



## **Grants & Incentives program updates**

Global developments  
benefiting business

Global Tax and Legal, September 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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# China

## New Guidelines on HNTE Status Recognition

On 22 June 2016, the Chinese government issued revised guidelines on the recognition of High-New Technology Enterprise (HNTE) status to further clarify the new requirements for companies to qualify for HNTE status and to reiterate that the government will be conducting post-HNTE status audits. Enterprises planning to apply for HNTE status or those already enjoying benefits should re-evaluate their eligibility in accordance with the new guidelines, comply with the documentation requirements and further improve their internal risk control procedures.

Scheme budget	N/A
Type of incentive	Reduced enterprise income tax rate of 15%
Deadline	Varies among cities according to practices of the local authorities
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# China

## Government Plans to Reduce Corporate Costs

The State Council of China issued a notice on 8 August 2016 that sets out some high-level guidelines aimed at improving the business environment and stimulating real economic growth, and helping to reduce operating costs for enterprises. The guidelines contain the following main objectives:

- Ensuring that the burden of taxpayers is not increased following the introduction of VAT to replace the business tax.
- Enhancing the super deduction for R&D expenses.
- Reviewing the rules on administrative fees, with a view to reducing the amount of the fees.
- Reducing financial costs for small and micro companies.
- Encouraging companies with good credit to issue overseas bonds.
- Reducing the burden on the employer portion of social security contributions.

Under the State Council guidelines, each government department (the Ministry of Finance, State Administration of Taxation, Ministry of Science and Technology and the local governments) will be responsible for reviewing its respective areas (including R&D incentives and government grants) and taking steps to achieve the above objectives. The State Council will carry out an assessment of the project at the end of March 2017.

Scheme budget	N/A
Type of incentive	Reduced economic corporate costs
Deadline	NA
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# Germany – Logistics industry / Shipping industry / Port sector / ICT

## Innovative Port Technologies (IHATEC)

The scheme provides funding for R&D and demonstration projects that increase energy efficiency and reduce pollution in ports by using digital solutions as enabling technologies. The following fields of applications are of particular interest:

- Optimized and improved handling capacity of transshipment volumes and passengers in port terminals; improved flow of traffic and avoidance of congestion between port terminals and locations;
- Optimized logistics chains, integrated logistics and production solutions; improved digital infrastructure in the ports' logistic chains; and
- Development of new IT systems and cyber-security technologies to improve environmental and climate protection in ports (e.g. with respect to soil and water pollution).

Scheme budget	<ul style="list-style-type: none"><li>• No overall budget published</li><li>• Forming of a consortium is required; inclusion of companies in the port industry is desired since project results must be demonstrated in a “use case”</li><li>• For companies, grants of up to 50% of eligible costs can be awarded, provided there is an own contribution of at least 50%</li><li>• Project duration of up to four years</li></ul>
Type of incentive	Non-repayable cash grant to a consortium
Deadline	Submission of project outline based on announcements; first call expected to be published at the end of September 2016
Contact name	Isabel Antholz: Senior Manager or Teresa Stahl: Consultant
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# Germany – Manufacturing sector / FMCG industry

## Investment in energy efficient systems (“Cross-cutting technologies”)

Funding is available for investment in energy efficient systems that are available on the market and that increase energy efficiency in companies and/or production plants. In addition to the new purchase of energy efficient systems, the replacement of existing systems can be funded provided certain conditions are fulfilled. Eligible energy efficient systems include the following:

- Electric motors and powertrains;
- Pumps;
- Ventilators and installations for heat recovery in air conditioning systems;
- Air compressor and installations for heat recovery in air compressors;
- (Waste) heat recovery systems for the reuse of heat in the production processes; and
- Isolation of industrial installations and pipes.

Scheme budget	<ul style="list-style-type: none"><li>• For SMEs, grants of up to 30% of eligible costs can be awarded</li><li>• For large enterprises, grants of up to 20% of eligible costs can be awarded</li><li>• The maximum amount of funding is EUR 30,000 per project. A project is defined as the sum of all systems purchased/replaced at a site location</li></ul>
Type of incentive	Non-repayable cash grant to a company
Deadline	Submission of project outline (first application step): Ongoing submission
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# Germany – Medical Technology sector / Electronic industry

## Electronic systems for smart health

This funding scheme promotes significant innovations in the field of electronic systems to realize new and improved medical technologies. The funding program targets electronic systems for medical technologies that show critical improvements with regard to functionality, miniaturization, integration capability, biocompatibility, interconnectivity and reliability. The main areas of interest include:

- Electronic systems for the use in prosthetics;
- Closed-loop-systems for the application in medical technology; and
- Intelligent implants based on new concepts for sensors and wireless energy supplies.

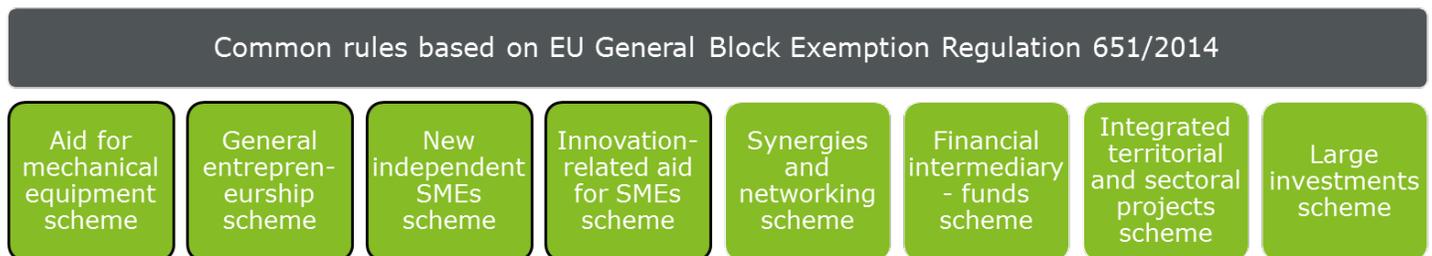
Scheme budget	<ul style="list-style-type: none"><li>• No overall budget published</li><li>• Forming of an industry-led consortium is required; inclusion of SMEs is welcomed</li><li>• For companies, grants of up to 50% of eligible costs can be awarded, provided there is an own contribution of at least 50%</li><li>• For universities and research institutions, grants of up to 100% of eligible costs can be awarded</li><li>• Project duration of up to three years</li></ul>
Type of incentive	Non-repayable cash grant to a consortium
Deadline	Submission of project outline (first application step): 30 October 2016
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# Greece

## New Development Law 4399/2016

On 16 June 2016, the Greek parliament passed the new development law 4399/2016, entitled “*Institutional framework for establishing Private Investment Aid schemes for the country’s regional and economic development.*” The law aims to generate more than EUR 11 billion in private investment by 2023 by providing incentives to the private sector. Incentives include tax exemptions; cash grants; leasing subsidies; subsidies for costs incurred to create employment; a stable corporate income tax rate regime; and the financing of business risks.



The development law provides a framework based on the foundation of EU GBER 651/2014 and will become effective gradually, with each state aid scheme commencing when relevant ministerial decisions are issued. The first four schemes (as outlined in black in the above diagram) are expected to become available to private sector entities that are established in Greece and that implement an eligible investment plan in Greece in the fourth quarter of 2016.

An eligible investment plan may address any of the following:

- Setting up a new establishment;
- Extending the capacity of an existing establishment;
- Diversifying the output of an establishment into products not previously produced by the establishment;
- Making a fundamental change in the overall production process of an existing establishment; and
- Acquiring assets belonging to an establishment that has closed.

The minimum budget of an eligible investment plan depends on the size of the beneficiary (EUR 500,000 for large enterprises). Beneficiaries must contribute capital to the investment plan equal to at least 25% of the eligible investment costs.

Eligible investment plans can be in most manufacturing and ICT sectors of the economy, apart from the exceptions in GBER 651/2014 and several exceptions in the trade and services sectors. Significant cash incentives will be available, in particular, for the following entities:

- SMEs (“extroverted” (i.e. those focusing on global markets), innovative, independent SMEs entering mergers and SMEs with a growing workforce) and cooperatives;
- Enterprises operating in the ICT and agro food sectors;
- Investment plans in industrial and business zones, unrelated to the modernization or expansion of existing business units; and migrant-affected areas.

The state aid (i.e. a percentage of the investment cost) will depend on the size of the beneficiary and the region where the investment is made, according to the regional state aid map of Greece:

REGION	1 July 2014 - 31 Dec. 2017	1 Jan. 2018 - 31 Dec. 2020
Anatoliki Makedonia and Thraki (EI11), Kentriki Makedonia (EI12), Thessalia (EI14), Ipeiros (EI21), Dytiki Ellada (EI23), Peloponnisos (EI25), Vorio Aigaio (EI41)	25% Large 35% Medium 45% Small	25% Large 35% Medium 45% Small
Dytiki Makedonia (EI13), Kastoria (EI132), Florina (EI134), Sterea Ellada (EI24) [Evrytania (EI243)]	25% Large 35% Medium 45% Small	15% Large 25% Medium 35% Small
Dytiki Makedonia (EI13), Grevena (EI131), Koçavi (EI133), Ionia Nisia (EI22), Kriti (EI43)	15% Large 25% Medium 35% Small	10% Large 20% Medium 30% Small
Attiki (EI30), Notio Aigaio (EI42), Sterea Ellada (EI24) [Voiotia (EI241), Fthiotida (EI244), Evvoia (EI242), Fokida (EI245)]	10% Large 20% Medium 30% Small	10% Large 20% Medium 30% Small

Scheme budget	N/A
Type of incentive	Tax exemption up to the maximum rates of the Regional Aid Map
Deadline	Open process
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# Greece

## Aid for mechanical equipment – Development Law 4399/2016

Eligible expenditure of an investment plan can include:

- Purchase and installation of new machinery;
- Purchase and installation of used machinery that is not more than seven years old from the date it was first purchased (special conditions apply);
- Leasing rent paid for new machinery (equipment lease payments are eligible, but operating lease payments are not); and
- Purchase of vehicles for on-site use.

Investment plans will be evaluated under a “direct evaluation” procedure. Administrative audits will be carried out for all projects, and 20% of approved investment plans will be subject to on-site audits.

Scheme budget	N/A
Type of incentive	Tax exemption up to the maximum rates of the Regional Aid Map
Deadline	Open process
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# Greece

## General entrepreneurship – Development Law 4399/2016

Eligible expenditure of an investment plan can include:

- Capital expenditure in tangible assets;
- Capital expenditure in intangible assets;
- Wage costs related to new jobs created as a result of the implementation of the investment project, calculated over a period of two years from the creation of each position;
- Studies and consultancy services;
- Start-up costs;
- Investment costs for energy efficient measures;
- Investment costs for high-efficiency cogeneration from renewable energy sources;
- Costs for energy production from renewable sources;
- Energy-efficient district heating and cooling; and
- Costs for the remediation of contaminated sites.

Investment plans will be evaluated under a “direct evaluation” procedure. Administrative audits will be carried out for all projects, and 20% of approved investment plans will be subject to on-site audits.

Scheme budget	N/A
Type of incentive	Tax exemption, leasing subsidy and subsidy for the costs of created employment, up to the maximum state aid available for each expenditure category  Cash grants are available only for the special categories of state aid as defined in the common rules of the law, up to 70% of the maximum state aid for each expenditure category
Deadline	N/A
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# Greece

## New independent SMEs – Development Law 4399/2016

Eligible expenditure of an investment plan can include:

- Capital expenditure in tangible assets;
- Capital expenditure in intangible assets;
- Wage costs incurred for new jobs created as a result of the implementation of the investment project, calculated over a period of two years from the creation of each position;
- Studies and consultancy services;
- Start-up costs;
- Investment costs for energy efficient measures;
- Investment costs for high-efficiency cogeneration from renewable energy sources;
- Costs for energy production from renewable sources;
- Energy-efficient district heating and cooling; and
- Costs for the remediation of contaminated sites.

Investment plans will be evaluated under a “comparative evaluation” procedure (benchmarking). On-site audits will be carried out for all investment plans.

Scheme budget	N/A
Type of incentive	Tax exemption, leasing subsidy and subsidy for the costs of created employment, up to the maximum state aid for each expenditure category Cash grants are available up to 70% of the maximum state aid for each expenditure category; for the special categories of state aid defined in the common rules, the percentage is 100%
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# Greece

## Innovation-related aid for SMEs – Development Law 4399/2016

This scheme targets innovative SMEs that aim to develop technology or provide services through technological development, the production of innovative products or the introduction of procedural or organizational innovation.

Eligible expenditure of an investment plan can include:

- Capital expenditure in tangible assets;
- Capital expenditure in intangible assets;
- Wage costs incurred for new jobs created as a result of the implementation of the investment project, calculated over a period of two years from the creation of each position;
- Studies and consultancy services;
- Start-up costs;
- Innovation costs;
- Costs for process and organizational innovation;
- Energy efficiency costs;
- Investment costs for the production of energy from renewable energy sources;
- High-efficiency cogeneration costs;
- Energy efficient district heating and cooling; and
- Investment costs for the remediation of contaminated sites.

Investment plans will be evaluated under a comparative assessment procedure. On-site audits will be carried out for all investment plans.

Scheme budget	N/A
Type of incentive	Tax exemption, leasing subsidy and subsidy for the costs of created employment, up to the maximum state aid for each expenditure category Cash grants are available up to 70% of the maximum state aid for each expenditure category; for the special categories of state aid defined in the common rules, the percentage is 100%
Deadline	N/A
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# Italy

## R&D Projects for Sustainable Industry

The Italian Ministry of Economic Development will support large projects (from EUR 5 to EUR 40 million in costs) for R&D investments within the “Sustainable Industry” framework.

The program finances projects that will apply key enabling technologies for the development of innovative products/ processes and services within the following priorities:

- Industrial plant and processes;
- Transport;
- Aerospace;
- Telecommunications;
- Energy;
- Green building; and
- Environment protection.

Scheme budget	EUR 410 million
Type of incentive	Cash grants (up to 10% for large enterprises and up to 15% for SMEs) and subsidized loans (between 50% and 70% of eligible costs)
Deadline	Application available from 26 October 2016
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# Italy

## R&D Projects for Digital Agenda

The Italian Ministry of Economic Development will support large projects (from EUR 5 to EUR 40 million in costs) for R&D investments within the “Digital Agenda” framework. The program finances projects that will apply key enabling technologies in information and communication (ICT) for the development of innovative products/processes and services within the following priorities:

- Health;
- Education/Inclusive society;
- Cultural heritage;
- Smart transport;
- Smart and clean energy;
- Environment;
- Smart government;
- Electronic communications; and
- Smart manufacturing.

Scheme budget	EUR 120 million
Type of incentive	Cash grants (up to 10% for large enterprises and up to 15% for SMEs) and subsidized loans (between 50% and 70% of eligible costs)
Deadline	Application available from 26 October 2016
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# Poland – Automotive

## INNOMOTO (Measure 1.2 of the Smart Growth Operational Programme)

The National Centre for Research and Development (NCR&D) will offer support for program supports industrial research and experimental development or experimental development carried out by enterprises (all large enterprises and SMEs) until 30 December 2016. The support is similar to other R&D support schemes in Poland (see below, Submeasure 4.1.4 – Application projects). Projects must fall within the scope of one of the R&D&I funding priorities in the “National Smart Specialization.” There are monthly cut-off dates within the scheme, and the minimum amount of eligible costs is approximately EUR 3 million for large enterprises and EUR 0.5 million for SMEs.

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

To benefit, a project must fall within the scope of one of the R&D&I funding priorities in the “National Smart Specialization,” as well as within one of the following areas: innovative production technologies (regeneration, recycling, recovery), innovative vehicles and drives, innovative parts, components and systems.

Costs that are eligible for a grant include remuneration and outsourcing costs (up to 60% if the project is implemented independently or 50% if the project is implemented by a consortium). In the latter case, depreciation and leasing costs for R&D infrastructure and equipment, costs incurred on intangible assets, land and buildings, other operational costs, and up to 17% of indirect costs also may be included.

This description is based on general information about Measure 1.2 OP SG. Specific criteria (INNOMOTO) will be known after the announcement of the call for proposals.

Scheme budget	Approximately EUR 63 million for the current call for proposals
Type of incentive	<p>The grant available as a percentage of costs eligible for the scheme is as follows:</p> <ul style="list-style-type: none"> <li>Industrial research: Up to 70% for micro and small enterprises, 60% for medium-sized enterprises and 50% for large enterprises</li> <li>Experimental development: Up to 45% for micro and small enterprises, 35% for medium-sized enterprises and 25% for large enterprises</li> </ul> <p>In the event of wide dissemination of R&amp;D results or effective collaboration, the aid intensity is increased by 15 percentage points</p> <p>The maximum aid is 80% of the costs</p>
Deadline	21 November 2016
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# Poland

## Smart Growth Operational Programme: Submeasure 4.1.4 – Application projects

Administered by the National Centre for Research and Development (NCR&D), the program supports industrial research and experimental development or experimental development carried out by consortia comprising of at least one research unit and one enterprise. There may not be more than five partners in a consortium. To benefit, a project must fall within the scope of one of the R&D&I funding priorities in the “National Smart Specialization.”

Costs that are eligible for a grant include remuneration and outsourcing costs (up to 50%), depreciation and leasing costs for R&D infrastructure and equipment, costs incurred on intangible assets, land and buildings, other operational costs, and up to 17% of indirect costs.

Scheme budget	Approximately EUR 50 million for the current call for proposals
Type of incentive	<p>The grant available as a percentage of costs eligible for the scheme is as follows (for enterprises):</p> <ul style="list-style-type: none"> <li>• Industrial research: Up to 70% for micro and small enterprises, 60% for medium-sized enterprises and 50% for large enterprises</li> <li>• Experimental development: Up to 45% for micro and small enterprises, 35% for medium-sized enterprises and 25% for large enterprises</li> </ul> <p>In the event of wide dissemination of R&amp;D results or effective collaboration, the aid intensity is increased by 15 percentage points                      The maximum aid is an amount equal to 80% of the costs                      For research units, 100% of costs are eligible for the grant</p>
Deadline	2 November 2016
Contact name	Dominika Orzolek: Manager
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# Poland

## Smart Growth Operational Programme: Sub-measure 1.1.2 – R&D works on developing a pilot / demo plant or installation.

Administered by the National Centre for Research and Development (NCR&D), the program supports experimental development carried out by large enterprises. To benefit, a project must fall within the scope of one of the R&D&I funding priorities in the “National Smart Specialization.”

Costs that are eligible for a grant include remuneration and outsourcing costs (up to 50%), depreciation and leasing costs for R&D infrastructure and equipment, costs incurred on intangible assets, land and buildings, other operational costs, and up to 17% of indirect costs.

Scheme budget	Approximately EUR 125 million for the current call for proposals
Type of incentive	<p>The grant available as a percentage of costs eligible for the scheme is 25% of experimental development costs for large enterprises</p> <p>In the event of wide dissemination of R&amp;D results or effective collaboration, aid intensity is increased by 15 percentage points</p> <p>The minimum level of eligible costs is about EUR 7.5 million and the maximum project value is about EUR 50 million</p>
Deadline	31 October 2016
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# Poland

## R&D Tax Incentive

Changes to the R&D tax incentive that became effective on 1 January 2016 are awaiting approval of parliament, and once approved will enter into force on 1 January 2017. The main changes are as follows:

- The deductible expenditure amount will increase from 130% to 150% of salary costs and social insurance costs of employees engaged in R&D activities, and from 110% to 130% (for large companies) / 120% to 150% (for SMEs) of other R&D-related expenditure;
- For SMEs, eligible costs will now include costs incurred for obtaining patents, utility models and industrial designs;
- The carryforward period will be extended from three to six years; and
- To benefit start-ups, a cash refund will be granted if there is insufficient income to benefit from a tax deduction in first year of the company's existence (two years for SMEs). The refund will be recaptured if the company goes into bankruptcy or liquidation.

Scheme budget	N/A
Type of incentive	Tax credit
Deadline	N/A
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# Portugal

## Business Innovation and Entrepreneurship

This project supports non-SMEs and SMEs engaged in any economic activities, particularly those that aim at the production of tradable and exportable goods and services and that fulfil the following objectives:

- Enhance non-SME and SME investments in innovative activities;
- Contribute to the internationalization of the Portuguese economy, creation of qualified employment, and create a spillover effect on SMEs; and
- Promotes qualified and creative entrepreneurship.

Scheme budget	EUR 378.4 million
Type of incentive	Repayable, interest-free incentive, with the possibility of an exemption up to 50% of the reimbursement if the project exceeds its objectives. However, the gross grant equivalent cannot exceed the maximum rates according to the regional state aid maps for the period 2014-2020. The base support rate is 35%
Deadline	30 September 2016
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# Portugal

## Incentives for Technology R&D (Individual Demonstration Projects)

The program support individual demonstration projects that promote one of the following:

- IDP of advanced technologies and pilot lines;
- IDP within the priority areas of the national and/or regional R&I strategy for a smart specialization; and
- IDP with an investment amount of at least EUR 150,000.

Scheme budget	EUR 42 million
Type of incentive	Non-repayable incentive up to EUR 1 million per beneficiary. The following portions apply to an incentive that exceeds EUR 1 million: 75% of non-refundable incentive and 25% of refundable incentive, without interest. The support rate is between 25% and 80%
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# Portugal

## Incentives for the qualification and internationalization of SMEs – Projects for internationalization

SMEs undertaking projects to increase their capacity and presence in the global market can claim a cash grant of up to 45% of expenses related to the knowledge of markets, international development and promotion, presence in international markets and international marketing, amongst others.

Scheme budget	EUR 61.25 million
Type of incentive	Non-repayable cash grant of 45% to SMEs
Deadline	31 October 2016
Contact name	Sérgio Paulo Oliveira: Partner
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# Portugal

## Incentives for the qualification and internationalization of SMEs – Projects for qualification

SMEs undertaking projects to increase their productivity, flexibility and response capacity in the global market can claim a cash grant of up to 45% of expenses incurred on information and communication technologies, the digital economy, brands and designs, the development of new products and services, quality, knowledge transfers, eco-innovation, distribution and logistics.

Scheme budget	EUR 42.1 million
Type of incentive	Non-repayable cash grant of 45% to SMEs
Deadline	31 October 2016
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# Portugal

## Business Innovation and Entrepreneurship – Quick Execution Projects

This project supports non-SMEs and SMEs engaged in any economic activities, particularly those that aim at the production of tradable and exportable goods and services and that fulfil the following objectives:

- Enhance non-SME and SME investments in innovative activities;
- Contribute to the internationalization of the Portuguese economy, creation of qualified employment, and create a spillover effect on SMEs; and
- Promote qualified and creative entrepreneurship.

These projects must be completed within a period of 12 months.

Scheme budget	EUR 174.95 million
Type of incentive	Repayable, interest-free incentive. There is a possibility of an exemption of up to 50% of the incentive if the project exceeds its expectations. However, the gross grant equivalent cannot exceed the maximum rates, according to the regional state aid maps for the period 2014-2020. The base support rate is 35%
Deadline	15 September 2016
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# United Kingdom – R&D Grants

## Innovate UK: Connected and Autonomous Vehicles

Businesses are invited to apply for grant funding to support innovation projects in the area of connected and autonomous vehicles. Projects should aim to deliver actual benefits to users, including how the vehicles will operate as part of a wider transport system.

A number of funding streams are available within this competition:

- Funding to support a large-scale challenge to develop and demonstrate a vehicle operating at SAE level 4 (“High Level”) automation; one or two projects will be supported. Projects are expected to have total costs of between GBP 15 million to GBP 30 million and last between 18 and 30 months, and should involve primarily industrial research with some experimental development. The support of authorities is required in the trial area (for example, local authorities, and road operators).
- Funding to support feasibility studies and industrial R&D projects focusing on connectivity and/or autonomy. Projects are expected to have total costs of GBP 250,000 to GBP 5 million and last between 12 and 30 months.

All funded projects must be industry-led and collaborative.

Scheme budget	GBP 35 million
Type of incentive	Cash grant. Up to 70% of project costs for feasibility studies and industrial research is available, and up to 45% for experimental development, depending on the size of the entity
Deadline	The deadline to register is 2 November 2016, and the competition deadline is 9 November 2016
Contact name	Nina Barton: Manager
Email	<a href="mailto:nbarton@deloitte.co.uk">nbarton@deloitte.co.uk</a>
Tel no.	+44 (0) 117 921 1622

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# United States – Illinois

## Economic Development for a Growing Economy (EDGE) Credit Sunset

Pursuant to 35 ILCS 10/5-77, the Illinois Department of Commerce will not enter into any new EDGE agreement after 31 December 2016. Qualifying companies are encouraged to submit EDGE applications to the Department by November 2016 for timely processing.

The EDGE is a discretionary Illinois corporate income tax credit aimed at encouraging companies to locate or expand operations in the state when there is active consideration of a competing location. A company may be eligible for the EDGE to the extent it intends to spend at least USD 5 million in capital improvements and create 25 or more new full time jobs in Illinois.

The amount of the tax credit is calculated on a case-by-case basis, based on the amount of income tax withheld from salaries of new employees. The credit can equal up to 100% of withholding taxes generated for new jobs. The EDGE may be available to a company for up to 10 years for each project, and may be carried forward for up to five taxable years.

Scheme budget	The amount of the tax credit is calculated on a case-by-case basis
Type of incentive	Fiscal incentive
Deadline	Effective until 31 December 2016
Contact name	Doug Tyler: Managing Director
Email	<a href="mailto:dtyler@deloitte.com">dtyler@deloitte.com</a>
Tel no.	+1 212 436 3703

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# United States – New York City

## New York City Relocation and Employment Assistance Program (REAP) Sunset

Unless an extension is made, applications for the New York City (NYC) REAP will no longer be accepted after 30 June 2017. Qualifying businesses should submit their applications to the New York City Department of Finance before the deadline.

The REAP is a NYC corporate income tax credit for commercial and industrial businesses relocating to designated areas of NYC and making capital improvements to their space. To qualify, a business must have been conducting “substantial business operations” for at least 24 months, among other requirements, such as improvements of USD 25 per square foot and a qualified event of relocation. The benefit is provided in the form of an annual NYC income tax credit of up to USD 3,000 per employment share (equivalent to a full-time job present for the entire year at a REAP eligible premises) for a period of up to 12 years (up to USD 36,000 per new or relocated job). The REAP may be refundable for the first five years of the credit period if the businesses locate in qualified areas. Businesses must file for initial certification and make annual compliance filings before claiming each annual credit instalment.

Scheme budget	N/A
Type of incentive	Fiscal incentive
Deadline	Applications accepted until 30 June 2017
Contact name	Doug Tyler: Managing Director
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# United States – New York

## New York Excelsior Jobs Program

Proposed legislation S.7583 was introduced in 2016 to amend the New York State Economic Development Law, in relation to eligibility to participate in the Excelsior Jobs Program (EJP). The bill proposed to reduce the job creation and capital investment thresholds for participation in the EJP. This legislation shows that the program is potentially underutilized and the government aims to make the credit program more accessible to businesses.

The EJP, which is administrated by the Empire State Department, provides job creation and investment incentives to firms in targeted industries such as pharmaceutical, high-tech, and manufacturing. Firms in these industries that create jobs or retains jobs and make significant capital improvements in New York state are eligible to apply for up to four fully refundable tax credits: jobs tax credit, investment tax credit, R&D credit, and real property tax credit. Businesses can claim the credits over a 10-year period.

Scheme budget	N/A
Type of incentive	Fiscal incentive
Deadline	Effective until 31 December 2026
Contact name	Doug Tyler: Managing Director
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# United States – New York

## Eligibility Update on New York Investment Tax Credit (ITC) on R&D Property

The 2015 corporate tax reform repealed article 32 of the New York Tax Law, and for tax years beginning on or after 1 January 2015, banking corporations that previously were taxed under article 32 are subject to tax under article 9A of the New York Tax Law. Thus, as from 1 January 2015, banking corporations are eligible to claim an ITC of 9% on any qualifying investment in R&D property. This component of the ITC was not available under the former article 32 Bank Franchise Tax.

The ITC is a business tax credit on qualified purchases of buildings, machinery or equipment available for the year the property was placed in service, in which the credit is calculated based on a percentage of the investment credit base. Any unused credits may be carried forward 15 years.

Scheme budget	N/A
Type of incentive	Fiscal incentive
Deadline	Effective 1 January 2015
Contact name	Doug Tyler: Managing Director
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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:



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