

MARKETING

This Programme implements Priority Axis 6 “Business Development Services” of the Operational Programme Enterprise and Innovation 2007 – 2013.

The public support under this Programme complies with all terms and conditions of Act No. 47/2002 Coll., on the support of small- and medium-sized enterprises, as amended; the Commission Regulation (EC) No. 70/2001 from ... on application of Articles 87 and 88 of the EC Treaty¹ as amended; and the Commission Regulation (EC) No. ... on application of Articles 87 and 88 of the EC Treaty to the de minimis aid²; and is compatible with common market within the meaning of Article 87(3) of the EC Treaty; and it is exempt from the notification requirement under Article 88(3) of the EC Treaty.

1. Objective of the Programme

The objective of the Programme is to increase international competitiveness of small- and medium-sized enterprises based in the Czech Republic by means of individual participations in foreign fairs and exhibitions; presentation of the Czech Republic on specialised foreign fairs and exhibitions with the individual participation of enterprises, organised by the National Trade Promotion Agency (CzechTrade), and support of alliances between SMEs. The Programme will also improve infrastructure leading to increased volume and quality of information, education, assistant and advisory services provided by CzechTrade, and other services provided by the state in the area of international trade.

Fundamental provisions

a) The Managing authority is the Ministry of Industry and Trade (MIT), (www.mpo.cz).

¹ COMMISSION REGULATION (EC) No. 364/2004 of 25 February, 2004, amending Regulation (EC) No. 70/2001, as regards the extension of its scope to include aid for research and development.

² Exact wording will be amended upon publication of the Regulation in the EC Official Journal.

- b) The intermediate body for this Programme is the National Trade Promotion Agency CzechTrade, with its seat at Dittrichova 2, Praha 2, Czech Republic, (www.czechtrade.cz).
- c) The Programme is implemented based on calls, which will specify detailed Programme criteria.

Basic terms

CzechTrade stand means an exhibition area and functional area (facility, meeting and information room, or place for multimedia presentation) corresponding to the staffing of the stand (MIT, unions, associations, CzechTrade, CzechInvest, Commercial Sections, possibly an interpreter).

Supporting promotion is a supporting programme carried out in order to promote the Czech Republic – press conferences, seminars, round-tables, workshops, “Czech Days”, contact forums – (meeting local entrepreneurs), better promotion of our participation in the media – (adverts, articles, inserts, interviews, cooperation with journalists, billboards, posters, leaflets, etc.), culture events.

Specialised foreign fairs and exhibitions for the purpose of this Programme are included on a list approved by the Ministry of Industry and Trade and announced in relevant calls.

2. Supported Activities

2.1. Supported activities shall include:

- a) **Individual SME projects and projects of SME groupings** promoting the access to foreign markets;
- b) **Joint participation on specialised foreign fairs and exhibitions** approved by the MIT for the relevant period;
- c) **Sectoral and catalogue presentations carried out by CzechTrade** in order to improve the competitiveness of the Czech economy on foreign markets;
- d) **Development of the CzechTrade Agency services in the area of international trade (Internationalisation).**

3. Beneficiary

- a) Beneficiaries of a subsidy are entrepreneurs.
- SME – in compliance with Annex I of the Commission Regulation (EC) No. 70/2001 which includes the definition of SME³ – (activities in compliance with item 2(a) and 2(b));
 - Subsidy for large enterprises under this Programme shall be allocated provided these enterprises are not a multinational corporation or part thereof, and the number of employees does not exceed 1,250; and the enterprise shall complement a majority of SMEs in the joint event, provided the participation complies with Article 2(b) of de minimis rule.
- b) The beneficiary under item 2(b), (c) and (d) is the CzechTrade Agency.

4. Programme Criteria

4.1. Formal eligibility criteria of a project:

- a) The project shall be implemented in the Czech Republic, outside the territory of the Capital City of Prague.
- b) The project shall contain all mandatory elements specified in the call for submission.
- c) The project does not violate the horizontal policies of the EU and their basic principles, particularly:
- Equal opportunities of men and women,
 - Sustainable development.

4.2. Other criteria

- a) The subsidy shall be provided to the beneficiary based on a Decision to Provide Subsidy issued by the Managing authority (hereinafter the “Decision”), containing also the binding Terms and Conditions of Subsidy Provision (hereinafter the “Terms and Conditions”).
- b) The beneficiary shall keep separate records and documents on eligible project expenditure and on the use of the subsidy intended for the funding of the eligible expenditure as stipulated in the Terms and Conditions of the Decision to Provide

³ Pursuant to Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro-, small- and medium-sized enterprises, OJ L 124, 20 May, 2003, p. 36.

Subsidy and keep it for a period of 10 years following the date of closure of the project, and at the same time for a period of at least three years following the closure of the OP Enterprise and Innovation (anticipated in 2020) in compliance with Article 90 of Council Regulation (EC) No. 1083/2006. All beneficiaries will be informed of the closing date of OP Enterprise and Innovation.

- c) The beneficiary may not be an entrepreneur, if, as at the date of submission of the application, s/he is the beneficiary to rescue and restructure a firm in difficulty as specified in the Community guidelines on state aid for rescuing and restructuring firms in difficulty, Communication No. 2004/C 244/02 from the Commission; this shall not apply to small entrepreneurs.
- d) The subsidy is paid out to the beneficiary retroactively upon the termination of the project, provided that the Terms and Conditions are observed.
- e) Other obligations of beneficiaries are specified in the Terms and Conditions.

4.3. Eligible expenditure

4.3.1. Eligible expenditure shall comply with the following criteria:

- Shall be expended in accordance with the objectives of the Programme and immediately related to the project implementation;
- Shall be expended no earlier than on the date of eligibility of a project;⁴
- Shall be demonstrably paid by the beneficiary before they are reimbursed from the Structural Funds, unless stipulated otherwise;
- Shall be supported by conclusive evidence, paid to suppliers; property may not be acquired by means of capitalisation.

4.3.2. The eligible expenditure shall include:

- a) Individual SME projects and projects of SME groupings:
 - Selected operational costs – namely collection and creation of marketing information and promotion materials, foreign language websites for international trade and foreign markets, lease, establishment and operation of stands on foreign fairs and exhibitions.
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- b) Joint participation on foreign specialised fairs and exhibitions:
- Selected operational costs – namely lease, establishment and operation of an exhibition stand, marketing promotional materials, other costs;
 - Selected operational costs related to the establishment of a stand for Czech presentation including supporting promotion, costs of purchase of services from suppliers selected through transparent and non-discriminatory process.
- c) Sectoral and catalogue presentations carried out by CzechTrade:
- Selected operational costs – especially costs related to the establishment and operation of the CzechTrade stand and supporting promotion.
- d) Development of the CzechTrade agency services in the area of international trade (Internationalisation)
- Selected operational costs – namely elaboration of expert studies and sectoral and other characteristics of foreign markets, implementation of marketing events and their promotion, costs of measures towards improving competitiveness of Czech economic subjects on foreign markets.

Costs of project publicity.

The eligible expenditure of a project shall be further specified in particular calls.

4.3.3. The eligible expenditure of a project shall not include:

- VAT (including EU countries), provided the beneficiary is a VAT payer;
- Loan and credit instalments;
- Sanctions and penalties;
- Costs paid prior to the eligibility date of a project;
- Costs of guarantees, insurance, interests, banking fees, exchange rate losses, customs and administration fees;
- Also production of promotional materials in the Czech language, annual reports, packaging for goods, user's guides, technical specifications, price lists, business cards, headed envelopes and other printed materials, travel expenses, accommodation, meals, personal expense;
- Services and products of CzechTrade.

⁴ The eligibility date of a project shall be the date when the provider or the relevant agency confirms in writing to the beneficiary that s/he complies with the eligibility criteria of the given Programme.

4.4. Sectoral classification

The project shall be implemented in NACE sections listed in Annex 1.

Projects which are aimed at manufacture, processing and marketing of products specified in Annex 2 of this Programme shall not be supported.⁵ Manufacture of coke oven products under NACE CA 10, D 23 shall not be supported either.⁶

5. Form and Amount of the Support

- a) Support is provided in the form of a subsidy.
- b) The subsidy is purpose-built to cover eligible expenditure arising from and in relation to the implementation of a project. The subsidy is provided in compliance with Commission Regulation (EC) No. 70/2001 up to 50% of eligible expenditures for SMEs. In case of repeated participation of a SME on the same fair, the support is provided in compliance with de minimis rule up to 50%.
 - The minimum amount of support for the implementation of individual SME projects and joint SME grouping projects is CZK 0.1M, the maximum amount is CZK 2M.
 - The maximum amount of support for participation on specialised foreign fairs and exhibitions for SMEs and large enterprises is CZK 100 thousand. The support for large enterprises is provided up to 50% of eligible expenditure in compliance with de minimis rule.
- c) The subsidy is purpose-built to cover eligible expenditure arising from tenders, implementation of specialised fairs and exhibitions, sectoral and catalogue presentations and internationalisation carried out by CzechTrade, and is provided up to 100% of project costs, which means normal costs.
- d) The subsidy for sectoral and catalogue presentation implemented by CzechTrade in compliance with item 2(c) is provided up to 100% of eligible expenditure, at the most up to CZK 1M.
- e) The subsidy for Internationalization as implemented by CzechTrade in compliance with item 2(d) is provided up to 100% of eligible expenditure.

⁵ Annex I to the EC Treaty

⁶ The definition is based on Council Regulation (EC) No. 1407/2002 on state aid to the coal industry.

The scope of support shall be further specified by the Managing authority in particular calls.

6. Project Selection

6.1. Selection criteria

Selection criteria including evaluation methodology shall be stipulated by the call.

6.2. Project selection method

Project selection and evaluation shall be performed based on the criteria specified by the Managing authority. The OPEI Managing Authority (MIT) shall decide on the provision of a subsidy based on Government Resolution No. 175/2006. Further details shall be specified in the call.

7. Participation in Other Support Programmes

The eligible expenditure of a project supported under this Programme shall not receive any other state aid, i.e. the state aid as defined under Article 87 of the EC Treaty.

8. Duration of the Programme

The Programme shall be implemented in the period 2007-2013. It will be implemented based on calls which will be published at the website of the Managing authority (MIT) and of CzechTrade Agency. The Managing authority reserves the right to suspend the Programme or terminate it prematurely (e.g. due to exhaustion of the allocated funds).

9. Details of an Application for Subsidy and its Submission

The method of submission of an application and its essential elements shall be stipulated by the call.

10. Sanctions for Violation of Programme Criteria

Sanctions for violation of the Programme criteria are stipulated in the Terms and Conditions of Subsidy Provision.

11. Other Provisions

There is no legal entitlement to the subsidy.

Annex 1 of the Programme**Supported NACE Categories**

Symbols of the character of the supported activity:

Industrial Production – IP, Construction – C, Crafts – CR, Services – S, Trade – T, Transport – TR.

Symbol

D. Manufacturing⁷

(except for manufacture of tobacco products (16) and manufacture of erotic goods)

15	Manufacture of food products and beverages	/IP/
17	Manufacture of textiles and textile products	/IP/
18	Manufacture of wearing apparel, dressing and dyeing of fur	/IP/
19	Tanning and dressing of leather, manufacture of luggage, handbags, saddlery, harness and footwear	/IP/
20	Manufacture of wood and of products of wood, cork, manufacture of articles of straw and plaiting materials, except for furniture	/IP/
21	Manufacture of pulp, paper and paper products	/IP/
22	Publishing, printing and reproduction of recorded media	/IP/
23	Manufacture of coke, refined petroleum products and nuclear fuel	/IP/
24	Manufacture of chemicals, chemical products, pharmaceutical preparations and chemical fibres	/IP/
25	Manufacture of rubber and plastic products	/IP/
26	Manufacture of other non-metallic mineral products	/IP/
27	Manufacture of basic metals and fabricated metal products	/IP/
28	Manufacture of fabricated metal products, except for machinery and equipment	/IP/
29	Manufacture of machinery and equipment n.e.c.	/IP/
30	Manufacture of office machinery and computers	/IP/
31	Manufacture of electrical machinery and apparatus n.e.c.	/IP/
32	Manufacture of radio, television and communication equipment and apparatus	/IP/
33	Manufacture of medical, precision and optical instruments, watches and clocks	/IP/
34	Manufacture of motor vehicles (except for motorcycles), trailers and semi-trailers	/IP/
35	Manufacture of other transport equipment ⁸	/IP/
36	Manufacture of furniture, manufacturing n.e.c.	/IP/
37	Recycling	/IP/

E. Electricity, Gas and Water Generation and Supply

41	Collection, purification and distribution of water	/IP/
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F. Construction

45	Construction	/C/
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G. Wholesale and Retail Trade⁹; Repair of Motor Vehicles and Personal and Household Goods

50.2	Maintenance and repair of motor vehicles (except for motorcycles)	/S/
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⁷ Provided it is not manufacture of erotic goods

⁸ Request for approval of support for class 35.1

⁹ Provided it is not manufacture of erotic goods

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50.3	Sale of motor vehicle parts and accessories (except for motorcycles)	/T/
50.4	Sale, maintenance and repair of motorcycles and related parts and accessories	/T, or S/
51.3	Wholesale of food, beverages and tobacco ¹⁰	/T/
51.4	Wholesale of household goods	/T/
51.5	Wholesale of non-agricultural intermediate products, waste and scrap	/T/
51.8	Wholesale of machinery and equipment	/T/
51.9	Other wholesale	/T/
52.1	Retail sale in non-specialized stores	/T/
52.2	Retail sale in non-specialized stores with food, beverages or tobacco	/T/
52.3	Retail sale of pharmaceutical and medicinal goods, cosmetic and toilet articles	/T/
52.4	Other retail sale of new goods in specialized stores	/O/
52.7	Repair of personal and household goods	/S/
K. Real Estate; Renting and Business Activities		
72	Computer and related activities	/S/
73	Research and development	/S/
74.1	Legal, accounting, book-keeping and auditing activities, tax consultancy, market research and public opinion polling, business and management consultancy, holdings	/S/
74.2	Architectural and engineering activities and related technical consultancy	/S/
74.3	Technical testing and analysis	/S/
74.7	Industrial cleaning	/S/
74.8	Miscellaneous business activities n.e.c.	/S/

¹⁰ Except for 51.35 – Wholesale of tobacco products