



MINISTER OF ECONOMY AND INNOVATION OF THE REPUBLIC OF LITHUANIA

ORDER

ON THE APPROVAL OF THE DESCRIPTION NO 2 OF THE CONDITIONS OF FUNDING OF SMART FDI PROJECTS UNDER MEASURE NO 01.2.1-LVPA-T-848 OF PRIORITY AXIS 1 “STRENGTHENING RESEARCH AND DEVELOPMENT AND INNOVATION” OF THE OPERATIONAL PROGRAMME FOR THE EUROPEAN UNION INVESTMENT IN 2014–2020

14 August 2019 No 4-466
Vilnius

Following subparagraph 6.2.7 of the Rules on the Distribution of Responsibilities and Functions among Institutions in Implementation of the Operational Programme for the European Union Funds’ Investments in 2014-2020 approved by Resolution No 528 of the Government of the Republic of Lithuania of 4 June 2014 “On the Distribution of Responsibilities and Functions among Institutions in Implementation of the Operational Programme for the European Union Funds’ Investments in 2014-2020”

1. I do hereby approve the Description No 2 of the Conditions of Funding of Smart FDI Projects under Measure No 01.2.1-LVPA-T-848 of Priority Axis 1 “Strengthening Research and Development and Innovation” of the Operational Programme for the European Union Funds’ Investments in 2014–2020 attached hereto (hereinafter referred to as the “Description”).

2. I do hereby establish that the following version of subparagraph 5.4 of Annex 1 to the Description shall come into force as of 1 October 2019:

<p>“5.4. The Applicant and partner(s) shall not be subject to restrictions of eligibility for financing:</p> <p>5.4.1. no bankruptcy or restructuring proceedings have been instituted against the Applicant and the partner(s) which are legal persons, no pre-trial investigation into economic and/or commercial activities has been initiated against the Applicant and the partner(s) which are legal persons and the Applicant and the partner(s) are not in liquidation, no decision on enforcing bankruptcy procedures under out-of-court procedure against the Applicant and the partner(s) which are legal persons has been taken at the meeting of creditors (<i>the aforementioned provision shall not be applicable to budgetary institutions</i>) and no bankruptcy proceedings have been instituted, no pre-trial investigation into economic and/or commercial activities has been initiated against the Applicant and partner(s) who are natural persons;</p> <p>5.4.2. on the date of submission of the Application the Applicant and partner(s) were not recognised as not fulfilling the duties in relation to payment of taxes or social insurance contributions by a final court judgement or final administrative decision according to the legal acts of the Republic of Lithuania or according to the legal acts of another country if the Applicant and the partner(s) are</p>	<p>Sources of information: the Application, the data available to the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania and the State Social Insurance Fund Board under the Ministry of Social Security and Labour, the Authority of Audit, Accounting, Property Valuation and Insolvency Management under the Ministry of Finance of the Republic of Lithuania, the Register of Legal Entities and other information available to the Public Institution Lithuanian Business Support Agency (hereinafter referred to as the “Implementing Authority”).</p> <p>For the purposes of evaluation of conformity with the afore-mentioned assessment aspect, the declaration submitted by the Applicant (partner), the documents set out in subparagraph 86.10 of the Description shall be observed. The accuracy of the</p>
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legal persons registered abroad or natural persons residing abroad (*the afore-mentioned provision shall not apply to the institutions the activities of which are funded from the budgets of the Republic of Lithuania and/or municipalities and/or the State monetary funds, and to the Applicants with respect to which the terms for the payment of taxes or social insurance contributions may be deferred in the manner specified in the legal acts of the Republic of Lithuania*);

5.4.3. at the moment of evaluation of the Application the Applicant and partner(s) who are natural persons or the manager, main shareholder (holding more than 50 per cent of the shares) or owner of the Applicant and partner(s) who are legal persons, a general member(s) of the partnership, or a representative of a small partnership authorised to conclude contracts on behalf of the legal person or the accountant(s) or another person(s) authorised to draw up and sign the Applicant's accounting documents have/has no an unspent or unexpunged conviction and no judgement of conviction was passed and became effective against the Applicant and partner(s) within the past five years for participation in a group of accomplices, an organised group, a criminal organisation, its formation or being in charge thereof, bribery, trading in influence or grafting, abuse of office, failure to fulfil the official duties, fraud, misappropriation of property, squandering of property, causing of property damage by deception, destruction of property or damage to property, unjust enrichment, smuggling, customs fraud, unlawful disposal of excise goods, unlawful export of goods or products from the Republic of Lithuania, unlawful engagement in economic, commercial financial or professional activities, unlawful activities of the legal person, use of another's trade mark, fraudulent statement concerning activities of the legal person, failure to pay taxes, use of a credit, loan or targeted support not in accordance with its purpose or the established procedure, credit fraud, bad faith of a debtor, criminal bankruptcy, production of a counterfeit electronic means of payment, forgery or unlawful possession of a genuine electronic means of payment or data thereof, unlawful use of an electronic means of payment or data thereof, provision of inaccurate data on income, profit or assets, failure to file a tax return or to submit a report or another document, fraudulent or negligent management of accounts, purchase or sale of crime-related property, laundering of crime-related money or property, production, storage or handling of counterfeit currency or securities, forgery of a document or possession of a forged document, forgery of a seal, stamp or form, involvement in any other unlawful activities detrimental to the financial instruments of the Republic of Lithuania and/or the EU (*the above restriction shall not be applicable if the*

statements concerning restrictions in relation to conformity with the assessment aspect made in the declaration of the Applicant (partner), the documents set out in subparagraph 86.10 of the Description shall be verified selectively in accordance with the procedure established in the internal rules of procedure.”

activities of the Applicant are funded from the State budget of the Republic of Lithuania and/or budgets of municipalities, and/or the state monetary funds and to the European Investment Fund and the European Investment Bank);

5.4.4. at the moment of evaluation of the Application the Applicant and partner(s) which have relocated their production operations within the Member State or another Member State are not or have not been subject to any recovery procedure *(the afore-mentioned provision shall not be applicable to public legal persons);*

5.4.5. at the moment of evaluation of the Application the Applicant and partner(s) are not subject to any restrictions (up to 5 years) regarding the allocation of the EU financial assistance because of the illegal employment of third-country nationals *(the afore-mentioned provision shall not be applicable to public legal persons);*

5.4.6. at the moment of evaluation of the Application the Applicant and the partner(s) are subject to any restrictions to receive funding because the funds were not refunded within the term specified in the Decision, or only part of the funds has been repaid *(the afore-mentioned restriction shall not apply to the institutions whose activities are funded from the budgets of the Republic of Lithuania and/or municipalities, and/or public monetary funds, and the institutions whose activities are funded from the structural funds of the EU for 2007-20013, or the technical assistance of the EU structural funds for 2014-2020, the European Investment Fund and the European Investment Bank);*

5.4.7. at the moment of evaluation of the Application the Applicant and partner(s) have submitted their set of the annual financial statements to the Register of Legal Entities, also the sets of the consolidated financial statements, as required according to the Regulations of the Register of Legal Entities approved by Resolution No. 1407 of 12 November 2003 of the Government of the Republic of Lithuania “On the Establishment of the Register of Legal Entities and the approval of the Regulations of the Register of Legal Entities” *(the afore-mentioned provision shall apply in the cases when the financial statements are required to be drawn up according to the laws applicable to the legal person, a foreign legal person, or another organisation or its branch).*

Acting Minister of Justice,
substituting the acting
Minister of Economy and Innovation

Elvinas Jankevičius

Drawn up by
Chief specialist of
the European Union Investment Planning Division of
the European Union Investment Coordination Department of
the Ministry of Economy and Innovation of the Republic of Lithuania
Agnė Petrauskaitė

APPROVED BY
14 August 2019 Order No 4-466 of the
Minister of Economy and Innovation of
the Republic of Lithuania

**DESCRIPTION NO 2 OF THE CONDITIONS OF FUNDING OF SMART FDI PROJECTS
UNDER MEASURE NO 01.2.1-LVPA-T-848
OF PRIORITY AXIS 1 “STRENGTHENING RESEARCH AND DEVELOPMENT AND
INNOVATION” OF THE OPERATIONAL PROGRAMME FOR THE EUROPEAN UNION
INVESTMENT IN 2014–2020**

**CHAPTER I
GENERAL PROVISIONS**

1. The Description No 2 of the Conditions of Funding of Smart FDI Projects under Measure No 01.2.1-LVPA-T-848 of Priority Axis 1 “Strengthening Research and Development and Innovation” of the Operational Programme for the European Union Funds’ Investments in 2014–2020 (hereinafter referred to as the “Description”) shall set forth the requirements which must be followed by Applicants when drawing up and submitting applications for financing the Projects co-funded from the Structural Funds of the European Union (hereinafter referred to as the “application”) according to the activities funded under Measure No 01.2.1-LVPA-T-848 Smart FDI (hereinafter referred to as the “Measure”) of Priority Axis 1 “Strengthening Research and Development and Innovation” of the Operational Programme for the European Union Funds’ Investments in 2014–2020 approved by Commission Decision on 8 September 2014 approving certain elements of the Operational Programme for the European Union Funds’ Investment in 2014-2020 for support from the European Regional Development Fund, Cohesion Fund, European Social Fund and specific allocation for the Youth Employment Initiative under the Investment for growth and job goals in Lithuania (the European Commission notified of the afore-mentioned decision by document No C(2014)6397) (hereinafter referred to as the “Operational Programme”), promoters of the Projects co-funded from the Structural Funds of the European Union (hereinafter referred to as the “Projects”) when implementing the Projects funded according to the Description and institutions carrying out the application assessment and selection and monitoring of the Project implementation.

2. The Description has been drawn up having regard to the following:

2.1. The Plan for the Implementation of the Implementing Measures of the Priority Axis under the Operational Programme for the European Union Funds’ Investments in 2014–2020 approved by Order No 4-933 of the Minister of Economy and Innovation of the Republic of Lithuania of 19 December 2014 “On the Approval of the Plan for the Implementation of the Implementing Measures of the Priority Axis under the Operational Programme for the European Union Funds’ Investments in 2014–2020 and the Description of Calculation of the National Monitoring Indicators” (hereinafter referred to as the “Plan for the Implementation of Measures”);

2.2. The Project Administration and Funding Rules approved by Order No 1K-316 of the Minister of Finance of the Republic of Lithuania on 8 October 2014 “On the Approval of the Project Administration and Funding Rules” (hereinafter referred to as the “Project Rules”);

2.3. Articles 13, 14, 25 and 29 of Commission Regulation (EU) No 651/2014 on 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ 2014 L 187, p.1) as last amended by Commission Regulation (EU) No 2017/1084 of 16 June 2017 (OJ 2017 L 156, p. 1) (hereinafter referred to as the “General Block Exemption Regulation”);

2.4. Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ 2013, L 352, p. 1) (hereinafter referred to as the “*De Minimis* Regulation”);

2.5. The Description of Calculation of the National Monitoring Indicators of the Operational Programme for the European Union Funds' Investments for 2014–2020 approved by Order No 1K-499 of the Minister of Finance of the Republic of Lithuania of 30 December 2014 “On the Approval of the Description of Calculation of the National Monitoring Indicators of the Operational Programme for the European Union Funds' Investments for 2014–2020” (hereinafter referred to as the “Description of Calculation of the National Monitoring Indicators of the Operational Programme”);

2.6. The Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union approved by Minutes No 34 of the Steering Committee for the Operational Programme for Human Resources Development, the Steering Committee for the Economic Development Operational Programme, the Steering Committee for the Cohesion Promotion Operational Programme and the Steering Committee of the Operational Programme for the European Union Funds' Investments for 2014–2020 of 4 July 2014 (as last amended) and published on the website of the Structural Funds of the European Union at www.esinvesticijos.lt (hereinafter referred to as the “Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union”);

3. For the purposes of this Description, the terms shall be interpreted as defined in the legal acts referred to in paragraph 2 of this Description, the Rules on the Distribution of Responsibilities and Functions among Institutions in Implementation of the Operational Programme for the European Union Funds' Investments in 2014–2020 approved by Resolution No 528 of the Government of the Republic of Lithuania of 4 June 2014 “On the Distribution of Responsibilities and Functions among Institutions in Implementation of the Operational Programme for the European Union Funds' Investments in 2014–2020” and the Rules on the Administration of the Operational Programme for the EU Funds' Investments for 2014–2020 approved by Resolution No 1090 of the Government of the Republic of Lithuania of 3 October 2014 “On the Approval of the Rules on the Administration of the Operational Programme for the EU Funds' Investments for 2014–2020”.

4. Other terms used herein shall have the following meanings:

4.1. “**Large Enterprise**” shall mean a legal person which does not comply with the definition of a micro, small and medium-sized enterprise within the meaning of the Republic of Lithuania Law on Small and Medium-Sized Business Development (hereinafter referred to as the “Law on Small and Medium-Sized Business Development”).

4.2. “**Experimental Development**” shall have the same meaning as experimental development defined in Article 2(86) of the General Block Exemption Regulation.

4.3. “**Innovations**” shall mean implementation of organisational and procedural innovations.

4.4. “**Investor**”, “**Investor (Applicant)**” shall mean possible Applicants provided for in paragraph 15 hereof.

4.5. “**Enterprise Group**” shall have the same meaning as defined in the Republic of Lithuania Law on Consolidated Financial Reporting of Enterprise Groups.

4.6. “**Micro Enterprise**” shall have the same meaning as defined in the Law on Small and Medium-Sized Business Development.

4.7. “**Decisive Influence**” shall have the same meaning as defined in the Republic of Lithuania Law on Competition.

4.8. “**Lithuanian Higher Education and Research Institution**” (hereinafter referred to as the “Higher Education and Research Institution”) shall have the same meaning as defined in the Republic of Lithuania Law on Higher Education and Research.

4.9. “**Small Enterprise**” shall have the same meaning as defined in the Law on Small and Medium-Sized Business Development.

4.10. “**Research**” shall have the same meaning as industrial research defined in Article 2(85) of the General Block Exemption Regulation.

4.11. “**Research and/or Experimental Development and Innovation Infrastructure**” (hereinafter referred to as the “R&DI Infrastructure”) shall mean the infrastructure necessary for research and/or experimental development including the facilities meeting the requirements of good manufacturing practice as defined in the guidelines on good manufacturing practice of the respective

field (provided that such guidelines are publicly available, e.g. on the Internet) and the requirements of good laboratory practice (provided that these requirements are publicly available, e.g. on the Internet) that are necessary for the implementation of the afore-mentioned activities. If no standing good manufacturing or laboratory practices exist, the specific nature of the infrastructure of the Project, e.g., high hygiene, vibration or similar requirements for facilities are usually typical of high-technology enterprises, might be taken into consideration.

4.12. “**Organisational Innovation**” shall have the same meaning as defined in Article 2(96) of the General Block Exemption Regulation.

4.13. “**Initial Investment**” shall have the same meaning as defined in Article 2(49) (a) of the General Block Exemption Regulation

4.14. “**Process Innovation**” shall have the same meaning as defined in Article 2(97) of the General Block Exemption Regulation.

4.15. “**Independent Enterprise**” shall have the same meaning as defined in the Law on Small and Medium-Sized Enterprise Development.

4.16. “**Undertaking in Difficulty**” shall have the same meaning as defined in Article 2(18) of the General Block Exemption Regulation.

4.17. “**Foreign Investor (Investor or Enterprise)**” shall mean a foreign legal entity and/or natural person that invests own or borrowed assets or assets held and used on a fiduciary basis in accordance with the procedure established by the legislation of the Republic of Lithuania governing investment.

4.18. “**State Aid Beneficiary**” shall mean an economic entity which has been granted state aid.

4.19. “**Effective Collaboration**” shall have the same meaning as defined in Article 2(90) of the General Block Exemption Regulation

4.20. “**Medium-Sized Enterprise**” shall have the same meaning as defined in the Law on Small and Medium-Sized Business Development.

5. The implementation of the Measure shall be administered by the Ministry of Economy and Innovation of the Republic of Lithuania (hereinafter referred to as the “Ministry”) and the Public Institution Lithuanian Business Support Agency (hereinafter referred to as the “Implementing Authority”).

6. The form of finance provided under the Measure shall be a non-repayable grant.

7. The Project selection under the Measure shall be carried out by means of continuous Project selection.

8. According to the Description, the estimated amount to be allocated for implementation of the Projects from the EU Structural Funds (Structural Funds of the European Union) shall be up to EUR 15,116,689 (fifteen million one hundred sixteen thousand six hundred eighty nine Euro). If, following a call for applications, the amount requested to be financed under the positively evaluated Applications is higher than the amount allocated for the call for applications, the Implementing Authority shall be entitled to submit a proposal for increase of the amount of financing of the call for applications indicated in the call for applications to the Ministry. Subject to the Ministry’s approval, the amount for the call for applications may be increased within the limits of the total amount of the funds allocated for the Measure provided for in the Plan for the Implementation of Measures and without prejudice to the legitimate expectations of the Applicants.

9. The purpose of the Measure shall be to attract foreign investments into Research and/or Experimental Development and Innovations (hereinafter referred to as “R&DI”) in the Republic of Lithuania under the R&DI priority areas provided for in the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities approved by Resolution No 411 of the Government of the Republic of Lithuania on 30 April 2014 “On the Approval of Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities” (hereinafter referred to as the “Smart Specialisation Programme”).

10. The following activities shall be financed hereunder:

10.1. foreign direct investment into Research and/or Experimental Development (hereinafter referred to as the “R&D”) activities;

10.2. foreign direct investment developing the R&DI Infrastructure of a new enterprise or expanding the R&DI Infrastructure of the existing enterprise;

10.3. foreign direct investment into activities related to the Process Innovation and the Organisational Innovation.

11. An Applicant shall be entitled to choose to implement all of the three activities referred to in paragraph 10 herein above or two of the three activities referred to in paragraph 10 herein above or one of the activities referred to in subparagraphs 10.1 and 10.2 hereof.

12. Publication of the call for applications for eligible activities hereunder shall be planned in Q3 2019.

13. The financing to be allocated hereunder shall be state aid which shall comply with all conditions stipulated in Chapter I of the General Block Exemption Regulation and the relevant specific conditions stipulated in Chapter III of the General Block Exemption Regulation:

13.1. The financing to be allocated to the activities referred to in subparagraph 10.1 hereof shall comply with the provisions of Article 25 of the General Block Exemption Regulation and the *De Minimis* Regulation;

13.2. The financing to be allocated to the activities referred to in subparagraph 10.2 hereof shall comply with the provisions of Articles 13 and 14 of the General Block Exemption Regulation;

13.3. The financing to be allocated to the activities referred to in subparagraph 10.3 hereof shall comply with the provisions of Article 29 of the General Block Exemption Regulation.

14. The state aid granted hereunder shall be deemed as having an incentive effect if it complies with the provisions of Article 6(2) of the General Block Exemption Regulation. When evaluating the applications, the Implementing Authority shall verify the Applicant’s eligibility for the state aid under the General Block Exemption Regulation and, if the Ministry decides to finance the Project, the Implementing Authority shall register the amount of the granted state aid in the Register of Granted State and *De Minimis* Aid within 5 working days the regulations of which shall be approved by Resolution No 35 of the Government of the Republic of Lithuania of 19 January 2005 “On the Approval of the Regulations of the Register of Granted State and *De Minimis* Aid” (hereinafter referred to as the “Regulations”).

CHAPTER II REQUIREMENTS FOR APPLICANTS AND PARTNERS

15. According to the Description, potential Applicants shall be private legal entities incorporated (acquired) by a Foreign Investor (Natural Person or Legal Person) in the Republic of Lithuania which is under decisive influence of the said Foreign Investor (Natural Person or Legal) or a Foreign Investor (Enterprise) or a branch of the Foreign Investor (Enterprise) incorporated in the Republic of Lithuania in accordance with subparagraph 22.4 hereof.

16. The possible partners hereunder shall be as follows:

16.1. private legal entities and/or Higher Education and Research Institutions may be partners for the purpose of the activities provided for in subparagraph 10.1 hereof;

16.2. no partners may be involved for the activities provided for in subparagraph 10.2 hereof;

16.3. if the activities provided for in subparagraph 10.3 hereof are carried out by the Applicant which is a Large Enterprise, the activities shall be carried out with a partner which shall be a Micro Enterprise, a Small Enterprise and/or Medium-Sized Enterprise.

17. The Applicant (Project promoter) and the partner(s) shall be Independent Enterprises as defined in the Law on Small and Medium-Sized Business Development in respect of each other if justification of Effective Collaboration is sought as provided for in paragraphs 52 and 77 hereof.

18. Financing may be allocated to Applicants and partners in all areas except for the cases provided for in Article 3(3) of Regulation (EU) No 1301/2013 of the European Parliament and

Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (OJ 2013 L 347, p. 289) and taking into account the restrictions stipulated in Articles 1(2)–1(5), Articles 4 and 13, Article 14 (16) of the General Block Exemption Regulation (where the activities provided for in subparagraph 10.1 hereof is carried out). According to the Description, financing shall not be allocated to the Applicant (partner) classified in the category “Undertaking in Difficulty”. Furthermore, no financing shall be allocated if the Applicant (partner) has failed to repay the previously granted state aid which had been acknowledged as illegal and incompatible with internal market by the decision of the European Commission.

19. Where an application is submitted together with a partner(s), a copy of the valid joint activity (partnership) agreement or a letter of intent for cooperation shall be attached to the application. The joint activity (partnership) agreement shall be signed by the Applicant and all partners of the Project. If the Application is submitted together with a letter of intent for cooperation, a copy of the signed and valid joint venture (partnership) agreement must be submitted prior to signing the agreement on the Project co-financed from the Structural Funds of the European Union (hereinafter referred to as the “Project agreement”).

20. The joint activity (partnership) agreement shall explicitly state the rights and obligations of the parties in respect of the Project (i.e. the financial and operational contribution of each party to the Project, the activities to be carried out by each party, the rights to jointly developed or acquired assets, the deliverables of the Project etc.) and liability of the parties and their commitments to adhere to the rules of good partnership practice:

20.1. all partners must have read the Application and familiarised themselves with the rights and obligations assumed in implementation of the Project;

20.2. in the course of implementation of the Project the Project promoter shall regularly consult the partners and inform the partners about the progress of implementation of the Project on a regular basis;

20.3. the Project promoter shall be obliged to forward copies of all reports submitted to the Implementing Authority to all partners;

20.4. all amendments to the Project affecting the rights and obligations of the partners shall be first coordinated with the partners before addressing the Implementing Authority.

CHAPTER III REQUIREMENTS FOR THE PROJECTS

21. The Project must meet the general requirements for the Projects provided for in Section Ten of Chapter III of the Project Rules.

22. The Project must satisfy the following specific Project selection criteria approved by 30 March 2017 Resolution No 44P-2.1 (24) of the Monitoring Committee of the Operational Programme for the European Union Funds’ Investment in 2014–2020, 28 March 2019 Protocol Resolution No 44 P-3(39) and 8 August 2019 Protocol Resolution No 44P-8(44):

22.1. The Projects satisfies the provisions of the Lithuanian Innovation Development Programme 2014–2020 approved by Resolution No 1281 of the Government of the Republic of Lithuania of 18 December 2013 “On the Approval of the Lithuanian Innovation Development Programme 2014–2020” (hereinafter referred to as the “Lithuanian Innovation Development Programme 2014–2020”) (it shall be assessed whether the Project contributes to implementation of Target 1 “To promote investments in activities delivering high value added” of the second objective “To enhance innovation potential of business” of the Lithuanian Innovation Development Programme 2014–2020, i.e. the product(s) developed during the Project or upon implementation of the Project must be new only to the firm, new to the operating market or new to the world as defined in the Oslo Manual. Guidelines for Collecting and Interpreting Technological Innovation Data, 4th edition, 2018, the publication developed jointly by the Organisation for Economic Cooperation and Development and the Eurostat).

22.2. The Project satisfies the provisions of the Programme for Investment Promotion and Industrial Development for 2014–2020 approved by Resolution No 986 of the Government of the Republic of Lithuania of 17 September 2014 “On the Approval of the Programme for Investment Promotion and Industrial Development for 2014–2020” (hereinafter referred to as the “Programme for Investment Promotion and Industrial Development for 2014–2020”) (it shall be assessed if the Project contributes to implementation of the first objective “To increase direct investment in the sectors of production and services” of the Programme for Investment Promotion and Industrial Development for 2014–2020).

22.3. The Project shall meet the provisions of the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities approved by Resolution No 411 of the Government of the Republic of Lithuania of 30 April 2014 “On the Approval of Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities” (hereinafter referred to as the “Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities”) and the topics in relation to implementation of at least one priority area (it shall be assessed if the Project contributes to the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities and concerns the topics in relation of implementation of at least one priority area).

22.4. The Investor (Applicant) must have invested in the manufacturing or service sector in the Republic of Lithuania no earlier than 10 years before filing the Application and is planning to launch R&DI activities in the Republic of Lithuania or the Investor (Applicant) has not carried out any activities in the Republic of Lithuania and intends to launch R&DI activities in the Republic of Lithuania (the intention is to specify a range of Applicants with a view to attracting new foreign Investors. It shall be assessed whether the Investor (Applicant) has invested in the manufacturing or service sector in the Republic of Lithuania no earlier than 10 years prior to submitting the Application and intends to launch R&DI activities in the Republic of Lithuania or whether the Investor (Applicant) has never operated in the Republic of Lithuania and intends to launch R&DI activities in the Republic of Lithuania).

22.5. The Project shall create new jobs for researchers (it shall be assessed if during the period of implementation of the Project and within 3 years from the end of implementation of the Project activities the jobs for researchers make at least 20 per cent of all new jobs related directly with the Project (if 20 per cent of the new created jobs makes less than 3 jobs, at least 3 newly created jobs (full time equivalent) must be the jobs of researchers) and each created new job shall be maintained at least for 5 years (in case of Micro Enterprises, Small Enterprises and Medium-Sized Enterprises – at least for 3 years) from the first day of employment).

22.6. The annual income of the Applicant (including the Enterprise Group of the Applicant) during the last three financial years shall be assessed (it shall be assessed if the annual income of the Applicant (including the Enterprise Group of the Applicant) is not lower than the requested amount of financing at least one financial year during the last 3 financial years before submission of the Application. If the requested amount of financing is higher than EUR 1,000,000 (one million Euro), the annual income of the Applicant (including the income of the Enterprise Group of the Applicant) was higher than EUR 1,000,000 (one million Euro) at least one financial year during the last three financial years before submission of the Application. If the requested amount of financing is lower than EUR 1,000,000 (one million Euro), the annual income of the Applicant (including the income of the Enterprise Group of the Applicant) was lower than EUR 1,000,000 (one million Euro) at least one financial year during the last three financial years before submission of the Application. The afore-mentioned criterion shall be applicable only at the moment of assessment of the Application).

23. The Project shall contribute to implementation of at least one objective stipulated in the European Union Strategy for the Baltic Sea Region approved by the European Commission Communication No COM(2012) 128 of 23 March 2012 (hereinafter referred to as the “EUSBSR),

published on the website of the European Commission at http://ec.europa.eu/regional_policy/lt/policy/cooperation/macro-regional-strategies/baltic-sea/library/#1, in accordance with the policy area “Innovation” under the Action Plan of the EUSBSR approved by the European Commission Decision No SWD(2015)177 final of 10 September 2015 published on the website of the European Commission at http://ec.europa.eu/regional_policy/lt/policy/cooperation/macro-regional-strategies/baltic-sea/library/#1

24. Large-scale Projects co-financed from the EU Structural Funds shall not be financed hereunder.

25. The Projects to be financed hereunder shall comply with Article 8 of the Republic of Lithuania Law on Investment (hereinafter referred to as the “Law on Investment”). If in assessing the Project the Implementing Authority determines that the Project qualifies for the restrictions stipulated in paragraphs 2 and 3 of Article 8 of the Law on Investment, the Implementing Authority shall address competent authorities and if the latter determine that the Project does not meet the requirements stipulated in Article 8 of the Law on Investment, the Application shall be rejected.

26. The duration of the Project activities put forward hereunder shall not exceed:

26.1. 24 months from the date of signature of the Project agreement if only the activities provided for in subparagraph 10.1 hereof or the activities provided for in subparagraphs 10.1 and 10.3 hereof are to be carried out;

26.2. 36 months from the date of signature of the Project agreement if the activities provided for in subparagraph 10.2 hereof are to be carried out under the Project or if more than one activity is to be carried out under the Project and one of the activities to be carried out under the Project is the activity described in paragraph 10.2 hereof.

27. In certain cases, the period of implementation of the Project activities stipulated in paragraph 26 hereof may be extended due for objective reasons which could not be foreseen by the Project promoter at the time of submitting the Application and in the course of evaluation hereof under the procedure prescribed in the Project Rules without prejudice to the time limits set forth in subparagraphs 213.1 and 213.5 of the Project Rules. If the period of implementation of the Project activities must be extended for a longer period than provided for in this paragraph hereof, the amendment to the Project agreement shall be coordinated with the Ministry.

28. The Project may be launched not earlier than on the date of registration of the Application with the Implementing Authority; however, any Project expenditure incurred from the moment of the registration of the Application with the Implementing Authority to the moment of signature of the Project agreement shall be at the Applicant’s and partner(s)’ own risk. If implementation of the Project for which financing is sought is launched prior to registration of the Application with the Implementing Authority, the whole Project shall become ineligible and no financing shall be allocated thereto.

29. The Project activities shall be implemented in the Republic of Lithuania or outside the Republic of Lithuania provided that the products, deliverables or benefits (or a part thereof proportionate to the financial contribution of the Republic of Lithuania) developed under the Project shall belong to the Republic of Lithuania. If the Project activities are carried out outside the Republic of Lithuania, the activities may be carried out only in other EU Member States and the expenditure of such activities must not exceed 15 per cent of the amount of eligible expenditure of the Project.

30. The Applicant shall in its Application specify the R&DI priority areas set out in the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities to which the Project shall be attributed and shall indicate the topics of implementation of the priority to which the Project is related. The final attribution or non-attribution of the Application to the specific priority area or the topics in relation to implementation thereof shall be determined by the Implementing Authority during the evaluation. In the event that the Implementing Authority determines that the Project shall be attributed to the priority area or topic of implementation other than the one indicated by the Applicant in its Application, the Applicant shall be offered to clarify the information on the priority area or topics of

implementation to which the Project shall be attributed as provided for in the Application on the basis of the evaluation performed by the Implementing Authority. In the event that the Applicant refuses to clarify the information, the Application shall be rejected.

31. The Project shall be aimed at achieving the following indicators of monitoring of the implementation of the Measure and the indicators set out in subparagraphs 31.1, 31.2 and 31.4 or 31.5 (the Applicant must choose at least one of the afore-mentioned two indicators as mandatory), paragraphs 31.6, 31.8, 31.9 hereof shall be mandatory for the Applicant:

31.1. the product monitoring indicator: the number of enterprises receiving grants, code P.B. 202;

31.2. the product monitoring indicator: private investments complying with public support to innovations or R&D Projects, code P.B. 227;

31.3. the product monitoring indicator: the number of enterprises cooperating with research institutions, code P.B. 226;

31.4. the product monitoring indicator: the number of enterprises that have received investments for the purpose of launching new products to the market, code P.B. 228;

31.5. the product monitoring indicator: the number of enterprises that have received investments for the purpose of developing new products within the enterprise, code 229;

31.6. the product monitoring indicator: the number of enterprises that have received investments for the purpose of creating long-term jobs, code P.N. 804;

31.7. the product monitoring indicator: the number of enterprises that have received investments for the purpose of developing products, services or process prototypes (concepts), code P.N. 814 (the indicator shall be mandatory where the activities provided for in subparagraph 10.1 hereof are carried out under the Project);

31.8. the result monitoring indicator: ratio of income earned by the enterprise which has received investment from the products developed and placed on the market to the allocated investment, code R.N. 810;

31.9. the result monitoring indicator: jobs for researchers created in enterprises that have received investments, code R.N. 811.

32. The indicators of monitoring of the implementation of the Measure provided for in subparagraphs 31.6, 31.7, 31.8 and 31.9 hereof shall be calculated in accordance with the Description of Calculation of the National Monitoring Indicators approved by Order No 4-933 of the Minister of Economy and Innovation of the Republic of Lithuania of 19 December 2014 "On the Approval of the Plan for the Implementation of the Implementing Measures of the Priority Axis under the Operational Programme for the European Union Funds' Investments in 2014–2020 and the Description of Calculation of the National Monitoring Indicators". The indicators of monitoring of the implementation of the Measure provided for in subparagraphs 31.1, 31.2, 31.3, 31.4 and 31.5 hereof shall be calculated in accordance with the Description of Calculation of the Monitoring Indicators of the Operational Programme. The descriptions of the calculation of all the indicators of monitoring of the implementation of the Measure provided for in paragraph 31 hereof shall be published on the website of the EU Structural Funds at website www.esinvesticijos.lt.

33. The requirements for the maturity of the Project shall not apply.

34. No restrictions which would have an adverse effect on implementation of the principles of gender equality and non-discrimination based on gender, race, nationality, language, origin, social standing, faith, beliefs and views, age, disability, sexual orientation, ethnicity or religion can be established.

35. There shall be no Project actions which would adversely affect the implementation of the sustainable development principle.

36. The activities under the Project shall be launched no later than within 6 months from the date of signature of the Project agreement.

37. The Project and Project activities could not have been funded and cannot be funded from the State and/or municipal budgets of the Republic of Lithuania, other financial resources at the disposal of the State and/or municipalities, the EU Structural Funds or other measures of the EU

financial assistance or other international aid if upon giving a grant of the EU Structural Funds, such measures would be recognised as eligible for funding and/or been paid more than once.

CHAPTER IV REQUIREMENTS FOR ELIGIBLE EXPENSES AND FINANCING OF THE PROJECT

SECTION ONE GENERAL REQUIREMENTS

38. The Project expenses shall meet with the requirements for the Project expenses set forth in Chapter VI of the Project Rules and the Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union.

39. The maximum amount of financing which may be allocated for the Project shall be as follows:

39.1. EUR 3,000,000 (three million Euro) for the activity provided for in subparagraph 10.1 hereof;

39.2. EUR 6,500,000 (six million five hundred thousand Euro) for the activities provided for in subparagraph 10.2 hereof;

39.3. EUR 500,000 (five hundred thousand Euro) for the activities stipulated in subparagraph 10.3 hereof.

40. The minimum amount which may be allocated for the Project shall be EUR 50,000 (fifty thousand Euro).

41. Acquisition or leasing (financial lease) expenses and depreciation expenses of the same assets shall not be eligible, i.e., the same non-current assets or shall be either acquired (including the possibility of leasing (financial lease)) as provided for in Table 4 hereof by applying Article 14 of the General Block Exemption Regulation or the depreciation expenses of the same non-current assets may be financed as provided for in Table 2 hereof by applying Article 25 of the General Block Exemption Regulation and Table 6 hereof by applying Article 29 of the General Block Exemption Regulation.

42. In addition to the requirements provided for in Chapter VI of the Project Rules, the Project expenses shall be subject to the provisions of Articles 13, 14, 25 and 29 of the General block exemption regulation or the *De Minimis* Regulation.

43. The Project budget shall be compiled in accordance with the Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union. The Project budget table laid down in the form of the Application shall be completed in accordance with the Instructions on Completing the Project Budget Form provided for in in the Recommendations on the Eligibility of Project Expenses for Funding from the Structural Funds of the European Union.

44. The Project expenses financed at a flat rate indicated in paragraph 7 of Table 2 and paragraph 7 of Table 6 hereof shall meet paragraph 35 of Chapter VI of the Project Rules.

45. The following expenses shall be regarded as ineligible expenses hereunder:

45.1. the expenses provided for paragraph 34 of Chapter VI of the Project Rules;

45.2. the expenses not listed in Tables 2, 4 and 6 hereof.

46. The state aid the eligible expenses of which can be determined or which may be subject to exemption under the General Block Exemption Regulation may be cumulated with the following:

46.1. any other state aid provided that the measures are related to different categories of eligible expenses which may be identified;

46.2. any other state aid related to the same eligible expenses which may partially or fully coincide provided that the total amount does not exceed the allowed state aid intensity or the total amount of state aid under the General Block Exemption Regulation is applicable to the same state aid.

47. State aid which is subject to exemption under Article 8(5) of the General Block Exemption Regulation shall not be cumulated with any *de minimis* aid related to the same eligible

expenses where such cumulation would result in exceeding the state aid intensity set forth in Resolution No 571 of the Government of the Republic of Lithuania of 25 June 2014 “On the Regional Aid Map of the Republic of Lithuania” (where the state aid is granted on the basis of Article 14 of the General Block Exemption Regulation), Article 25 of the General Block Exemption Regulation (where the state aid is granted in accordance with this Article) or Article 29 of the General Block Exemption Regulation (where state aid is granted in accordance with this Article).

48. *De minimis* aid shall not be cumulated with the state aid granted for the same eligible expenses if such cumulation of the aid would result in exceeding the highest state aid intensity set forth in the General Block Exemption Regulation or the decision adopted by the European Commission or the amount of the aid separately set in each case.

49. Following the provisions of Article 3 of the *De Minimis* Regulation, the total amount of *de minimis* aid granted to a single undertaking shall not exceed EUR 200,000 (two hundred thousand Euro) over any period of three fiscal years. The total amount of *de minimis* aid granted to a single undertaking performing road freight transport for hire or reward shall not exceed EUR 100 000 (one hundred thousand Euro) over any period of three fiscal years. The afore-mentioned ceilings shall apply irrespective of the form of the *de minimis* aid or the objective pursued and regardless of whether the aid granted by the Member State is financed entirely or partly by resources of the European Union origin. Single undertaking includes all enterprises as provided for in Article 2(2) of the *De Minimis* Regulation. The Applicant and the partner(s) shall be entitled to verify if it is linked to other entities by using the questionnaire “Is the beneficiary linked to other entities?” prepared by the Competition Council of the Republic of Lithuania and published on the website of the Competition Council of the Republic of Lithuania at https://kt.gov.lt/uploads/documents/files/veiklos-sritys/valstybes-pagalba/klausimynai/kaip_KLAUSIMYNAS_vienas_ukio_subjektas.pdf.

50. Where it is planned to carry out the activities provided for in subparagraph 10.1 hereof and incur expenses of patenting the products developed in implementation of the Project, the Implementing Authority shall verify the right of the Applicant and the partners of the Project to receive the total amount of *de minimis* aid granted to one enterprise during the evaluation. The Implementing Authority shall verify all related enterprises indicated in the submitted Single Undertaking Declaration according to the recommended form prepared by the Ministry and published on the websites <http://www.esinvesticijos.lt/lt/dokumentai/vienos-imonės-deklaracijos-pagal-komisijos-reglamentą-es-nr-1407-2013> and <http://eimin.lrv.lt/lt/veiklos-sritys/es-fondu-investicijos/2014-2020-m-programavimo-laikotarpis/smart-fdi> and in the Register, verify if the provided aid does not exceed the permitted amount of *de minimis* aid as provided for in Article 3 of the *De Minimis* Regulation. If the Ministry decides to finance the Project, the Applicant and the partners shall be deemed to be granted *de minimis* aid and the Implementing Authority shall register the amount of the granted *de minimis* aid in the Register within 5 working days.

51. If the Project promoter fails to reach the values of the indicators of monitoring of the implementation of the Measure, the provisions of paragraph 22 of Chapter IV of the Project Rules shall apply.

SECTION TWO

WHERE STATE AID IS GRANTED TO THE ACTIVITY INDICATED IN SUBPARAGRAPH 10.1 HEREOF ACCORDING TO ARTICLE 25 OF THE GENERAL BLOCK EXEMPTION REGULATION AND THE *DE MINIMIS* REGULATION

52. The financing rate of the Project (calculated from the eligible expenses allocated for the activities provided for in subparagraph 10.1 hereof) shall be indicated in Table 1 hereof.

Table 1. Financing rate of the Project.

Seq. No		Possible increase of the base financing rate up to a maximum of 80 per cent of total eligible expenses	Possible maximum financing rate with regard to the status of the beneficiary of state aid
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	<i>R&D activities</i>	<i>Base financing rate</i>	<i>Increase for Medium-Sized Enterprises</i>	<i>Increase for Small Enterprises and Micro Enterprises</i>	<i>Increase for Effective Collaboration if the conditions stipulated in Article 25(6)(b) of the General Block Exemption Regulation are met</i>	<i>Large Enterprise</i>	<i>Medium-Sized Enterprise</i>	<i>Micro Enterprise and Small Enterprise</i>
1.	<i>Research</i>	50 per cent	10 per cent	20 per cent	15 per cent	65 per cent	75 per cent	80 per cent
2.	<i>Experimental Development</i>	25 per cent	10 per cent	20 per cent	15 per cent	40 per cent	50 per cent	60 per cent

53. The financing rate of the Project shall be individually determined for each State Aid Beneficiary (including partner).

54. The portion of the eligible expenses of the Project not covered by the allocated financing shall be financed from the funds of the Project promoter and/or its partner(s).

55. The Applicant and/or the partner shall be entitled, at their own initiative and/or using other sources of funding, to contribute to implementation of the Project with an amount of funds which is higher than required.

56. If the Project is implemented jointly with partners, the Applicant shall incur no less than 50 per cent of the eligible expenses of the activity indicated in subparagraph 10.1 hereof and, if it is subject to an increase of the financing rate of the Project for Effective Collaboration as indicated in Table 1 hereof, no more than:

56.1. 70 per cent of the eligible expenses allocated for the activity indicated in subparagraph 10.1 hereof if the partner or one of the partners is a Micro Enterprise, Small Enterprise or Medium-Sized Enterprise;

56.2. 90 per cent of the eligible expenses allocated for the activity indicated in subparagraph 10.1 hereof if the partner or one of the partners is a Higher Education and Research Institution.

57. If the Project is implemented jointly with partners and it is subject to an increase of the financing rate of the Project for Effective Collaboration as provided for in Table 1 hereof, the partner shall incur no less than:

57.1. 10 per cent of the eligible expenses allocated for the activities specified in subparagraph 10.1 hereof if the partner is a Higher Education and Research Institution. If more than one Higher Education and Research Institution are acting as partners, they shall jointly incur no less than 10 per cent of the eligible expenses allocated for the activity indicated in subparagraph 10.1 hereof;

57.2. 30 per cent of the eligible expenses allocated for the activities specified in subparagraph 10.1 hereof if the partner is a Micro Enterprise, Small Enterprise or Medium-Sized Enterprise. If more than one private legal entity are acting as partners (one of which must be a Micro Enterprise, Small Enterprise or Medium-Sized Enterprise), they shall jointly incur no less than 30 per cent of the eligible expenses allocated for the activity indicated in subparagraph 10.1 hereof.

58. If the Project is implemented with a Higher Education and Research Institution as a partner, the latter's contribution into the Project may also be in-kind, e.g. voluntary work, which shall be calculated in accordance with the procedure prescribed in subparagraph 420.2 of the Project Rules at the flat rates according to the Study Report on Determination of the Flat Pay Rates in Research Projects published on the website of the EU Structural Funds at

<https://www.esinvesticijos.lt/lt/dokumentai/darbo-uzmokescio-fiksuotuju-ikainiu-dydziau-moksliniu-tyrimu-projektuose-nustatymo-tyrimo-ataskaita-1?type=versions> (hereinafter referred to as the "Study Report on Determination of the Flat Pay Rates in Research Projects"). Voluntary work shall not be paid for using the Project financing funds but shall be estimated and indicated in the Application for the purpose of evaluating the contribution of the Higher Education and Research Institution to implementation of the Project.

59. The expenses incurred by partners as a result of implementation of the Project and meeting the requirements set forth in paragraph 38 hereof and the terms and conditions stipulated in Table 2 hereof shall be as eligible expenses but such expenses shall be compensated by the Project promoter. The financing allocated for implementation of the Project shall be received directly by the Project promoter which shall settle accounts with its partners. The partners shall not directly receive any financing. The financing intensity to partners shall be subject to monitoring and verification upon receipt of the payment claim. The Project promoter shall be obliged to transfer the amount of financing allocated to the partners within 5 working days from the receipt of such amount, respective request to pay. The Project promoter shall not be entitled to use the financing allocated to the partner.

60. The categories of eligible or ineligible expenses hereunder shall be set out in Table 2 herein below.

Table 2. Categories of eligible and ineligible expenses.

Expense category No	Title of the expense category	Requirements and clarifications
1.	Land	Ineligible expenses.
2.	Immovable property	Ineligible expenses.
3.	Construction, reconstruction, repairs and other works	Ineligible expenses.
4.	Plant, fixtures and other assets	Eligible expenses shall be deemed to be expenses of acquisition of patented know-how and inventions or rights under a licence agreement from external sources under normal market conditions, i.e. where an acquisition is made from external sources at market prices on the basis of a transaction concluded by the parties provided that there are no related elements of a secret arrangement. The aforementioned expenses alongside the expenses provided for in subparagraphs 5.1 and 5.2 of Table 2 hereof shall not account for more than 50 per cent of the eligible expenses allocated for the activity indicated in paragraph 10.1 hereof. Expenses of acquisition of software licenses shall not be deemed be eligible expenses.
5.	Project implementation	The following expenses shall be considered as eligible expenses: 5.1. expenses of acquisition of R&D services from external sources under normal market conditions, i.e. where an acquisition is made from external sources at market prices on the basis of a transaction concluded by the parties provided that there are no related elements of a secret arrangement; 5.2. expenses related to acquisition of consultation or equivalent services provided exclusively for the purposes of carrying out of R&D activities and expenses in relation to acquisition of the services required for R&D activities, which are not R&D and the goals of the Project could not be achieved without them;

		<p>5.3. expenses of patenting the products to be developed in the course of implementation of the Project (the expenses shall be eligible expenses according to the provisions of the <i>De Minimis</i> Regulation and shall be paid under the simplified procedure at the flat rate for invention patenting and design registration on an international scale in accordance with the Study Report on Determination of the Flat Pay Rates for Invention Patenting and Design Registration on an International Scale which is published on the website of the EU Structural Funds at http://www.esinvesticijos.lt/lt/dokumentai/isradimu-patentavimo-ir-dizaino-registravimo-tarptautiniu-mastu-fiksuotuju-ikainiu-nustatymo-tyrimo-ataskaita);</p> <p>5.4. expenses related to other operating costs directly related to R&D activity including costs for materials, low-value inventory, stocks and similar products which should be qualified as current assets;</p> <p>5.5. expenses of depreciation of non-current tangible assets (fixtures, equipment, tools, facilities, machinery and installations, buildings and/or premises) used for R&D activities provided that no public funds (including public funds of other countries) have been used for acquisition of such assets. The afore-mentioned expenses shall not account for more than 50 per cent of the eligible expenses allocated for the activity indicated in paragraph 10.1 hereof;</p> <p>5.6. wages of the personnel implementing the Project and expenses for the employer's obligations related to employment relationship calculated in accordance with the procedure provided for in the legal acts regulating wages and employment relations. The expenses of wages of the personnel implementing the Project for annual leave and/or compensations for unused annual leave and payments for additional rest days to the executive staff shall be paid at the flat rates for annual leave and payments for additional rest days which shall be determined in accordance with the Study Report on Determination of the Flat Pay Rates for Annual Leave and Payments for Additional Rest Days published on the website of the EU Structural Funds at http://www.esinvesticijos.lt/lt/dokumentai/kasmetiniu-atostogu-ismoku-fiksuotuju-normu-nustatymo-tyrimo-ataskaita (in case where a partner of the Project is a Higher Education and Research Institution, the flat rates shall be applied according to the Study Report on Determination of the Flat Pay Rates in Research Projects);</p> <p>5.7. expenses of postings of the personnel implementing the Project calculated in accordance with the procedure prescribed in the legal acts regulating the expenses of postings. The expenses of transport in the Republic of Lithuania necessary for carrying out of the Project activities (postings of the personnel carrying out the Project activities) and travelling by land transport from the Republic of Lithuania to another country (and back) shall be paid at the flat rates for fuel and public transport which shall be set in accordance with the Study Report on Determination of the Flat Rates for Fuel and Public Transport published on the website of the EU Structural Funds at http://www.esinvesticijos.lt/lt/dokumentai/kuro-ir-viesojo-transporto-islaidu-fiksuotuju-ikainiu-nustatymo-tyrimo-ataskaita;</p> <p>5.8. the overheads directly related to implementation of the Project and proportionately (on a <i>pro rata</i> basis) distributed by activity, i.e.</p>
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		<p>equipment (except for the equipment purchased from the funds allocated from the EU Structural Funds or other EU financial instruments) rent expenses;</p> <p>5.9. the overheads directly related to implementation of the Project and proportionately (on a <i>pro rata</i> basis) distributed by activity, i.e. expenses of rent of the buildings or premises necessary for implementation of the Project.</p> <p>The expenses referred to in subparagraphs 5.1 and 5.2 of Table 2 hereof together with the expenses referred to in paragraph 4 of Table 2 hereof shall not account for more than 50 per cent of the eligible expenses allocated for the activities provided for in subparagraph 10.1 hereof.</p> <p>The expenses referred to in subparagraphs 5.8 and 5.9 of Table 2 hereof together with the expenses referred to in paragraph 7 of Table 2 hereof shall not account for more than 10 per cent of the eligible expenses allocated for the activities provided for in subparagraph 10.1 hereof.</p>
6.	Providing information about the Project	Ineligible expenses.
7.	Indirect expenses and other expenses at the flat rate of expenses of the Project	<p>The amount of indirect expenses of the Project at the flat rate shall be calculated in accordance with Annex 10 to the Project Rules.</p> <p>The expenses referred to in paragraph 7 of Table 2 hereof together with the expenses referred to in subparagraphs 5.8 and 5.9 of Table 2 hereof shall not make more than 10 per cent of the eligible expenses allocated for the activities provided for in subparagraph 10.1 hereof.</p>

61. If the Project is implemented jointly with a Higher Education and Research Institution, the indirect state aid via the Higher Education and Research Institution shall be deemed to be not transferred to other legal entities participating in the Project if one of the following conditions is met:

61.1. the results not covered by intellectual property rights may be made publicly available and all intellectual rights to R&D and innovation results related to the activity of the Higher Education and Research Institution participating in the Project are awarded only to the Higher Education and Research Institution, i.e. the Higher Education and Research Institution enjoys full economic benefit of those rights by retaining full disposal of them, notably the right of ownership and the right to license; the afore-mentioned conditions may also be met if the Higher Education and Research Institution decides to continue concluding contracts on the afore-mentioned rights including giving licences to its partner; these conditions may also be fulfilled if the Higher Education and Research Institution decides to conclude further contracts concerning these rights including licensing them to the collaboration partner;

61.2. the Higher Education and Research Institution receives from the participating legal entity compensation equivalent to the market price for the intellectual property rights which result from the activity of the Higher Education and Research Institution carried out in the Project and which are transferred to the participating legal entities, i.e. compensation for the full economic benefit of those rights; in line with general state aid principles and given the inherent difficulty to establish objectively the market price for intellectual property rights, this condition shall be deemed to be fulfilled if the Higher Education and Research Institution as seller negotiates in order to obtain the maximum benefit at the moment when the contract is concluded. Any contribution of the participating legal entity to the costs of the Higher Education and Research Institution shall be deducted from such compensation.

62. There may also be no state aid where the assessment of the contractual agreement between the partners leads to the conclusion that any intellectual property rights to the R&D results as well as access rights to the results are allocated to the different partners of the collaboration and adequately reflect their respective interests, work packages, and financial and other contributions to the Project.

63. If none of the conditions mentioned in paragraph 61 hereof are fulfilled and having fulfilled the assessment of the Project according to paragraph 62 hereof, the Implementing Authority determines that the state aid has been granted, the full value of the contribution of the Higher Education and Research Institution to implementation of the Project (eligible expenses) shall be considered as state aid and the Implementing Authority shall decrease the financing rate by the amount thereof to the Applicant and/or partner depending on which of them has received the state aid (e.g. the enterprise implements a research Project with a partner, i.e. university. The enterprise shall be subject to 50 per cent financing rate. The enterprise's eligible expenses shall amount to EUR 600,000 (six hundred thousand Euro). If financing amounting to EUR 300,000 (three hundred thousand Euro) is allocated to it for in the course of implementation of the Project and it becomes evident that at least one of the conditions established in paragraph 61 hereof was not met, for example, the university transferred the intellectual property rights at the price lower than the market price (the market price shall be set in accordance with the procedure prescribed in the internal procedures of the implementing authority, i.e. the market price amounting to EUR 35,000 (thirty five thousand Euro) and the university transferred the intellectual property rights for the compensation amounting to EUR 15,000 (fifteen thousand Euro), the amount of financing granted to the enterprise according to this Description shall be decreased by the amount of EUR 20,000 (twenty thousand Euro) (the granted financing cannot exceed EUR 280,000 (two hundred eighty thousand Euro).

SECTION THREE
WHERE STATE AID IS GRANTED TO THE ACTIVITY INDICATED IN
SUBPARAGRAPH 10.2 HEREOF ACCORDING TO ARTICLE 14 OF THE GENERAL
BLOCK EXEMPTION REGULATION

64. The financing rate of the Project (from the eligible expenses allocated for the activities provided for in subparagraph 10.2 hereof) shall be indicated in Table 3 herein below.

Table 3. Financing rate of the Project.

<i>Seq. No</i>	<i>Status of the Applicant</i>	<i>Financing rate of the Project up to</i>
1.	Large Enterprise	25 per cent
2.	Medium-Sized Enterprise	35 per cent
3.	Micro Enterprise or Small Enterprise	45 per cent

65. The portion of the eligible expenses of the Project not covered by the financing allocated for the Project shall be financed from the funds of the Project promoter.

66. The Applicant shall be entitled, at its own initiative and/or using other sources of funding, to contribute to implementation of the Project with an amount of funds which is higher than required.

67. The Applicant shall make a financial contribution which makes at least 25 per cent of the eligible funds allocated for the activities provided for in subparagraph 10.2 hereof from its own resources or from external funds provided without any public support as provided for in Article 14(14) of the General Block Exemption Regulation.

68. The categories of eligible or ineligible expenses hereunder shall be set out in Table 4 herein below.

Table 4. Categories of eligible and ineligible expenses.

Expense category No	Title of the expense category	Requirements and clarifications
1.	Land	Ineligible expenses.
2.	Immovable property	Ineligible expenses.
3.	Construction, reconstruction, repairs and other works	The following expenses shall be considered as eligible expenses: 3.1. expenses of construction of the construction works attributable to the R&DI infrastructure; 3.2. expenses of reconstruction, overhaul repaid of the construction works attributable to the R&DI infrastructure provided that the reconstruction and overhaul repair enhance the useful properties of the assets and/or extend the useful life of the assets.
4.	Plant, fixtures and other assets	Acquisition or leasing (financial leasing) expenses of the below listed non-current assets listed below (the period of leasing (financial lease) may not be longer than the period of implementation of the Project, i.e. tangible assets acquired by means of leasing (financial lease) shall become the property of the Project promoter before the end of implementation of the Project). The following expenses shall be considered as eligible expenses: 4.1. the furniture directly necessary for implementation of R&D activities and furnishing newly established workplaces for researchers and auxiliary staff; 4.2. computer hardware. The expenses for the assets may not account for more than 50 per cent of the amount of eligible expenses allocated for the activities referred to in subparagraph 10.2 hereof if the activity provided for in subparagraph 10.1 hereof is not carried out; 4.3. the patents and licences related to the R&DI infrastructure or use thereof. The software licence acquisition expenses shall not be eligible expenses; 4.4. other plant, fixtures, tools and machinery attributable to the R&DI infrastructure.
5.	Project implementation	Ineligible expenses.
6.	Providing information about the Project	Ineligible expenses.
7.	Indirect expenses and other expenses at the flat rate of expenses of the Project	Ineligible expenses.

69. If the state aid is granted for an Initial Investment related to a fundamental change in the existing production process of an enterprise or diversification of activities thereof, the eligible expenses shall satisfy the provisions of Article 14(7) of the General Block Exemption Regulation. Information on whether the state aid is requested for an initial investment related to a fundamental change in the existing production process of an enterprise or diversification of activities thereof shall be specified in the business plan for financing under the Measure the recommended form and the requirements for the contents of which are established in the Description of the Requirements for the Content of the Business Plans for Financing under Measures Administered by the Ministry of

Economy and Innovation of the Republic of Lithuania under Priority Axis 1 “Strengthening Research and Development and Innovation” of the Operational Programme for the European Union Funds’ Investments in 2014–2020 published on the website of the Ministry at <http://eimin.lrv.lt/lt/veiklos-sritys/es-fondu-investicijos/2014-2020-m-programavimo-laikotarpis/smart-fdi> (hereinafter referred to as the “Business Plan”).

70. All non-current tangible assets to be acquired in the Project shall be brand new (not second-hand) and produced not earlier than 3 years before the date of acquisition.

71. The intangible assets used for calculation of the investment expenses shall satisfy the following conditions:

71.1. the assets must be used only for the activities of the Project promoter;

71.2. the assets must be amortisable;

71.3. the assets must be purchased under market conditions from third parties unrelated to the buyer;

71.4. the assets must be included in the assets of the Project promoter and must remain associated with the Project for which the aid is granted for at least five years in case of Large Enterprises or three years in the case of Micro Enterprises, Small Enterprises and Medium-Sized Enterprises after the end of financing the Project.

72. If the R&DI infrastructure developed in the course of implementation of the Project is to be used in production, the portion of expenses of development and installation of such infrastructure which is proportionate to its intended use exclusively for R&D activities may be financed by the funds of the Measure. The proportionality of the developed R&DI infrastructure to the R&D activities shall be determined by means of assessing the proportion of time when such infrastructure is going to be used exclusively for R&D activities and other activities not related to R&D. For the purposes of establishing whether an activity is R&D activity, the Description of the Recommended Classification of Research and Experimental Development Stages approved by Resolution No 650 of the Government of the Republic of Lithuania of 6 June 2012 “On the Approval of the Description of the Recommended Classification of Research and Experimental Development Stages” and the Frascati Manual (measuring of research and experimental development activities and standard practices recommended for statistical reviews of research and experimental development, Frascati Manual, Organisation for Economic Cooperation and Development, 2015) shall be followed. The time of using the infrastructure for R&D activities shall include not only time used directly for R&D activities but also time spent in preparation of the infrastructure for respective R&D activities and downtime in-between relevant R&D activities. In all cases, the time used for the R&D activities shall be economically reasonable.

SECTION FOUR
WHERE STATE AID IS GRANTED TO THE ACTIVITY INDICATED IN
SUBPARAGRAPH 10.3 HEREOF ACCORDING TO ARTICLE 29 OF THE GENERAL
BLOCK EXEMPTION REGULATION

73. The financing rate of the Project (calculated from the eligible expenses allocated for the activities provided for in subparagraph 10.3 hereof) shall be indicated in Table 5 hereof.

Table 5. Financing rate of the Project.

<i>Seq. No</i>	<i>Status of the beneficiary of state aid</i>	<i>Financing rate of the Project up to</i>
1.	Large Enterprise if the conditions provided for in Article 29(2) of the General Block Exemption Regulation are met	15 proc.
2.	Micro Enterprise, Small Enterprise or Medium-Sized Enterprise	50 proc.

74. The financing rate of the Project for each beneficiary of the state aid (including the partner) shall be set separately.

75. The portion of the eligible expenses of the Project not covered by the financing allocated for the Project shall be financed from the funds of the Project promoter and/or the partner(s).

76. The Applicant and/or the partner shall be entitled, at its own initiative and/or using other sources of funding, to contribute to implementation of the Project with an amount of funds which is higher than required.

77. If the Applicant falls within the category of Large Enterprise, Effective Collaboration with a partner(s), i.e. Micro Enterprise(s), Small Enterprise(s) and Medium-Sized Enterprise which incurs at no less than 30 per cent of eligible expenses of the activity indicated in subparagraph 10.3 hereof shall be ensured. Otherwise, state aid shall not be granted to the Applicant.

78. If the Project is implemented jointly with the partner(s), the Applicant shall incur no less than 70 per cent of the eligible expenses of the activity indicated in subparagraph 10.3 hereof.

79. The expenses incurred by partners as a result of implementation of the Project and meeting the requirements set forth in paragraph 38 hereof and the terms and conditions stipulated in Table 6 hereof shall be as eligible expenses but such expenses shall be compensated by the Project promoter. The financing allocated for implementation of the Project shall be received directly by the Project promoter which shall settle accounts with its partners. The partners shall not directly receive any financing. The financing intensity to partners shall be subject to monitoring and verification upon receipt of the payment claim. The Project promoter shall be obliged to transfer the amount of financing allocated to the partners within 5 working days from the receipt of such amount. The Project promoter shall not be entitled to use the financing allocated to the partner.

80. The categories of eligible or ineligible expenses hereunder shall be set out in Table 6 herein below.

Table 6. Categories of eligible and ineligible expenses.

Expense category No	Title of the expense category	Requirements and clarifications
1.	Land	Ineligible expenses.
2.	Immovable property	Ineligible expenses.
3.	Construction, reconstruction, repairs and other works	Ineligible expenses.
4.	Plant, fixtures and other assets	Eligible expenses shall be deemed to be expenses of acquisition of patented know-how and inventions or rights under a licence agreement from external sources under normal market conditions, i.e. where an acquisition is made from external sources at market prices on the basis of a transaction concluded by the parties provided that there are no related elements of a secret arrangement. Expenses of acquisition of software licenses shall not be deemed be eligible expenses.
5.	Project implementation	The following expenses shall be considered as eligible expenses: 5.1. expenses of acquisition of R&D services from external sources under normal market conditions, i.e. where an acquisition is made from external sources at market prices on the basis of a transaction concluded by the parties provided that there are no related elements of a secret arrangement; 5.2. expenses related to other operating costs including costs for materials, low-value inventory, stocks and similar products which should be qualified as current assets;

		<p>5.3. expenses of depreciation of non-current tangible assets (fixtures, equipment, tools, facilities, machinery and installations, buildings and/or premises) provided that no public funds (including public funds of other countries) have been used for acquisition of such assets;</p> <p>5.4. wages of the personnel implementing the Project and expenses for the employer's obligations related to employment relationship calculated in accordance with the procedure provided for in the legal acts regulating wages and employment relations. The expenses of wages of the personnel implementing the Project for annual leave and/or compensations for unused annual leave and payments for additional rest days to the executive staff shall be paid at the flat rates for annual leave and payments for additional rest days which shall be determined in accordance with the Study Report on Determination of the Flat Pay Rates for Annual Leave and Payments for Additional Rest Days published on the website of the EU Structural Funds at http://www.esinvesticijos.lt/lt/dokumentai/kasmetiniu-atostogu-ismoku-fiksuotuju-normu-nustatymo-tyrimo-ataskaita (in case where a partner of the Project is a Higher Education and Research Institution, the flat rates shall be applied according to the Study Report on Determination of the Flat Pay Rates in Research Projects);</p> <p>5.5. expenses of postings of the personnel implementing the Project calculated in accordance with the procedure prescribed in the legal acts regulating the expenses of postings. The expenses of transport in the Republic of Lithuania necessary for carrying out of the Project activities (postings of the personnel carrying out the Project activities) shall be paid at the flat rates for fuel and public transport which shall be set in accordance with the Study Report on Determination of the Flat Rates for Fuel and Public Transport published on the website of the EU Structural Funds at http://www.esinvesticijos.lt/lt/dokumentai/kuro-ir-viesojo-transporto-islaidu-fiksuotuju-ikainiu-nustatymo-tyrimo-ataskaita.</p>
6.	Providing information about the Project	Ineligible expenses.
7.	Indirect expenses and other expenses at the flat rate of expenses of the Project	The amount of indirect expenses of the Project at the flat rate shall be calculated in accordance with Annex 10 to the Project Rules.

SECTION FIVE
DRAWING UP OF APPLICATIONS, PROVISION OF INFORMATION TO APPLICANTS, CONSULTATION OF APPLICANTS, SUBMISSION AND EVALUATION OF APPLICATIONS

81. In order to receive funding, the Applicant shall complete an Application in a partially pre-filled form in PDF format which is available at the section "Related Documents" of Chapter "Financing" of the website of the EU Structural Funds at www.esinvesticijos.lt, under the call for applications.

82. The Applicant shall complete an application (the Application shall be entitled to submit an application only in the Lithuanian language or the Lithuanian and English languages if he wishes to ensure the appropriate quality of the transaction (a translation shall be deemed to be of appropriate quality if it has been endorsed with the translator's signature and the stamp of the translation agency or with a signature and stamp of the supplier or an authorised representative thereof), yet, the document in the Lithuanian language shall take precedence in evaluation) and shall upload it together with the annexes referred to in paragraph 86 hereof (completed in the Lithuanian language unless subparagraphs of paragraph 86 hereof provides for otherwise) by the last day of the deadline set in the notice of the call for applications through the data exchange website (hereinafter referred to as the "DEW") for Projects co-funded by the European Union Structural Funds and, in case of the functionalities of the DEW have not been installed, applications shall be submitted to the Implemented Authority in writing (also submitting an application and annexes thereto recorded in an electronic data carrier) in accordance with the procedure prescribed in Section Twelve of the Chapter III of the Project Rules.

83. If the application is submitted in writing in accordance with paragraph 82 hereof, it may be submitted in one of the following ways:

83.1. a signed hard copy of the Application and annexes thereto shall be submitted to the Implementing Authority (accompanied by the application and annexes thereto recorded in an electronic data carrier). The content of the original and the electronic versions of the Application must be identical. Having established that the content of the electronic version of the Application does not match the content of the hard copy, the information provided in the hard copy of the Application shall prevail. The Application may be submitted by registered mail, via a mail courier or delivered in person to the address indicated in the call for applications;

83.2. an electronic document signed by a qualified electronic signature shall be sent to the Implementing Authority by e-mail as indicated in the call for applications.

84. If the Applications are submitted through the DEW, the Applicant shall log in to the DEW via the State Information Resources Interoperability Platform and register as a DEW user.

85. If the functionalities of the DEW are temporarily not available and, as a result, the Applicants are not able to upload the Application or annex(s) thereto on the last day of the deadline for submission of applications, the Implementing Authority shall extend the time limit for submission of applications for 7 (seven) days and/or provide the possibility to submit the proposal and annexes thereto in another way announcing it in accordance with the procedure prescribed in paragraph 82 of the Project Rules.

86. The Applicant shall be required to submit the following annexes alongside with the application (the templates of the annexes stipulated in subparagraphs 86.1 and 86.2 hereof shall be available in the section "Documents" on the website of the EU Structural Funds at www.esinvesticijos.lt, document type: "Templates of Annexes to Applications"):

86.1. a completed Questionnaire on the Eligibility of Value Added Tax on Purchase and/or Import for Funding from the EU Structural Funds or the Budget of the Republic of Lithuania if the Applicant requests to recognise the value added tax expenses as eligible expenses, i.e. the Applicant includes the afore-mentioned expenses in the budget of the Project;

86.2. the Project budget breakdown by the Applicant and partner(s) if the Project is implemented jointly with a partner(s);

86.3. a Declaration on the Status of a Small or Medium-Sized Business Entity filled in by the Applicant and/or the partner(s) if the Project is implemented in cooperation with the partner(s); the form of the declaration was approved by Order No 4-119 of the Minister of Economy of the Republic of Lithuania of 26 March 2008 "On the Approval of the Description of the Procedure for the Declaration on the Status of a Small and Medium-Sized Business Entity and the Form of the Declaration of the Status of Small and Medium-Sized Business Entity";

86.4. information about the received state aid, other sources of financing and the data required to assess the compliance of the Project with the conditions of financing according to the provisions of the Description No 2 of the Conditions of Funding of Smart FDI Projects under Measure No 01.2.1-

LVPA-T-848 of Priority Axis 1 “Strengthening Research and Development and Innovation” of the Operational Programme for the European Union Funds’ Investments in 2014–2020 and the Project selection criteria (Annex 3 to the Description);

86.5. documents substantiating the reasonableness of the budget of the Project (commercial proposals, references to market prices, etc.). Information may be provided in the Lithuanian and/or English languages;

86.6. a business plan (if a business plan is submitted in a form other than the recommended one, it shall nevertheless contain all the information indicated in the recommended form). The Applicant may submit a business plan only in the Lithuanian language or in the Lithuanian and English languages provided that the appropriate quality of the translation is ensured and that the Lithuanian version prevails during evaluation);

86.7. preliminary sources of funding (Applicant’s contribution and compensation of the ineligible expenses);

86.8. a copy of the joint activity (partnership) agreement or letter of intent for cooperation if the Project is implemented jointly with a partner(s);

86.9. a declaration(s) by partner(s) if the Project is intended to be implemented jointly with a partner(s) (the form of the partner’s declaration shall be an integral part of the completed form of the Application);

86.10. a declaration of free form certifying that the Applicant has fulfilled all tax obligations and paid state social insurance contributions (applicable only in cases when the Applicant is a Foreign Investor (Legal Entity);

86.11. certified sets of financial statements for the past three financial years of the Applicant and/or partner(s) if the Project is to be implemented jointly with a partner(s) (not applicable if the Applicant and/or partner(s) have submitted sets of annual financial statements to the Register of Legal Entities). The information may be provided in the Lithuanian and/or English languages;

86.12. documents certifying that the Applicant and/or partner(s) can legally engage in the activity (perform functions) the launch and/or performance and/or development of which the Project is intended for, of the Project is implemented jointly with partner(s) (applicable only if the laws of the Republic of Lithuania require so);

86.13. a summary of the Project and the business plan in the English language;

86.14. a declaration of free form where the Applicant confirms to be following the requirements set forth in Article 14(16) of the General Block Exemption Regulation;

86.15. if the Applicant is planning to carry out the activity provided for in subparagraph 10.1 hereof and incur expenses of patenting the products developed in the course of implementation of the Project, it shall provide information on the relationship between the enterprises set forth in Article 2(2) of the *De Minimis* Regulation necessary for determining the scope of a single undertaking as provided for in the *De Minimis* Regulation (the Single Undertaking Declaration shall be completed in accordance with the recommended form drawn up by the Ministry and published on the websites <http://www.esinvesticijos.lt/lt/dokumentai/vienos-imones-deklaracijos-pagal-komisijos-reglamentas-es-nr-1407-2013> and <http://eimin.lrv.lt/lt/veiklos-sritys/es-fondu-investicijos/2014-2020-m-programavimo-laikotarpis/smart-fdi>);

86.16. if an investment in an authorised capital is made, a draft letter of agreement specifying the procedure for assignment of the rights to the Project and increase in the authorised capital shall be provided. The approved letter of agreement shall be provided before signature of the Project agreement.

87. In addition to the documents listed in paragraph 86 hereof, the Applicant may also submit an expert opinion on the conformity of the Project activities with the R&D and contribution by the Project to the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities and the topics in relation to implementation of at least one priority area drawn up by the Agency for Science, Innovation and Technology of Lithuania (ASITL) or the Research Council of Lithuania (the experts who have evaluated the Application shall not be related to either the Applicant or the partner(s) (if the Project

is implemented jointly with a partner(s)), i.e. having no employment relationship either with the Applicant or the partner(s) for at least 5 years; the expert and the Applicant or partner(s) shall have no personal property or non-property interests, shall not be closely related with the Applicant or partner(s) either by blood or marriage). The contact information and documentation required for obtaining an expert opinion shall be available on the websites <https://mita.lrv.lt/> and www.lmt.lt. If such opinion is not provided, conformity of the Project activities with the R&D and contribution by the Project to the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities and the topics in relation to implementation of at least one priority area shall be assessed by the Implementing Authority.

88. If an environmental impact assessment must be carried out in accordance with the procedure prescribed in the legislation regulating environmental impact assessment of the proposed economic activity, the Applicant must have prepared a report on the environmental impact assessment before signature of the Project agreement and shall have a decision or conclusion on the selection (a copy thereof) issued by the competent authority. If environmental impact assessment is not mandatory, the Applicant shall furnish the Implementing Authority with a letter of free format specifying the information on the basis of which it has been determined that the Project is not subject to the environmental impact assessment requirement substantiating it with the relevant provisions of the Republic of Lithuania Law on Environmental Impact Assessment of the Proposed Economic Activity. In the event that the Implementing Authority extends the time limit for signing the Project agreement in the cases stipulated in paragraph 103 hereof, the deadline for submission of the documents listed herein shall be extended accordingly.

89. If the Applicant and the Project meet the requirements of eligibility of the Project for funding provided for in Annex 1 hereto, and if the Applicant is planning a new construction, reconstruction or overhaul repairs necessary for the performance of the activity indicated in subparagraph 10.2 hereof, the Applicant shall, not later than within 1 month from the date of submission of the Application to the Implementing Authority, submit the technical design for the construction, reconstruction or overhaul repairs to the Implementing Authority. The technical designs shall be drawn and approved according to the procedure set forth in the legal acts regulating new construction, reconstruction or overhaul repairs.

90. If the Applicant's contribution or a part of the contribution is a credit, the Applicant must have concluded a credit contract not later than before signature of the Project agreement. The Applicant shall furnish the Implementing Authority with a share subscription agreement and the documents evidencing payment for the shares (1/4 stake) before signature of the Project agreement if the Applicant's contribution or a part of the contribution is an increase of the share capital. In the event of a failure by the Applicant to comply with the afore-mentioned requirement within the time limit for signature of the Project agreement set by the Implementing Authority, the invitation to sign the Project agreement shall become null and void and the Project shall not be funded. If the Implementing Authority extends the time limit for signing the Project agreement, the time limit for signature of the credit contract, the share subscription agreement and documents certifying the subscription of shares (1/4 stake) and other sources of funding indicated in Article 103 hereof shall be extended accordingly.

91. The last day of the time limit for submission of Applications shall be set in the call for applications which shall be published on the website of the EU Structural Funds at www.esinvesticijos.lt. The continuous Project selection shall be completed before the deadline if, in accordance with the decisions to finance the received Projects and the newly submitted applications, the amount allocated and requested for financing enables distribution of the total allocated amount of the call for applications and the Ministry has not adopted a decision to increase the amount of the call for applications as defined in paragraph 8 hereof.

92. The Applicants shall be informed and consulted in accordance with the procedure set forth in Section Five of Chapter II of the Project Rules. The information about the persons providing consultations of the Implementing Authority and the contact details thereof shall be indicated in the

notice on the call for applications published hereunder on the website of the EU Structural Funds at www.esinvesticijos.lt.

93. The Implementing Authority shall carry out the evaluation of eligibility of the Project for funding in the manner specified in Section Fourteen and Section Fifteen of Chapter III of the Project Rules, and according to the requirements set forth in Annex 1 hereto.

94. In the course of evaluation of the Application, the Implementing Authority shall be entitled to request the Applicant to provide missing information and/or documents (including documents and/or information in the English language). The Applicant shall provide the aforementioned information and/or documents within the time limit set by the Implementing Authority. If necessary, the Implementing Authority shall be entitled to arrange a discussion of the Project in the meeting via conference call or by other means of communication in the presence of experts of the Implementing Authority and the Applicant and a representative of the Public Institution Invest Lithuania.

95. During evaluation of the Applications, in establishing conformity of the Projects with the general requirements provided for in subparagraphs 1.1 and 1.2 and the specific Project selection criterion provided for in subparagraph 22.3 of Annex 1 hereto, the Implementing Authority shall be guided by the expert conclusion provided for in paragraph 87 hereof (if any) and, if the conclusion is insufficient for assessment of the afore-mentioned general requirements and criteria, an opinion of an expert of its choice. If the expert opinions do not match or a third expert is involved or an expert group discussion is arranged (the discussion may take place interactively), additional experts shall be involved in the discussion if no common opinion is not reached.

96. The Applications shall be evaluated during the period no longer than 60 days from the receipt thereof by the Implementing Authority. The Implementing Authority shall submit the Applications it has evaluated to the Ministry for making the final decision every two months; the date of the first submission of the Applications shall be the date of the registration of the first Application at the Implementing Authority.

97. In case of a failure to evaluate the Applications within the time limit set forth in paragraph 96 hereof (in case the evaluation of the Applications requires applying to other institutions or an on-the-spot check at the Project implementation and/or administration site is carried out), the time limit for evaluation may be extended by a decision of the Implementing Authority. The Implementing Authority shall notify the Applicants of the new deadline for evaluation of the Applications in the manner set forth in paragraph 127 of the Project Regulations via the DEW, and in case where the functionalities of the DEW are not available, the respective information shall be provided in writing; furthermore, such information shall be provided to the Ministry and the Managing Authority in writing in accordance with paragraph 9 of the Project Rules (if the functionality is available, through subsystem SFMIS2014 of the 2014–2020 European Union Structural Funds), and shall indicate the reasons for extension of the time limit.

98. The Application shall be rejected for reasons specified in the Description in accordance with the procedure set forth in paragraph 93 of the Project Rules and Section Fourteen and Section Fifteen of Chapter III of the Project Rules. The Applicant shall be notified of rejection of its Application in writing (via the DEW provided that it is fully operational) within 3 working days from the date of the decision to reject the Application.

99. The Applicant shall have the right to appeal against the decision on rejection of the Application in accordance with the procedure set forth in Section Forty Three of Chapter VII of the Project Rules no later than within 14 days from the day on which the Applicant learned or should have learned about the actions or omission of action of the Implementing Authority appealed against.

100. After the Implementing Authority completes the evaluation of the Application, the decision on financing or refusal to finance the Project shall be taken by the Ministry in accordance with the procedure set forth in Section Seventeen of Chapter III of the Project Rules.

101. After the Ministry passes the decision to finance the Project, the Implementing Authority shall notify the Applicants of such decision within 3 working days from receipt of the decision by e-mail (or via the DEW provided that the functionalities are installed).

102. For the purpose of implementing the Projects financed hereunder, trilateral Project agreements shall be concluded among the Applicants, the Implementing Authority and the Ministry. The Project agreements shall be drawn up only in the Lithuanian language or in the Lithuanian and English languages (bilingual) ensuring appropriate quality of the translation services and on the understanding that the Lithuanian version shall prevail. The Project agreements shall be amended or terminated in accordance with the procedure set forth in Section Nineteen of Chapter IV of the Project Rules.

103. After the Ministry passes the decision on financing of the Project, the Implementing Authority shall draw up a draft agreement and submit it to the Applicant in accordance with the procedure prescribed in Section Eighteen of Chapter IV of the Project Rules and using the form provided for in Annex 4 to the Project Rules which has been adapted to this Description and coordinated with the Ministry and indicate the deadline for signing the draft agreement in the manner set forth in paragraph 166 of the Project Rules. In the event of a failure by the Applicant to sign the Project agreement within the validity period of the proposal set by the Implementing Authority, the proposal for signing the Project agreement shall be considered as expired. The Applicant shall have the right to apply to the Implementing Authority with the request to change the time limit for signing the Project agreement due to objective reasons beyond the Applicant's control. In the event that the Applicant refuses to sign the Project agreement or fails to sign the agreement within the set time limit, the Implementing Authority shall notify the Ministry and the Applicant in the manner set forth in paragraph 168 of the Project Rules.

104. Before award of financing (before conclusion of the agreement), for the purpose of verifying that at the time of award of financing (the moment of signing the Project agreement) neither the Applicant nor the partner(s) (if the Project is to be implemented jointly with the partner(s)) is not an Undertaking in Difficulty, the Implementing Authority may request the Applicant and/or partner(s) (if the Project is to be implemented jointly with partner(s)) to submit the sets of annual financial statements for the past financial year (the afore-mentioned requirement shall not apply to the Applicant and/or the partner(s) who have already submitted their sets of annual financial statement to the Register of Legal Entities). Should it transpire that at the time of award of financing (the moment of signing the Project agreement) the Applicant is an Undertaking in Difficulty, the financing shall not be granted (no Project agreement shall be concluded) (should it transpire that a partner(s) is an Undertaking in Difficulty (if the Project is to be implemented jointly with partner(s)), the Project may be submitted for re-evaluation without the involvement of this partner in the Project).

105. The Applicant's rights in rem to immovable property which shall be directly used in implementation of the Project for the activity described in subparagraph 10.2 hereof and/or the legal facts stipulated in Article 4.254 of the Civil Code of the Republic of Lithuania shall be registered in the Real Property Register prior to the conclusion of the Project agreement. The Applicant's rights in rem to property shall be verified by the Implementing Authority against the Real Property Register. If the Implementing Authority decides to extend the time limit for signing the Project agreement in the cases referred to in paragraph 103 hereof, the deadline for registration of the Applicant's rights in rem to the immovable property which will be directly used in implementation of the Project and/or the legal facts stipulated in Article 4.254 of the Civil Code of the Republic of Lithuania shall be extended accordingly.

106. The original of the Project agreement may be drawn up and submitted as:

106.1. a signed hard-copy document or

106.2. a document signed by a qualified electronic signature (only in an electronic data carrier).

CHAPTER VI REQUIREMENTS FOR IMPLEMENTATION OF PROJECTS

107. The Project shall be implemented according to the requirements provided for in the Project agreement, the Description and the Project Rules.

108. A Project Steering Committee which shall monitor the progress of implementation of the Project and put forward recommendations on implementation of the Project to the entities implementing the Project shall be set up for carrying out the supervision of implementation of the Project. The Project Steering Committee shall be composed of the representatives of the Implementing Authority and the Ministry; representatives of other institutions, enterprises or organisations may also be invited to be members of the Project Steering Committee. The composition of the Project Steering Committee shall be approved by an order of the Minister of Economy and Innovation of the Republic of Lithuania and its operational principles shall be set forth in the Rules of Procedure of the Project Steering Committee.

109. If the Applicant is a Foreign Investor (Legal Entity), the Applicant shall register a private legal entity whereupon it shall exercise a decisive influence in the Register for Legal Entities of the Republic of Lithuania no later than before signing the Project agreement in accordance with the procedure prescribed in the legal acts regulating establishment of legal entities.

110. Following the termination of financing the Project, the continuity of the investments shall be ensured for 5 years in the case of Large Enterprises or 3 years in the case of Micro Enterprises, Small and Medium-Sized Enterprises in accordance with the procedure set forth in Section Twenty Seven of Chapter IV of the Project Rules.

111. The Project promoter shall take out an all-risk insurance for the maximum replacement value in respect of the non-current tangible assets for the acquisition or creation of which the financing was used in implementation of the Project. The insurance coverage of the assets shall last throughout the entire period of implementation of the Project from the moment of its development or acquisition and at least for five years in the case of Large Enterprises and three years in the case of Micro Enterprises, Small or Medium-Sized Enterprises from termination of financing of the Project in accordance with the procedure set forth in the legal acts regulating insurance matters. In the case of an insured event, the Project promoter shall restore the lost asset as well as ensure that such obligations are also complied with by its partner(s).

112. The joint activity (partnership) agreement may be amended after the Project agreement comes into force. The amendments to the joint activity (partnership) agreement shall be possible if they did not have a material impact on the decision on granting financing to the Project. The amendments to the joint activity (partnership) agreement shall be coordinated with the Implementing Authority. The amendments to the joint activity (partnership) agreement shall be effected by means of amending or supplementing the joint activity (partnership) agreement.

113. The Project promoter intending to carry out the activity for which financing has been granted and which is subject to authorisation, licence or operating certificate during implementation of the Project must furnish the Implementing Authority with a copy of such authorisation, licence or operating certificate within the time limit set in the Project agreement during the period of implementation of the Project or upon completion of the Project. In the event of a failure to submit a copy of such authorisation, licence or operating certificate, the Ministry shall be entitled to request the Project promoter to repay the financing granted for the Project.

114. Having agreed with the Ministry, the Implementing Authority shall be entitled to unilaterally terminate the Project agreement in accordance with the procedure set forth in paragraph 192 of the Project Rules if the Project activities are not launched within 6 months from the date of signature of the Project agreement. If the Implementing Authority does not terminate the Project agreement, it shall set the time limit for provision on information on postponement of the start of implementation of the Project activities by the Applicant which shall be no longer than 2 months and, having evaluated the reasons, take a decision on extension (non-extension) of the Project agreement.

115. The Project promoter shall be obliged to notify of implementation of the Project or the implemented Project in accordance with the procedure prescribed in Section Thirty Seven of Chapter VII of the Project Rules.

116. A new item of real property developed in the course of implementation of the Project shall be registered with the Real Property Register no later than by the date of submission of the final payment claim to the Implementing Authority.

117. The intellectual property developed in the course of implementation of the Project cannot be gratuitously transferred to other legal and/or natural persons for 3 years (where the Project promoter has the status of a Micro Enterprise, Small Enterprise or Medium-Sized Enterprise) or for 5 years (where the Project promoter has the status of a Large Enterprise) after financing the Project.

118. The prototype(s) or products of the pilot batch developed in the course of implementation of the Project can be used only for further R&D activities or demonstration for 3 years (where the Project promoter has the status of a Micro Enterprise, Small Enterprise or Medium-Sized Enterprise) or for 5 years (where the Project promoter has the status of a Large Enterprise).

119. The Project promoter and its partner(s) shall record the expenses of R&D activities in their annual income tax return submitted to the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania under the established procedure.

120. When providing information to authorities and institutions processing statistics under the procedure established by them, the Project promoter and its partner(s) shall be obliged to provide information on R&D expenses.

121. The Project promoter shall be obliged to submit all the information required for proper supervision and evaluation of the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities, R&DI priority areas and R&DI action plans to the authority(ies) carrying out such supervision and indicated in the Description of the Procedure for Supervision and Assessment of the Impact of Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities and Promotion of Cooperation among Business Entities and Higher Education and Research Institutions approved by Order No V-1218/4-911 of the Minister of Economy of the Republic of Lithuania of 15 December 2014 “ On the Approval of the Description of the Procedure for Supervision and Assessment of the Impact of Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities and Promotion of Cooperation among Business Entities and Higher Education and Research Institutions”.

122. The requirements for completion of the Project shall be set out in Section Twenty Seven of Chapter IV of the Project Rules.

123. All documents related to implementation of the Project shall be kept on file in accordance with the procedure and within the time limits provided for in Section Forty Two of Chapter VII of the Project Rules as well as for the period stipulated in Article 12 of the General Block Exemption Regulation.

CHAPTER VII PROCEDURE FOR AMENDING THE DESCRIPTION

124. The procedure for amending the Description shall be established in Section Eleven of Chapter III of the Project Rules.

125. If the Description is amended after the Projects have been already selected without prejudice to the principle of equality, such amendments of the Description shall also apply to Projects under implementation in the cases specified in paragraph 91 of the Project Rules.

Annex 1 to
Description No 2 of the Conditions of Funding of Smart
FDI Projects under Measure No 01.2.1-LVPA-T-848 of
Priority Axis 1 “Strengthening Research and Development
and Innovation” of the Operational Programme for the
European Union Funds’ Investments in 2014–2020

TABLE ON ASSESSMENT OF ELIGIBILITY OF THE PROJECT FOR FUNDING

Application code	
Name of the Applicant	
Title of the Project	
The Project is to be implemented:	
<input type="checkbox"/> with a partner(s) <input type="checkbox"/> without a partner(s)	
<input type="checkbox"/> INITIAL <input type="checkbox"/> REVISED <i>(“Revised” shall be marked in cases where this table is revised after returning the Application for repeated assessment.)</i>	

General requirement/specific Project selection criterion (hereinafter referred to as the “specific criterion”), the aspects of its evaluation and explanations	Specification of the general requirement/specific criterion	Assessment of the general requirement/specific criterion	
		Yes/Not/Not applicable/Yes with reservations	Comments
1. The Project to be financed shall contribute to implementation of at least one specific priority task, achievement of the result specified in the Operational Programme for the European Union Funds’ Investments in 2014–2020 (hereinafter referred to as the “Operational Programme”) and at least one activity eligible for funding in accordance with the description of the conditions for Project funding.			
1.1. The goals and objectives of the Project shall comply with at least one specific task and targeted outcome of the priority axis of the Operational Programme.	The goals and objectives of the Project shall meet specific objective 1.2.1 “Increasing the intensiveness of research, development and innovation activities in the private sector” of Priority Axis 1 “Strengthening Research and Development and Innovation” of the Operational Programme and the targeted outcome.		

	Source of information: the Application for financing the Project co-financed from the European Union Structural Funds (hereinafter referred to as the “Application”).		
1.2. The goals, objectives and activities of the Project shall meet at least one of the activities provided for in the description of the conditions of funding of Projects.	The goals and objectives of the Project shall meet the activities provided for in paragraph 10 of the Description No 2 of the Conditions of Funding of Smart FDI Projects under Measure No 01.2.1-LVPA-T-848 of Priority Axis 1 “Strengthening Research and Development and Innovation” of the Operational Programme for the European Union Funds’ Investments in 2014–2020 (hereinafter referred to as the “Description”) and paragraph 11 hereof. Source of information: the Application.		
1.3. The Project shall meet other requirements relating to the Project activities referred to in the Description of the Conditions of Funding of Projects.	The Project shall meet the requirements set forth in subparagraphs 22.3, 22.4, 22.5 and 22.6 and paragraphs 24, 25 and 28 of the Description. Source of information: the Application, the documents specified in subparagraph 86.11 of the Description, Annex 3 to the Description.		
2. The Project shall comply with the provisions of the strategic planning documents.			
2.1. The Project shall comply with the provisions of the strategic planning documents.	The Project shall comply with the national strategic planning documents specified in subparagraphs 22.1 and 22.2 of the Description. Source of information: the Application.		
2.2. The Project shall contribute to implementation of at least one objective of the European Union Strategy for the Baltic Sea Region approved by Conclusions of the European Council No15265/09 of 30 October 2009 and revised by European Commission Communication No COM(2012) 128 of 23 March 2012 at least under one policy area, horizontal action or implementation example referred to in the operational plan of the European	The Project must contribute to implementation of the objective of the European Union Strategy for the Baltic Sea Region as provided for in paragraph 23 of the Description. Source of information: the Application.		

Union Strategy for the Baltic Sea Region approved by the European Commission Decision No SWD (2017) 118 of 20 March 2017.			
3. The Project shall be aimed at achieving clear and real quantitative goals.			
3.1. The Project shall contribute to achievement of at least one national product and/or result monitoring indicator established in the Description of the Conditions of Funding of Projects and described in the Operational Programme and the Plan for the Implementation of Measures of the Ministry.	The Project shall be aimed at achieving the monitoring indicators set out in paragraph 31 of the Description. Source of information: the Application.		
3.2. The consistent inherent logic of the Project shall be retained, i.e. the results of the Project shall be the outcome of the Project activities, the Project activities shall create preconditions for implementation of the objectives of the Project and the latter shall create preconditions for achievement of the goal of the Project.	Source of information: the Application.		
3.3. The objectives of the Project shall be specific (i.e. reflect the essence and characteristics of the Project) are measurable (they are quantifiable and measurable) and implementable, and the start and the end of the activity shall be clear.	Source of information: the Application.		
4. The Project shall comply with the horizontal (sustainable development and gender equality and non-discrimination) principles, implementation of the Project is compatible with the provisions of the European Union (hereinafter referred to as the “EU”) Competition Policy.			
4.1. There shall be no Project actions that could adversely affect the implementation of the principle of sustainable development in the following areas:			
4.1.1. environmental protection (quality of the environment and natural resources, landscape and biological diversity preservation, climate change, environmental protection etc.);	Source of information: the Application.		
4.1.2. social domain (employment, poverty, social exclusion, public health, education and science, preserving cultural identity, sustainable consumption);	Source of information: the Application.		

4.1.3. economics (sustainable development of the main industries and regions);	Source of information: the Application.		
4.1.4. territorial development (reducing environmental, social and economic disparities);	Source of information: the Application.		
4.1.5. information and knowledge society.	Not applicable.		
4.2. Specific actions (demonstrated proactive approach) demonstrating that the Project promotes implementation of the principle of sustainable development shall be proposed.	Not applicable.		
4.3. The Project shall not impose any restrictions which could have an adverse effect on implementation of the principles of gender equality, non-discrimination based on gender, race, nationality, language, origin, social standing, faith, beliefs and views, age disability, sexual orientation, ethnicity or religion.	Source of information: the Application.		
4.4. The proposed specific actions shall demonstrate that the Project contributes to implementation of the principle of gender equality and/or promotes non-discrimination based on gender, race, nationality, language, origin, social standing, faith, beliefs and views, age disability, sexual orientation, ethnicity or religion.	Not applicable.		
4.5. The Project shall be compatible with the provisions of the EU Competition Policy:			
4.5.1. the funding provided shall not exceed the <i>de minimis</i> aid ceilings and shall meet the requirements applicable for <i>de minimis</i> aid;	<p>The funding provided for the Project shall not exceed the set <i>de minimis</i> aid ceilings and meet the requirements applicable for <i>de minimis</i> aid which are set out in subparagraph 13.1, paragraphs 14, 18, 48, 49 and 50 of the Description. (Applicable only for the activities provided for in subparagraph 10.1 of the Description).</p> <p>For the purposes of assessment of conformity with the aforementioned aspect of evaluation, Annex 4 to the Description shall be completed.</p>		

	Sources of information: the Application, the Register of Granted State and <i>De Minimis</i> Aid the regulations of which are approved by Resolution No 35 of the Government of the Republic of Lithuania of 19 January 2005 “On the Approval of the Regulations of the Register of Granted State and <i>De Minimis</i> Aid” (hereinafter referred to as the “Register”), the documents listed in subparagraph 86.15 of the Description.		
4.5.2. the Project shall be financed in accordance with the harmonised state aid scheme or the Decision of the European Commission or 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 (OJ 2014, L 187, p. 1) provided that the requirements laid down in it are complied with.	The Project shall meet the general requirement if it meets the requirements set forth in 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 (OJ 2014, L 187, p. 1) and the Description. Annex 2 of the Description shall be filled in assessment of conformity with the afore-mentioned aspect of assessment. Sources of information: the Application, the Register.		
4.5.3. financing of the Project financing shall not constitute unlawful state or <i>de minimis</i> aid.	Not applicable.		
5. In organisational terms, the Applicant and the partner(s) shall be capable of implementing the submitted Project in a proper and timely manner and meet the requirements imposed on them.			
5.1. The Applicant and partner(s) shall be legal entities, branches, representative offices of a legal person (hereinafter referred to as the “Legal Person”) or natural persons as provided for in the Description of the Conditions of Funding of Projects.			
5.2. The Applicant and partner(s) shall be included in the list of eligible Applicants laid down in the Description of the Conditions of Funding of Projects.	The list of eligible Applicants (partners) shall be provided in paragraph 15, 16 and 17 of the Description. Sources of information: the Application, the documents set out in subparagraph 86.3 hereof.		
5.3. The Applicant and partner(s) shall have a legal basis for engaging in the activities (fulfilment of	Sources of information: the Application, the documents set out in subparagraph 86.12 of the Description.		

functions) for launching and/or performance and/or development of which the Project is intended.			
<p>5.4. The Applicant and partner(s) shall not be subject to restrictions of eligibility for financing:</p> <p>5.4.1. no bankruptcy or restructuring proceedings have been instituted against the Applicant and the partner(s) which are legal persons, no pre-trial investigation into economic and/or commercial activities has been initiated against the Applicant and the partner(s) which are legal persons and the Applicant and the partner(s) are not in liquidation, no decision on enforcing bankruptcy procedures under out-of-court procedure against the Applicant and the partner(s) which are legal persons has been taken at the meeting of creditors (<i>the afore-mentioned provision shall not be applicable to budgetary institutions</i>) and no bankruptcy proceedings have been instituted, no pre-trial investigation into economic and/or commercial activities has been initiated against the Applicant and partner(s) who are natural persons;</p> <p>5.4.2. on the date of submission of the Application the Applicant and partner(s) have no debts related to payment of taxes and social insurance contributions according to the relevant legislation of the Republic of Lithuania, and, in case the Applicant is a legal person(s) registered abroad or a foreign national(s), according to the relevant legal acts of the respective foreign country if, in each case, the debt does not exceed EUR 50 (fifty Euro)</p> <p><i>(verified not later than within 7 days from the date of receipt of the Application; if it is determined that the debt exceeds EUR 50 (fifty Euro), the Applicant shall be allowed to substantiate the fact that on the date of submission of the Application the debt did not exceed</i></p>	<p>Sources of information: the Application, the data available to the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania and the State Social Insurance Fund Board under the Ministry of Social Security and Labour, the Authority of Audit, Accounting, Property Valuation and Insolvency Management under the Ministry of Finance of the Republic of Lithuania, the Register of Legal Entities and other information available to the Public Institution Lithuanian Business Support Agency (hereinafter referred to as the “Implementing Authority”).</p>		

EUR 50 (fifty Euro) with documents (the aforementioned provision shall not apply to the institutions the activities of which are funded from the budgets of the Republic of Lithuania and/or municipalities and/or the State monetary funds, and to the Applicants with respect to which the terms for the payment of taxes or social insurance contributions may be deferred in the manner specified in the legal acts of the Republic of Lithuania);

5.4.3. at the moment of evaluation of the Application the Applicant and partner(s) who are natural persons or the manager, main shareholder (holding more than 50 per cent of the shares) or owner of the Applicant and partner(s) who are legal persons, a general member(s) of the partnership, or a representative of a small partnership authorised to conclude contracts on behalf of the legal person or the accountant(s) or another person(s) authorised to draw up and sign the Applicant's accounting documents have/has no an unspent or unexpunged conviction and no judgement of conviction was passed and became effective against the Applicant and partner(s) within the past five years for participation in a group of accomplices, an organised group, a criminal organisation, its formation or being in charge thereof, bribery, trading in influence or grafting, abuse of office, failure to fulfil the official duties, fraud, misappropriation of property, squandering of property, causing of property damage by deception, destruction of property or damage to property, unjust enrichment, smuggling, customs fraud, unlawful disposal of excise goods, unlawful export of goods or products from the Republic of Lithuania, unlawful engagement in economic, commercial financial or

<p>professional activities, unlawful activities of the legal person, use of another's trade mark, fraudulent statement concerning activities of the legal person, failure to pay taxes, use of a credit, loan or targeted support not in accordance with its purpose or the established procedure, credit fraud, bad faith of a debtor, criminal bankruptcy, production of a counterfeit electronic means of payment, forgery or unlawful possession of a genuine electronic means of payment or data thereof, unlawful use of an electronic means of payment or data thereof, provision of inaccurate data on income, profit or assets, failure to file a tax return or to submit a report or another document, fraudulent or negligent management of accounts, purchase or sale of crime-related property, laundering of crime-related money or property, production, storage or handling of counterfeit currency or securities, forgery of a document or possession of a forged document, forgery of a seal, stamp or form, involvement in any other unlawful activities detrimental to the financial instruments of the Republic of Lithuania and/or the EU (<i>the above restriction shall not be applicable if the activities of the Applicant are funded from the State budget of the Republic of Lithuania and/or budgets of municipalities, and/or the state monetary funds and to the European Investment Fund and the European Investment Bank</i>);</p> <p>5.4.4. at the moment of evaluation of the Application the Applicant and partner(s) which have relocated their production operations within the Member State or another Member State are not or have not been subject to any recovery procedure (<i>the aforementioned provision shall not be applicable to public legal persons</i>);</p>			
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<p>5.4.5. at the moment of evaluation of the Application the Applicant and partner(s) are not subject to any restrictions (up to 5 years) regarding the allocation of the EU financial assistance because of the illegal employment of third-country nationals (<i>the afore-mentioned provision shall not be applicable to public legal persons</i>);</p> <p>5.4.6. at the moment of evaluation of the Application the Applicant and the partner(s) are subject to any restrictions to receive funding because the funds were not refunded within the term specified in the Decision, or only part of the funds has been repaid (<i>the afore-mentioned restriction shall not apply to the institutions whose activities are funded from the budgets of the Republic of Lithuania and/or municipalities, and/or public monetary funds, and the institutions whose activities are funded from the structural funds of the EU for 2007-20013, or the technical assistance of the EU structural funds for 2014-2020, the European Investment Fund and the European Investment Bank</i>);</p> <p>5.4.7. at the moment of evaluation of the Application the Applicant and partner(s) have submitted their set of the annual financial statements to the Register of Legal Entities, also the sets of the consolidated financial statements, as required according to the Regulations of the Register of Legal Entities approved by Resolution No. 1407 of 12 November 2003 of the Government of the Republic of Lithuania “On the Establishment of the Register of Legal Entities and the approval of the Regulations of the Register of Legal Entities” (<i>the afore-mentioned provision shall apply in the cases when the financial statements are required to be drawn up according to</i></p>			
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<i>the laws applicable to the legal person, a foreign legal person, or another organisation or its branch).</i>			
5.5. The Applicant and partner(s) shall have (shall be able to ensure) sufficient administrative capacity necessary for implementation of the Project.	Source of information: the Application.		
5.6. The maturity of the Project shall comply with the requirements set out in the Description of the Conditions of Funding of Projects.	Not applicable.		
5.7. Partnership in implementation of the Project shall be substantiated and beneficial. (<i>The aforementioned assessment aspect shall be taken into consideration only when the Applicant is planning to implement the Project with a partner or partners</i>).	Sources of information: the Application, the documents set out in subparagraph 86.8 of the Description.		
6. The sources of financing the expenses of the Project shall be clearly identified and ensured.			
6.1. The contribution of the Applicant and partner(s) shall comply with the requirements set forth in the Description of the Conditions of Funding of Projects and the financing of the contribution shall be ensured.	<p>The Applicant and/or partner(s) shall contribute to implementation of the Project by the part of the funds referred to in paragraphs 54, 55, 56, 57, 58, 66, 67, 75, 76, 77 and 78 of the Description.</p> <p>Sources of information: the data shall be verified according to the data available in the Register of Legal Entities, the list of creditors and debtors of the Applicant and partner(s) (the credit and debit debts and the list drawn up no later than 30 days before the date of submission of the Application to the Implementing Authority shall be provided), cash flow forecasting (in months) for the Project implementation period, which shall specify and identify the sources of financing according to the schedule of the Project, the estimated expenses (in accordance with the payment conditions), the estimated amounts of financial assistance etc. demonstrating that the Applicant and partner(s) shall have sufficient sources of financing for funding their own contribution and ensuring smooth financing of the Project activity and based on the documents of planned sales (contracts, commercial proposals, orders etc.),</p>		

	estimated sources of financing (own funds, loans granted by banks or other credit institutions, legal persons and other sources); other documents evidencing the capacity of the Applicant and/or partner(s) to ensure the continuity of their activity during the period of implementation of the Project and contribute to financing of the Project.		
6.2. Coverage of ineligible Project-related expenditure shall be ensured.	Sources of information: sources of information specified in subparagraph 6.1 of Annex 1 to the Description.		
6.3. Financial continuity of the results of the Project (activity) results shall be ensured.	Source of information: the Application.		
6.4. The Project shall meet the conditions of eligibility of expenses for funding established by the European Investment Bank.	Source of information: the Application.		
7. Efficient use of funds necessary for implementation of the Project shall be ensured.			
7.1. The choice of the alternative for implementation of the Project shall be based upon the results of a cost-benefit analysis:	Not applicable.		
7.1.1. the assumptions regarding income, expenses, sources of financing, benefit creation and other matters employed in order to assess the Project implementation alternative(s) shall be justifiable;			
7.1.2. a reasonable period of time of the same length shall be used for assessment of the Project implementation alternative(s);			
7.1.3. similar and reasonable discount rates shall be employed for assessment of the Project implementation alternative(s);			
7.1.4. the optimal Project implementation alternative shall be selected with regard to the values of the financial and/or economic indicators (net present value, internal rate of return, cost-benefit ratio) of the Project implementation alternatives;			
7.1.5. there shall be no known legal, technical and social restrictions on realisation of the selected Project implementation alternative.			

7.2. Selection of the Project implementation alternative shall be based upon the cost efficiency indicator.	Not applicable.		
7.3. The main risks of the Project shall be assessed and the risk management measures and the resources necessary for implementation thereof shall be envisaged.	Source of information: the Application.		
7.4. The envisaged Project activity shall be eligible for funding and meet the requirements set for the scope of the activities. The expenses shall meet the established requirements and be necessary for implementation of the Project. The activities and expenses shall be planned in an efficient and justifiable manner with regard to public procurement procedures initiated or completed before submission of the Application and no refinancing shall be allocated for Projects concerning the same activities that the Applicant and partner(s) implemented and/or are implementing and the same expenses.	Source of information: the Application.		
7.5. The Applicant shall be entitled to implement the goals, activities, objectives of the Project and achieve its results during the Project implementation period; the Project implementation period shall meet the requirements set out in the Description of the Conditions of Funding of Projects.	The duration/term of implementation of the Project shall meet the requirement set forth in paragraph 26 of the Description. Source of information: the Application.		
7.6. The Project shall meet the requirements for cross-financing	Not applicable.		
7.7. The flat rate of the Project expenses, the fixed unit cost of the Project expenses, fixed amounts of the Project expenses and/or awards shall be properly applied.	The flat rate of the Project expenses applicable for the Project shall meet the requirements established in Table 2 and Table 6 of the Description. Source of information: the Application.		
7.8. The Application shall properly specify the category of the Project, the revenue which is expected to be received from the Project (including	Not applicable.		

<p>net revenue), correctly calculate and adequately determine the level of financing necessary for the Project with regard to whether:</p> <ul style="list-style-type: none"> – no revenue is generated; – revenue is generated and it is estimated beforehand; – revenue is generated but it is impossible to estimate it beforehand. 			
8. The Project activities shall be carried out in the territory of implementation of the Operational Programme.			
<p>8.1. The Project activities shall be carried out in the Republic of Lithuania or outside the Republic of Lithuania but the products created, results achieved and benefits obtained in the course of such activities (or a part thereof proportionate to the financial contribution of the Republic of Lithuania) shall be granted to the Republic of Lithuania (or the EU where the Project activities are carried out according to Article 9(1)(1) of Regulation (EU) No 1303/2013) and the Project shall comply with at least one of the following conditions:</p> <p>8.1.1. the expenses of the Project co-financed with the European Regional Development Fund and the Cohesion Fund and carried outside the Republic of Lithuania but in the territory of the EU shall not exceed the percentage specified in the Description of the Conditions of Funding of Projects; the same applies to activities aimed at representation, information, communication and increasing the visibility of the EU Structural Funds and conducted in accordance with the Description of the Conditions for Funding of Projects;</p> <p>8.1.2. The Project activity co-financed from the European Social Fund shall be carried out:</p> <ul style="list-style-type: none"> – in the EU territory; 	<p>The territory of performance of the Project activities shall meet the requirements established in paragraph 29 of the Description.</p> <p>Source of information: the Application.</p>		

<p>– outside the EU territory but the expenses of such activities shall not exceed the percentage specified in the Description of the Conditions for Funding of Projects;</p> <p>8.1.3. the Project activities related to technical assistance shall be carried out.</p>			
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FINAL CONCLUSION ON ASSESSMENT OF COMPLIANCE OF THE PROJECT WITH THE GENERAL REQUIREMENTS:

1) The Application is positively assessed according to all general requirements and specific criteria:

Yes No Yes with reservations

Comments: _____

2) The Applicant made no attempts to obtain any confidential information or exercise undue influence on the institution performing the impact assessment in the course of the current evaluation of the Applications or during the selection process:

No attempts were made

Attempts were made

Comments: _____

(It is obligatory to fill in this field only if the answer is “Attempts were made”, i.e. the facts shall be indicated.)

3) Expenses of the Project to be determined as eligible for funding and declaration to the European Commission (hereinafter referred to as the “EC”) in the course of evaluation of eligibility of the Project for funding:

Total value of the Project (including eligible and ineligible expenses), EUR	Maximum possible amount of eligible expenses of the Project:					Income decreasing the amount of expenses eligible for declaration to the EC, EUR	Expenses eligible for declaration to the EC	
	Total, EUR	Including:					Maximum amount of expenses eligible for declaration to the EC, EUR	Part of eligible expenses, per cent
		Maximum funding requested, EUR	Part of eligible expenses, per cent	Own funds of the Applicant and partner(s), EUR	Part of eligible expenses, per cent			
1	2	3	4=(3/2)*100	5	6=(5/2)*100	7	8	9=(8/2)*100

Comments:

Additional conditions which the Implementing Authority recommends to include in the Project agreement taking into consideration the risks involved in the Project may be indicated in this field, as appropriate.

(title of the position of the responsible person of
the institution evaluating the Application)

(date)

(name, surname and signature if the document is filled in paper form)

SHEET FOR VERIFICATION OF COMPLIANCE OF THE PROJECTS WITH THE STATE AID RULES

1. Legal basis of the measure
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 (OJ 2014, L 187, p. 1) (hereinafter referred to as the “Regulation”).

2. Data relating to the Application/Project	
Application/Project number	
Name of the Applicant/Project promoter	
Title of the Project	

3. Verification of compliance of the Application/Project with the Regulation				
Seq. No	Questions	Result		Comments
3.1.	To what category the Applicant belongs (please choose only one option)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
	- Micro Enterprise			
	- Small Enterprise			
	- Medium-Sized Enterprise			
	- Large Enterprise			
3.2.	To what category the partner belongs (please choose only one option)? (If applicable)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
	- Micro Enterprise			
	- Small Enterprise			
	- Medium-Sized Enterprise			
	- Large Enterprise			
3.3.	Does the granted state aid comply with the provisions set forth in Article 1(2) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

3.4.	Does the granted state aid comply with the provisions set forth in Article 1(3) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.5.	Does the granted state aid comply with the provisions set forth in Article 1(4) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.6.	Does the granted state aid comply with the provisions set forth in Article 1(5) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.7.	Does the granted state aid comply with the provisions set forth in Article 4(1) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.8.	Does the granted state aid comply with the provisions set forth in Article 4(2) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.9.	Is the incentive effect of the state aid reasonable according to Article 6(2) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.10.	Are the state aid cumulation requirements provided for in Article 8 of the Regulation complied with?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<i>Applicable if the state aid is granted according to Article 14 of the Regulation:</i>				
3.11.	Is the state aid granted for initial investment (as it is defined in Article 2(49)(a) of the Regulation) as indicated in Article 14(3) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.12.	Is the state aid requested for financing eligible investment expenses for tangible and intangible assets set forth in Article 14(4)(a) the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.13.	Are the provisions set forth in Article 14(5) of the Regulation complied with, i.e. is it envisaged that after the investment is ended, investment in the area that receives the state aid shall be retained at least for 5 years in cases of Large Enterprises or at least for 3 years in cases of Micro Enterprises, Small and Medium-Sized Enterprises?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.14.	Does the state aid intensity comply with the provisions of Article 14(12) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.15.	Does the granted state aid comply with the provisions of Article 13 of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.16.	Do the acquired assets meet the provisions of Article 14(6) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.17.	Are the provisions of Article 14(7) of the Regulation comply with in calculation of eligible expenses? (If applicable)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.18.	Are the provisions concerning intangible assets set forth in Article 14(8) of the Regulation complied with?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

3.19.	Does the state aid granted comply with the provisions set forth in Article 14(13) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.20.	Are the provisions regarding the amount of the State Aid Beneficiary's financial contribution set forth in Article 14(14) of the Regulation complied with?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.21.	Are the provisions of Article 14(16) of the Regulation complied with?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<i>Applicable if the state aid is granted according to Article 25 of the Regulation:</i>				
3.22.	Does the granted state aid comply with the provisions set forth in Article 25(2)(b) and/or Article 25(2)(c) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.23.	Does the granted state aid comply with the provisions set forth in Article 25(3) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.24.	Does the state aid intensity comply with the provisions set forth in Article 25(5) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.25.	Does the state aid intensity comply with the provisions set forth in Article 25(6) of the Regulation? (If applicable)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<i>Applicable if the state aid is granted according to Article 29 of the Regulation:</i>				
3.26.	Does the granted state aid comply with the provisions set forth in Article 29(2) of the Regulation? (If applicable)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.27.	Is state aid granted for eligible expenses provided for in Article 29(3) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3.28.	Does the state aid intensity comply with the provisions set forth in Article 29(4) of the Regulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
4. Assessment of the compliance of the state aid				
Does the granted state aid comply with the provisions of the Regulation?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	

(assessor)

(signature)

(date)

Revision of the assessment:

- To approve of the assessor's conclusion
- Not to approve of the assessor's conclusion

Notes : _____

(heads of the division)

(signature)

(date)

**INFORMATION ON THE RECEIVED STATE AID, OTHER SOURCES OF FINANCING
AND DATA REQUIRED FOR ASSESSMENT OF COMPLIANCE OF THE PROJECT
WITH THE PROVISIONS OF THE DESCRIPTION NO 2 OF THE CONDITIONS OF
FUNDING OF SMART FDI PROJECTS UNDER MEASURE NO 01.2.1-LVPA-T-848
OF PRIORITY AXIS 1 “STRENGTHENING RESEARCH AND DEVELOPMENT AND
INNOVATION” OF THE OPERATIONAL PROGRAMME FOR THE EUROPEAN UNION
INVESTMENT IN 2014–2020 AND THE PROJECT SELECTION CRITERIA**

1. The activities carried out by the Applicant and partner(s) (if the Project is implemented with a partner(s)) and the Project activities are assigned according to the Statistical Classification of Economic Activities approved by Order DĮ-226 of the Director General of the Department of Statistics under the Government of the Republic of Lithuania of 31 October 2007 “On Approval of the Statistical Classification of Economic Activities” (hereinafter referred to as the “NACE Rev. 2”) (applicable in the assessment of compliance of the Project with paragraph 10 of the Description No 2 of the Conditions of Funding of Smart FDI Projects under Measure No 01.2.1-LVPA-T-848 of Priority Axis 1 “Strengthening Research and Development and Innovation” of the Operational Programme for the European Union Funds’ Investments in 2014–2020 (hereinafter referred to as the “Description”).

1.1. The activity(ies) carried out by the Applicant according to the NACE Rev. 2.	
1.2. The activity(ies) of the Applicant according to the NACE Rev. 2 for which the Project results shall be used (if the Project results are attributed to several activities, please provide the breakdown of the results in percentage).	
1.3. The activity(ies) carried out by the partner according to the NACE Rev. 2. <i>(to be completed if the Project is implemented with a partner)</i>	
1.4. The activity(ies) of the partner according to the NACE Rev. 2 for which the Project results shall be used (if the Project results are attributed to several activities, please provide the breakdown of the results in percentage) <i>(to be completed if the Project is implemented with a partner)</i>	

2. Shareholders of the Applicant (all shareholders of the company holding 10 or more per cent of shares of the company shall be listed).

Seq. No	Shareholder	Shareholding (per cent)
2.1.		
2.2.		

3. The Decisive Influence of the Investor upon the private legal person (hereinafter

referred to as the “Enterprise”) established by the Investor in the Republic of Lithuania or a branch of the Foreign Investor (Legal Person) established in the Republic of Lithuania (applicable in assessment of compliance of the Project with paragraph 15 of the Description).

Describe the situation of how the controlling person (Investor) implements or is in a position to implement his decisions in relation to the economic activity of the controlled undertaking, the decisions of its bodies or the composition of its personnel.

Detailed description shall be provided.

Provide the data on incorporation (registration) of a branch of the Foreign Investor (Legal Person) in the Republic of Lithuania.

The date of registration and the registration number of the established branch shall be indicated.

4. State aid received (to be received) for the Project with regard to the Applicant (or the Applicant and partners).

	Estimated amount of the state aid <i>(from sources other than the Ministry of Economy and Innovation of the Republic of Lithuania)</i>	Amount of the received state aid	State aid provider	Article of Commission Regulation (EU) No 651/2014 on 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ 2014 L 187, p.1) according to which the state aid is granted	Information on granting of the state aid and the basis for granting of the state aid	Date of granting of the state aid
4.1. Other state aid						
4.2. Intended <i>de minimis</i> aid granted for implementation of the Project (indicate the expenses to be covered by <i>de minimis</i> aid)						

4.3. Other financial state aid in various forms for legal persons (guarantees granted by the State, micro credits, reimbursement of interest of guaranteed loans etc.)						
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5. Information on the Investor's investment or intended investment in the field of research and/or experimental development and innovations (hereinafter referred to as the "R&DI") (applicable in assessment of the compliance of the Project with the provisions set forth in subparagraph 22.4 of the Description):

5.1. Information on the investment of the Investor (including the Investor's Enterprise Group) in the Republic of Lithuania in the sectors of production or services made no earlier than 10 years before the date of submission of the Application to the Public Institution Lithuanian Business Support Agency.

	N-10 (cumulated investments made 10 years before submission of the Application)	N (date of submission of the Application)
5.1.1. The Investor's investment in the sectors of production or services (EUR)		

5.2. Please indicate the information concerning the investment and activity in the field of R&DI.

The Applicant has not carried out any activity and/or invested in the field of R&DI in the Republic of Lithuania	<i>Mark Yes (No)</i>
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5.3. Information on the intended investment in the field of R&DI during the period of implementation of the Project and 3 years from completion of implementation of the Project activities.

	Total number of years (M) from the launch of the Project to the year the financing was completed (<i>must comply with the value of mandatory monitoring indicators specified in subparagraph 31.2 of the Description</i>)	M+1	M+2	M+3
5.3.1. Private investment in R&DI (EUR)				

5.3.2. The total amount of private investments in R&DI made in the course of the implementation of the Project and 3 years following completion of the Project (EUR)
5.3.3. Provisions that constitute the basis for calculation of private investments in R&DI made during the period of 3 years following the completion of the Project

6. The Project shall be assigned to one of the priority areas and topics in relation to implementation provided for in the Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities approved by Resolution No 411 of the Government of the Republic of Lithuania of 30 April 2014 “On the Approval of Programme on the Implementation of Priority Areas of Research and (Social, Cultural) Development and Innovations (Smart Specialisation) and Their Priorities”

R&DI priority area <i>(please choose one option)</i>		Topics concerning implementation of R&DI priority area <i>(please choose one option)</i>	
6.1. Energy and sustainable environment	<input type="checkbox"/>	6.1.1. Enhancing the interoperability of the distributed and centralised generation, network and energy efficiency consumption system.	<input type="checkbox"/>
		6.1.2. Satisfaction of the needs of the existing and new ultimate consumers, enhancing of efficiency and smartness of energy consumption.	<input type="checkbox"/>
		6.1.3. Development of use of renewable biomass and solar energy sources and recycling of waste for energy.	<input type="checkbox"/>
6.2. Health and technologies and biotechnologies	<input type="checkbox"/>	6.2.1. Molecular technologies for medicine and biopharmacy.	<input type="checkbox"/>
		6.2.2. Advanced technologies applied in personal and public health.	<input type="checkbox"/>
		6.2.3. Advanced medical engineering for early diagnosis and treatment.	<input type="checkbox"/>
6.3. Agro-innovations and food technologies	<input type="checkbox"/>	6.3.1. Sustainable agro-biological resources and safer food.	<input type="checkbox"/>
		6.3.2. Wasteless recycling of bio raw materials into valuable components	<input type="checkbox"/>
6.4. New production processes, materials and technologies	<input type="checkbox"/>	6.4.1. Photonics and laser technologies.	<input type="checkbox"/>
		6.4.2. Advanced materials and structures.	<input type="checkbox"/>
		6.4.3. Flexible technological systems of product development and production.	<input type="checkbox"/>
6.5. Smart, green and integrated transport	<input type="checkbox"/>	6.5.1. Smart transport systems.	<input type="checkbox"/>
		6.5.2. Technologies (models) for the management of international transport corridors and the integration of transport modes.	<input type="checkbox"/>
6.6. Information and communication technologies	<input type="checkbox"/>	6.6.1. Artificial intelligence, big and distributed data.	<input type="checkbox"/>
		6.6.2. Internet of things.	<input type="checkbox"/>
		6.6.3. Diversified analysis, processing and introduction.	<input type="checkbox"/>
		6.6.4. Cyber security.	<input type="checkbox"/>
		6.6.5. Financial technologies and blockchains.	<input type="checkbox"/>

6.7. Inclusive and creative society	<input type="checkbox"/>	6.7.1. Modern educational technologies and processes.	<input type="checkbox"/>
		6.7.2. Design and audiovisual media technologies and products.	<input type="checkbox"/>
		6.7.3. Social and cultural innovations for creation of the society development products and services, innovative business models.	<input type="checkbox"/>
		6.7.3. Flexible and applied process management technologies.	<input type="checkbox"/>

SHEET FOR VERIFICATION OF COMPLIANCE OF THE PROJECTS WITH THE *DE MINIMIS* AID RULES

1. Legal basis of financing					
Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to <i>de minimis</i> aid (OJ 2013, L 352, p. 1) (hereinafter referred to as the “ <i>De Minimis</i> Regulation”)					
2. Data relating to the Application/Project					
Application/Project number					
Name of the Applicant/Project promoter					
Title of the Project					
3. Verification of compliance of the Application/Project/financed activities of the final beneficiary with the <i>De Minimis</i> Regulation					
Seq. No	Questions	Result			Comments
		Yes	No	Not applicable	
3.1.	Is the Applicant (Project promoter) engaged in activities in the fisheries and aquaculture sector regulated by Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000 (OJ 2013 L 354, p. 1)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.2.	Is the Applicant (Project promoter) engaged in the primary production of agricultural products?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.3.	Is the Applicant (Project promoter) operating in the sector of processing and sale of agricultural products in cases where the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	amount of the state aid is determined on the basis of the price or quantity of the products acquired by producers of primary agricultural products or supplied by the respective companies to the market?				
3.4.	Is the Applicant (Project promoter) operating in the sector of processing and sale of agricultural products in cases where the amount of the state aid is dependent on whether the whole aid or its part is to be transferred to the producers of primary agricultural products?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.5.	Is the Applicant (Project promoter) engaged in export-related activities in third countries or Member States of the European Union (i.e. the activities are directly related to the exported quantities, development of the distribution network and other export-related current expenses)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.6.	Is the state aid granted to the Applicant (Project promoter) dependent on whether the quantity of consumed local goods is higher than the quantity of imported goods?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.7.	Is the Applicant (Project promoter) engaged in activities in the sectors specified in subparagraphs 3.1–3.4 hereof including at least one sector regulated by the <i>De Minimis</i> Regulation and the state aid is granted to the latter sector or it is ensured that no <i>de minimis</i> aid is provided to the sectors not regulated by the <i>De Minimis</i> Regulation by employing the respective measures such as separating activities or expenditure? (<i>If applicable</i>)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.8.	Is (will) the <i>de minimis</i> aid be used to acquire road transport vehicles for cargo transportation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.9.	Does the total amount of the <i>de minimis</i> aid granted to a single enterprise in the Republic of Lithuania as defined in the <i>De Minimis</i> Regulation not exceed EUR 200,000 (two hundred thousand Euro) during any financial period of three years (or, in a specific case, will exceed the said amount upon granting the <i>de minimis</i> aid)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.10.	If the company (the Applicant, the Project promoter) is engaged in road freight transport for hire or reward or is engaged in any other activities to which the ceiling of EUR 200 000 (two hundred thousand Euro) applies, is it ensured that the <i>de minimis</i> aid for the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	road freight transport activity does not exceed EUR 100 000 (one hundred thousand Euro) and that no <i>de minimis aid</i> is used for the acquisition of road freight transport vehicles? <i>(If applicable)</i>				
3.11.	Is all prior <i>de minimis</i> aid granted to any of the merging undertakings taken into account in determining whether any new <i>de minimis</i> aid to the new or the acquiring undertaking exceeds the relevant ceiling of the <i>de minimis</i> aid set in the <i>De Minimis</i> Regulation? <i>(If applicable)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.12.	If one undertaking splits into two or more separate undertakings, is <i>de minimis</i> aid granted prior to the split allocated to the undertaking that benefited from it? If such an allocation is not possible, is the <i>de minimis</i> aid allocated proportionately on the basis of the book value of the equity capital of the new undertakings at the effective date of the split?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.13.	Is the gross grant equivalent of the aid provision calculated properly and is the provided <i>de minimis</i> aid considered as transparent aid? (Article 4 of the <i>De Minimis</i> Regulation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(Please indicate the paragraph of Article 4 of the De Minimis Regulation regulating the transparent provision of the de minimis aid)</i>
3.14.	Is the <i>de minimis</i> aid cumulated according to the requirements of Article 5 of the <i>De Minimis</i> Regulation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.15.	Does the provided <i>de minimis</i> aid fall within the validity period of the <i>De Minimis</i> Regulation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

4. Assessment of compliance of the financing with the *De Minimis* Regulation

Does the provided financing comply with the <i>De Minimis</i> Regulation?	<input type="checkbox"/>	<input type="checkbox"/>	
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(assessor)

(signature)

(date)

Revision of the assessment:

- To approve of the conclusion
 Not to approve of the conclusion

Notes: _____

(head)

(signature)

(date)