

Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (Text with EEA relevance)

CHAPTER III

**SPECIFIC PROVISIONS FOR DIFFERENT CATEGORIES OF AID**

*SECTION 2*

*Aid to SMEs*

*Article 17*

**Investment aid to SMEs**

1 Investment aid to SMEs operating inside or outside the territory of the Union shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty, provided that the conditions laid down in this Article and in Chapter I are fulfilled.

2 The eligible costs shall be either or both of the following:

- a the costs of investment in tangible and intangible assets;
- b the estimated wage costs of employment directly created by the investment project, calculated over a period of two years.

3 In order to be considered an eligible cost for the purposes of this Article, an investment shall consist of the following:

- a an investment in tangible and/or intangible assets relating to the setting-up of a new establishment, the extension of an existing establishment, diversification of the output of an establishment into new additional products or a fundamental change in the overall production process of an existing establishment; or
- b the acquisition of the assets belonging to an establishment, where the following conditions are fulfilled:
  - the establishment has closed or would have closed had it not been purchased;
  - the assets are purchased from third parties unrelated to the buyer;
  - the transaction takes place under market conditions.

Where a member of the family of the original owner, or an employee, takes over a small enterprise, the condition that the assets shall be bought from third parties unrelated to the buyer shall be waived. The sole acquisition of the shares of an undertaking shall not constitute investment.

4 Intangible assets shall fulfil all of the following conditions:

- a they shall be used exclusively in the establishment receiving the aid;
- b they shall be regarded as amortizable assets;
- c they shall be purchased under market conditions from third parties unrelated to the buyer;

- d they shall be included in the assets of the undertaking for at least three years;
- 5 Employment directly created by an investment project shall fulfil the following conditions:
- a it shall be created within three years of completion of the investment;
  - b there shall be a net increase in the number of employees in the establishment concerned, compared with the average over the previous 12 months;
  - c it shall be maintained during a minimum period of three years from the date the post was first filled.
- 6 The aid intensity shall not exceed:
- a 20 % of the eligible costs in the case of small enterprises;
  - b 10 % of the eligible costs in the case of medium-sized enterprises.

#### *Article 18*

##### **Aid for consultancy in favour of SMEs**

- 1 Aid for consultancy in favour of SMEs shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty, provided that the conditions laid down in this Article and in Chapter I are fulfilled.
- 2 The aid intensity shall not exceed 50 % of the eligible costs.
- 3 The eligible costs shall be the costs of consultancy services provided by external consultants.
- 4 The services concerned shall not be a continuous or periodic activity nor relate to the undertaking's usual operating costs, such as routine tax consultancy services, regular legal services or advertising.

#### *Article 19*

##### **Aid to SMEs for participation in fairs**

- 1 Aid to SMEs for participation in fairs shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty, provided that the conditions laid down in this Article and in Chapter I are fulfilled.
- 2 The eligible costs shall be the costs incurred for renting, setting up and running the stand for the participation of an undertaking in any particular fair or exhibition.
- 3 The aid intensity shall not exceed 50 % of the eligible costs.

#### *Article 20*

##### **Aid for cooperation costs incurred by SMEs participating in European Territorial Cooperation projects**

- 1 Aid for cooperation costs incurred by SMEs participating in the European Territorial Cooperation projects covered by Regulation (EC) No 1299/2013 of the European Parliament

and of the Council shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty, provided the conditions laid down in this Article and in Chapter I are fulfilled.

- 2 The eligible costs shall be the following:
  - a costs for organisational cooperation including the cost of staff and offices to the extent that it is linked to the cooperation project;
  - b costs of advisory and support services linked to cooperation and delivered by external consultants and service providers;
  - c travel expenses, costs of equipment and investment expenditure directly related to the project and depreciation of tools and equipment used directly for the project.
- 3 The services referred to in paragraph 2(b) shall not be a continuous or periodic activity nor relate to the undertaking's usual operating costs, such as routine tax consultancy services, regular legal services or routine advertising.
- 4 The aid intensity shall not exceed 50 % of the eligible costs.