

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



**CALL FOR SUBMISSION OF PROJECTS  
WITHIN THE OPERATIONAL PROGRAMME  
ENTERPRISE AND INNOVATION  
ICT and Business Support Services**

<b>Call identification</b>	ICT and Business Support Services
<b>Priority axis</b>	2 – Company development
<b>Call no.</b>	III – 2 <sup>nd</sup> Extension
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<b>Receipt of Registration Applications</b>	6 November 2013 from 1 pm – 17 December 2013 till 1 pm <sup>1</sup>
<b>Receipt of Full Applications</b>	6 November 2013 from 1 pm – 7 February 2014 till 1 pm
<b>System of collecting applications</b>	Continual
<b>Planned allocation for this Call</b>	1 billions CZK <sup>2</sup>

<sup>1</sup> The Governing Body reserves the right to prematurely terminate the acceptance of Registration Applications in the event that the financial volume of submitted Registration Applications significantly exceeds the amount of the planned allocation for this Call.

<sup>2</sup> The exact level of funding for the implementation of the call depends on a decision of the European Commission, the number of withdrawn projects and project under-spends under previous programme calls, and on the CZK/EUR exchange rate. As of 1 January 2014, the issuance of Grant Decisions is also subject to the European Commission's approval of the renewal of the Regional Map and rules on regional aid pursuant to Commission Regulation (EC) No 800/2008.

<b>1</b>	<b>BASIC PROVISIONS .....</b>	<b>3</b>
1.1	DEFINITION OF TERMS .....	4
<b>2</b>	<b>SUPPORTED ACTIVITIES.....</b>	<b>6</b>
2.1	SUPPORTED ACTIVITIES .....	6
2.2	UNSUPPORTED ACTIVITIES .....	6
<b>3</b>	<b>AID RECIPIENT .....</b>	<b>7</b>
<b>4</b>	<b>CONDITIONS OF PROJECT ACCEPTABILITY .....</b>	<b>9</b>
4.1	FORMAL CONDITIONS OF PROJECT ACCEPTABILITY.....	9
4.2	OTHER CONDITIONS.....	9
<b>5</b>	<b>ELIGIBLE COSTS.....</b>	<b>14</b>
5.1	ELIGIBLE COSTS - CONDITIONS .....	14
5.2	ELIGIBLE COSTS .....	14
5.3	NON-ELIGIBLE COSTS .....	16
<b>6</b>	<b>SECTORAL CLASSIFICATION.....</b>	<b>17</b>
<b>7</b>	<b>FORM AND AMOUNT OF AID .....</b>	<b>17</b>
<b>8</b>	<b>PROJECT SELECTION .....</b>	<b>18</b>
8.1	SELECTION CRITERIA .....	18
8.2	METHOD OF PROJECT SELECTION.....	18
<b>9</b>	<b>PARTICIPATION IN OTHER PROGRAMMES OF SUPPORT .....</b>	<b>19</b>
<b>10</b>	<b>PERIOD OF PROJECT IMPLEMENTATION .....</b>	<b>19</b>
<b>11</b>	<b>THE AID APPLICATION AND THE METHOD OF ITS SUBMISSION .....</b>	<b>19</b>
<b>12</b>	<b>SANCTIONS FOR NON-COMPLIANCE WITH THE PROGRAMME'S CONDITIONS.....</b>	<b>20</b>
<b>13</b>	<b>OTHER PROVISIONS .....</b>	<b>20</b>

## Introduction

This Call of the ICT AND BUSINESS SUPPORT SERVICES PROGRAMME fulfils the objective of supporting the supply of new ICT products and services and supporting investment and creation of new jobs in the ICT sector, thereby contributing to increasing the competitiveness and growth of the ICT sector in the Czech Republic.

A further objective is to support selected business support services that are closely related to information and communication technologies and that have a substantial international focus, which should lead to a reduction of the costs associated with processes and the increased efficiency of activities in companies, thereby contributing to an increase of their competitiveness.

### 1 *Basic provisions*

- a) The aid provider is the Governing Body of the Operational Programme Enterprise and Innovation (OPEI) – the Ministry of Industry and Trade of the Czech Republic (hereinafter referred to as the “MIT”), ([www.mpo.cz](http://www.mpo.cz)).
- b) The mediating entity for this programme is CzechInvest, the Investment and Business Development Agency, an organisation of the MIT, with its seat at Štěpánská 15, 120 00 Prague 2 (hereinafter referred to as “CI”), ([www.czechinvest.org](http://www.czechinvest.org)).

State aid provided within this Call fulfils all conditions of Articles 13 and 26 of Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in the application of Articles 87 and 88 of the EC Treaty<sup>3</sup> 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 pursuant to Article 108(3) of the Treaty on the Functioning of the European Union. Aid is further provided in accordance with Commission Regulation (EC) No. 1998/2006 15 December 2006 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid.<sup>4</sup>

<sup>3</sup> Official Journal of the EU L 214, 9 August 2008, pages 3-47.

<sup>4</sup> Official Journal of the EU L 379, 28 December 2006, pages 5-10.

## 1.1 Definition of terms

### Terms used within the supported activities:

**IS** – Information system; an information system is a system consisting of information and communication technologies, data and people.

**ICT** – Information and communication technology; this term is understood as hardware and software used in the collection, transfer, storage, processing and distribution of data. Hardware (technical) elements include servers, stationary and portable personal computers, printers, communication and network equipment (particularly transmitters, routers and switches) and specialised peripherals (mouse, tablet, scanner, camera, PDA, mobile telephone, etc.). Software (program) elements include basic software (operating system, database system and communication system), application software and software for IT-system modelling and development.

**Creation of new IS/ICT solutions** is understood as the creation or design of specialised and highly sophisticated IS/ICT solutions, creation of completely new SW systems and expansion of the range of functions of existing solutions and applications or, as the case may be, transfer of a system to a higher system platform that enables enhanced operating parameters, including related implementation.

**Business Support Services** are understood within this Programme to be a company's selected back-office activities which are provided on the principle of outsourcing and are characterised by close links to information and communication technology while having a substantial international focus; this specifically concerns shared services centres and high-tech repair centres.

**A shared services centre** is understood to be a functionally independent unit, which assumes responsibility for the management, operation and administration of certain internal functions. Such a centre takes over – and combines – the performance of these functions from the parent company and/or subsidiaries within a group or from external customers (outsourcing) for which such functions are not core business activities. Activities related to the performance of the relevant process then become the unit's core activity. This particularly involves internal functions such as accounting, finance, HR administration, administration of information systems and sophisticated creative activities such as the work of graphic artists, animators, designers, etc. Activities such as catering, cleaning services, security, etc. are not considered internal functions.

Data centres are newly included among shared-services centres.

A data centre is understood as a centre which has optimised electricity consumption and uses economical hardware and virtualisation thereof. A data centre provides leasing and operation of applications, including leasing of computer capacity in a highly secure environment.

A more detailed definition of terms is provided in Annex No. 10 of the Call.

**A high-tech repair centre for products and technologies** is understood to be a functionally independent unit that performs repairs of selected products from companies within a group or for external customers (outsourcing). High-tech repair centres perform repairs of, in particular, office machines, computer technology, electrical machines and instruments, aircraft, radios, televisions and related devices and instruments, optical and measuring instruments, electrical and control systems of rail vehicles, rail vehicles in the high-speed train category, electronic weapon systems, medical instruments (electronic diagnostic instruments, drills, etc.), equipment for managing industrial processes, telecommunications instruments and systems, navigation instruments, CNC machines, nuclear power-plant components, etc. For the purposes of this Programme, repair of vehicles, cars and other means of ground transport are not considered a high-tech activity.

Terms used within the context of unsupported activities:

**An IS/ICT implementation centre** is understood to be a functionally independent unit (in the sense of an independent legal entity), which provides these services to subsidiary/parent companies within a group or to external customers on an outsourcing basis.

**A customer support centre** is understood to be a functionally independent unit that is responsible for managing relations with customers via information and communication technologies.

**Telehousing** (a service used particularly by telecommunications operators) enables the customer to place its telecommunications equipment on the premises of a data centre or to lease a certain capacity of the provider's telecommunications equipment.

**Web-hosting service** enables the physical location and creation of customer websites on the provider's server.

**Telecommunications services** are understood to consist in the provision of basic licensed and regulated services without added value.

**Distribution services** are understood to be services involving conventional product distribution, including warehousing.

## **2 Supported Activities**

### **2.1 Supported activities**

Within this Call, supported activities are:

- a) creation of new IS/ICT solutions and applications,
- b) establishment and development of shared services centres **and data centres** with a substantial international focus,
- c) establishment and development of high-tech repair centres for products and technologies.

### **2.2 Unsupported activities**

Within this Call, supported activities do not include activity:

- a) IS/ICT implementation centre,
- b) Customer support centre.

Within the framework of support for Business Support Services, particularly the following are not eligible for aid from the Programme: travel – industry services; recreation; cultural and sports services; health and other social services; transportation and carrier services; distribution and logistics services; postal, courier, consulting and advisory services; banking, real estate and leasing services; facility management; telecommunications services (voice, data and image transmission), co-location centre services; audio-visual services; direct marketing; services related to environmental protection; and employment agency services.

Furthermore, the Programme cannot support development and innovation of products and technologies that are subsequently implemented in production, including specific software that comprises an inseparable part thereof.

### **3 Aid recipient**

The aid recipient can be a business entity which is a legal entity (only a joint-stock company, limited liability company, limited partnership company, unlimited company or cooperative) conducting business pursuant to Act No. 513/1991 Coll., the Commercial Code, or a natural person with his/her place of business in the Czech Republic entered in the Commercial Register pursuant to Act No. 513/1991 Coll., the Commercial Code.

For the purposes of this Programme, small and medium-sized enterprises (SMEs) are understood to be enterprises fulfilling the conditions set forth in Annex I of Commission Regulation (EC) No. 800/2008 of 6 August 2006, declaring certain categories of aid compatible with the common market in the application of Articles 87 and 88 of the EC Treaty.

#### The aid recipient must fulfil the following criteria:

- As of the date of submitting the Registration Application, the aid recipient must have closed at least two consecutive accounting periods. The requested history can also be demonstrated via the entity/entities exercising a controlling interest in the applicant. The condition of two consecutive closed accounting periods can be considered fulfilled in the case that, during the monitored period, a change occurs in the entity (transformation) which fulfils the conditions set forth in Annex 7.
- The aid recipient must be authorised to conduct business in the Czech Republic, which is in compliance with the supported economic activity, to which the project is realised.
- 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 does not have any outstanding liabilities toward selected institutions<sup>5</sup> or toward providers of aid for projects co-financed from the European Union budget. Deferment of payment of

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<sup>5</sup> Tax Office, Czech Social Security Administration, health insurance companies, Land Fund, the Ministry of Finance as the legal successor of the State Property Fund, State Environmental Fund, State Residential Development Fund, Customs Administration of the Czech Republic, State Cultural Fund, State Fund of the Czech Republic for Support and Development of Czech Cinematography, State Agricultural Intervention Fund, regions, municipalities and associations of municipalities.

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.

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.
- pursuant to the Act on Bankruptcy and Settlement, a court has issued a ruling on bankruptcy.
- 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).<sup>6</sup>
- 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.
- it is a recipient of aid for young innovative enterprises pursuant to Article 35 of Commission Regulation (EC) No. 800/2008, provided less than three years prior to the date of submitting the aid application.
- the legal form of a joint-stock company has certificated bearer shares on the aid date.

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<sup>6</sup> 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
- 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 Conditions of Project Acceptability**

### **4.1 Formal conditions of project acceptability**

The project must fulfil the following conditions:

- a) The project must be implemented in the Czech Republic outside the territory of the Capital City of Prague.
- b) The project must not be in violation of the EU horizontal policies and their basic properties, particularly:
  - equal opportunities,
  - sustainable development.
- c) Goals of the project must be conformable with the goals of the Programme.

### **4.2 Other conditions**

- a) The financial health of the Applicant expressed by a rating evaluation (determined by the mediating entity on the basis of a completed financial statement at the time of submitting the Registration Application) may not be lower than C+. If, on the date of submission of the Registration Application, the applicant has been engaged in business for a period of less than two closed taxation periods, the rating will be processed based on two years' financial data of the entity/entities exercising a combined controlling interest, in the Applicant. In the case of foreign entities, the Applicant shall submit a rating for the foreign entity/entities exercising a combined controlling interest in the Applicant; such rating is to be performed by an external rating agency, whereas this rating must be performed on the evaluation scale according to Moody's or Standard & Poor's. Besides submitting a rating, the Applicant shall also submit an auditor's report for the last two closed accounting periods (in the event that the company is not obligated to submit an auditor's report, it shall submit the income statement and balance sheet for the last two closed accounting periods.) In the case that the rating is performed for several enterprises which have a combined controlling interest in the applicant, each of these enterprises must obtain at least the minimum required rating evaluation.

- b) Within this Call, each applicant may submit only one project (i.e. one approved Registration Application) for one region (NUTS III). In the case of projects submitted by entities that are related either economically or through personnel, a controlling or controlled entity in the meaning of Section 66a of Act No. 513/1991, the Commercial Code, as amended, the limitation of one project per one region will also be applied.
- c) A subsidy shall be provided to the aid recipient based on the Decision to Grant a Subsidy issued by the Governing Body (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").
- d) The minimum amount of investment in long-term tangible and intangible assets<sup>7</sup> used for the purposes of ensuring the activities of the project shall amount to CZK 0,5 million for small enterprises, CZK 1 million for medium-sized enterprises, or CZK 3 million in the case of large enterprises. This condition must be fulfilled no later than by the date of completion of the project. Costs classified as minimum investment must comply with the basic conditions laid down in section 5.1 of this Call. Part of the minimum investment can be costs that are not eligible costs within this Call under the condition that such costs are demonstrably invested in direct connection with implementation of the project.<sup>8</sup>
- The aid recipient is obligated to demonstrate fulfilment of this condition no later than on submitting the final Payment Application.
- e) Within the implementation of the project, the aid recipient must create the minimum number of new jobs according to the following table and fill such

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<sup>7</sup> For the purposes of the minimum investment, investment in long-term tangible and intangible assets is understood as the acquisition of long-term tangible and intangible assets from third parties and under market conditions (with the exception of SMEs, which may acquire only new assets, i.e. assets that are not more than two years old and have not previously been the subject of amortisation), payments for long-term tangible assets acquired through financial leasing and technical improvement of long-term tangible and intangible assets in the recipient's ownership and leased assets under the condition that technical improvement is paid for by the lessee and the lessee is authorised to depreciate such assets on the basis of a written agreement pursuant to Act No. 586/1992 Coll., on Income Tax, as amended.

No other state aid or de minimis aid can be obtained for payment of costs included in the minimum investment.

<sup>8</sup> If the Applicant anticipates that parts of the minimum investment will be comprised of costs that are not eligible costs within this Call, the Applicant must present this fact no later than at the time of submitting the Full Application. The connection of such costs with the project implementation will be subsequently assessed within the evaluation process.

positions with employees who will perform special activities corresponding to the supported activity or, as the case may be, corresponding to the focus of the centre.<sup>9</sup> This condition must be fulfilled no later than on the date of completion of the project.

Supported activity	Size of enterprise		
	Small	Medium	Large
Development of new IS/ICT solutions	3	5	10
High-tech repair centre	5	15	25
Shared services centre	10	20	40

In the case of a combination of several supported activities within one project, the minimum number of new jobs is stipulated as the highest of the required values among the selected activities.

The aid recipient is obligated to demonstrate fulfilment of this condition no later than on submitting the final Payment Application.

- f) If the subject of the project is activity 2.1 b) establishment and development of a shared-services centre, the centre must be characterised by a substantial international focus, which on the date of project completion shall be demonstrated by a minimum 40% share of revenues from entities headquartered abroad (excluding their domestic organisational units) in the total revenues from the activities realised within the supported project. The payment application for each phase from the beginning of project implementation must contain an appendix (e.g. accounting records) that demonstrates the share of revenues from entities headquartered abroad in the given phase of the project in the minimum amount of 30% of total revenues from activities realised within the supported project.

<sup>9</sup> Creation of new jobs understood to be a net increase in the number of annual labour units (ALU or RPJ in Czech) directly employed in all of the Applicant's facilities compared with the average number of relevant positions over the previous 12 months preceding the date of commencement of the project. New jobs must be created outside the territory of the Capital City Prague For projects with an implementation time of shorter than two years, the period examined is reduced to six months.

ALU/RPJ is understood to be the number of workers employed in full-time positions for a period of one year, whereas in the case of part-time employees, seasonal workers and workers who are not involved in the project implementation during 100% of their working time, these shall be counted as a corresponding fraction.

- g) The aid recipient is obligated to maintain (i.e. have in its possession) in a supported NUTS II region long-term tangible and intangible assets whose acquisition costs are included in the eligible costs of the project and up to the minimum amount of investment pursuant to Article 4.2(d) hereof for a period of at least five years (three years in the case of SMEs) from the date of completion of the project, i.e. such assets may not be sold or otherwise relinquished during the above-mentioned period. This condition shall also be observed if such assets are replaced due to obsolescence or deterioration. Such replacement of assets must be at least in the same extent and must ensure the continuance of the project (i.e. performance of the supported activity).
- h) The aid recipient is further obligated to sustain newly created and occupied jobs pursuant to Article 4.2 e) hereof for a period of at least five years (three years in the case of an SME) from the end of the calendar year in which each job was first occupied. Jobs must be sustained in connection with the supported activity and within a supported region (at the NUTS II level).
- i) The aid recipient must unequivocally demonstrate its ownership or other rights to the property where the project will be implemented. The aid recipient is obligated to submit the following documents within the stipulated time limits:
1. In the case that the property or land is already under the aid recipient's ownership, the aid recipient shall demonstrably prove its ownership rights when submitting the full application by providing an extract from the Property Register (such extract may not be older than three months).
  2. In the case that the project will be implemented in leased spaces, the aid recipient shall submit, at the moment of submitting the Full Application, the lease contract or, as the case may be, an agreement on a future lease contract. The lease contract must be concluded for at least the period of implementation of the project and a further period of at least five years (three years in the case of SMEs) from the expected date of completion of the project.
- j) The aid recipient is obligated to keep analytical accounting records and documents of the eligible 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 keep such records and documentation for a period of 10 years following the date of completion of the project, as well as for a period of at least three years following the closure of the Operational Programme Enterprise and Innovation in compliance with Article 90 of Council Regulation (EC) No. 1083/2006. All aid recipients will be informed of the closing date of OP Enterprise and Innovation.

- k) For the entire period of implementation of the project, the aid recipient is obligated to allow direct access to authorised employees of the Governing Body and the mediating entity for the purpose of performing inspections pursuant to Act No. 553/1991 Coll., on state inspection, as amended. 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 headquarters.
- l) Aid is provided to the aid recipient retroactively following completion of the project or phases thereof, providing that the Terms and Conditions have been complied with.
- m) In the case that a project is derived from the Integrated Urban Development Plan (IUDP), within the selection criteria it is entitled to an allowance in the amount of 10% (in connection with Government Resolution No. 883 of 13 August 2007). The applicant must present this fact no later than at the time of submitting the Full Application and shall submit the confirmation of the municipality (bearer of the IUDP) that the project is a part of and in compliance with the IUDP.
- n) When submitting the Registration Application, large enterprises must demonstrate the so-called incentive effect (Article 8 of Commission Regulation (EC) No. 800/2008).
- o) The aid recipient is obligated to ensure publicity of the provided aid in the scope set forth in Terms and Conditions.
- p) Other responsibilities of the aid recipient are set forth in the Terms and Conditions.

## **5 Eligible Costs**

### **5.1 Eligible Costs - Conditions**

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.
- Such costs must be expended no earlier than on the date of project acceptability.<sup>10</sup>
- Such costs must be demonstrably paid by the aid recipient before they are reimbursed from structural funds.
- Such costs must be verified by evidential documentation and must be paid to suppliers, whereas assets cannot be acquired by means of capitalisation.

### **5.2 Eligible Costs**

The aid recipient must choose from two variants of eligible costs, whereas these variants cannot be combined.

#### **Option I – Tangible and intangible assets**

- Long-term tangible assets and technical appreciation thereof – costs for acquisition and implementation of hardware, information and communication networks and other machines and equipment which are immediately connected with achieving the objective of the project, including costs for consultants, experts, studies and other costs immediately connected with installation and introduction into operation and entered in the acquisition price of assets. Tangible assets included in the eligible costs of the project must fulfil the following conditions:
  - a) must involve depreciable assets.
  - b) with the exception of SMEs, only new assets may be acquired (i.e. assets that have not been depreciated and are not more than two years old).

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<sup>10</sup> The date of project acceptability is understood as the date on which the aid provider or the mediating entity provides to the applicant a written confirmation that the Registration Application essentially fulfils the acceptability conditions of the programme.

- c) Technical appreciation of assets must be used exclusively by the aid recipient.
- Long-term intangible assets – costs for acquired and implementation of software and software licenses and intellectual-property rights, including costs for services of consultants, experts, studies and other costs which are immediately connected with installation and introduction into operation and entered in the acquisition price of assets.

Long-term intangible assets included in the eligible costs of the project must fulfil the following conditions:

- a) Such assets must be used exclusively by the aid recipient at the place(s) of project implementation,
- b) This must involve depreciable assets that have not previously been the subject of depreciation.
- c) such assets must be registered in the aid recipient's assets and retained in an operating facility which is a recipient of regional aid for a period of at least five years (three years in the case of SMEs) from the date of completion of the project,
- d) such assets must be acquired from third parties under market conditions, without the purchaser having the ability to exercise control over the seller in the meaning of Article 3 of Commission Regulation (EC) No. 139/2004,<sup>11</sup> or conversely,
- e) with the exception of SMEs, costs for the acquisition of long-term intangible assets can be included in eligible cost only up to the amount of 50% of the total actual eligible investment costs of the project.

### **Option II – Personnel costs**

The gross wages of employees in newly created jobs and mandatory contributions of the employer relating to such jobs (social-security and public health insurance and the state employment policy).

The amount of wages which are claimed by the recipient as eligible costs must be proportionate, i.e. the amount must correspond to the amount of wages common in the sector and location and at the relevant time.<sup>12</sup>

<sup>11</sup> Official Journal of the EU L 24, 29 January 2004, page 1

<sup>12</sup> Statistics from the Czech Statistical Office are available at <http://portal.mpsv.cz/sz/stat/vydelky>

The maximum amount of this eligible cost is set as the sum of the estimated personnel costs for employees in newly created jobs over the estimated project duration, up to a maximum of two years..<sup>13</sup>

And further costs beyond Options I and II:

- costs for the leasing of land and buildings;
- services of consultants and experts, studies – consulting services related to project implementation which cannot be included in the acquisition price of assets (only for SMEs, this cost is eligible up to the maximum amount of CZK three million, maximum aid intensity 50%)
- costs reimbursed pursuant to the de minimis rule (only for SMEs):
  - access to information and databases.

A detailed definition of eligible costs forms a part of Annex 4 of this Call.

Projects within this Call shall comply with the conditions applicable for investment aid set forth in Article 12 of Commission Regulation (EC) No. 800/2008.

### 5.3 Non-eligible costs

Eligible costs are not, in particular:

- costs arising or paid prior to the date of project acceptability,
- leasing,
- costs for research and development which were applied as deductible items in relation to Act No. 130/2002 Coll.,
- acquisition of long-term tangible and intangible assets through capitalisation,
- VAT, if the aid recipient is a VAT payer,
- loan and credit payments,
- sanctions and penalties,
- costs of guarantees, instance, interest, banking fees, exchange-rate losses, customs and administration fees.

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<sup>13</sup> The recipient shall calculate and progressively reach the ceiling of personnel costs based on newly hired employees' estimated wages of newly hired employees. The calculation of eligible costs and the manner of drawing aid for such costs is described in Annex No. 4 of the Call.

## 6 Sectoral Classification

Within this Call, aid cannot be provided for activities connected with export, i.e. aid directly connected with exported quantities, aid for establishing and operating a distribution network or other common costs associated with export activities, and aid conditioned by the use of domestic goods to the detriment of imported goods.

Projects implemented in the following sectors cannot be supported:

- manufacture, processing and introduction to the market of products set forth in Annex No. 1 of this Call,<sup>14</sup>
- agriculture, forestry, fishing, aquaculture,<sup>15</sup>
- coal industry,<sup>16</sup>
- steel industry as defined in Annex No. 2 of this Call,
- manufacture of synthetic fibres as defined in Annex No 3 of this Call,
- shipbuilding<sup>17</sup>

## 7 Form and Amount of Aid

- a) Aid is provided in the form of a subsidy.
- b) The subsidy is specifically intended for payment of eligible costs arising in direct connection with achieving the objective of the project.
- c) Pursuant to the Regional Map of State Aid Intensity for Regions of the Czech Republic for the period 20011-2013, the subsidy is provided as a percentage of eligible costs, minimally in the amount of CZK 1.5 million and maximally in the amount of CZK 100 million. In the case of projects implemented primarily in regions with focused state support<sup>18</sup>, the maximum aid amount is CZK 150 million.

NUTS II region	Small enterprise	Medium enterprise	Large enterprise
Central Moravia, Northwest, Central Bohemia, Moravia-Silesia Northeast, Southeast	60%	50%	40%
Southwest	50%	40%	

<sup>14</sup> Annex I of the EC Treaty

<sup>15</sup> CZ-NACE A01, A02, A03.

<sup>16</sup> CZ-NACE B05, C19.1.

<sup>17</sup> CZ-NACE C30.11.

- d) According to the de minimis rule, a subsidy for payment of eligible costs will be provided maximally up to the amount of the percentage limits set forth by the Regional Map of State Aid Intensity for Regions of the Czech Republic (see above). Such aid can be provided to the aid recipient only in the case that the aid thus provided together with all aid provided to the aid recipient according to the de minimis rule over three accounting periods does not exceed EUR 200,000.
- e) In the case of the item “services of consultants and experts, studies”, aid intensity can amount to 50% of actual costs expended on ensuring these services.
- f) Aid provided on the basis of Commission Regulation (EC) No. 800/2008 and aid under the de minimis regime will be counted in the calculation of the maximum aid intensity.

## **8 Project selection**

### **8.1 Selection criteria**

The selection criteria are stated in Annex 5 of this Call.

### **8.2 Method of project selection**

Assessment of the application shall be conducted using at least two external evaluators which will assess the application according to the structure of the selection criteria. A subsequent assessment will be carried out by the programme’s evaluation committee which, based on the achieved results, will or will not recommend the application to the Governing Body for aid or, as the case may be, will issue a request for additional documentation. In the event that aid is approved, the Governing Body will issue a Decision to Grant a Subsidy, a part of which will comprise the Terms and Conditions.

Gradually, depending on the date of receipt of registration applications, Grant Decisions will be issued for projects recommended by the Evaluation Committee and approved by the Managing Authority of the Operational Programme Enterprise and Innovation. Decisions will be issued up to the amount of the allocation for the call, plus an amount corresponding to the grants of withdrawn projects and reduced and under-spent grants of projects under this programme. Other recommended projects will be placed in the project reserve pool, and Decisions will be issued if previous

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<sup>18</sup> See Annex No. 9 of this Call

programme calls are under-spent or if further resources are released under the Operational Programme Enterprise and Innovation.

## **9 Participation in other Programmes of Support**

For the eligible costs of a project supported from this programme, it is possible to obtain aid from the Guarantee Programme, i.e. state aid pursuant to Article 107(1) of the Treaty on the Functioning of the European Union or aid under the de minimis regime pursuant to Commission Regulation No. 1998/2006 if such accumulation of aid does not lead to the exceeding of the maximum aid intensity stipulated by the Regional Map of State Aid Intensity of the Czech Republic for the period 1 January 2007 – 31 December 2013 approved by the European Commission.

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.

## **10 Period of Project Implementation**

The deadline for completion of project implementation is, pursuant to this Call, 30 June 2015. Payment requests may be submitted until 15 August 2015. Requests to extend the schedule will not be granted.

## **11 The Aid Application and the Method of its Submission**

The aid application shall be submitted **in two steps** via the electronic account (eAccount) on the website at [www.czechinvest.org/eaccount](http://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 of the acceptability of the Registration Application, including an economic assessment of 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 eligibility of the project and the date from which eligible costs may be incurred.

- Step 2: Within 45 calendar days of confirmation of successful registration (or, as the case may be, from the date of commencement of receiving Full Applications, whichever is later), the applicant shall electronically submit the Full Application. The Full Application contains detailed information about the Applicant and the project. In the event that the date of termination of receiving Full Applications is earlier than 45 days from the date of approval of the Registration Application, the period for submitting the Full Application is shortened and its last day is the same as the last day of the period for submitting Full Applications.

## **12 Sanctions for Non-compliance with the Programme's Conditions**

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

## **13 Other Provisions**

There is no legal entitlement to a subsidy. The Governing Body decides the final amount of the subsidy.

## **Annexes**

Annex 1 – Definition of products listed in Annex I of the EC Treaty

Annex 2 – Definition of the steel industry

Annex 3 – Definition of industrial production of synthetic fibres

Annex 4 – Specification of eligible costs

Annex 5 – Selection criteria

Annex 6 – Outline of the business plan

Annex 7 – Change (transformation) of an entity

Annex 8 – Unsupported CZ-NACE categories

Annex 9 – List of regions with focused state support

Annex 10 - Definition of a data centre