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Business development support

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The Regulation is established on the basis of subsection 53[1] (1) and subsection 55[1] (2) of the State Budget Act.

Chapter 1
General provisions

§ 1. Scope of regulation

(1) The Regulation lays down the terms and conditions and procedure for the granting, use, recovery and payment of business development support.

(2) This Regulation does not apply:
1) to an enterprise, who has failed to comply with an order for repayment of aid submitted to them on the basis of a prior decision of the European Commission declaring the support unlawful and incompatible with the internal market;
2) in the cases set forth in Article 1(1) of European Commission Regulation (EU) 2023/2831 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L, 2023/2831, 15.12.2023) (hereinafter referred to as *De Minimis Regulation*);
3) in the cases set forth in Article 1(2)–(6) of Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.06.2014, pp 1–78) (hereinafter referred to as the *General Block Exemption Regulation*);
4) upon granting of support in accordance with the General Block Exemption Regulation for an enterprise in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation;

(3) The Regulation does not apply to projects of the following fields of activity set forth in Annex 16 ‘Estonian classification of economic activities (EMTAK)’ to regulation No 59 of the Minister of Justice of 28 December 2005 ‘Procedure for submission of documents to court’:
1) wholesale and retail trade (section G);
2) financial and insurance activities (section L, except fund management activities (group 663));
3) real estate activities (section M);
4) gambling and betting activities (section S, group 920);
5) manufacture of tobacco products (section C, group 120);

(4) Information and documents related to the application and use of the grant shall be submitted and delivered through the e-support environment referred to in the Government of the Republic Regulation No 121 of 31 July 2014 'Statutes for Maintenance of Register of Structural Assistance' (hereinafter *e-support environment*).

§ 2. State aid

(1) The support granted under the Regulation is considered state aid within the meaning of the General Block Exemption Regulation and it is subject to the provisions of the referenced regulation and § 34^2 of the Competition Act or de minimis aid within the meaning of the De Minimis Regulation and it is subject to the provisions of the referenced regulation and § 33 of the Competition Act.

(2) Support is granted as follows:
1) the support granted for the activities specified in clauses 6 (2) 1, 5 and 7 is aid for process and organisational innovation within the meaning of Article 29 of the General Block Exemption Regulation or de minimis aid;
2) the support granted for the activities specified in clause 6 (2) 2 is aid for consultancy in favour of small and medium-sized enterprises (hereinafter SMEs) within the meaning of Article 18 of the General Block Exemption Regulation or de minimis aid;
3) the support granted for the activities specified in clauses 6 (2) 3 and 6 is de minimis aid;
4) the support granted for the activities specified in clause 6 (2) 4 is innovation aid granted to SMEs within the meaning of Article 28 of the General Block Exemption Regulation or de minimis aid;

3) The de minimis aid provided to one enterprise together with any previously granted de minimis aid may not exceed the limit laid down in Article 3(2) of the De Minimis Aid Regulation over a period of three years.

4) The rules on cumulation provided for in Article 8 of the General Block Exemption Regulation and in Article 5 of the De Minimis Aid Regulation are taken into account when granting support. In order to calculate de minimis aid, related entrepreneurs are considered a single entrepreneur according to Article 2(2) of the De Minimis Regulation.

§ 3. Purpose and expected outcome of granting support

(1) The aim of the support is to facilitate the implementation of the enterprise's comprehensive development plan and, thereby, to enhance the enterprise's international competitiveness, added value and export capacity.

(2) In order to achieve the objective set out in subsection 1, support shall be granted to achieve the following sub-objectives:
1) to encourage the faster market launch and export of products, services and technologies with higher added value, thereby supporting the growth of entrepreneurs' business development knowledge and skills;
2) to support the development and implementation of an enterprise's production or service provision processes, with a view to increasing their efficiency, improving financial performance and developing export capacity.

(3) As a result of granting the support:
1) the time-to-market for products, services and technologies will shorten;
2) the volume of exports by enterprises and the diversity of export markets will increase;
3) the efficiency and productivity of the enterprise's production and service delivery processes will improve through the implementation of digital solutions and artificial intelligence;
4) enterprises' cooperation with international partners will increase;
5) the commercial use of enterprises' intellectual property and the added value generated through this will increase.

(4) The beneficiary must achieve a growth in added value and export of at least 15% by the end of the second financial year following the year in which the project's eligibility period ends, if the beneficiary is a small or medium-sized enterprise, and at least 10% if the beneficiary is a large enterprise.

§ 4. Definitions

For the purposes of the Regulation the following terms have the following meanings:
1) a development employee is an employee of an enterprise or a natural person acting under a contract governed by the law of obligations, who develops the fundamental principles, strategies and associated action plans and individual activities relating to products, services, processes, quality management and compliance management systems, artificial intelligence solutions, and the development of sales and marketing activities, and implements them in the enterprise's business practices;
2) a development plan is a strategic document drawn up by the enterprise, which is a prerequisite for submitting an application and the purpose of which is to assess the comprehensiveness of the enterprise's proposed business development, coherence and alignment with the objectives of the support;
3) a medium-sized enterprise is an enterprise that meets the criteria set out in Article 2(1) of Annex I to the General Block Exemption Regulation;
4) a microenterprise is an enterprise that meets the criteria set out in Article 2(3) of Annex I to the General Block Exemption Regulation;
5) a large enterprise is an enterprise not meeting the criteria set out in Article 2 of Annex I to the General Block Exemption Regulation;
6) a small enterprise is an enterprise that meets the criteria set out in Article 2(2) of Annex I to the General Block Exemption Regulation;

§ 5. Implementation of support and challenge proceedings

(1) The Estonian Business and Innovation Agency (hereinafter *EIS*) is responsible for processing support applications, deciding whether to accept, reject or amend applications, payment of support, monitoring the use of the support and recovering the support.

(2) A decision or act of the EIS may be challenged in accordance with the procedure laid down in the Administrative Procedure Act. Challenges are resolved by EIS.

Chapter 2
Supported activities, eligibility of costs and support rate

§ 6. Supported activities

(1) Support shall be granted to a project that contributes to achieving the objective and expected result set out in section 3.

(2) Support is granted the following activities relating to the implementation of the development plan:
1) development of the beneficiary's organisation and processes;
2) development of quality management and compliance management systems;
3) the development and implementation of export activities of a new or improved product or service with high added value of the enterprise in a new target market;
4) strategic management and development of intellectual property;
5) digitisation, automation and the development and implementation of artificial intelligence to automate the enterprise's business processes and enhance its capacity for development, efficiency and competitiveness;
6) testing and trialling a product or service in the target market in a real-world use environment;
7) the acquisition of equipment and machinery that is directly and inextricably linked to the implementation of digitalisation, automation or artificial intelligence solutions as set out in the development plan.

(3) The implementation of the activities referred to in clause (2) 1 consists of the following supported sub-activities:
1) the development of the enterprise's work organisation and business processes, and the development and implementation of new or significantly improved work and business processes, including the development of processes relating to financial management, product development, procurement, work organisation, and the planning of personnel, materials and stock and equipment, as well as resource planning and management; and the procurement, development and implementation of the software solutions required to manage these processes;
2) the procurement of process development consultancy or other relevant development and expert services relating to the development and implementation of new or significantly improved work and business processes;
3) the recruitment of a new development employee or the outsourcing of a service necessary to establish new development capacity, where this relates to the development and implementation of the new or significantly enhanced work or business process specified in clause 1 of this subsection.

(4) The implementation of the activities referred to in clause (2) 2 consists of the following supported sub-activities:
1) implementation of quality management systems and other standards (with the exception of the entry-level management system standards ISO 9001, ISO 14001, ISO 45001, ISO 27001 and ISO 22301);
2) conducting quality and conformity audits, carrying out audits of the notified body and applying for authorisations in target markets;
3) procurement of quality management and compliance management consultancy services;
4) carrying out conformity testing and certification;
5) developing the processes necessary to comply with regulatory requirements in target markets;
6) certification and legal advice on entering new target markets.

(5) The implementation of the activities referred to in clause (2) 3 consists of the following supported sub-activities:
1) the procurement of services to draw up a sales and marketing strategy and a corresponding action plan;

2) the procurement of consultancy services relating to the development of sales and marketing activities and target markets;
3) facilitating customer communications and preparing for customer meetings, excluding representing the enterprise at sales meetings;
4) product development consultancy tailored to the specific characteristics of the target market, with a view to adapting a product or service;
5) promoting a product or service at international trade fairs and exhibitions;
6) preparing marketing materials.

(6) The implementation of the activities referred to in clause (2) 4 consists of the following supported sub-activities:
1) drawing up and developing the enterprise's intellectual property strategy; analysing freedom to operate;
2) applying for initial protection of intellectual property rights and extending such protection to target markets, with the exception of trademark protection;
3) outsourcing of consultancy services and expertise relating to intellectual property from to establish a licensing system that supports the business model.

(7) The implementation of the activities referred to in clause (2) 5 consists of the following supported sub-activities:
1) developing data management and data-driven management; implementing solutions for the collection and management of enterprise's data;
2) carrying out the analysis, development and implementation of information systems and digital solutions; establishing data exchange and interfaces between them; and implementing software licences and cloud services related to these solutions;
3) analysis, development and implementation of solutions based on artificial intelligence, automation and data analytics to enhance the enterprise's business processes, decision-making and services.

(8) The implementation of the activity referred to in clause (2) 6 consists of the following sub-activities, provided that the purpose of the sub-activity is to test the functionality and market suitability of a product or service prior to a more extensive market entry, and that the sub-activity does not constitute normal sales or marketing activities:
1) planning and implementing pilot projects in a real-world use environment;
2) recruiting test customers and gathering feedback to assess the functionality and market suitability of a product or service;
3) adapting a product or service on the basis of feedback gathered during a pilot project, to the extent that this does not significantly alter the core functionality of the product or service and does not constitute the development of a new or significantly modified product or service;
4) trialling the product or service in the target market before launching it on a scale.

(9) The implementation of the activities referred to in clause (2) 7 consists of the procurement of the following machinery and equipment:
1) sensors required for the implementation of artificial intelligence;
2) machine vision equipment;
3) measuring and data collection equipment;
4) edge computing equipment;
5) control systems for automation and robotisation;

6) robots and their add-on modules;
7) electronic devices capable of collecting, transmitting or receiving data via a data network;
8) data collection infrastructure equipment.

§ 7. Eligibility of expenses

(1) Eligible expenses are costs that are justified and necessary for achieving the objective and outcome of the support, directly linked to the implementation of the interrelated business development activities described in the applicant's development plan, incurred during the project's eligibility period and verifiable by documentary evidence and covered by the beneficiary. Only the costs paid by bank transfer are eligible.

(2) When applying for support under the General Block Exemption Regulation, it must be ensured that the eligible expenses comply with the conditions set out in that Regulation.

(3) The following expenses are ineligible:
1) costs arising from a transaction between related parties, defined as persons who have common economic, financial or other personal interests which may be regarded as prejudicial to their impartiality and independence;
2) the costs of acquiring, implementing or integrating standard software and conventional IT solutions without an innovation component;
3) the maintenance, hosting and operating costs of existing systems and software, the costs of version updates, and the costs of licence renewals;
4) the costs of creating and updating websites and mobile applications;
5) expenses incurred by the enterprise in connection with consultancy services relating to its ordinary course of business, including tax, legal, accounting, audit and marketing consultancy;
6) training costs incurred by the enterprise in connection with its normal business activities;
7) the costs of acquiring machinery, equipment and infrastructure used for production or the provision of services, excluding the cost of acquiring machinery and equipment that is directly and inseparably linked to the implementation of the activities set out in the development plan, distinguishing such costs from normal capital investments; in the case of machinery or equipment not used in the project for its entire useful life, costs exceeding the depreciation costs corresponding to the project's useful life are ineligible;
8) labour costs not directly related to activities connected with the implementation of the development plan;
9) incidental costs associated with the labour costs of a new development employee, namely holiday pay, sick pay, business travel expenses, daily allowances, compensation, severance pay and other allowances and benefits arising from the employment contract or the law, as well as taxes and payments arising from the law in relation to such costs and fees;
10) costs that qualify as research and development costs within the meaning of Article 25 of the General Block Exemption Regulation;
11) the daily operating and fixed costs of the enterprise ;
12) costs relating to direct sales and advertising, and costs relating to promotional items and gifts;
13) costs incurred before submitting the application;
14) VAT;
15) other costs that are not directly related to the implementation of the project or that are not necessary for achieving the project's objectives.

§ 8. Project eligibility period

(1) A project's eligibility period is the time frame stipulated in the decision to approve the application during which project-related activities start and end and expenses necessary for carrying out the project are incurred.

(2) The project eligibility period begins as of the date of submission of the application or as of the later date specified in the decision approving the application and ends on the date specified in the decision approving the application.

(3) The project eligibility period is up to 24 months.

(4) When applying for support under the General Block Exemption Regulation, the applicant must not commence project activities or take responsibility for the implementation of said activities before submitting their application.

(5) The beneficiary may apply for an extension of the eligibility period of the project once and by up to 12 months with good reason and provided that the result to be achieved remains related to the objectives of the granting of the support. If the project eligibility period is extended, it may exceed the duration of the eligibility period provided for in subsection (3).

(6) The beneficiary must immediately request the termination of the project if circumstances arise which make it impossible to continue the project.

(7) The project ends when the final report has been validated by EIS and the final payment has been made to the beneficiary.

§ 9. Amount and percentage of support

(1) The minimum amount of support per project is 100,000 euros and the maximum amount is 500,000 euros.

(2) The maximum percentage of the eligible expenses of the project is:
1) 50% for micro- and small and medium-sized enterprises;
2) 15% for a large enterprise.

(3) The support percentage for de minimis aid is up to 50%.

(4) Self-financing must cover the part of the eligible expenses not covered by the support.

(5) Non-refundable support granted by the state, municipality, or a European Union institution or fund, or from another external resource is not regarded as self-financing.

Chapter 3
Requirements for applicant and application and applying for support

§ 10. Requirements for applicant

(1) The support applicant must be an enterprise registered in the Estonian Commercial Register, which meets at least three of the following conditions:
1) the applicant must have generated sales revenue of at least 500,000 euros in the financial year preceding the submission of the application;
2) the applicant must have generated export sales revenue of at least 100,000 euros in the financial year preceding the submission of the application;
3) the applicant's average value added per employee, based on data from the financial year preceding the submission of the application, is at least equal to the Estonian average for the relevant sector as most recently published by Statistics Estonia;
4) the applicant has invested a total of at least 100,000 euros in research, development or innovation activities during the last two financial years preceding the submission of the application;
5) the applicant has attracted at least 100,000 euros in private-sector investment during the three financial years preceding the submission of the application; such investment is defined as equity, venture capital and other market-based capital investments, but not loans, public sector grants or financing from related parties;
6) the applicant has a prototype, proof of concept or tested service model that demonstrates the key functions or operating model of the technology, product or service, and its functionality has been verified in a relevant development or target environment;
7) the applicant has at least two full-time employees, at least one of whom is responsible for managing technological or service development and who holds a higher education qualification in the relevant field or has proven professional experience in the sector;
8) the average gross monthly wage paid by the applicant per employee in the quarter preceding the submission of the application was at least equal to the Estonian average gross monthly wage for the relevant sector, as most recently published by Statistics Estonia.

(2) The tax and payment arrears of the applicant with interest may not exceed €100 or their payment must be deferred. In the case of deferral, the tax arrears must be paid according to the schedule.

(3) By the time the decision to approve an application is made, the applicant must have duly submitted the tax returns as provided in the Taxation Act and submitted its annual reports to the Commercial Register.

(4) If the applicant has previously received support which they were required to repay, the repayments must have been made in full.

(5) No liquidation, compulsory dissolution or bankruptcy proceedings may have been initiated and no bankruptcy order may have been issued against the applicant or a person with dominant influence over the applicant.

(6) The applicant or their legal representative does not have a current criminal conviction.

7) Upon applying for aid on the basis of the General Block Exemption Regulation, the applicant must not be an undertaking in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation.

§ 11. Requirements for application

(1) The application must be submitted in accordance with the prescribed procedure by the applicant's legal representative via the e-support environment, digitally signed, and must meet the following requirements:
1) the activities described in the application must be in line with the objective and expected result set out in section 3;
2) the application must include a comprehensive and coherent development plan that meets the conditions set out in subsection 13 (5) and which enables an assessment to be made of the project's impact, feasibility, commercial impact and the justification of costs, as well as the information, confirmations and documents referred to in subsection (2);
3) the application must ensure a clear and traceable link between activities and outcomes.

(2) The application must contain the following information, confirmations and documents:
1) the name and registry code of the applicant;
2) project name, objectives, expected outcomes and measurable outputs;
3) the development plan approved by EIS, and the measures selected on the basis of that plan, together with the rationale;
4) a description of the target markets and the rationale for their selection, the value proposition, the competitive landscape and customer verification;
5) quantified business impact forecast: turnover before and after the project, change in the share of export, change in added value, a description of the change in the business model, and a return on investment analysis demonstrating the expected economic impact of the planned activities on the enterprise's development;
6) a description of the project team, including details of its members and their areas of expertise, as well as a breakdown of outsourced and in-house expertise;
7) the schedule, start and end dates and milestones of the project;
8) the project budget by activity, the amount of support applied for, and proof of the amount and existence of self-financing;
9) information on whether the applicant has applied for support for the project or project activities from multiple measures at the same time or from other local authority, state budget, European Union or other foreign aid funds;
10) the balance sheet and profit and loss account of the applicant as at the end of the quarter preceding the submission of the application;
11) the annual report for the financial year preceding the application if this is not available in the Commercial Register;
12) information on whether the applicant is a micro-, small enterprise, medium-sized enterprise or large enterprise;
13) a power of attorney if the person who has the right to represent the applicant acts on the basis of an authorisation;
14) a technical description of the equipment or machinery; a link to the project's objective and the implementation of a new or significantly improved process; and a justification of the need for the equipment, as well as the duration and scope of its use in the project.

(3) EIS shall publish application forms and guidance materials on its website.

§ 12. Applying for support

(1) The support is applied for on an ongoing basis or on the basis of calls. Calls for applications may be thematic, focusing on one or more activities relating to the implementation of the development plan set out in this Regulation, taking into account the objective and priorities of the call for applications.

(2) Applicants may apply for support on multiple occasions to develop new stages of development or new target markets, except for the funding of the same activities for which funding has previously been received.

(3) EIS shall coordinate with the Ministry of Economic Affairs and Communications the budget for the calls and:
1) the dates on which the application round opens and closes for call-based applications; and
2) in the case of a thematic call for applications, the activities eligible for support and the eligible areas of activity relating to the implementation of the development plan as set out in subsection 6 (2).

(4) In the case of call-based application, EIS will publish on its website, no later than 20 calendar days before the start of the receipt of applications, the opening and closing dates of the call and the support budget.

(5) In the case of ongoing application, EIS will inform on its website about the support budget, the minimum and maximum amount of the grant, the balance of the financing budget and closure of the receipt of applications.

§ 13. Preliminary consultation and development plan

(1) Before applying for support, the applicant must undergo a preliminary consultation.

(2) During the preliminary consultation, the applicant shall submit a development plan and, where necessary, other required documents to EIS, and EIS shall explain the criteria for granting the support, draws attention to any potential technical or substantive shortcomings in the proposed project, and makes recommendations and suggestions for rectifying these shortcomings. As a result of the preliminary consultation, the development plan is either approved or rejected.

(3) The development plan shall contain at least the following information and descriptions:
1) the enterprise's measurable strategic objective;
2) a description of the business development activities planned together with an explanation of how these support the achievement of the strategic objective;
3) expected outcomes of activities;
4) the logical interconnection between activities, the timetable for their implementation, their phased structure and interdependence, and, in the case of equipment procurement, the necessity of such procurement and its link to the strategic objective;
5) the persons or structural units responsible for carrying out the activities ;
6) the approximate budget for the activities and the proposed sources of funding, including own funds, loans and any public support;
7) a quantified business impact forecast.

(4) The development plan must be submitted to EIS for approval before the application is submitted.

(5) EIS shall approve the development plan if it meets the following conditions:
1) the activities proposed are innovative, logically interlinked and form a coherent whole, and clearly support the achievement of the enterprise's strategic objective;
2) the development plan covers at least three of the activities referred to in subsection 6 (2);
3) the timing, sequence and interdependencies of the activities are clearly described;
4) the activities set out in the development plan are realistic and, given the enterprise's capabilities, can be implemented;
5) the funding logic and the economic rationale for the proposed activities, as well as the expected business impact, as described in the development plan are credible and consistent with the project's objectives;
6) the introduction of technological or innovative solutions and artificial intelligence, as described in the development plan, must be justified and must support the development of the enterprise's productivity, efficiency, added value or business processes.

(6) Approval of the development plan does not confer the right to have an application for the support approved, but confirms the strategic suitability of the proposed business development with the objectives of the support scheme and is a prerequisite for submitting a support application.

Chapter 4
Processing of applications

§ 14. Processing of applications

(1) The deadline for processing an application is:
1) in the case of application on a continuous basis, 30 working days of submitting the application;
2) 60 working days from the date the receipt of applications ends in the case of call-based application.

(2) The time for processing the application may be extended by up to 10 working days in justified cases, of which the applicant will be informed.

(3) In the case of an ongoing application, applications are processed in the order in which they are submitted. The acceptance of applications may be closed if the total amount of support requested in applications that have been submitted and are currently being processed is at least equal to the remaining balance of the support budget.

(4) If shortcomings are detected in the course of verification of compliance of the application with requirements, the applicant will immediately be notified thereof and granted up to 10 working days for eliminating the shortcomings, by which the time limit for processing the application will also extend.

(5) An application is rejected without a substantive assessment if:
1) the applicant has not remedied deficiencies within the time limit referred to in subsection (4);
2) the applicant or the application does not comply with at least one of the requirements specified in the regulation and the non-compliance cannot be rectified;
3) the application contains incorrect or incomplete information or the applicant is unlawfully influencing the decision.

§ 15. Evaluation of applications and evaluation criteria

(1) For the purpose of assessing applications, EIS may establish an evaluation committee, the composition of which shall be agreed in advance with the Ministry of Economic Affairs and Communications; the names of the committee members shall be published on the EIS website no later than the day on which the acceptance of applications begins, and may involve experts in the evaluation process.

(2) Applications meeting the requirements will be assessed by EIS on the basis of the following selection criteria, weighted as follows:
1) the strategic impact of and compliance with the objectives of the development plan for research and development, innovation and entrepreneurship, in which the impact on the enterprise's growth (turnover, exports, value added), the extent of changes to the business model, scalability, and the relationship between these changes and the project's investment volume, as well as the economic efficiency and innovativeness of the planned activities – accounting for 25% of the total score;
2) the market potential and its international validation, which involves assessing the validity and attractiveness of the target market, the competitive landscape, and the value proposition in the target market – or a significant improvement thereof as a result of the project – as well as the impact of AI-based solutions on the enterprise's value proposition and international competitiveness, and the activities planned during the project to demonstrate market validation and conduct international customer validation – accounting for 25% of the total score;
3) the justification and comprehensiveness of the project, within the framework of which the quality of the development plan, the coherence and logic of the activities, the timetable for the activities, and the clarity and realism of the milestones are assessed – accounting for 20% of the total score;
4) the enterprise's capacity and competence, in respect of which the applicant's ability to carry out the project is assessed (team competence, previous experience, financial capacity), the knowledge and skills retained by the enterprise and their sustainability, capacity building, and whether the project develops the enterprise's technological or commercial capacity and reduces dependence on outsourced expertise, the balance between the enterprise's own activities and outsourced services, and the link between competence and the enterprise's long-term growth potential – accounting for 20% of the total score;
5) cost-effectiveness, which assesses the justification for the budget and the relationship between expenditure and outcomes and impacts – accounting for 10% of the overall score.

(3) The applications will be assessed on the basis of the criteria specified in subsection (2) on a scale of zero to four points, where zero is non-satisfactory and four is very good.

(4) Applications are assessed with a total score expressed in points, which is the weighted average of the points given on the basis of the award criteria specified in subsection (2).

(5) Before the start of the receipt of applications, EIS will coordinate the guidelines for the assessment of applications with the Ministry of Economic Affairs and Communications and publish them on its website at the latest on the day of the start of the receipt of applications.

§ 16. Approval or rejection of application

(1) An application shall be approved if it meets all of the requirements laid down in this Regulation and the following conditions:

1) the applicant and the application comply with the requirements set out in the Regulation;
2) the application has been awarded at least 3.0 points in the award criteria specified in clauses 15 (2) 1 and 2;
3) the application has been awarded at least 2.0 points in the award criteria specified in clauses 15 (2) 3, 4 and 5;
4) the total score awarded to the application is at least 2.5 points.

(2) In the case of call-based application, applications are approved according to the ranking until the support budget has been exhausted.
(3) The decision to grant an application includes:
1) beneficiary's name, registration code and project title;
2) the total cost of the project, the amount of the support and the rate of self-financing;
3) the eligibility period of the project;
4) the conditions of implementing the project;
5) the time limits of and procedure for submission of reports;
6) the terms and conditions of payment of support;
7) rights and obligations of beneficiary;
8) the fact that the support is state aid or de minimis aid with a reference to the article of the legislation that regulates the grant of state aid.

(4) An application is rejected if at least one of the following applies:
1) the applicant or application does not comply with at least one requirement specified in the Regulation;
2) the application has received fewer points than those specified in clauses (1) 2 and 3, or the application's total score is less than 2.5;
3) an application cannot be granted due to the exhaustion of the support budget or cannot be partially granted;
4) if the applicant has received support for the project or project activities from multiple measures at the same time or from other local authority, state budget, European Union or other foreign aid funds;
5) the applicant unlawfully influences the making of the decision.

§ 17. Partial approval of application or approval with secondary condition

(1) Partial approval of an application is permitted in the following cases:
1) the support has been requested for covering activities or expenses that are not important or justified from the viewpoint of the implementation of the project;
2) the amount of the support requested exceeds the available balance of the support budget.

(2) An application may be partially granted provided that the applicant agrees with the proposal of EIS for reducing the amount of the support applied for or amending the activities planned in the project. In the case of a partial grant of the application, the objective of the project must be achievable. If the applicant does not consent to the proposal of EIS, the decision to reject the application will be made.

(3) A decision to approve an application may be made with a secondary condition within the meaning of section 53 of the Administrative Procedure Act if the applicant must take submit additional documents or perform additional actions. If the applicant does not consent to the establishment of the secondary condition, a decision to reject the application will be made.

(4) A decision to approve an application with a secondary condition does not give the beneficiary the right to the support. The beneficiary's right to the support arises after EIS has verified the proper fulfilment of the secondary condition.

Chapter 5
Amendment and annulment of decision to approve application

§ 18. Amendment of decision to approve application

(1) EIS amends the decision to approve an application on its own initiative or on the basis of a request digitally signed by the person entitled to represent the beneficiary.

(2) The beneficiary may change the budget approved by the decision to approve an application without requesting amendment of the administrative act if the amendment is related to changing the budget allocation and the amounts of different types of state aid and the weights of the aid do not change and EIS has approved said amendment. EIS decides on the approval of the amendment within 10 working days of receipt of the request.

(3) Before deciding to approve an application, EIS will verify the relevance and necessity of the amendment and, if necessary, assess the impact of the amendment on the basis of the award criteria set out in subsection 16 (1), involving experts or an evaluation committee as necessary.

(4) EIS shall decide on the amendment of the decision granting an application within 20 working days of receipt of the relevant request. If deficiencies are discovered or additional information is required during the processing of the amendment request, the beneficiary shall be informed immediately and shall be given up to 10 working days to provide additional information, by which period the time limit for processing the amendment application shall be extended.

(5) EIS has the right to refuse to amend a decision to approve an application or, in the case referred to in subsection (2) to refuse to approve an amendment, if the proposed amendment does not contribute to achieving the expected results, or if the project activities are not completed within the eligibility period, and the amendment is not in accordance with the rules on state aid.

(6) The decision to approve an application may be amended retroactively if it contributes to the achievement of the results of the project and the amendment is justified.

§ 19. Annulment of decision to approve application

(1) EIS may annul a decision to approve an application partially or in full if:
1) a circumstance appears in the case of which the application would not have been approved;
2) incorrect or incomplete information has been submitted or information has not been submitted upon application or implementation of the project;
3) the beneficiary does not comply with a secondary condition;
4) the application for amendment of the decision approving the support application is rejected and the beneficiary is unable to continue using the support under the conditions laid down;
5) the beneficiary submits an application for waiving the use of the support;

6) the beneficiary has not implemented the planned activities during the reporting period and has not achieved the expected results.

(2) The beneficiary must repay the support received if a decision to partially or fully withdraw the decision approving the support is made.

Chapter 6
Submission of reports and payment of support

§ 20. Submission of reports related to use of support

(1) The beneficiary submits an interim and final report. EIS publishes the reporting forms on its website. At the request of EIS, the beneficiary shall submit a follow-up report; EIS is entitled to request such a report for up to three years after the end of the project.

(2) The reporting period lasts six months.

(3) The interim report contains an overview of the activities carried out during the reporting period, the progress of the project and the status of the project's outcomes compared with what was set out in the application. The action plan for the next reporting period will be submitted at the request of EIS.

(4) The final report shall contain a description of the project activities and information on the project's results and the achievement of its objectives, including its impact on the enterprise's export capacity, added value and operational development.

(5) The follow-up report shall contain information on compliance with the conditions set out in subsections 3 (3) and (4), as well as data on changes in the enterprise's added value and export turnover compared with the year preceding the submission of the application.

(6) EIS may involve an evaluation committee or experts in the review of the interim and final report.

(7) EIS approves or rejects a report within 40 working days of the registration of the report.

(8) If the time between the submission of the interim and final reports or the duration of the project is less than six months, only the final project report will be submitted.

§ 21. Payment of support

(1) The support may be paid to the beneficiary on the basis of expenses incurred and paid in accordance with the conditions set out in the decision to approve the application. The documents and evidence on which payment is based shall be submitted no more frequently than once in a calendar quarter. The minimum amount of eligible costs in a cost statement is €100 (excluding VAT).

(2) Payment of the support on the basis of actual costs is conditional on the implementation of the project activities and the incurrence and payment of eligible expenses.

(3) EIS shall process the payment request within 30 working days of its submission. If any shortcomings are found in a payment request, EIS shall notify the beneficiary immediately and set a deadline for rectifying the shortcomings. The term of processing the payment request will be extended by the time granted for the elimination of shortcomings.

(4) The final payment shall be made after the project activities have been carried out, the results have been achieved and the final report has been approved.

(5) EIS may make a decision to refuse to pay out the support either in part or in full if:
1) a cost item submitted does not correspond to the project's eligibility period, activities, eligibility requirements or the objective of the project as set out in the application;
2) the activity is not eligible for support or the implementation of the activity has not been evidenced;
3) EIS did not approve the interim or final report of the respective reporting period;
4) the beneficiary has not repaid any amount of support being recovered;
5) the beneficiary breaches the conditions laid down in the Regulation, the obligations set out in section 22, or the terms specified in the decision to approve the application;
6) the financial situation of the beneficiary has deteriorated to such an extent that the use of the support or the implementation of the project activities is jeopardised;

(6) EIS may suspend support payments until the support to be repaid has been repaid in full.

Chapter 7
Rights and obligations of beneficiary and EIS

§ 22. Rights and obligations of beneficiary

(1) The beneficiary has the right to obtain from EIS information and clarification on the requirements laid down in the legislation and on the obligations of the beneficiary.

(2) The beneficiary is obliged to:
1) carry out the project according to requirements;
2) use the support for the purposes defined in the application and the decision to approve the application;
3) to notify EIS in writing without delay of any change in the beneficiary's shareholders or members of the governing body;
4) immediately inform EIS in writing of any changes in the information provided or any circumstances that affect or may affect the performance of the beneficiary's obligations, the achievement of the results of the project or the continuation with the project activities;
5) ensure that the costs of the project and the cost and payment documents recognising them can be clearly distinguished from the beneficiary's other cost and payment documents in accounting;
6) provide the requested information and documents to EIS within ten working days of receiving the request;
7) allow the person performing an inspection access to the premises and territory related to the implementation of the project that the beneficiary uses;
8) provide all assistance necessary to carry out audits and inspections;
9) ensure the existence of all permits and approvals required by legislation regulating the implementation of the project;

10) comply with the obligations and requirements arising from the legislation on state aid and de minimis aid;
11) retain the documents related to the application, the support and the implementation of the project for at least 10 years from the date of the decision approving the application;

§ 23. Rights and obligations of EIS

(1) EIS has the right to:
1) request the submission of additional data and documents on the duration, activities, objectives, results and expenses of the project;
2) review the cost documents and the implementation of the project activities at the premises of the beneficiary, be present at the premises and on the territory of the beneficiary and check the data, documents and other materials relating to the use of the support;
3) reclaim the support if there is a legal basis for doing so.

(2) EIS is obliged to:
1) make the application and reporting forms and guidance materials available to applicants and beneficiaries on its website;
2) immediately inform the beneficiary of any amendments to the terms and conditions of the use of the support;
3) after the decision to grant the support has been made, publish on its website the name of the beneficiary, the name of the project receiving the support, the amount of the support and the total budget of the project;
4) supervise the execution of the project;
5) retain the information concerning the provision of state aid and de minimis aid with the necessary additional documents for ten years from the last decision approving the application;
6) collect and submit to the Ministry of Economic Affairs and Communications information on the ongoing implementation of the support measure;
7) inform the Ministry of Economic Affairs and Communications of any obstacles to the implementation of the regulation;
8) ensure that state aid and de minimis aid are entered in the register of state aid and de minimis aid;

Chapter 8
Recovery of support

§ 24. Recovery and repayment of support

(1) EIS will make a discretionary decision to recover all or part of the support on the grounds specified in subsection 55^1 (1) of the State Budget Act in the following cases:
1) the cost is not eligible;
2) the beneficiary's application for amendment of the decision approving the support application is rejected and the beneficiary is unable to continue using the support under the conditions laid down;
3) the beneficiary submits an application for waiving the support;
4) the beneficiary has failed to achieve the results set out in subsection 3 (4).

(2) The support to be recovered may be offset against the support payable within the scope of the same project.

(3) EIS may defer the repayment of the support at the request of the beneficiary for up to 12 months. Upon the justified request of the beneficiary, EIS may, in agreement with the Ministry of Economic Affairs and Communications, set a longer repayment term.

(4) For the purposes of deferral, the beneficiary will submit to EIS a request setting out the reasons for the need for deferral and the requested repayment schedule. The beneficiary will provide, at the request of EIS, supporting documents proving its financial situation.

(5) EIS will make the decision granting or denying the request for deferral within 10 working days of receiving the request for deferral. In justified cases, the time limit for making a decision may be extended by a reasonable period of time by informing the beneficiary about this.

(6) The decision granting or rejecting the request for deferral may be made with the decision to recover the support.

(7) In the case of recovery of unlawful and misused state aid, the provisions of section 42 of the Competition Act will apply, unless otherwise provided by EU legislation.

Liina Vahtras
Minister of Economy and Industry

Ahti Kuningas
Secretary General