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Terms and conditions of applying for and using foreign recruitment grant

Passed 19.04.2018 no. 18

The Regulation is enforced on the basis of [subsection 531 \(1\)](#) of the State Budget Act.

Chapter 1. General Provisions

§ 1. The objective and expected result of foreign recruitment grant

- (1) The objective of foreign recruitment grant (hereinafter *grant*) is to encourage foreign recruitment of top specialists.
- (2) The expected result of grant is an increase in the number of foreign top specialists employed in Estonia.
- (3) The grant contributes to the achievement of objectives set out in the “ICT Development Plan” approved on 18 December 2017 with Directive No. 1.1-1/17-262 of the Minister of Entrepreneurship and Information Technology and those in the “Action plan for involving foreign specialists in 2017 + main directions” approved on 19 December 2017 with Directive No. 1.1-1/17-266 of the Minister of Entrepreneurship and Information Technology.

§ 2. Definitions

An top specialist is, for the purposes of this regulation, a specialist who has been recruited to work in Estonia from abroad and who now works in Estonia in the field of information and communication technology or science and engineering.

§ 3. Target group of grant

The target group of the grant includes a company or a branch of foreign company that has been entered into the business register by the time of submitting their application.

§ 4. Implementation of grant

- (1) The provision of grant is conducted by the Ministry of Economic Affairs and Communications (hereinafter the *Ministry*).
- (2) Applications for grant are processed, payments are made and supervised by Enterprise Estonia.

Chapter 2. Basis for awarding grants

§ 5. The amount of grant

The amount of grant per one recruited top specialist is 3,000 euros.

§ 6. De minimis aid

- (1) Commission Regulation (EU) No 1407/2013, concerning the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union in relation to de minimis aid (OJ L 352, 24.12.2013, pages 1–8) (hereinafter *Regulation of de minimis aid (EU) No. 1407/2013*), and section 33 of the Competition Act shall apply when providing said grant, which is de minimis aid. A single undertaking is an undertaking set out in subsection 2 of article 2 of the Regulation (EU) No. 1407/2013. Concerning cumulation of grant, provisions set out in article 5 of the Regulation (EU) No. 1407/2013 are taken into account.
- (2) This Regulation shall not apply to providing de minimis aid in the cases that have been set out in subsection 1 of Article 1.
- (3) If the amount of grant applied for exceeds the amount that the applicant is justified to receive as de minimis aid, then, with consent from the applicant, the amount of grant is reduced to the upper limit of de minimis aid. If the applicant does not consent to the decrease, Enterprise Estonia shall refuse to approve their application.
- (4) Enterprise Estonia will notify an applicant of their decision on granting de minimis aid.

§ 7. Activities that are granted

Activities that are granted include all activities carried out by the applicant in relation to recruiting an top specialist from a foreign country.

Chapter 3. Applying for grant and processing of applications

§ 8. Requirements set for applicants and applications

- (1) An applicant can be a company or a branch of foreign company that has been entered into the business register by the time of submitting their application.
 - (2) Applicants cannot be persons who provide employment agency services.
 - (3) The applicant's tax arrears or payment in arrears inclusive of interests cannot exceed 100 euros or these have to be deferred. Upon postponement of tax arrears, the taxes must be paid according to the schedule. The applicant is obligated to duly fulfil the obligation to submit tax declarations as stipulated in the Taxation Act.
 - (4) If the applicant has previously received grant through Enterprise Estonia, which has been subject to recovery, the repayments the term of which has arrived must have been made.
 - (5) The applicant or a person having control over the applicant cannot be subject to liquidation, compulsory dissolution or bankruptcy proceedings, no bankruptcy decisions must not have been made with regard to this person, and the applicant's capital and reserves must comply with the requirements set out in the Commercial Code.
 - (6) The de minimis aid granted to the applicant during three consecutive financial years together with this grant may not exceed EUR 200,000 per undertaking.
 - (7) The employment contract concluded between the applicant and the top specialist (in relation to whom grant is applied for) recruited by them has to be:
 - 1) valid;
 - 2) concluded for an indefinite period or be valid for at least 12 months from the moment of concluding the contract;
 - 3) concluded within the 12 months preceding the submission of the application, but not earlier than 1 October 2017.
 - (8) The gross monthly wages of the recruited top specialist during the 5 months preceding the submission of the application have to have been at least 2,000 euros.
 - (9) The applicant has to have paid the social tax from payments made to the recruited top specialist for at least five months leading up to the submission of the application.
 - (10) The top specialist recruited by the applicant may not have studied or worked in Estonia during the three years preceding the start of their employment at the applicant.
 - (11) The application shall include the following information:
 - 1) name and registry code of the applicant;
 - 2) title of the application;
 - 3) name and personal identification code of the recruited top specialist, date of birth if there is no personal identification code;
 - 4) grant applied for based on the number of recruited top specialists.
 - (12) Along with the application, it is necessary to submit the following information concerning the compliance of the applicant to the requirements set out in subsections 7–10:
 - 1) a certificate of payment of income and social tax attesting to the fact that the applicant has paid the social tax from payments made to the recruited top specialist for at least five months leading up to the submission of the application;
 - 2) beneficiary's extract from the employment register of the Tax and Customs Board, which displays the time of recruitment and validity of the employment contract of the top specialist.
 - (13) Enterprise Estonia has the right to require additional documents to confirm compliance to requirements set out in subsections 7–10.

§ 9. Submission of applications

- (1) Applications are submitted on an ongoing basis. Enterprise Estonia will announce the start of accepting applications on their website.
- (2) Enterprise Estonia will end the call for applications when the available funds in the budget for funding the grant becomes equal to the sum applied for in registered applications, about which approving or not approving decisions have not been made yet. The end of accepting applications shall be coordinated by Enterprise Estonia with the ministry beforehand and they will disclose it on their website beforehand, as well as issuing a press release.
- (3) The application is submitted to Enterprise Estonia via the e-service by the representative of the applicant and it must be digitally signed.

§ 10. Processing of applications

- (1) The term for processing an application shall be up to 10 business days from the submission date. Enterprise Estonia

will carry out applications' verification of compliance with requirements. If the application does not comply with the set requirements or additional information concerning the project is necessary, Enterprise Estonia has the right to demand that the application be altered to comply with set requirements, additional documentation be submitted or changes made in the data of the application by the latest within 10 business days from the submission of the relevant claim. The processing term of an application will be extended by the time needed to eliminate the shortcomings.

(2) In the case of an application that does not meet the requirements and that is not altered to meet the requirements within the term set out in subsection 1 of the section, Enterprise Estonia shall make a decision to refuse approval of the application and notify the applicant of said decision.

(3) Applications are processed in their submission order.

(4) Enterprise Estonia shall disclose documents concerning the application process on their website by the time of announcing the start of accepting applications at the latest.

§ 11. Approval of an application, partial approval and refusal to approve

(1) In the case of applicants and applications that meet the requirements, Enterprise Estonia shall make a decision of approval or partial approval of the application.

(2) A decision of partial approval is made for applications declared to be compliant if the full approval of the application is not possible due to budget resources for the financing of applications having been exhausted, or if it is not justified in terms of the amount of grant applied for and the project activities. The decision of partial application requires the consent of the applicant, in the absence of which Enterprise Estonia will make a decision to refuse approval of the application.

(3) A decision to refuse approval is made in the case of projects where the applicant or the application does not comply with the terms and conditions of the Regulation or the financial volume of which exceeds the remaining balance of the budget for financing applications.

Chapter 4. Payment of grant, the rights and obligations of the beneficiary and of Enterprise Estonia

§ 12. Payment of grant

The grant will be paid out to the beneficiary within 10 business days after the decision of approval is made, in accordance with the terms and conditions set out in the decision of approval.

§ 13. Rights and obligations of the beneficiary

(1) The beneficiary has the right to receive information and advice from Enterprise Estonia regarding the application for grant under this Regulation and the related procedures.

(2) The beneficiary undertakes to:

- 1) refund the grant, should Enterprise Estonia demand the partial or full repayment of grant from the beneficiary;
- 2) submit information required by Enterprise Estonia in the format, manner and time set out by Enterprise Estonia;
- 3) notify the general public, in the way set out by Enterprise Estonia, of having received grant;
- 4) include the grant received in their accounting;
- 5) preserve the documents related to the application, grant, and the performance of the project, pursuant to section 12 of the Accounting Act, for at least seven years;
- 6) immediately inform Enterprise Estonia of any changes in the data submitted or any circumstance that affect or may affect the awarding of grant.

§ 14. The rights and obligations of Enterprise Estonia

(1) Enterprise Estonia has the right to:

- 1) check the validity of information and documents submitted;
- 2) demand, in part or in full, refunding of grant if it transpires that the beneficiary has submitted incorrect data to receive grant.

(2) Enterprise Estonia undertakes to:

- 1) provide advice to applicants concerning any questions related to the project;
- 2) make the application form and any relevant guidance materials available on its website;
- 3) maintain the confidentiality of information that has become known during the processing of the application, except for the information provided in clause 5 and in cases established in legislation;
- 4) retain documents related to the awarding of grant for 10 years from the last decision to award grant;
- 5) disclose the beneficiary's name, title of application and amount of grant on their website after making the approval decision.

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