



## Grants & Incentives Alert

February 2009

KPMG TAX M.MICHNA SP.K.

# Easier access to cash grants in 2009!

### **The application round for financial support of innovative investments and research & development activity is planned to commence in March 2009.**

The application process under the Operational Program Innovative Economy (OP IE) is planned to commence in February (Activity 4.2) and March (the remaining Activities meant for innovative investments and research & development activity). Large enterprises from the food processing industry sector, which employ over 750 employees or whose turnover exceeds 200 mln EUR, for the first time have the opportunity to apply for financial support in the coming rounds of OP IE. Therefore, businesses should already begin preparations of their own investment, research and development plans in order to apply for co-financing.

### **Who can apply for financial support?**

Financial support under the OP IE programmes may be granted to small, medium and large enterprises which realize projects on the territory of the Republic of Poland.

### **Which projects are eligible for support?**

Under the announced OP IE measures, financial support will be provided to projects in the scope of:

- investments in purchasing and implementation of new technologies which exceed PLN 8 million but are not worth more than PLN 160 million (OP IE 4.4);
- innovative investments in the manufacturing sector with a value greater than PLN 160 million and which create more than 200 workplaces (OP IE 4.5);
- creation or extension of existing shared services centres and IT centres with at least 100 new workplaces (OP IE 4.5);
- creation or extension of R&D centres with at least 10 new workplaces (OP IE 4.5);
- development of R&D activities through investments (OP IE 4.2);
- creation and implementation of industrial design related solutions (OP IE 4.2);
- R&D activities concerning technical, technological or organizational undertakings and putting them into practice, for example through the purchase of production lines (OP IE 1.4-4.1).

### **What is the maximum level of support?**

The level of financial support under OP IE ranges from 30 per cent to 70 per cent of costs eligible for support (OP IE 4.4. and 4.2), from 15 per cent to 30 per cent of costs eligible for support (OP IE 4.5) and for the R&D projects from 25 per cent to 50 per cent of costs eligible for support.

### **Businesses that benefit from EU funds will be able to receive state aid not only in the form of reimbursement of investment expenditures but also as an advance payment.**

Despite ongoing legislative work, it is almost certain that the current restriction on the types of beneficiaries that can obtain a grant in the form of an advance payment will be abolished. As a result, companies that will sign a fund agreement within operating programmes will be able to receive the grant as advance payment. Detailed conditions of paying the grant as an advanced payment are actually the subject of inter-departmental agreements.

## How can we help?

KPMG advisors from the Grants & Incentives Group have extensive professional experience in providing effective advice to businesses considering an application for grants from public funds. We would be pleased to present to you detailed information. We will:

- Assess your activity in view of the possibility of recognizing it as an innovative activity and obtaining a grant from public funds.
- Advise on how to best organise the legal and organizational framework of your activity in order to optimize fundraising possibilities.
- Prepare an application form along with other required application documents.
- Monitor the application during the evaluation procedure.
- Help you to document the costs incurred properly, in order to secure reimbursement and implement proper principles of keeping accounting and tax records.

## Contact

### Peter Kay

Partner  
Tel.: + 48 (22) 528 11 50  
Fax: + 48 (22) 528 11 59  
*pkay@kpmg.pl*

### Kiejstut Żagun

Senior Manager  
Tel.: + 48 (22) 528 10 07  
Fax: + 48 (22) 528 11 59  
*kzagun@kpmg.pl*

### Michał Skwierczyński

Manager  
Tel.: + 48 (22) 528 13 84  
Fax: + 48 (22) 528 11 59  
*mskwierczynski@kpmg.pl*

## KPMG Offices

### Warsaw Office

ul. Chłodna 51  
00-867 Warszawa  
Tel.: + 48 (22) 528 11 65-71  
Fax: + 48 (22) 528 11 59  
*tax@kpmg.pl*

### Cracow Office

al. Armii Krajowej 18  
30-150 Kraków  
Tel.: + 48 (12) 424 94 00  
Fax: + 48 (12) 424 94 01  
*tax.krakow@kpmg.pl*

### Poznan Office

ul. Roosevelta 18  
60-829 Poznań  
Tel.: + 48 (61) 845 46 00  
Fax: + 48 (61) 845 46 01  
*tax.poznan@kpmg.pl*

### Wrocław Office

ul. Bema 2  
50-265 Wrocław  
Tel.: + 48 (71) 370 49 00  
Fax: + 48 (71) 370 49 01  
*tax.wroclaw@kpmg.pl*

### Gdansk Office

ul. Piwna 28-31  
80-831 Gdańsk  
Tel.: + 48 (58) 321 96 00  
Fax: + 48 (58) 321 96 01  
*tax.gdansk@kpmg.pl*

### Katowice Office

ul. Powstańców 43  
40-024 Katowice  
Tel.: + 48 (32) 200 65 05  
Fax: + 48 (32) 200 65 10  
*tax.katowice@kpmg.pl*

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

KPMG and the KPMG logo are registered trademarks of KPMG International, a Swiss cooperative.

© 2009 KPMG Tax M.Michna sp.k., a Polish limited partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. All rights reserved.