

**Ministry of Industry and Trade
of the Czech Republic
Structural Funds Division – Governing Body of OPEI**



**CALL FOR SUBMISSION OF PROJECTS
WITHIN OPEI
Marketing**

Call identification	Marketing – Individual projects of SMEs supporting the entry of SMEs into foreign markets
Priority axis	6 – Services for the Development of Business, Operational Programme Enterprise and Innovation 2007-2013
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1. **Basic Provisions**

- a) The aid provider and administrator of the programme is the Governing Body of OPEI – the Ministry of Industry and Trade of the Czech Republic (hereinafter referred to as the “MIT”), (www.mpo.cz).
- b) The mediating entity for this programme is CzechInvest, the Investment and Business Development Agency, an organisation of the MIT, (hereinafter referred to as “CzechInvest”), (www.czechinvest.org).

State aid provided via this programme is governed by Article 27 of Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the EC Treaty (hereinafter referred to as “Commission Regulation (EC) No. 800/2008”)¹ and can therefore be compatible with the common market within the meaning of Article 107(3) of the Treaty on the Functioning of the European Union and is exempted from the notification obligation under Article 108(3) of the Treaty on the Functioning of the European Union. Furthermore, provided aid is governed by Commission Regulation (EC) No. 1998/2006 of 15 December 2006 on the Application of Articles 87 and 88 of the EC Treaty to de minimis aid².

1.1. **Objective of the Call**

This Call of the MARKETING Programme fulfils the objective of strengthening the international competitiveness of small and medium-size enterprises (SMEs) with their registered offices in the Czech Republic through individual participation in trade fairs and exhibitions abroad.

¹ Official Journal of the EU L 214, 9 August 2008, pages 3-47.

² Official Journal of the EU L 379, 28 December 2006, pages 5–10.

2. Supported Activities

Individual projects of SMEs involving the entry of such SMEs and their products and services into foreign markets.

3. Aid Recipient

3.1. Definition of aid recipient

An aid recipient can be only a business entity that fulfils the definition of a small or medium-size enterprise set forth in Annex I of Commission Regulation (EC) No. 800/2008 as a natural person or legal entity engaged in business³.

The aid recipient must fulfil the following criteria:

- The aid recipient must be authorised to conduct business in the Czech Republic corresponding to the supported economic activity, for whose realisation the project is to be implemented; supported CZ-NACE categories are set forth in Annex No. 1.
- According to the aid recipient's affidavit, such recipient must be registered as an income-tax payer with the Tax Office pursuant to Section 33(1) of Act No. 337/1992 Coll., on Administration of Taxes and Fees, as amended.
- According to the aid recipient's affidavit, such recipient may not have any outstanding liabilities toward selected institutions⁴ or toward providers of aid for

³ Aid recipients can be entities having the following legal forms: 101 natural person conducting business pursuant to the Trade Licensing Act, not registered in the Commercial Register; 102 natural person conducting business pursuant to the Trade Licensing Act, registered in the Commercial Register; 105 natural person operating pursuant to acts other than the Trade Licensing Act and the Agriculture act, not registered in the Commercial Register; 106 natural person operating pursuant to acts other than the Trade Licensing Act and the Agriculture act, registered in the Commercial Register; 111 general partnership; 112 limited liability company; 113 limited partnership; 121 joint-stock company; 205 cooperative; 231 manufacturing cooperative; 232 consumer cooperative; 234 other cooperative; 241 cooperative enterprise (with one founder); 421 foreign entity; 501 branch operation or other organisational unit registered in the Commercial Register; 932 European public limited company, 933 European cooperative.

⁴ Tax Office, the Czech Social Security Administration, health-insurance companies, the Land Fund, Ministry of Finance as the legal representative of the State Property Fund, the State Environmental Fund, the State Housing Development Fund, Customs Administration of the Czech Republic, State Cultural Fund, State Fund of the Czech Republic for Support and Development of Cinematography, State Agricultural Intervention Fund, regions, municipalities and confederations of municipalities.

projects co-financed from the European Union budget. Deferment of payment of outstanding liabilities or an agreement on the payment of outstanding liabilities shall be considered as settled liabilities.

- According to the recipient's affidavit, the recipient should not have any outstanding liabilities towards its employees regarding wage claims.
- The recipient may not conduct business activities in the sector of basic manufacturing of agricultural products, fishing and aquaculture (CZ-NACE A01 and A03).⁵
- The aid recipient must have closed, as of the date of submitting the application, at least two consecutive taxation periods.

3.2. An entity cannot be an aid recipient if as of the date of submission of the application:

- Pursuant to the Act on Bankruptcy and Settlement, a court has declared bankruptcy against its assets, granted a settlement or rejected a proposal for declaration of bankruptcy due to lack of assets.
- A ruling on its insolvency has been issued pursuant to Section 136/2006 Coll., on Insolvency.
- A court has issued a ruling on the order of enforcement of a decision on its assets or ordered the execution of its assets.
- It is in liquidation.
- It is an enterprise in difficulties (pursuant to Communication of the Commission 2004/C 244/02 and Commission Regulation (EC) No. 800/2008)⁶.

⁵ This applies in the case of de minimis aid.

⁶ An enterprise is considered to be an enterprise in difficulties if it fulfils the following conditions:

a) in the case of a limited liability company, where a loss of more than half of the basic capital has occurred and where a loss of more than one-fourth of such capital has occurred in the past twelve months, or

b) in the case of a company in which at least some of the partners fully guarantee the company's liabilities, where there has occurred a loss of more than one-half of the basic capital recorded in the company's accounting and where there has occurred a loss of more than one-fourth of such capital in the past twelve months, or

- It has an outstanding liability arising on the basis of an order to return financial resources issued following the prior ruling of the Commission declaring that aid is contrary to law and incompatible with the common market.

c) where, regardless of the type of company, the enterprise fulfils the conditions of the Insolvency Act (Act No. 182/2006 Coll., on Insolvency and Its Settlement) for commencing collective insolvency proceedings.

A small or medium-size enterprise that has been in existence for less than three years is considered an enterprise in difficulties during the stated period only if it fulfils the conditions set forth in subparagraph c).

4. Programme Conditions

4.1. Formal conditions of project acceptability

- The project must be implemented in the Czech Republic, outside the territory of Prague.
- The place of implementation shall be identical with the registered office of the SME. Therefore, within the MARKETING Programme, an SME with its registered office in Prague or outside the Czech Republic (European public limited company, European cooperative, foreign entity) cannot apply for aid, with the exception of those whose export activity is related to production and services realised in the Czech Republic, though outside the territory of Prague.
- The period of project implementation but must not extend beyond 31 December 2011 at the latest.
- The objectives of the project must be in accordance with the objectives of the programme.
- The project must not be in violation of the European Union horizontal policies, particularly the principles of:
 - Equal opportunities between men and women
 - Sustainable development

The date of project acceptability is understood as the day on which CzechInvest provides to the applicant confirmation that the applicant fulfils the acceptability conditions of the given programme.

The actual date of project completion is understood as the date of final payment to suppliers for orders that involve eligible project costs.

4.2. Other conditions

- a) A subsidy shall be provided to the aid recipient based on a Decision to Grant a Subsidy issued by the programme administrator (hereinafter referred to as the “Decision”), a part of which is formed by the binding Terms and Conditions of the

Decision to Grant a Subsidy (hereinafter referred to as the “Terms and Conditions”).

- b) The aid recipient is obligated to keep separate records and documentation of the eligible project costs and of the use of the subsidy intended for financing the eligible costs as stipulated in the Terms and Conditions of the Decision to Grant a Subsidy and to keep such records and documentation for a period of ten years from the date of project completions and, at the same time, minimally for a period of three years for following the closure of the Operation Programme Enterprise and Innovation in accordance with Article 90 of Council Regulation (EC) No. 1083/2006. All recipients will be informed of the closure of the Operational Programme Enterprise and Innovation.
- c) The subsidy is disbursed to the recipient retroactively upon completion of project providing that the Terms and Conditions have been fulfilled.
- d) For the entire period of implementation of the project and for at least three years following its completion, the aid recipient is obligated to allow direct access to authorised employees of the programme administrator and the mediating entity for the purpose of performing inspections pursuant to Act No. 552/1991 Coll., on State Inspection. Furthermore, the aid recipient shall allow these employees direct access for the purpose of inspecting compliance with the conditions of the programme and the specific utilisation of resources from the provided subsidy as well as inspecting the financial situation and accounting or tax records of the aid recipient, both at the place of project implementation and at the aid recipient's registered office. The aid recipient is obligated to keep, for the purpose of inspection, all paid outputs of the project (e.g. photographic documentation of participation in trade fairs, samples of promotional materials). In relation to eligible project costs for which disbursement of a subsidy has been requested, the aid recipient is obligated to proceed in accordance with Act No. 137/2006 Coll., on Public Procurement or in accordance with the regulations set forth by the programme administrator (“Regulations for Selecting Suppliers”) depending on the financial value of the order and character of the submitting party. The Regulations for Selecting Suppliers are publicly available on the websites of the MIT and CzechInvest.
- e) The aid recipient is obligated to ensure that the project will be maintained for a period of at least three years following the date of its implementation.

- f) Each applicant may submit only one project within this Call. If the Registration Application is rejected, the applicant has the possibility to submit a new application within the stipulated period.
- g) Other obligations of the aid recipient are set forth in the Terms and Conditions.

5. Eligible costs

Eligible costs must fulfil the following conditions:

- Such costs must be expended in accordance with the objectives of the programme, must immediately relate to the project's implementation and in the case of such costs there must exist a direct link to the project's output.
- Such costs must be expended no earlier than on the date of project acceptability.
- Such costs must be paid no later than on the date of project completion.
- Such costs must be demonstrably paid by the aid recipient before they are reimbursed from the Operational Programme Enterprise and Innovation.
- Such costs must be verified by evidential documentation and must be paid to suppliers, whereas assets cannot be acquired by means of capitalisation.
- Such costs must fulfil the Publicity Regulations (general and specific parts) that are part of the Terms and Conditions.

5.1. Eligible costs of individual projects of SMEs are

- a) Participation of enterprises in trade fairs and exhibitions abroad:
 - **Rental, set-up and operation of the exhibition stand – graphic design of the stand, design documentation of the stand, rental of exhibition space, connection to utilities networks (water, waste, gas, electricity, lighting, air-conditioning, fire safety), internet connection, rental of the stand and necessary equipment for its operation (furniture, projection screen, computer, kitchen equipment), assembly, installation of exhibited items, disassembly, mandatory fees connected with participation in the**

relevant exhibition or trade fair imposed by the organiser, and services related to operation of the stand.

Aid for these eligible costs is provided in accordance with Commission Regulation (EC) No. 800/2008 only in the case of the aid recipient's first instance of participation⁷ in a particular trade fair or exhibition abroad (the applicant shall document this fact with an affidavit).

For further instances of participation in a particular trade fair or exhibition abroad, aid for the aforementioned eligible costs can be provided only pursuant to the de minimis rule.

- **Transportation of exhibited items to and from a trade fair or exhibition abroad, including packing and handling, within a supported project of this Call, ensured by an external supplier – aid is provided under the de minimis regime.**

b) Marketing/promotional materials:

- **Creation of promotional materials in foreign languages** for the purpose of participation in a particular trade fair or exhibition abroad **promoting the aid recipient and its products**, containing the unmistakable identification of the aid recipient (name, logo, address) and mandatory publicity elements – leaflets, pamphlets, brochures, print advertisements, CD presentations, DVD presentations (including graphic designs, translations into foreign languages, printing).

Aid for marketing/promotional materials is provided under the de minimis regime. Costs associated with marketing/promotional materials are eligible costs only in the case that participation in trade fairs and exhibitions abroad actually occurred, within a project supported under this Call.

5.2. All other costs not set forth in item 5.1 are not eligible costs, particularly:

- Construction work
- Eligible costs above CZK 500,000 excl. VAT which were not expended in accordance with the Regulations for Selecting Suppliers.
- Outputs of the project (participation in trade fairs and exhibitions abroad, promotional materials) that are not in compliance with the Publicity Regulations
- Organisation of the recipient's own exhibitions, trade fairs and presentations
- VAT, if the aid recipient is a VAT payer or can claim reimbursement of VAT
- Costs arising prior to the date of project acceptability
- Costs paid following the stipulated deadline for project completion
- Loan and credit payments
- Sanctions and penalties
- Promotional materials in the Czech language
- Warranty costs, insurance, interest, bank fees, exchange-rate losses, customs and administrative fees
- Leasing
- Products and services of CzechTrade.
- Instruction manuals, technical descriptions, price lists, business cards, company stationery and other stationery products, postage, accommodation, travel costs, dining costs, personal costs, etc.
- Customs fees
- Costs of mandatory project publicity

⁷ Initial instance of participation is understood as the aid recipient's participation in a trade fair or exhibition abroad that has not been previously supported from state resources.

6. Sectoral Classification

Aid is intended for implementation of projects focused on the manufacturing industry and services in accordance with the list of CZ-NACE economic activities set forth in Annex No. 1. Projects whose outputs are realised in any of the following sectors cannot be supported:

- manufacture, processing and marketing of products set forth in Annex No. 2A
- agriculture, fishing, aquaculture, forestry (CZ-NACE A 01, A 02, A 03)
- coal industry (B 05, C 19.1)
- steel industry (see Annex No.2B for the sectoral classification)
- manufacture of synthetic fibres (see Annex No.2c for the sectoral classification)
- shipbuilding (CZ-NACE C 30.11)

Within this Call, aid cannot be provided for activities connected with import, such impermissible aid being directly connected with equilibrium quantity, aid for establishment and operation of a distribution network or for other ordinary costs connected with import activities, and aid undermining the use of domestic goods in favour of imports.

7. Form and Amount of Aid

Aid is provided in the form of a subsidy, whereas the minimal amount of aid for implementation of an individual project of an SME is CZK 0.3 million.

Aid for participation in trade fairs and exhibitions abroad is provided exclusively to the aid recipient.

- The subsidy is specifically intended for payment of eligible costs arising in connection with achieving the objective of the project.
- Aid for an SME's initial participation in trade fairs and exhibitions abroad is provided to the SME in the amount of 50% of eligible project costs in accordance with Commission Regulation (EC) No. 800/2008, (Article 27 on aid for SMEs intended for participation in trade fairs).

- Aid for an SME's second and subsequent instances of participation in trade fairs and exhibitions abroad is provided in the amount of 50% of eligible costs under the de minimis regime.
- Aid for transportation of exhibited items, including packing and handling, within a project under this Call is provided in the amount of 50% of eligible costs under the de minimis regime, maximally in the amount of CZK 300,000 for participation in one particular trade fair or exhibition abroad.
- Aid for the creation of marketing/promotion materials for the purposes of trade fairs and exhibitions within a project under this Call is provided in the amount of 50% of eligible costs under the de minimis regime, maximally in the amount of CZK 200,000 for participation in one particular trade fair or exhibition abroad.

Within an individual project of an SME, aid cannot be provided separately for marketing/promotional materials. The provision of such aid is always conditioned by the provision of aid for participation in trade fairs and exhibitions abroad.

8. Selection of Projects

8.1. Selection criteria

The selection criteria are set forth in Annex No. 3 of this Call.

8.2. Method of selecting projects

The selection and assessment of projects is performed on the basis of stipulated criteria. The mediating entity submits the aid application (including, as the case may be, expert assessments) to the evaluation committee with a draft recommendation to provide aid for the project or, as the case may be, a recommendation to not provide aid. The evaluation committee assesses the fulfilment of the selection criteria and recommends that aid be provided or, as the case may be, that aid not be provided. The programme administrator decides on the provision of aid. The subsidy is provided upon issuance of the Decision to Grant a Subsidy, part of which comprises the Terms and Conditions.

9. Participation in Other Aid Programmes

No other state aid, i.e. neither state aid pursuant to Article 87(1) of the EC Treaty nor aid under the de minimis regime pursuant to Commission Regulation (EC) No. 1998/2006, can be provided for identical partially or fully overlapping eligible costs of a project supported from this programme.

If the aid recipient has obtained capital within the venture-capital measure pursuant to Article 29 (aid in the form of venture capital) of Commission Regulation (EC) No. 800/2008 and afterwards, in the course of the first three years following the first investment of venture capital, requests aid within the framework of this Call of the programme, the relevant threshold values of aid shall be reduced by 20%, whereas the reduction shall not exceed the total amount of the received venture capital.

In the case that the aid recipient was provided aid for young innovative enterprises, aid within this Call of the programme cannot be provided to such recipient during the first three months following the provision of aid for young innovative enterprises.

10. Period of Project Implementation

The period for implementing the project may not extend beyond 31 December 2011.

11. The Aid Application and Manner of Its Submission

The applicant shall submit the aid application in two steps via the electronic account (eAccount) on the website at www.czechinvest.org/eaccount. In order to submit the application, it is necessary to have an electronic signature.

Step 1: The applicant first fills out and electronically sends the simplified **Registration Application**. Based on a formal inspection and inspection of the acceptability of the Registration Application, including an economic assessment of the applicant or entity/entities that have a controlling interest in the applicant, CzechInvest shall inform the applicant of the result of the evaluation. In the case of preliminary acceptability of the project, CzechInvest will send to the applicant information on the preliminary acceptability of the project and the date from which eligible costs may be incurred.

Step 2: Within two months following confirmation of successful registration (or, as the case may be, the date of commencement of collecting full application, whichever comes later), but not earlier than on 1 May 2010 and not later than 31 October 2010, the applicant shall electronically submit the **Full Application**, including the project financial-feasibility form. The Full Application contains detailed information about the applicant and the project.

The procedure for filling out the Registration Application is set forth in the Instructions for Applicants and Recipients of OPEI Aid.

12. Sanctions for Non-Compliance with the Terms and Conditions

Sanctions for non-compliance with the conditions of the programme are set forth in the Terms and Conditions.

13. Other Provision

There is no legal entitlement to a subsidy. The programme administrator shall decide on the final amount of the subsidy.

The programme administrator reserves the right to suspend or prematurely terminate the Call.

Specific terms:

- Aid – subsidy obtained by the aid recipient on the basis of a Decision to Grant a Subsidy.
- Project – the aid recipient's activity having a defined timeframe within which the objective described in the aid application is to be achieved.
- Trade fairs and exhibitions abroad – gatherings of a large number of firms from a single sector in one place at the same time outside the Czech Republic, such gathering having been ensured by an outside supplier that

serves primarily for familiarising potential customers with offered products and services.

- Marketing/promotional materials – creation of marketing/promotional materials for the purpose of trade fairs and exhibitions abroad, within a project supported under this Call.
- Transportation – transportation, ensured by an external supplier, of exhibited items to and from trade fairs and exhibitions, including packing and handling, within a project supported under this Call.

Annexes:

Annex No. 1 – Supported CZ-NACE Categories

Annex No. 2 – Annex I of the EC Treaty

Annex No. 3 – Selection Criteria of the Marketing Programme, Call II