The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Innovative Business and Priority Project Aid Law**

**Section 1. Terms Used in the Law**

The following terms are used in the Law:

1) **priority project**– a project promoting investment attraction or export capacity which contributes to the achievement of the objectives laid down in development planning documents, in the field of national industrial policy or digital transformation policy, or the elimination of market imperfections that hinder the effective achievement of these objectives;

2) **special regulatory environment**– a specific legal framework in a specific limited territory where different conditions apply from the laws and regulations in force so that merchants and scientific institutions could test and verify innovative products, technologies, and services for the commercialisation of the relevant solutions.

**Section 2. Purpose of the Law**

The purpose of the Law is to increase export-oriented investments and create an environment for the testing and verification of innovative products, technologies, and services thereby promoting the development of the national economy.

**Section 3. Priority Projects**

(1) A priority project shall be implemented in one of the following fields:

1) knowledge-intensive bioeconomy;

2) biomedicine, medical technologies, pharmacy;

3) photonics and smart materials, technologies and engineering systems;

4) smart energy, mobility, and net-zero emissions technologies;

5) information and communication technologies;

6) construction, transport, or logistics if the project is related to the provision of services and infrastructure in the fields referred to in Clauses 1, 2, 3, 4, and 5 of this Paragraph;

7) tourism and international events;

8) construction of low-rent housing and social housing;

9) safety and protection;

10) ensuring the operation of international business service centres and provision of services;

11) projects within the framework of which the average salary of employees of the previous reporting year is not lower than the average salary of employees of the previous reporting year of the European Union.

(2) Priority projects shall be evaluated in accordance with the priority procedures and within priority deadline. If in accordance with the laws and regulations governing the relevant field the deadline for the evaluation of priority projects and the deadline for the provision of services related to the implementation of priority projects to be provided within the framework of the State administration tasks are longer than five working days and the evaluation of projects as a service is not offered in accordance with accelerated procedures for an additional fee, the evaluation service of priority projects shall be provided within a deadline that is at least twice shorter without changing the conditions in respect of the fee for the service.

(3) The infrastructure or other investments of the authority of a public entity, a capital company controlled by a public entity, or a merchant providing a public service necessary for the implementation of priority projects shall be provided in accordance with the priority procedures.

(4) The Cabinet shall determine the following:

1) the qualification criteria of priority projects and the conditions and procedures for granting and losing the status of priority projects;

2) procedures for the submission, evaluation, implementation, and monitoring of priority projects;

3) an authority that provides a single point of contact for servicing priority projects and exchanging information;

4) procedures for informing the participating authorities;

5) the list of public services to be provided within the framework of the State administration tasks and the conditions for coordinating the necessary activities in order to ensure the provision of the relevant services for priority projects in accordance with the priority procedures and within priority deadline;

6) the procedures for ensuring the infrastructure or other investments of the authority of a public entity, a capital company controlled by a public entity, or a merchant providing a public service necessary for the implementation of the priority project.

**Section 4. Aid for Commercial Activity for the Implementation of Priority Projects**

(1) Aid for commercial activity within the meaning of the Law on Control of Aid for Commercial Activity shall be provided:

1) to the priority projects that are implemented in any of the fields referred to in Section 3, Paragraph one of this Law;

2) within the framework of the aid programme or *ad-hoc* aid necessary for the attraction of business promotion priority projects.

(2) The Cabinet shall determine the following:

1) the funding available for the relevant commercial activity aid programme;

2) the procedures and criteria for granting commercial aid, including *ad-hoc* aid;

3) conditions and procedures for the implementation of the commercial activity aid programme;

4) the conditions and procedures for taking the decision on the use of the allocated funding and recovering ineligible expenditure;

5) the conditions for the activities to be supported and for the eligibility of costs within the framework of priority projects;

6) the accounting of the aid for commercial activity, the sectors and activities not to be supported.

**Section 5. Provisions for the Establishment of Special Regulatory Environment**

(1) In order for the innovative products, technologies, and services to be tested in a special regulatory environment, it is necessary that they meet all of the following criteria:

1) innovative products, technologies, and services that the tester does not offer on the market shall be tested and verified, or new possibilities of using products, technologies, and services on the market shall be tested;

2) the necessity to test innovative products, technologies, and services in a regulatory environment shall be objectively justified, but the testing itself can promote, facilitate, and accelerate the introduction of the relevant products, technologies, and services on the market;

3) the tester has performed an adaptability assessment, prepared a test plan with clear objectives, test conditions, and an analysis of identified risks, and has sufficient resources to perform such testing;

4) innovative products, technologies, and services to be tested shall have a predictable and measurable potential for commercialisation and international scaling;

5) innovative products, technologies, and services shall be implemented in one of the fields referred to in Section 3, Paragraph one of this Law.

(2) The Cabinet shall take the decision on the creation of a special regulatory environment and the supervisory authority responsible for it.

(3) The Cabinet shall determine the following:

1) the conditions and procedures for the creation of the special regulatory environment, including the procedures for submitting and evaluating the application for the special regulatory environment;

2) the conditions and procedures for the implementation, supervision, and termination of the special regulatory environment.

**Transitional Provisions**

1. The Cabinet shall, by 30 November 2024, issue the regulations referred to in Section 3, Paragraph four of this Law. Until the day of coming into force of the respective Cabinet regulations, but not later than until 30 November 2024, Cabinet Regulation No. 83 of 4 February 2021, Regulations Regarding Servicing Priority Investment Projects, shall be applied insofar as it is not in contradiction with this Law.

2. The Cabinet shall, by 30 November 2024, issue the regulations referred to in Section 5, Paragraph three of this Law.

The Law has been adopted by the *Saeima* on 14 March 2024.

President E. Rinkēvičs

Adopted 19 March 2024