



Grants & Incentives program updates

Global developments
benefiting business

Global Tax and Legal, July 2016

Countries included

This update provides a summary of the latest developments affecting Grants & Incentives and Research & Development programs. For more information, please contact the local leader of the respective program directly.

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Czech Republic

New call for the support of education under the Employee Corporate Education program

On 15 June 2016, the Ministry of Labour and Social Affairs published Call No. 43 under the Employee Corporate Education program, as part of the Operational Programme for Employment.

The programme aims to increase the expertise, skills and the competence of employees and align the proficiency of the workforce with labor market requirements. The subsidy amounts to no more than 85% of the project costs, with a minimum amount of aggregate eligible expenses of CZK 0.5 million and a maximum project amount of CZK 10 million.

Scheme budget	CZK 1.5 billion
Type of incentive	Cash grant
Deadline	31 August 2016
Contact name	Luděk Hanáček: Partner Tax and Legal in Central Europe
Email	lhancek@deloittece.com
Tel no.	+420 606 654 304

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Germany – Food production, analysis and safety; manufacturing; ICT; packaging

Innovation funding for secure, resource-saving and sustainable food production

The scheme provides funding for industry-led R&D projects that focus on secure, resource-saving, and sustainable food production. The following topics are of interest:

- Allergen management systems and examination methods for allergens and pseudo allergens
- Avoidance of losses and reduction of waste in the entire food chain
- (Pipe) cleaning systems
- Optimized logistic chains and packaging systems
- Automatization of the production process

Scheme budget	<ul style="list-style-type: none">• Forming an industry-led consortium is required; the inclusion of SMEs is welcome• For companies, grants of up to 50% of eligible costs can be awarded, provided there is own contribution of at least 50%• For universities and research institutions, grants of up to 100% of eligible costs can be awarded• Project duration of up to three years
Type of incentive	Non-repayable cash grant to a consortium
Deadline	Submission of project outline (first application step): 15 September 2016
Contact name	Isabel Antholz: Senior Manager or Teresa Stahl: Consultant
Email	iantholz@deloitte.de or tstahl@deloitte.de
Tel no.	+49 (0) 40 32080 4910 or +49 (0) 89 29036 7109

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Germany – Bio-economy (SMEs only)

Customized bio-based ingredients for a competitive bio-economy

Funding is available for technology-driven projects that apply the potential of the “synthesis capabilities” of biological systems such as microorganisms, plants and animals for industrial application. The project aims to support the development and production of bio-based ingredients and high-tech products with customized functions and characteristics.

Scheme budget	<ul style="list-style-type: none">• Forming an SME-led consortium is required• For SMEs, grants of up to 50% of eligible costs can be awarded; a bonus of 10% available (on a case-by-case basis)• For universities and research institutions, grants of up to 100% of eligible costs can be awarded
Type of incentive	Non-repayable cash grant to a consortium
Deadline	Submission of project outline (first application step): 15 September 2016
Contact name	Isabel Antholz: Senior Manager or Teresa Stahl: Consultant
Email	iantholz@deloitte.de or tstahl@deloitte.de
Tel no.	+49 (0) 40 32080 4910 or +49 (0) 89 29036 7109

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Germany – ICT, automotive, materials

Transport research program, "Mobility and Transport Technologies"

This funding scheme promotes product and application-oriented research activities in the area of mobility and transport technology, focusing on automatic driving solutions and innovative vehicles. Topics include:

Automated driving: Innovative sensors and actuation systems; high-precision localization; fast, inter-vehicle and vehicle-to-backend communication solutions; (sensor) data fusion and processing; man-machine-interaction

Innovative vehicles: Increase in energy efficiency by using light weight construction, optimized aerodynamic characteristics, reduced frictional resistance in the complete drive trains, innovative drive train technology

Scheme budget	<ul style="list-style-type: none">• Forming an industry-led consortium is required; inclusion of SMEs is welcome• For companies, grants of up to 50% of eligible costs can be awarded, provided there is own contribution of at least 50%• For universities and research institutions, grants of up to 100% of eligible costs can be awarded• Project duration of up to three years
Type of incentive	Non-repayable cash grant to a consortium
Deadline	Submission of project outline (first application step): 30 September and 30 March each year
Contact name	Isabel Antholz: Senior Manager or Teresa Stahl: Consultant
Email	iantholz@deloitte.de or tstahl@deloitte.de
Tel no.	+49 (0) 40 32080 4910 or +49 (0) 89 29036 7109

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Poland

Support for implementation of R&D results (Sub-measure 3.2.1 of the Smart Growth Operational Programme)

Administered by the Polish Agency for Enterprise Development (PARP), the program supports the implementation of R&D results by SMEs.

Entrepreneurs can obtain financing for a portion of expenses necessary to implement new or significantly modified products and services that are the result of conducted or outsourced R&D efforts. To obtain funding, the project must be innovative at least on a national scale and fall within the scope of one of the R&D&I funding priorities in the “National Smart Specialization.”

The enterprise must incur at least EUR 2.3 million in eligible costs.

Scheme budget	EUR 100 million for the current call for proposals
Type of incentive	<p>The grant is available as a percentage of eligible costs:</p> <ul style="list-style-type: none">• Up to 70% of investment costs: The purchase or production of fixed and intangible assets (including machines, equipment, patents, licenses, know-how and other intellectual property rights), land, buildings, construction works, and materials• Up to 45% of costs of experimental development works: Labour costs (researchers, technicians and other employees in relation to their involvement in project works), research outsourcing, operational costs, including materials, shipping and other required commodities, up to EUR 100,000• 50% of advisory services provided by external partners necessary for implementation of R&D efforts, up to EUR 110,000
Deadline	31 August 2016
Contact name	Dominika Orzolek : Manager
Email	dorzolek@deloittece.com
Tel no.	+48 881 950 969 or +48 223 483 572

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Poland

Support for implementation of R&D results (Sub-measure 3.2.1 of the Smart Growth Operational Programme)

Administered by the Ministry of Economy, this grant program supports the set-up and/or development of R&D infrastructure through investment in equipment, devices, technology and the necessary appliances to carry out R&D to create innovative products and services. Key to obtaining support will be a research programme for R&D activities to be carried out by the enterprise in a newly created or developed R&D center. Only enterprises can qualify for the incentive and at least EUR 450,000 in eligible costs are required.

Scheme budget	EUR 100 million for the current call for proposals
Type of incentive	<p>The grant available as a percentage of eligible costs, is as follows:</p> <ul style="list-style-type: none"> • Up to 70% of costs incurred to purchase land, fixed and intangible assets or for construction, in compliance with the regional aid map • 25% to 45% of costs incurred to obtain technical knowledge and costs incurred on consultancy or equivalent services used for the project <p>An additional grant is available for the purchase costs of materials and products directly related to implementation of the project, but it is subject to a cap of EUR 200,000 for all sectors (EUR 100,000 for the road and transport sectors).</p>
Deadline	31 October 2016
Contact name	Dominika Orzolek : Manager
Email	dorzolek@deloittece.com
Tel no.	+48 881 950 969 or +48 223 483 572

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Poland/Gaming industry

Sectoral R&D projects (Measure 1.2 of the Smart Growth Operational Programme)

Administered by the National Centre for Research and Development (NCR&D), this program supports industrial research and experimental development or experimental development carried out by enterprises or consortia consisting of at least two entrepreneurs.

Projects must fall within the scope of one of the R&D&I funding priorities in the “National Smart Specialization,” and must include R&D activities aimed at the production of video games (e.g. design of games, development of AI, platforms, engines and processing techniques, usage of gaming elements in other sectors of the economy: AR, VR, gamification). Costs eligible for a grant include remuneration, outsourcing costs (up to 50%), depreciation and the leasing of R&D infrastructure and equipment, costs incurred for intangible assets, land and buildings, other operational costs, and up to 17% of indirect costs.

Scheme budget	EUR 18 million for current call for proposals
Type of incentive	<p>The grant available as a percentage of costs that are eligible for the scheme is as follows:</p> <ul style="list-style-type: none"> • <i>Industrial research</i>: Up to 70% for micro and small enterprises, 60% for medium-sized enterprises and 50% for large enterprises • <i>Development activities</i>: Up to 45% for micro and small enterprises, 35% for medium-sized enterprises and 25% for large enterprises <p>Where there is a broad dissemination of R&D results or effective collaboration, an additional 15% of the eligible costs can be claimed, although this is subject to an overall maximum of 80% of the costs.</p>
Deadline	16 August 2016
Contact name	Dominika Orzolek: Manager
Email	dorzolek@deloitte,ce.com
Tel no.	+48 881 950 969 or +48 223 483 572

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Russia – Manufacturing, pharma, automotive, and processing industries (except the food industry and oil and gas extraction)

Special Investment Contracts (SPIC)

The government has introduced a new investor support mechanism for the local market as part of its efforts to stimulate industrial growth.

Under this program, an investor prepared to spend at least US\$ 11 million to establish or upgrade a production facility to meet a required level of product localization can choose from a range of government incentives. The authorities will agree to protect the investment and the associated incentives against any changes in legislation by including a grandfather clause.

The most generous incentive available under the programme is an exemption from profit tax for the entire period of the SPIC (up to 10 years). However, this incentive and other benefits, such as an exemption from property tax, require Russian regions to adopt changes to their local legislation.

Although there are some uncertainties relating to how the program will operate in practice, the number of investors applying is growing.

Scheme budget	No defined budget (tax incentives)
Type of incentive	Tax reduction
Deadline	No specific deadline
Contact name	Vasily Markov: Director or Yana Butrimovich: Senior Consultant
Email	vmarkov@deloitte.ru or ybutrimovich@deloitte.ru
Tel no.	+78 127 037106 or +74 957 870600

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United Kingdom – R&D grants

Innovate UK: open funding competition

Innovate UK is to invest up to GBP 15 million in innovative R&D projects. These projects are designed to help businesses of all sizes develop new products, processes and services with commercial potential. The aim is to enhance UK competitiveness, growth and improve national productivity.

The competition is open to the best business-led ideas or concepts. These can be drawn from any technology, engineering or industrial area. The aim of the competition is to fast-track ideas to commercial success. Projects should demonstrate disruptive, cutting-edge innovations and businesses should demonstrate ambition and potential for growth.

The competition will be open to both SMEs and large companies, which can work individually or collaboratively.

Projects may focus on:

- Feasibility studies that may include a proof of market
- Industrial research
- Experimental development

Projects are expected to last between six and 36 months. They can range in size from total eligible project costs of GBP 25,000 up to GBP 1 million, depending on the type of project.

Funding is available for up to 70% of project costs for feasibility studies and industrial research, and up to 45% for experimental development, depending on the size of the entity.

Scheme budget	GBP 15 million
Type of incentive	Cash grant
Deadline	The deadline to register is 31 August 2016. The competition deadline is 7 September 2016.
Contact name	Nina Barton: Manager
Email	nbarton@deloitte.co.uk
Tel no.	+44 (0) 117 921 1622

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For more information

For more information on any of the programs listed above, please contact the in-country representative or your usual contact. For further information on how Deloitte can assist with available grants and incentives please contact:



Natan Aronshtam

Global Managing Director—R&D and GI, DTTL
naronstam@deloitte.ca
+1 416 643 8701



David Cobb

Partner, R&D and Government Incentives, Deloitte UK
dcobb@deloitte.co.uk | Twitter: @davidfcobb
+44 20 7007 2996

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