

A close-up, low-angle shot of a microscope's objective lens and eyepiece, set against a blurred background. The lighting is a cool, blueish-white, highlighting the metallic textures of the instrument. The lens is positioned on the right side of the frame, pointing towards the left.

Deloitte.

Grow your business in Switzerland
through investments in Poland

Incentives available for Swiss
Investors in Poland

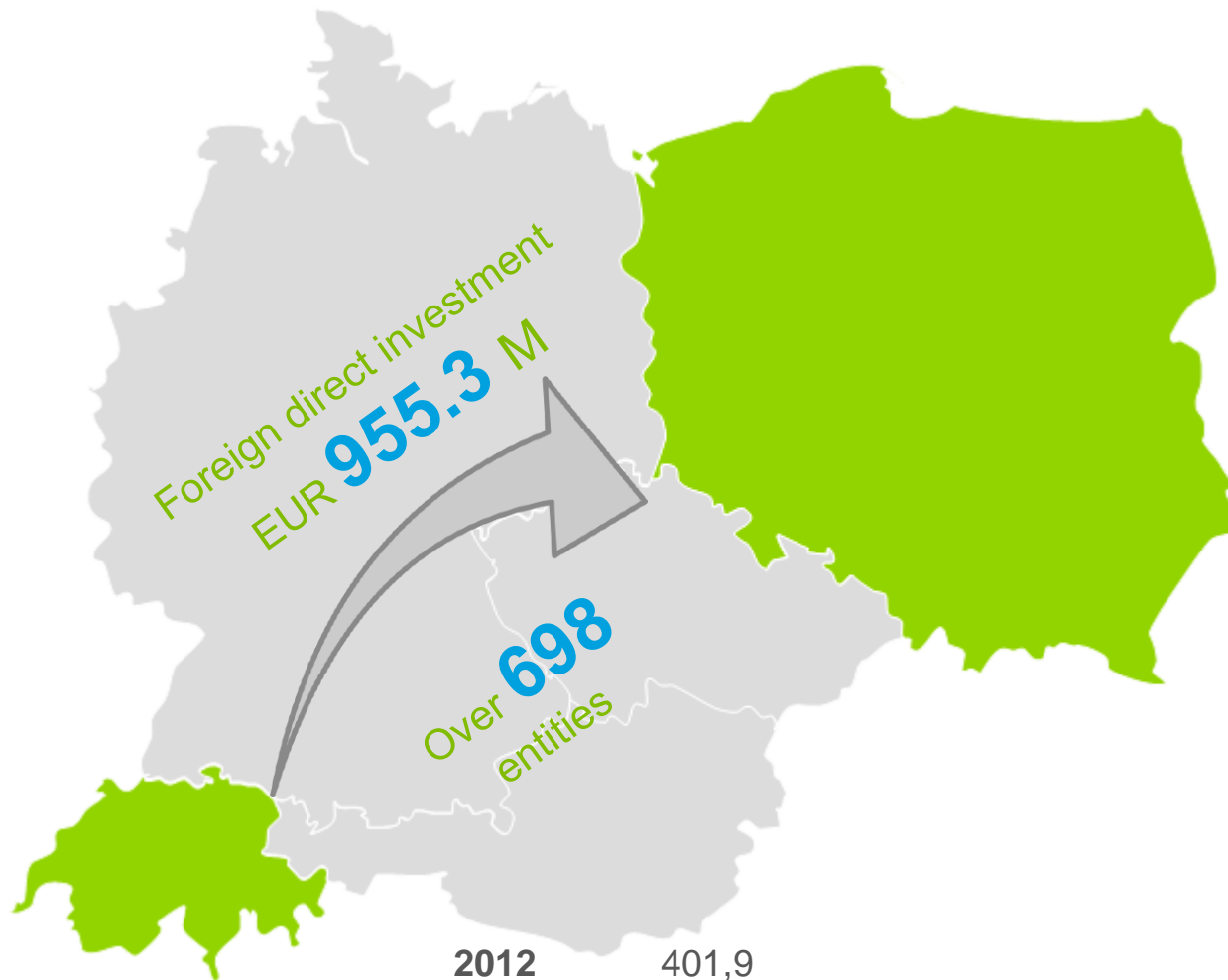
June 2015

Agenda

- ① Financial Framework 2014-2020
- regulatory environment + key information
- ② New funding opportunities for:
 - R&D
 - Investments,
 - Environment,
 - Soft skills
- ③ Case study – smart approach and bonus for being first
- ④ Questions
- ⑤ Contact
- ⑥ Appendix: Smart Specializations & Deloitte RDGI Team

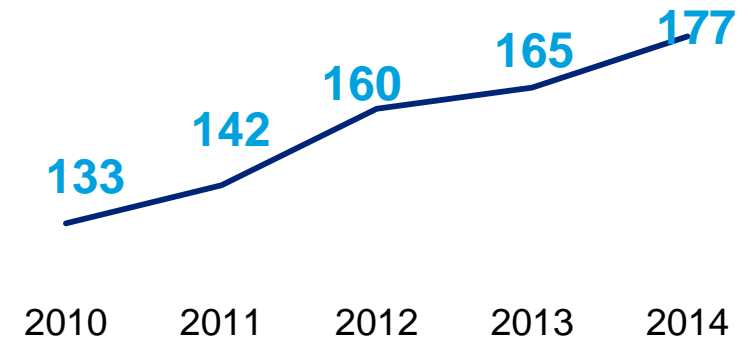


Foreign investments in Poland: Switzerland



2012	401,9
2011	471,7
2010	-1451,4
2009	184,8

Number of members of
Polish-Swiss Chamber of Commerce




Source:

- National Bank of Poland: „Foreign direct investment (inflows) in Poland in 2013”
- Central Statistical Office of Poland: „Economic Activity of Entities with Foreign Capital in 2013”
- Polish-Swiss Chamber of Commerce Annual Report 2014

Financial Framework 2014-2020


- regulatory environment + key information

Novelties in the New Financial Framework 2014-2020


 **Research, development** and **innovation works** as one of the key areas of support within the framework of the EU funds in 2014-2020

 **Promotion of competitiveness of SMEs**


 **Limited opportunities** for funding manufacturing infrastructure for large enterprises from UE funds

 **Energy** and environment protection – the greatest allocation of EU funds

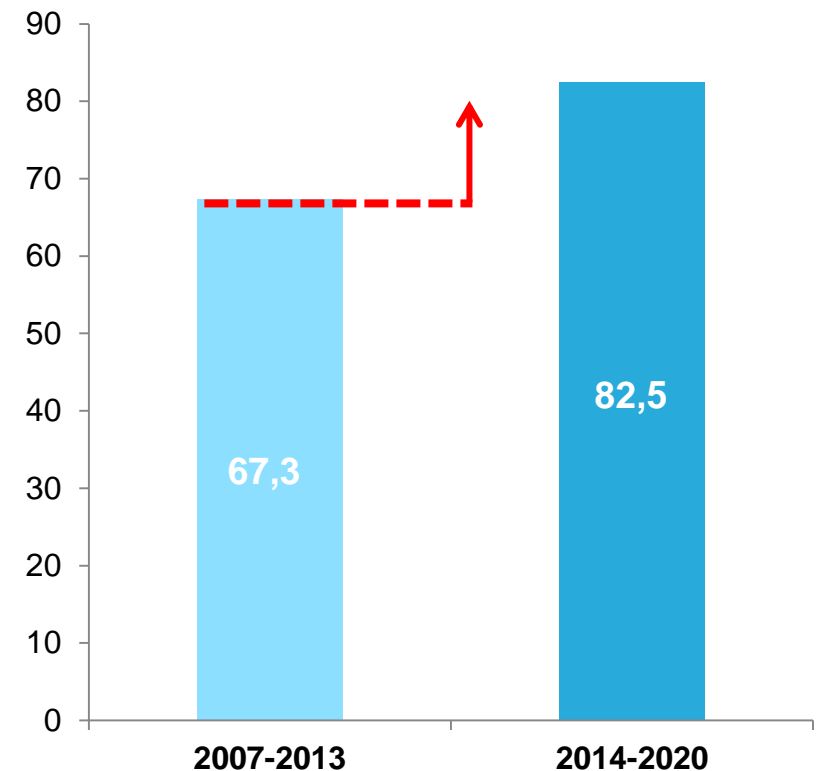
 **Intelligent specializations** – economic priorities in R&D&I

 Scientific consortia and active **participation of scientific units in projects**

 Emphasis on use of **financial instruments**

 **Changes in the rules** – different preparation procedures for applying are necessary

Allocation of UE funds for Poland [EUR B]



Intelligent specializations

Development goals for Poland

Analysis of strengths and weaknesses of the country and voivodeships

Determination of the economic priorities in the area of R&D&I and marking out of the demarcation line

Verification and updates will be based on the socio-economic changes till 2020

National

Bioeconomy and environment

Sustainable energy

Healthy society

Natural resources and waste management

Innovative technologies and industrial process

Creation technologies

Regional Most common

Machinery and metal industry

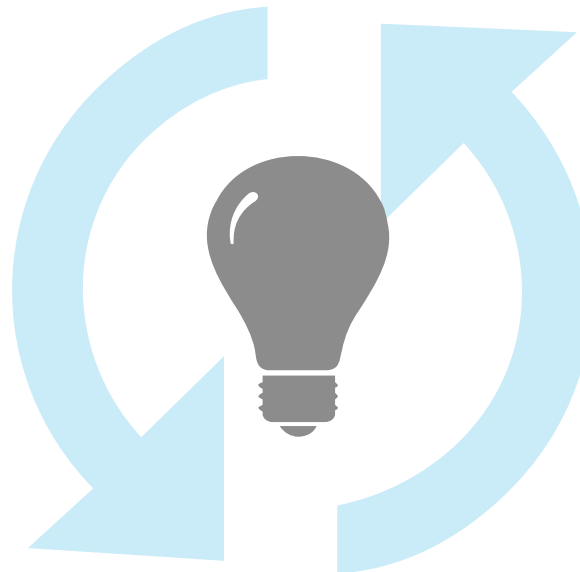
Bioeconomy

Healthy food

ICT





Medicine

Energy

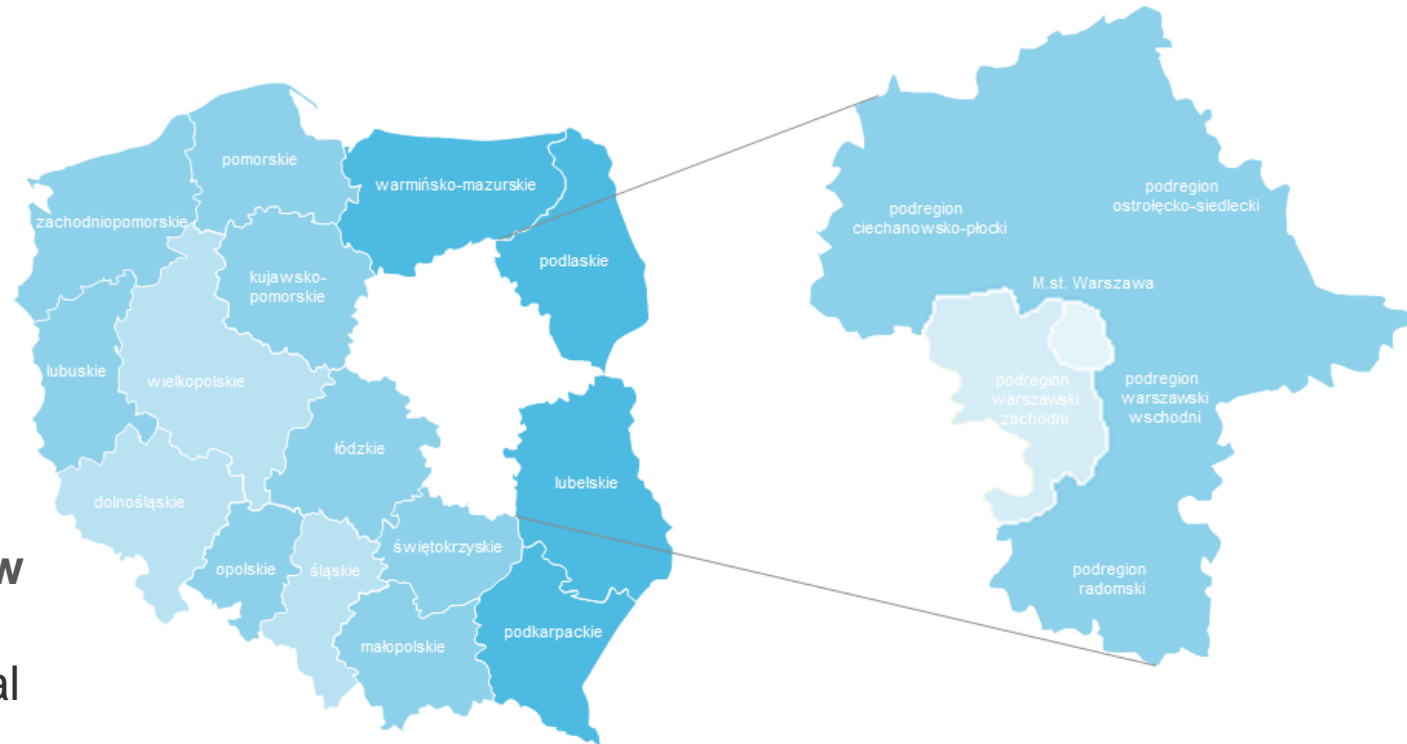


Key regulatory issues – regional investment aid

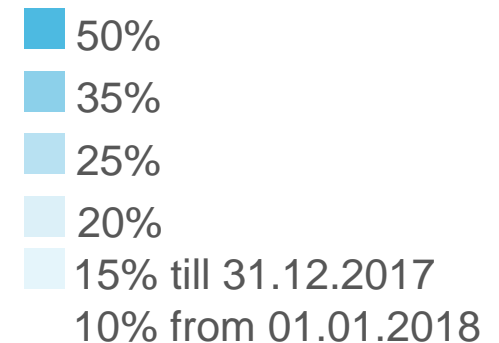
Level of support (% eligible costs)

-  Relocation
-  Start of works
-  Incentive effect
-  Limited aid for large enterprises.

The Warsaw region is now the so-called „c)” region (more advanced) - regional aid to large enterprises should be exempted from the notification requirement only for initial investments in favour of new economic activity in those areas.



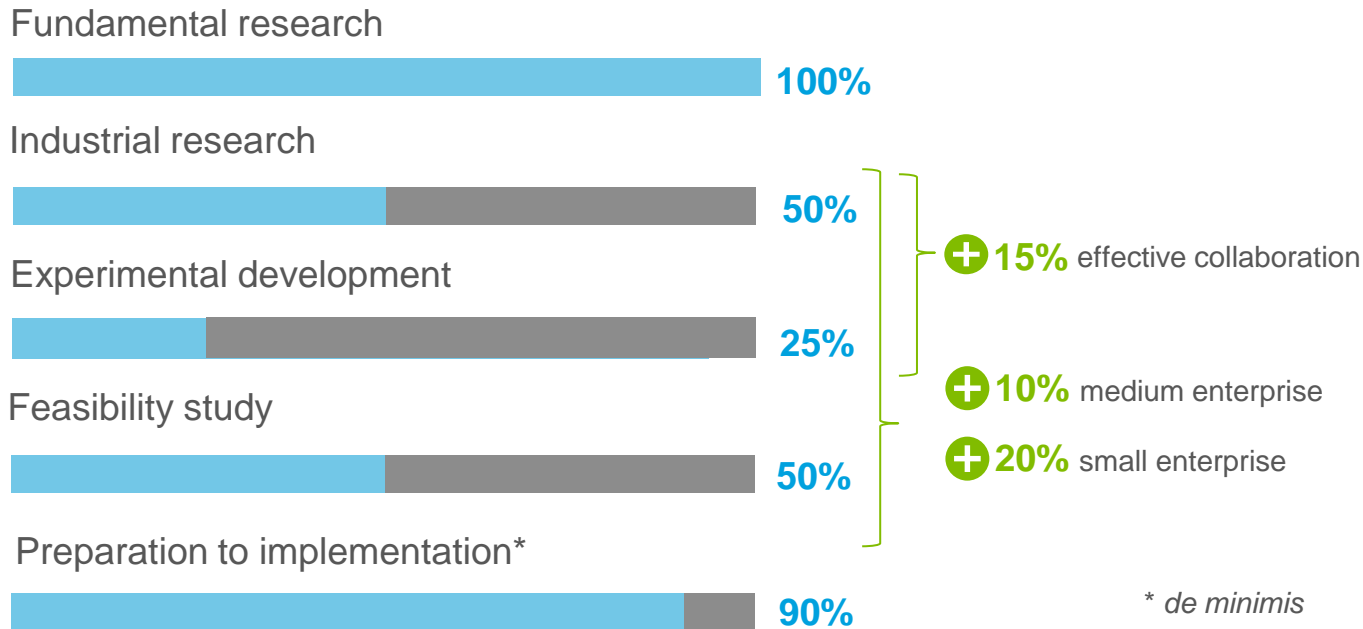
+ 10% or medium-sized enterprises
+ 20% for small-sized enterprises



Eligible costs and financing level for R&D

Level

Support intensity (% of eligible costs):






* de minimis

Eligible costs

-  Employment
-  Equipment and appliances (depreciation)
-  Research, knowledge and patents, advisory costs and similar services
-  Buildings (depreciation), land
-  Other general costs and OPEX
-  Feasibility study

Beneficiaries

-  Enterprises
-  Consortia
-  enterprise + enterprise
- enterprise + scientific unit
- enterprise + business support institution

HORIZON 2020

Research & Innovation Actions



Innovation Actions



New funding opportunities

Structure of the public aid in Poland (1/2)

Types of support - many opportunities

- ★ Central and Regional Operational Programmes with overall allocation EUR 82.5 B, including EUR10 B for R&D&I



Central Operational Programmes

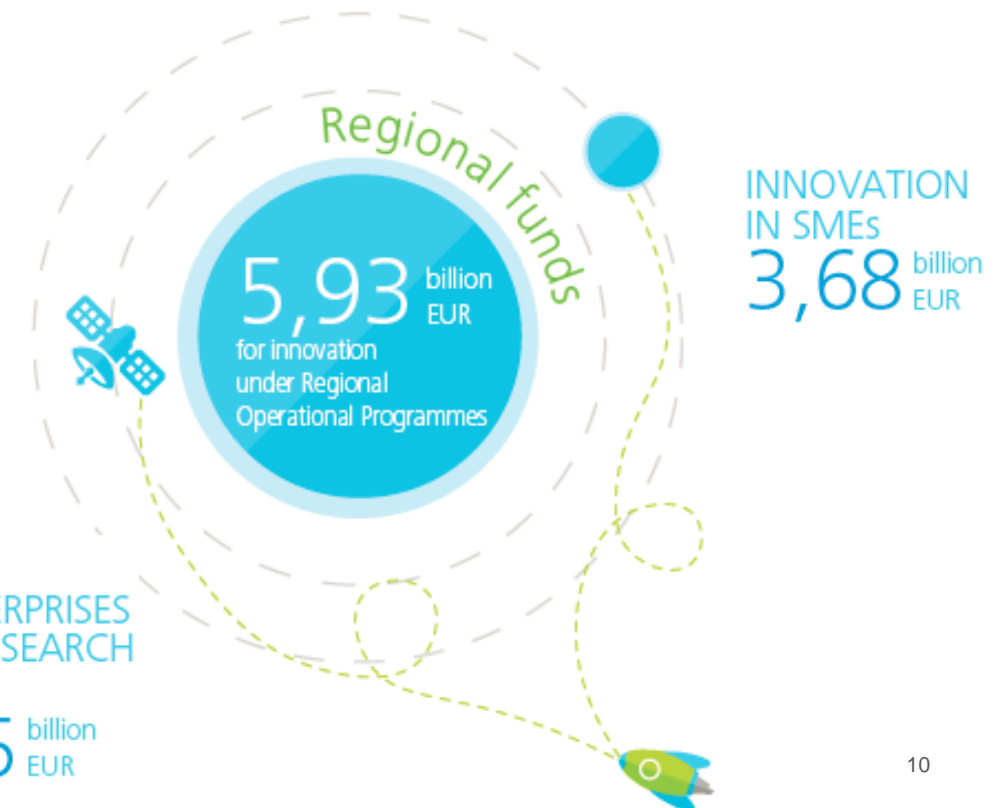
OP Smart Growth (OP SG)

- Axis I – R&D projects in enterprises
- Axis II – innovation: R&D Centers, technology transfer
- Axis III – R&D implementation
- Axis IV – R&D in consortia



Regional Operational Programmes (ROP)

- 16 Regional Programs tailored to the needs of individual Polish regions => **40% of all EU funds (EUR 31.2 B) for 2014-2020**



OP Infrastructure & Environment (OP IE)

OP Digital Poland (OP DP)

OP Eastern Poland (OP EP)

Structure of the public aid in Poland (2/2)

Types of support - many opportunities



EC funds:

- **Horizon 2020** – Programme for Research and Innovation , which was allocated approx. EUR 70 B. It is possible to gain **100 %** funding for a research project in cooperation with the international consortium partners or alone (only for SMEs)
- **LIFE** – investment support for environmental and climate protection



National funds:

- **Polish Government Grant**
- **R&D grants offered by NCRD**
- Environmental grants and/or preferential loan offered by NFEPWM (NFOŚiGW)



Tax incentives:

- Special Economic Zones
- Other tax incentives i.a.: tech tax credit, status of R&D center

NEW R&D Credit system?

Ongoing works on introducing classical „mixed incentives” system starting from 2016. New R&D Credits system to replace existing Tax Tech Relief

Examples of H2020 topics (+deadline)

Powertrain control for heavy-duty vehicles with optimised emission

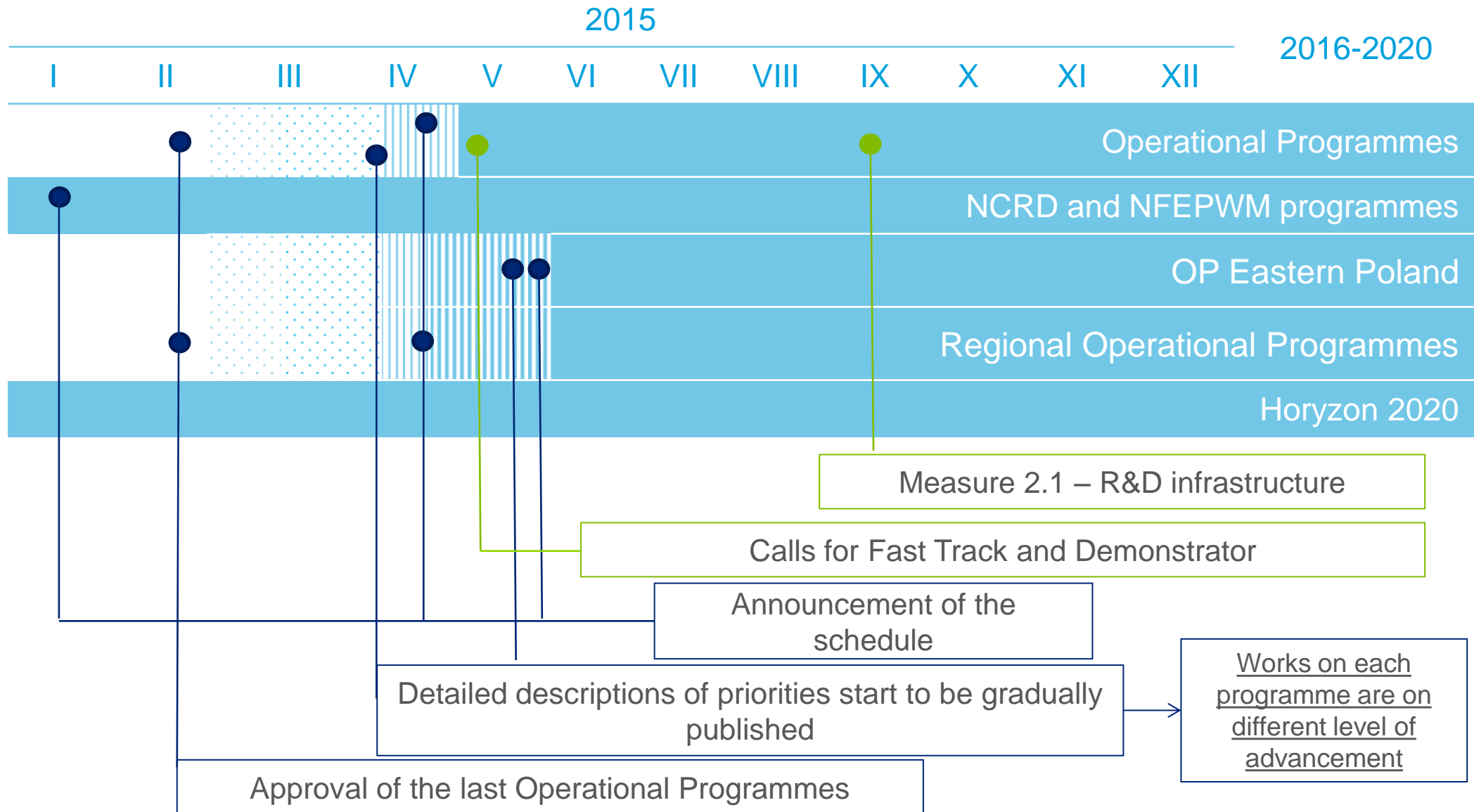
15.10.2015

Electric vehicles' enhanced performance and integration into the transport system and the grid

15.10.2015

Implementation status of the New FF in Poland

Schedule of calls for proposals



Support for R&D

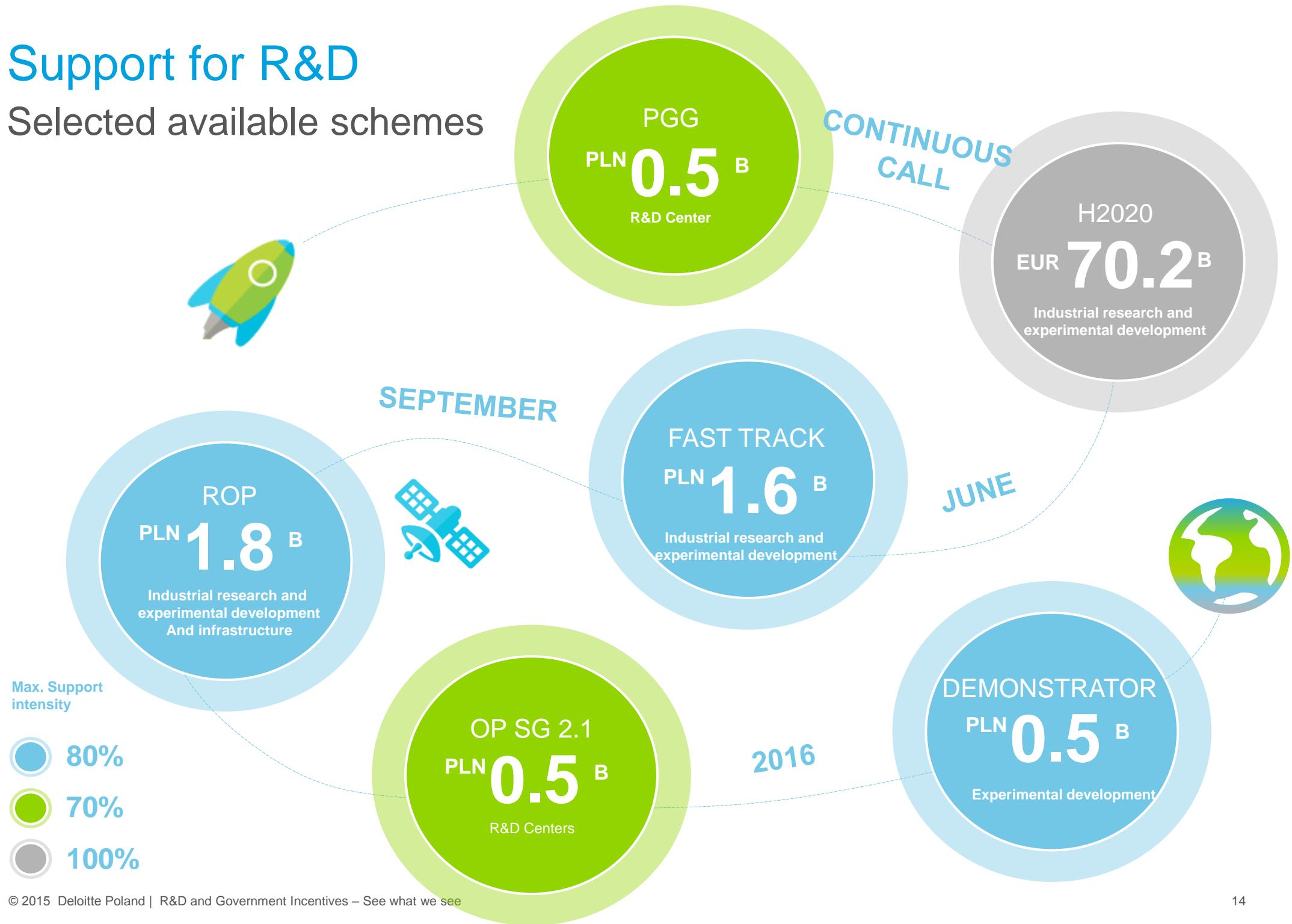
Available programmes



Programme	Type of actions	Beneficiaries
OP SG / ROP / OP EP	R&D inter alia: <ul style="list-style-type: none">• Fast Track: call for SMEs 04.05 - 31.12.2015• Demonstrator: call announcement by the end of 2015• Sectorial Programmes (Innomed, Innolot, Innochem)	<ul style="list-style-type: none">• Enterprises• Consortia
Rural Development Programme	Cooperation Action - support for the creation and operation of operational groups for innovation	Operational groups for innovation
NCRD programmes	<ul style="list-style-type: none">• Sectorial research programmes (Strategmed, Biostrateg, Blue Gas, Defence and Security)	<ul style="list-style-type: none">• Enterprises• Consortia
Tax incentives	<ul style="list-style-type: none">• Acquisition of new technologies• R&D centre• New relief for R&D	Enterprises
Horizon 2020 (EC programme)	Support for innovative activities – from basic research through demonstration to commercialization	Consortia or individual SME

Support for R&D

Selected available schemes



Support for investments

Available programs

Eligible costs

- Investments in tangible and intangible assets
- Two-year costs of employment
- Aid intensity according to the regional aid map



Programme	Type of actions	Beneficiaries
OP SG	<ul style="list-style-type: none">• Investment in R&D infrastructure• Innovation in SMEs• Capital injection in start-up companies (SMEs)• Support for the implementation of the R&D results by SMEs	Enterprises
ROP / OP EP	<p>Development investments:</p> <ul style="list-style-type: none">• An innovative product/ process• Development of the company• Implementation of information systems	SMEs
PGG	<ul style="list-style-type: none">• New investments in priority sectors• Significant investments• Investment in modern services and R&D investments	Enterprises

Support for environmental projects



Aid intensity: (% eligible costs): **from 30 to 95%**

Eligible costs: additional investment costs necessary to achieve the environmental effect (over costs incurred in the current activities / for implementation of responsibilities)

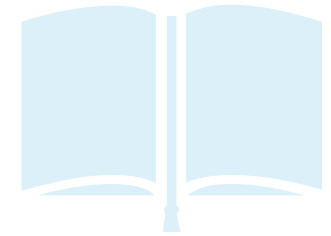
Programme	Type of actions	Beneficiaries
OP IE/ ROP	<ul style="list-style-type: none">• Increasing energy efficiency in business• Renewable energy infrastructure• The use of energy-efficient technologies in production and use of energy• The use of energy recovery technology	Enterprises
LIFE	Efficient use of resources and climate change mitigation	<ul style="list-style-type: none">• Enterprises• Cooperation
NFEPWM/ RFEPWM	<ul style="list-style-type: none">• Rational waste management and protection of the earth• Energy-saving investments in SMEs• Distributed renewable energy	Enterprises

Support for soft actions

Important aspects of public aid

Rules of granting support

- **Aid intensity: around 50-70%**
- Support for SMEs, preferred projects linked with RIS, dedicated to people at risk of exclusion, and 50+
- Support in the form of refunds



Development Services Registry



Programme	Type of actions	Beneficiaries
OP KED	<ul style="list-style-type: none"> • Gender equality • Job for disabled • Improvement of specific competence 	SMEs
ROP	Development services	SMEs
OP SG	Specialized trainings related to R&D projects	Enterprises

Case study - smart approach and bonus for being first

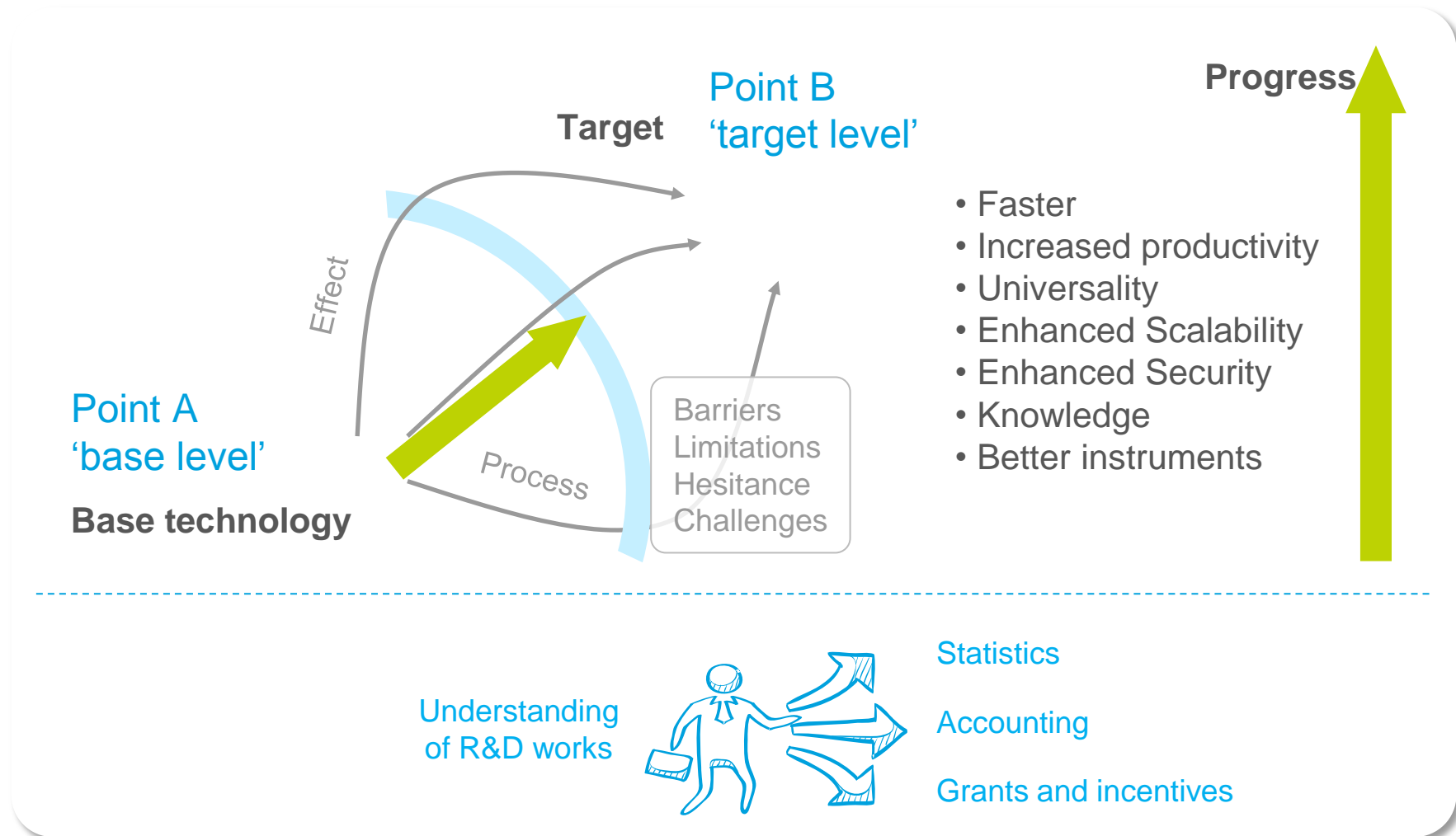
Creating a research project

Development of a co-financing strategy

Inconsistency of various aspects of the Polish law
(np. accounting act, tax law or public aid regulations)

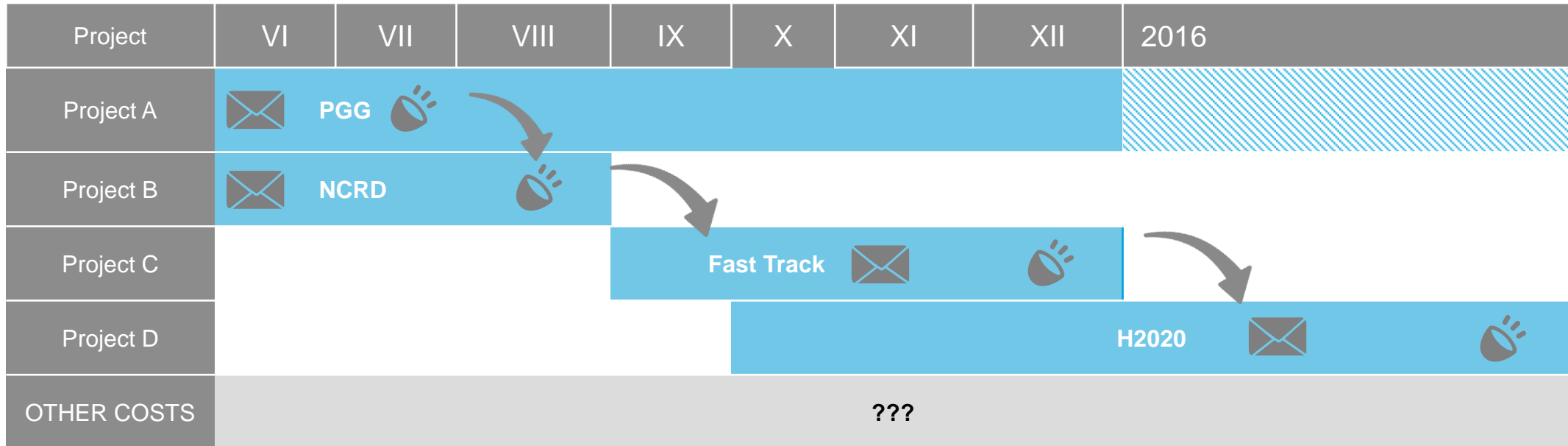


Problem with identification of R&D works



Business case

Action plan timeline



Key



Grant application



Results announcement



Opened call for proposals



New programme, successor of PGG is being developed

Business case







Development projects

Projects scope - example

	Project A	Project B	Project C	Project D	OTHER COSTS
Scope	Creation of R&D Center	Development of R&D Center	R&D works on new product lines	R&D works on new platform/ pilot devices	DEVELOPMENT OF OPERATIONS/ OFFER/PRODUCTS
CAPEX (PLN M)	13	9	-	0.5	???
OPEX (PLN M)	1.5	0.8	14.7	9.0	???
General (PLN M)	0.5	0.2	0.3	0.5	???
Potential sources	Polish Government Grant	Operational Programme Smart Growth	Operational Programme Smart Growth National programmes	Horizon 2020	???
Potential grant (PLN M)	2.2	5	5.6	6.8	???

Cost-based approach

Costs vs. Projects based approach

Traditional project-based approach		Costs-based approach	
Advantages	Challenges	Advantages	Challenges
 <p>Faster decision process related to applying for a grant – if single project qualifies for support</p>	<p>Limited engagement of the client's employees in project planning and application drafting</p>	 <p>Maximizing the cost base eligible for co-financing as well as the grant value; greater chance of obtaining a grant – in most cases create possibility of qualifying certain costs</p>	<p>Higher level of complexity of projects</p>
 <p>Faster project implementation decision-making process (internal approvals)</p>	<p>Lower chances of obtaining co-financing or no chances if single project not qualified for support</p>	 <p>Lower total cost of obtaining co-financing and other related services</p>	<p>Time-consuming preparation of a single set of application documents</p>
 <p>Less time-consuming process of application document preparation - if single project qualifies for support</p>	<p>Higher costs of the application process, project management and other services related to the co-financing obtained</p>	 <p>Recommended only for well-organized and determined entities which can incur initial costs. Active engagement of the client's employees is crucial for maximizing the potential benefits.</p>	

Have project?

Create project!

Be fair to your own company

1

Over **EUR 10 B** on R&D&I – can we afford to let our competitors to use the funds?

4

Does your development strategy take into account the acquisition of new knowledge from the **outside and inside the company?**

Is your company ready to **take risks** in order to use the new solution? Do you know how to **reduce the risk?**

3

PLN 1.7 B returned subsidies in 2013. It is better to learn from the mistakes of others.

2

Do you have a **growth strategy?**

- Do you know how to unleash the innovation capital?
- Do you effectively protect your IPR?



Questions

Questions



Contact

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“Power of experience
See what we see”

Appendix: Smart specializations

National Smart Specializations



HEALTHY SOCIETY

1. Medical engineering technologies, including biotechnologies
2. Medical diagnosis and treatment of lifestyle diseases and personalized medicine
3. Production of medicinal products



BIOECONOMY AND ENVIRONMENT

1. Innovative technologies, processes and products of the agri-food and forestry-wood
2. Healthy food (high quality and performance of production)
3. Biotechnological processes and products specialty chemicals and environmental engineering



SUSTAINABLE ENERGY

1. High efficiency, low-emission and integrated circuits manufacturing, storage, transmission and distribution of energy
2. Smart and energy efficient construction
3. Environmentally friendly transport solutions



NATURAL RESOURCES AND WATER MANAGEMENT

1. Modern technology sourcing, processing and use of natural resources and the production of substitutes
2. Minimizing waste, including unfit for processing and use of materials and energy waste (recycling and other recovery methods)
3. Innovative technologies and processing water recovery and reducing its consumption



INNOVATIVE TECHNOLOGIES AND INDUSTRIAL PROCESSES

1. Multifunctional materials and composites with advanced properties, including nano-processes and nano-products
2. Sensors (including biosensors) and smart sensor networks
3. Smart grids and geo-information technologies
4. Electronics based on conducting polymers
5. Automation and robotics of technology processes
6. Optoelectronic systems and materials



INTELLIGENT CREATION TECHNOLOGIES

Regional intelligent specializations for selected voivodeships



DOLNOŚLĄSKIE region

1. Chemistry
2. Electric industry
3. Informatics
4. Pharmacy
5. Automotive
6. Mining and resources industry



MAŁOPOLSKIE region

1. Life sciences
2. Sustainable energy
3. ICT
4. Chemistry
5. Manufacturing of metal and metal products as well as products made of non-metal mineral resources
6. Electronics and machinery industry
7. Creative and free time industries



WIELKOPOLSKIE region

1. Bio-resources and food for conscious consumers
2. Interiors of tomorrow
3. Industry of tomorrow
4. Specialized logistics processes
5. Development based on ICT
6. Modern medical technologies



ZACHODNIOPOMORSKIE region

1. Bio-economy
2. Marine activities and logistics
3. Metal and machinery industry
4. Services of tomorrow
5. Tourism and health

Appendix: Deloitte RDGI Team

R&D and Government Incentives

Key services

BOTTOM UP APPROACH



- Costs reduction
- Creating a strategy for gaining support
- Defining the cost base

R&D&I optimizing



- Optimizing R&D processes
- Improving R&D
- Benchmarking and identification of best practices

PROJECTS MANAGEMENT



- Support in application
- Effective settlement
- Audits



STATE AID SERVICES

- Private Investor Test – state or State Treasury investments
- Public aid signs exclusion analysis
- Advice on VAT in local government in terms of EU funds



GRANT ISSUES IN DUE DILIGENCE AND M&A PROCESSES

- Reducing risks in transactions involving public aid issues

We provide **new technologies**:



Deloitte Innostore



iSmart



GIFT

Our experience

R&D and Government Incentives

-  We are one of the **most experienced teams** in the field of business support in obtaining non-commercial support in the Polish market.
-  **We are the largest team** of "Big Four" companies involved in the public aid.
-  We have experience in the **development of projects, preparation of strategies** for financing investments from public sources, as well as in the **preparation of applications** for public assistance, **implementation and management** of the financed projects.
-  **Our consultants are experienced in identifying alternative sources of new investments financing** (including FDI), research and development, environmental projects and trainings for clients in various sectors.
-  When applying for public assistance, and in the course of implementation of the projects, our experts cooperate with Deloitte's consultants in other areas: taxes, law, innovation, environmental impact analysis and trainings.



More than **60** experts in Poland



More than **800** specialists in **50** countries



More than **300** implemented projects



More than PLN **3 B** funds in form of grants



Nearly PLN **4 B** zonal tax exemptions



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