

NEW LAW FOR MICRO, SMALL AND MEDIUM ENTERPRISES

Law No 661-VIQ, dated 2 December 2022 *“On Development of Micro, Small and Medium Enterprises”* (the “Law”), came into effect on 26 January 2023, whereupon Law No 673-IQ, dated June 4, 1999, *On State Aid to Small Enterprises*, ceased to be effective.

The Law introduced new terms including: (i) **“unified register of micro, small and medium-sized enterprises”**- electronic information register of micro, small and medium enterprises, which is expected to be established within six month from the date of the Law; (ii) **«institutions providing support infrastructure to micro, small and medium enterprises”** - legal entities engaged in an activity focused on development of the micro, small and medium enterprises, enhancing their investment and innovation activity, and promoting their products in domestic and foreign market; and (iii) **«business incubator»** -legal entity providing support to its residents by offering relevant property related and management services as well promoting products in domestic and foreign markets.

The list of priority sectors of the economy for micro, small and medium enterprises , entitled for additional state support is expected to be approved by the Cabinet of Ministers.

The Law determines the state support mechanisms for creating relevant favourable conditions for the development of micro, small and medium enterprises by means of financial, consulting, information, legal and marketing support, preparation and realization of professional training programs for upgrading the level of qualification of staff, introduction of business incubator for start-ups and encouraging innovations and product development.

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