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Terms and conditions of financial aid for digitalisation roadmaps

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[RT I, 26.01.2021, 12](#)

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[Amended by the following legal instruments](#) (show)

This regulation is established on the basis of section 14 of the [2014-2020 Structural Assistance Act](#).

1. Chapter General provisions

§ 1. Scope of regulation

(1) This regulation establishes ways of implementing the objectives of the activity 'Identification of development needs and business development activities' of the measure 'Support measure for enterprise development plans to support business development and export activities and increase management capacity' of the priority axis 'Growth-capable entrepreneurship and internationally competitive RD&I' as part of the Operational Programme for Cohesion Policy Funding 2014-2020.

(2) De minimis aid is issued according to this regulation and the European Commission Regulation (EU) No. 1407/2013, which regulates the European Union administrative procedure and the application of Articles 107 and 108 to de minimis aid (OJ L 352, 24.12.2013, pp. 1–8) (hereinafter *DMA regulation*).

(3) State aid based on the given regulation is granted according to Articles 18 and 28 of Commission Regulation (EU) No. 651/2014 declaring certain categories of aid compatible with the internal market in the application of Articles 107 and 108 of the EU Treaty (OJ L 187, 26.06.2014, pp. 1–78) (hereinafter *general block exemption regulation*).

(4) If issuing aid based on the DMA regulation, the total aid issued in the given financial year and the two previous financial years cannot exceed 200,000 euros per entrepreneur, wherein the rules for accumulation of de minimis aid for different aims outlined in Article 5 of the DMA regulation must be followed.

(5) For the purpose of issuing the amount of de minimis aid, enterprises connected to each other shall be considered to be a single undertaking in accordance with Article 2 (2) of the de minimis regulation.

(6) The regulation does not apply to beneficiaries of state aid about whom a decision to demand reimbursement of aid has been made on the basis of a decision of the European Commission which deemed the aid illegal and incompatible with the internal market and who have not fulfilled the demand.

(7) The regulation is not applied to situations outlined in section 2-5 of Article 1 of group exception regulation or section 1 of Article 1 of de minimis regulation.

(8) The requirements set out in the Government of the Republic's Regulation No. 133 'Requirements and Conditions for Applying for Structural Assistance and for Processing Applications for the Establishment of the Regulation on the Terms and Conditions of Granting Assistance in the Period of 2014-2020' of 21 August 2014 (hereinafter referred to as the *Regulation on the Processing of Applications*) will be applied to the regulation.

(9) The Government of the Republic's Regulation No. 143 of 1 September 2014 'Conditions and Procedure for Determining, Giving Aid and Financial Corrections to Expenses Subject to Compensation from Structural Assistance for 2014-2020' (hereinafter *Joint Regulation*);

(10) The Regulation will not be applied to a commercial undertaking whose principal activity belongs to one of the following areas of activity as stipulated in Annex 16 'Estonian Classification of Economic Activities (EMTAK)' (hereinafter referred to as *EMTAK*) of the Minister of Justice Regulation No. 59 of 28 December 2005 'Procedure for Submission of Documents to Court':

- 1) temporary employment agency activities (EMTAK division N 782)
- 2) financial and insurance activities (EMTAK division K);
- 3) organisation of gambling and betting activities (EMTAK division R 920);
- 4) [Repealed - [RT I, 14.09.2021, 3](#) - entry into force 17.09.2021]

- 5) legal action and bookkeeping (EMTAK division M 69);
- 6) processing and preserving of fish, crustaceans and molluscs (EMTAK division C 102);
- 7) real estate activities (EMTAK division L);
- 8) head office activity and leadership consultancy (EMTAK division M 70);
- 9) agriculture, forestry and fishery (EMTAK division A);
- 10) marketing and market research (EMTAK division M 73);
- 11) renting and leasing of trucks (EMTAK division N 77).
- 12) manufacture of tobacco products (EMTAK division C 120);

§ 2. Purpose and output measure

(1) The aim of the grant is to support the creation of digitalisation roadmaps. This will raise awareness of employers about the current situation in the field of digitalisation and raise their ability to create additional value through development.

(2) The regulation is an input to the Estonian Strategy for Research and Development and Innovation 2014-2020 'Knowledge-Based Estonia'; according to development strategy of cohesion policy funds for 2014-2020, Estonian enterprises will start offering new products and services with higher additional value, as well as making an impact in the sub-goal of the Estonian Entrepreneurship Growth Strategy 2014-2020 outlined in subsection 2(20) of the National Budget Act, according to which Estonian companies will efficiently produce products with higher additional value and offer innovative services.

(3) The regulation is an input to the output measurement of the methods, which is the increase in the number of entrepreneurs receiving aid.

§ 3. Definitions

(1) By digitalising, the entrepreneur starts using digital technology, software or automation-based solutions.

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(2) [Repealed - [RT I, 14.09.2021, 3](#) - entry into force 17.09.2021]

(3) Applications based on digital technologies are:

- 1) robotics;
- 2) cyber-physical systems or the industrial Internet of Things;
- 3) cloud data handling and high-power data handling;
- 4) big data and analytics;
- 5) Internet of Things;
- 6) artificial intelligence;
- 7) cybersecurity;
- 8) simulation and digital cloning;
- 9) virtual and augmented reality;
- 10) additive manufacturing;
- 11) 5G.

(4) A digitalisation roadmap is a company's strategic document that assesses the company's level of digitalisation, plans for removing bottlenecks on necessary investments, their return on profit and impact on the entrepreneur's financial results. A digitalisation roadmap also includes a 3-year plan for implementing digitalisation.

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(5) A project team is a working group consisting of representatives of the company and external advisors who compile the digitalisation roadmap.

§ 4. 1st Level Intermediate Body and 2nd Level Intermediate Body

(1) 1st Level Intermediate Body is Ministry of Economic Affairs and Communications.

(2) 2nd Level Intermediate Body is EAS – Enterprise Estonia.

§ 5. Body conducting proceedings on disputes

(1) An appeal against an act or decision of a 2nd Level Intermediate Body shall be filed with the 1st Level Intermediate Body via the 2nd Level Intermediate Body pursuant to section 51 of the 2014-2020 Structural Assistance Act before a complaint is filed with the administrative court.

(2) The challenge will be examined in accordance with the procedure established by the Administrative Procedure Act.

(3) The information, documents and decision related to the appeal will be delivered electronically to the person who filed the appeal.

2. Chapter The framework for granting assistance

§ 6. Rate of support and maximum amount of support

- 1) The maximum amount of support per project is 15,000 euros.

(2) [Repealed - [RT I, 14.09.2021, 3](#) - entry into force 17.09.2021]

(3) The rate of support according to DMA regulation Article 3 and general block exemption regulation Article 18 is 50% of eligible project costs.

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(4) Rate of support for companies registered outside of Tallinn and Tartu according to Article 3 of the DMA regulation is 70% of the project expenditure.

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§ 7. Supported activities

(1) Support is given for the creation of a digitalisation roadmap.

(2) The digitalisation roadmap must include:

1) an overview of the company's business model, supply chain and process of offering services;

2) an assessment of what parts of the supply chain and the manufacturing or service process bottlenecks can be solved with digitalisation;

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3) an assessment of priorities of solving bottlenecks described in section 2, the cost of the solution, return on investment timeframe and the impact on the business model of the company and its financial results;

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4) [Repealed - [RT I, 14.09.2021, 3](#) - entry into force 17.09.2021]

5) a three-year-long action plan for implementing solutions described in section 1 and 2.

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§ 8. Eligibility of expenses

(1) Eligible expenses are consultancy expenses for supported actions outlined in section 7.

(2) If the application is considered within the framework of the block exemption regulation, eligible costs according to the support group are as follows:

1) consultancy fees of external consultants in case of support issued on the basis of Article 18;

2) Innovation consultancy and support system fees in case of support issued on the basis of Article 28.

(3) The fees must be paid with a bank transfer.

(4) Transactions between persons who are associated persons within the meaning of section 8 of the Income Tax Act are not included in eligible costs.

(5) VAT is not considered eligible expense.

(6) Expenses that were made before submitting the application are not eligible.

§ 9. Eligibility period of project

(1) The period of eligibility for a project can begin on 1 June 2020 and must end before 31 October 2023.

(2) The period of eligibility begins on the application submission date or the latest date marked in the application. The maximum eligibility period of a project is 6 months.

(3) The beneficiary must not commence project activities or take responsibility for the implementation of said activities before submitting their application to the 2nd Level Intermediate Body.

(4) The aid beneficiary can extend the eligibility period of the project until 31 October 2023.

3. Chapter

Applying for a grant and processing applications

§ 10. Applying for support

(1) Applications are submitted on a rolling basis through the e-System. A company can only receive aid once.

(2) The 2nd Intermediate Body will announce the opening of the submission process on their website.

(3) The 2nd Intermediate Body will stop accepting applications and notify of this on their website if the total of the application round budget is equal to the amount of applications still under review that have not yet been accepted or rejected. The 2nd Intermediate Body will agree on closing the application process with the 1st Intermediate Body in advance.

(4) Registration applications are reviewed in the order of submission.

§ 11. Requirements to the applicant and application

(1) An applicant must comply with the following requirements:

1) the company is listed in the Estonian Commercial Register;

2) the revenue of the two quarters preceding the application in the main area of activity must be at least 200,000 euros according to the financial report submitted to the Business Registry;

3) the grant will not be issued to an applicant who has previously received support under the Regulation nr 52 'Support for industrial digitalisation and automatisisation' issued by the Minister for

Entrepreneurship and Information Technology on 10 September 2018;

4) when applying for a grant on the basis of the general block exemption regulation, the applicant cannot be an entrepreneur in difficulty within the meaning of Article 2(18) of the general block exemption regulation;

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5) team members working on the project must have at least two years of experience in a field related to the goals of the project.

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(2) An application must include the following information:

- 1) name and registry code of the candidate;
- 2) size of the applicant's enterprise;
- 3) the start and end dates of the project;;
- 4) team members' CVs and tasks;

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5) the place of implementation of the project (local government unit);

- 6) information about the applicant's compliance with the requirements set out in section 1;
- 7) the project budget;
- 8) quotes from external consultants;

9) for each external consultant - information regarding at least three of their latest projects that shows their ability to fulfil the tasks;

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10) balance sheet and income statement for the quarter preceding the application submission.

(3) for each service provided by an external consultant named in Section 2 of Article 8 - at least three independent comparable quotes. If three separate and independent quotes cannot be submitted or the cheapest one is not chosen, a note on the reasons for this must be added to the application.

§ 12. Processing applications

(1) Applications will be processed up to 20 days from the date of their submission.

(2) The 2nd Intermediate Body checks the application's and applicant's suitability with the regulation after the application has been registered.

(3) If the application has deficiencies, the 2nd Intermediate Body will give the applicant 10 working days to rectify deficiencies starting from the day this decision was issued. The application processing term shall be extended by the term given for rectifying the deficiencies.

§ 13. Recognition of applicant and application as adhering to necessary requirements

(1) The 2nd Level Intermediate Body will approve the applicant if the applicant follows the requirements set out in subsection 11(1).

(2) The 2nd Level Intermediate Body will approve the application if it fulfils all of the requirements set out in this regulation.

(3) **The application will not be approved if at least one of the following circumstances occurs:**

- 1) the application does not comply with the requirements provided in this regulation and the applicant does not rectify the deficiencies in the application within the specified term outlined in subsection 12(4);
- 2) the applicant influences the review of the application in an unlawful manner;
- 3) the applicant does not allow for the inspection laid down in subsection 21(7) of the 2014-2020 Structural Assistance Act to be performed at the location of the applicant or at the location of implementation of the planned activities;
- 4) during the application process, false or incomplete data are presented or data are purposefully omitted from the application.

(4) The 2nd Level Intermediate Body chooses not to issue the grant if the application does not fulfil the criteria and it is not amended within the given timeframe.

§ 14. Criteria and procedures for selecting projects

[Repealed - RT I, 14.09.2021, 3 - entry into force 17.09.2021]

§ 14¹. Assessment criteria

When making a decision on whether to approve the application, the projects are deemed to be fulfilling the goals and results outlined in section 2 of the regulation if all conditions mentioned below are met:

- 1) the application meets the criteria outlined in the regulation;
- 2) the applicant meets the criteria outlined in the regulation.

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§ 15. Approval or rejection of application

(1) The 2nd Level Intermediate Body makes the decision to grant the application in the case of an eligible applicant and application.

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(2) The application is not approved if it does not meet the conditions for approval outlined in Section 1 or if the requested financial aid is greater than the amount available in the fund.

(3) The decision of whether to approve or reject the application will be forwarded to the applicant directly through the e-System within three working days of making this decision.

§ 16. Amendment or annulment of the approval of an application

(1) An application decision can be changed at the initiative of the 2nd Intermediate Body or a relevant request by the applicant.

(2) The 2nd Level Intermediate Body has the right to refuse to amend the decision if the change impacts the project's activities, budget or outcomes, or if the amendment of the decision would set into question the ability to finish the project activities during the eligibility period.

(3) The amendment of the application outcome shall be decided by the 2nd Intermediate Body within 20 business days of the receipt of the corresponding application.

(4) A decision to approve an application shall be declared invalid in whole or in part if at least one of the grounds provided for in subsections 22 (3) or 47 (3) of the 2014-2020 Structural Assistance Act exists:

1) the beneficiary does not comply with the provisions of the decision to approve the application or does not use the granted aid under the prescribed conditions;

2) it is not possible to complete the project activities by 31 October 2023.

(5) The amount of aid to be reimbursed and the reason and deadline for the reimbursement will be noted in the decision to annul the application approval.

4. Chapter

Filing reports, payment of support, rights and obligations of the beneficiary and the 2nd Level Intermediate Body

§ 17. Submission of the report

(1) The beneficiary files a report to the 2nd Level Intermediate Body by the deadline in the decision to approve the application but no later than 45 days after the end of project eligibility period.

(2) The beneficiary files a report through the e-System along with the payment request.

(3) The report form is published by the 2nd Level Intermediate Body on their website.

(4) At least the following must be reflected in the interim and final reports:

1) the finished digitalisation roadmap has been submitted;

2) the beneficiary's assessment of the project's performance and implementation;

3) the beneficiary's confirmation and signature confirming that the information is correct.

§ 18. Payment of support

(1) The support is paid to the applicant according to section 8 of the joint regulation if the following conditions are met:

1) the beneficiary has filed a report through the e-System;

2) the beneficiary has submitted a payment request through the e-System.

(2) The support is paid to the beneficiary as a fixed sum payment according to subsection 15(3) of the joint regulation and the percentage of eligible expenses outlined in the decision to approve the application.

(3) The support payment is made 40 days after the activities that are the basis for the fixed support instalment in the decision to satisfy the application are executed, the results are achieved and the achievement of results is proved according to the basis for proving the results provided in the decision to satisfy the application.

(4) The prerequisite for completing the payment is complete accordance to the actions outlined in the regulation and sufficient proof for the 1st Intermediate Body:

1) the digitalisation roadmap must meet the goals outlined in subsection 1(2) and correspond to supported actions outlined in points 1-3 and 5 of subsection 2(7).

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2) [Repealed - [RT I, 14.09.2021, 3](#) - entry into force 17.09.2021]

3) if the results are only partially achieved, the support is not paid.

§ 19. Deadline for rectifying deficiencies in the report and payment application

(1) If deficiencies are discovered during processing of the report or the payment application, the beneficiary is informed immediately and is given 10 working days to rectify deficiencies, in which case the deadline for processing the report is extended by the same period of time.

(2) If experts are involved, the deadline for processing the report is extended by the time necessary to conduct an expert assessment. The 2nd Level Intermediate Body will inform the beneficiary immediately if experts will be involved.

§ 20. Rights and obligations of the beneficiary

(1) The responsibilities of the aid beneficiary are outlined in sections 24 and 26 of the 2014-2020 Structural Assistance Act

(2) The beneficiary reserves the right to request information and advice from the 2nd Level Intermediate Body concerning the terms and the beneficiary's obligations outlined in the legislation, the right to a hearing and the opportunity to present their opinions in the situations and procedures described in section 40 of the Administrative Procedure Act and subsection 23(2) of the 2014-2020 Structural Assistance Act.

§ 21. Obligations of the 2nd Level Intermediate Body

(1) The obligations of the 2nd Level Intermediate Body are outlined in subsection 8(2) of the 2014-2020 Structural Assistance Act.

(2) The 2nd Level Intermediate Body is obliged to store documents related to the application for 10 years after the last application decision.

§ 22. Financial correction

(1) The decision on a financial correction is made in accordance with the provisions of sections 45-47 of the 2014-2020 Structural Assistance Act and sections 21-23 of the joint regulation.

(2) A demand for the reimbursement of aid is made in accordance with section 48 of the 2014-2020 Structural Assistance Act. Reimbursement of the aid may be divided into parts in accordance with the conditions outlined in section 24 of the joint regulation.

(3) If the aid is not reimbursed in time, the beneficiary will incur fines according to section 49 of the 2014-2020 Structural Assistance Act.

§ 23. Implementation of regulation

An application that has been submitted before the current regulation entered into force in September 2021 will be processed in accordance with the regulation that came into force on 29 January 2021.

[RT I, 14.09.2021, 3 – entry into force 17.09.2021]