clean technologies or digitalisation.

The tax intensities in this area are lower than those in the R&D regime, and they usually act as a complement to subsidies or public funding.

### 10.4 IP Box

The United Kingdom has a **fully operational IP Box regime**, designed to incentivise the exploitation of R&D results.

- **Reduced rate**

The UK IP Box applies an **effective rate of 10%** on profits derived from eligible intangible assets.

- **Eligible Income and Assets**
  - patents,
  - certain intellectual property rights,
  - income derived from the exploitation or transfer of such assets.
- **Conditions**
  - the performance of R&D activities by the company,
  - the link between the innovative activity and the exploited asset,
  - compliance with traceability requirements.

## 10.5 National subsidies

National **subsidies** play an important role in the British system, although with a **highly competitive approach**.

- **Subsidy Intensities**
  - **Industrial Research:**
    - up to **50%** of eligible costs for large enterprises,
    - up to **60%–70%** for SMEs.
  - **Experimental development:**
    - intensities are generally between **25% and 45%**, depending on the type of project and beneficiary.

The grants are mainly aimed at collaborative projects with a high innovative content.

## 10.6 Soft loans and guarantees

The United Kingdom has **public funding instruments** aimed at facilitating access to business finance.

- **National instruments**

They include:

- **public loans on preferential terms,**
- **public guarantees** for bank financing,
- co-investment instruments in innovative projects.
- **General conditions**

Common conditions include:

- risk sharing between the public and private sectors,
- compatibility with tax incentives for R&D,
- orientation towards growth and innovation projects.

## 11. Poland

### 11.1 Overview of the National Incentive System

The Polish system of national public incentives for companies is characterised by an **intensive combination of tax incentives, national subsidies and public funding**, with a strong focus on **reindustrialisation, technological innovation and the energy transition**.

Poland presents a **balanced model**, in which:

- **tax incentives** offer very high intensities in R&D and innovation activities,
- national **subsidies** play a central role in productive investment and industrial transformation projects,
- Public **funding** complements both instruments for large-scale projects.

The system's strategic priorities include:

- advanced industry and manufacturing,
- R&D and technological innovation,
- energy and decarbonisation,
- digitalization and automation,

### 11.2 Tax incentives for R&D and innovation

Poland has one of **the most intensive R&D tax regimes in Europe**, based on **tax super-deductions** applicable to expenses incurred.

- **R&D Tax Relief**

The main tax incentive for R&D allows companies to claim:

- **A 100% additional deduction** on eligible R&D expenses, in addition to their ordinary deductibility.
- This implies a total additional deduction of 200% of eligible spending.

For companies with recognized R&D centre status, the super-reduction can be claimed for 100% of all eligible cost categories.

#### Tax incentive for innovative employees

- to offset income tax paid by R&D personnel,
- improving the effective intensity of tax support for research employment.
- **Eligible costs**
  - R&D personnel costs,
  - associated social security contributions,
  - materials and consumables,

- depreciation of assets used in projects,
- outsourcing of research activities.

### 11.3 Tax incentives for investment and business activity

In addition to the R&D regime, Poland has **tax incentives for productive investments**, especially in the context of reindustrialization policies.

- **Incentives for productive investment (Polish Investment Zone)**

Companies that make productive investments can benefit from:

- **Tax exemptions equivalent to between 10% and 50% of the value of the eligible investment**, depending on the size of the company and the type of project.

For SMEs, the intensities can be increased:

- by up to **20 additional percentage points**, reaching higher maximum intensities for micro and small enterprises.
- additional tax incentives

There are complementary tax incentives linked to:

- robotization (additional deduction of **50%** on eligible costs),
- prototype development (additional deduction of **30%** on certain costs),
- business expansion and consolidation.

### 11.4 IP Box

Poland has a **fully operational IP Box regime**, aimed at incentivizing the exploitation of R&D results.

- **Reduced rate**

The Polish IP Box scheme charges an effective rate of 5% on net income from eligible intangible assets.

- **Eligible Income and Assets**
  - patents,
  - utility models,
  - software copyright,
  - other protected intangible assets derived from R&D activities.
- **Conditions**
  - the performance of R&D activities by the beneficiary,
  - the link between R&D expenditure and incentivised income,
  - compliance with traceability and documentation requirements.

## 11.5 National subsidies

National **subsidies** play a key role in the Polish incentive system.

- **Subsidy Intensities**
  - **Industrial Research:**
    - up to **50%** of eligible costs for large enterprises,
    - up to **60%–80%** for SMEs.
  - **Experimental development:**
    - intensities between **25% and 60%**, depending on the type of project and beneficiary.
  - **Productive investment:**
    - subsidies with varying intensities, often combined with tax incentives.
- **Priority areas**

National subsidies focus on:

- industry and manufacturing,
- energy and energy transition,
- digitalization and automation,
- strategic innovation projects.

## 11.6 Soft loans and guarantees

Poland has **public financing instruments** to support large-scale business projects.

- **National instruments**
  - **public loans on preferential terms,**
  - **public guarantees** to provide bank financing,
  - schemes combined with subsidies and tax incentives.
- **General conditions**
  - low interest rates,
  - long durations and waiting periods,
  - compatibility with tax incentives and subsidies.

## 12. Hungary

### 12.1 Overview of the National Incentive System

The Hungarian system of national public incentives for enterprises is characterized by a **clear orientation towards attracting productive investment and industrial activities**, combining **tax incentives, national subsidies** and **public financing** with a particular focus on **advanced manufacturing, R&D and technological innovation** projects.

Hungary has an **investment-driven aid-intensive model**, in which tax incentives and subsidies are used in a coordinated manner to support both R&D projects and large-scale industrial investments.

The system's strategic priorities include:

- industrial investment and manufacturing,
- R&D and technological innovation,
- automation and digitalization,
- skilled employment,
- attraction of strategic industrial projects.

### 12.2 Tax incentives for R&D and innovation

Hungary has an **R&D tax regime structured around direct tax deductions and benefits**, applicable to companies carrying out research and development activities.

#### Tax deductions for R&D

- **deduction of 100% of eligible R&D expenses** from the taxable income, in addition to their ordinary deductibility,
- which is equivalent to a **superdeduction of 200% of expenditure** in tax terms.

This incentive applies to companies of all sizes and sectors.

#### Additional tax incentives linked to R&D

There are complementary tax incentives that allow:

- claim additional reductions on the taxable income associated with certain innovation activities,
- optimize the taxation of research employment.

#### Eligible costs

- costs of personnel dedicated to R&D activities,
- associated social security contributions,
- materials and consumables,

- depreciation of assets used in projects,
- outsourcing of research activities.

## 12.3 Tax incentives for investment and business activity

Hungary has major tax incentives for productive investment, used as a key instrument for attracting industrial projects.

- **tax exemptions or reductions equivalent to between 10% and 50% of the value of the eligible investment**, depending on the size of the project and the beneficiary.

The highest intensities apply to:

- large industrial projects,
- investments in strategic sectors,
- significant job creation.

## 12.4 IP Box

Hungary **has an operational IP Box regime**, aimed at incentivising the exploitation of R&D results.

- **Reduced rate**

The Hungarian scheme allows for a **50% exemption** on net income from eligible intangible assets.

- **Eligible Income and Assets**

The IP Box applies, among other things, to:

- patents,
  - software copyright,
  - other intangible assets derived from R&D activities.
- **Conditions**
    - the performance of R&D activities by the beneficiary,
    - the link between R&D expenditure and incentivised income,
    - compliance with traceability requirements.

## 12.5 National subsidies

Domestic **subsidies** are a central component of the Hungarian incentive system, especially for industrial investment projects.

- **Subsidy Intensities**
  - **Industrial Research:**
    - up to **50%** of eligible costs for large enterprises,
    - up to **60%–70%** for SMEs.
  - **Experimental development:**
    - intensities between **25% and 45%**.
  - **Productive investment:**
    - Grants with intensities that can reach **30%–50%** of the eligible cost, depending on the project and beneficiary.
- **Priority areas**

National subsidies focus on:

- manufacturing industry,
- automotive and mobility,
- electronics and advanced technologies,
- R&D projects linked to industrial investment

## 12.6 Soft loans and guarantees

Hungary has **public financing instruments** aimed at supporting business investments.

- **National instruments**
  - **public loans on preferential terms,**
  - **public guarantees** for bank financing,
  - schemes that can be combined with subsidies and tax benefits.
- **General conditions**
  - low interest rates,
  - long durations and waiting periods,
  - compatibility with subsidies and tax incentives.

## 13. Romania

### 13.1 Overview of the National Incentive System

The Romanian system of national public incentives for companies is characterised by a **strong weight of tax incentives for R&D and skilled employment**, complemented by **national subsidies aimed at productive investment and innovation** and, to a lesser extent, **public funding**.

Romania presents a model that is in the process of consolidation, where tax incentives act as the main instrument of cross-cutting support for business activity, and direct aid is concentrated on investment projects and initiatives aligned with national priorities regarding economic and technological development.

The system's strategic priorities include:

- R&D and technological innovation,
- digitalization,
- industry and manufacturing,
- attraction of productive investment,
- Creation of qualified employment.

### 13.2 Tax incentives for R&D and innovation

Romania has **direct tax incentives for R&D**, applicable to companies carrying out research and technological development activities.

#### Tax deduction for R&D

- an **additional deduction of 50%** on eligible R&D expenses, in addition to the ordinary deduction of the expense.

This implies that R&D costs can be deducted for tax purposes for **150% of their value**, significantly increasing the intensity of tax support.

#### Tax incentives for research staff

• **Income tax exemptions** applicable to the salaries of personnel engaged in R&D and innovation activities This incentive increases the effective intensity of support for the recruitment of research and technical staff.

- **Eligible costs**
  - research staff salaries,
  - associated social security contributions,
  - consumables and materials used in R&D activities,
  - Depreciation of assets used for research projects.

### 13.3 Tax incentives for investment and business activity

In addition to incentives for R&D, Romania has **tax incentives applicable to certain business investments**, especially in priority sectors.

These incentives include:

- tax exemptions linked to productive investment,
- incentives for job creation,
- Tax benefits associated with specific assets.

**Tax intensities in this area are more limited** than for R&D and are usually conditioned by the size of the project and the economic impact.

### 13.4 IP Box

Romania **does not have an IP Box regime** or an equivalent tax incentive based on income from intangible assets.

### 13.5 National subsidies

National **subsidies** play an important role in the Romanian incentive system, especially for productive investment and innovation projects.

- **Subsidy Intensities**

The usual maximum intensities are in the following ranges:

- **Industrial Research:**
  - up to **50%** of eligible costs for large enterprises,
  - up to **60%–70%** for SMEs.
- **Experimental development:**
  - intensities of between 25% and 45%.
- **Productive investment:**
  - grants with intensities that can reach **30%–50%** of the eligible cost, depending on the size of the project and the beneficiary.

- **Priority areas**

- industry and manufacturing,
- technological innovation,
- digitalization,
- investment projects with regional or industry impact.

## 13.6 Soft loans and guarantees

Public funding in Romania has a **complementary role**, mainly used to facilitate the implementation of business investments.

### National instruments

- **public loans on preferential terms**,
- **public guarantees** to provide bank financing,
- financial schemes that can be combined with subsidies.

### General conditions

- low interest rates,
- long durations and waiting periods,
- compatibility with subsidies and tax incentives.

## 14. Ireland

### 14.1 Overview of the National Incentive System

The Irish system of national public incentives for enterprises is characterised by a **clear predominance of tax incentives**, especially aimed at **R&D, innovation and the exploitation of intangible assets**, complemented by **targeted national subsidies** and **public funding** for business projects.

Ireland has a **tax-intensive model**, in which tax incentives act as the main cross-cutting support instrument, while direct aid and financial instruments are used in a more targeted way for specific projects related to innovation, business growth and productive investment.

The system's strategic priorities include:

- research and technological development,
- business innovation,
- digitalization and advanced technologies,
- attraction and development of knowledge-intensive activities.

### 14.2 Tax incentives for R&D and innovation

Ireland has a **consolidated tax regime to support R&D**, based on a **specific tax credit** applicable to eligible research and development expenditure.

- **Tax credit for R&D**
- **25% tax credit** on eligible R&D expenditure.
- The credit is calculated on an **incremental basis**, linked to the increase in R&D expenditure and compared to a historical reference period.
- The incentive can:
  - offset the tax liability,
  - be carried over to future years,
  - or **be monetized through cash back**, subject to annual limits.

This design allows companies in the growth phase or with limited results to **capture effective value from the incentive**, reinforcing its practical impact.

- **Eligible costs**
  - salary costs of staff engaged in R&D activities,
  - overhead costs directly attributable to research projects,
  - consumables and materials,
  - qualifying subcontracting related to R&D activities.

## 14.3 Tax incentives for investment and business activity

In addition to the tax incentive for R&D, Ireland has **tax incentives applicable to certain business investments**, especially those linked to innovative activity.

These incentives include:

- tax deductions associated with investments in assets used for R&D activities,
- **accelerated depreciation** of certain assets,
- specific incentives for **buildings intended for R&D activities**, allowing the deduction of the investment cost over a certain period.

These instruments act as a complement to the tax credit for R&D and favour the **location and consolidation of research infrastructure**.

## 14.4 IP Box

Ireland has a **tax incentive regime based on income from intangible assets**, aligned with nexus criteria and aimed at exploiting R&D results.

- **Reduced rate**

The scheme allows a **reduced effective rate of approximately 6.25%** to be applied to income from eligible intangible assets.

- **Eligible Income and Assets**

The regime applies to income derived from:

- patents,
- certain software developments,
- other protected intangible assets, provided that they are linked to R&D activities carried out by the company.
- **Conditions**

The applicability of the regime is conditional on:

- the existence of R&D activity linked to the asset,
- the application of **nexus criteria**, which limit the profit to the part of the income attributable to the development carried out by the company itself,
- traceability requirements between R&D expenditure and incentivised income.

## 14.5 National subsidies

The Irish system is complemented by **national grants aimed at R&D projects, innovation and business growth**.

- **Subsidy Intensities**
  - **Industrial Research:**
    - up to **50%** of eligible costs.
  - **Experimental development:**
    - intensities that are usually between **25% and 40%**, depending on the type of project and the beneficiary.

These grants are aimed at projects with **major technological content** and business growth potential.

## 14.6 Soft loans and guarantees

Ireland has **public financial instruments** to support investment and business growth.

- **National instruments**

They include:

- **loans on preferential terms** for innovation and expansion projects,
- **public guarantee schemes** to facilitate access to bank financing.
- **General conditions**

Common conditions include:

- risk sharing between the public and private sectors,
- compatibility with tax incentives and subsidies,
- Orientation towards innovation, scaling and business development projects.

## 15. Spain's Relative Position in the European Context

The comparative analysis of national incentive systems across Europe highlights the fact that Spain holds a **solid and competitive position in terms of total public aid intensity**. While its overall level may not always rank at the very top in purely quantitative terms, Spain consistently positions itself within a strong and credible European framework.

Importantly, this aggregate ranking does not fully capture the structural **robustness and qualitative strength** of the Spanish incentive model. A deeper examination of its instruments reveals a system that is technically **sophisticated, broadly accessible and strategically aligned with innovation-driven growth**. Spain combines high theoretical intensities, a wide definition of eligible activities and effective monetisation mechanisms, resulting in a regime that is not only competitive on paper but also highly functional in practice.

Within the European context, Spain stands out for the depth, flexibility and practical applicability of its R&D and innovation incentives, reinforcing its role as one of the most structurally attractive environments for innovation investment in Europe.



## 15.1 One of the most intensive R&D Tax Regimes in Europe

In comparative terms, Spain falls within the higher range of R&D tax intensities in Europe (25%–42%)

**Particularly relevant distinguishing features are:**

- Partial monetization of tax credits (up to 80%), even in the absence of sufficient tax liability
- Carry-forward mechanisms for unused deductions
- This design significantly reduces the risk of non-utilization and enhances the practical effectiveness of the incentive, particularly for growth-stage or highly innovative companies.

## 15.2 Competitive Subsidy Intensities for Strategic Projects

- In the area of national subsidies, Spain offers intensities comparable to those of major European economies
  - Up to 50%–80% for industrial research projects (higher for SMEs)
  - These are typically 25%–50% for innovation and experimental development

These levels place Spain within the competitive range observed in other leading EU Member States.

## 15.3 Strategic Alignment with European Priorities

Spain's system prioritizes

- R&D and technological innovation,
- Industrial investment and productive modernization,
- Energy and energy transition,
- Digitalization,
- Strategic industrial sectors.

This alignment reinforces the coherence of the Spanish framework with broader EU policy directions.