

Investment aid for circular economy

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1 Funding decision and its terms and conditions

The funding decision will come into effect once any special conditions laid down for entry into force of the decision have been fulfilled and the beneficiary has accepted the funding decision and its terms and conditions in the online service. In conjunction with acceptance, the beneficiary's bank account number into which the funding will be deposited shall be indicated. The person approving this decision must be authorized to sign for the organization.

These terms and conditions for funding are part of the funding decision, and compliance with them is the prerequisite for payment of the funding.

The Funder has granted this funding under the state's annual budget and the Act on Discretionary Government Transfers (688/2001), Act Amending the Act on Discretionary Government Transfers (2018), Act on the General Requirements for Granting Support for Economic Activity (429/2016) and the Government Decree on Granting Aid to Businesses for the Promotion of the Circular Economy and Sustainable Green Growth (1197/2020).

The funding granted under this decision is state aid authorized on the basis of Article 36 and/or Article 47 of the General Block Exemption Regulation (Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in the application of Articles 107 and 108 of the Treaty (OJEU L187 26 June 2014, p. 1)).

These funding terms and conditions are issued under section 11 (4) of the Act on Discretionary Government Transfers (688/2001).

2 Publicity of the funding decision

The following information will be public: the beneficiary's name, business ID, size, domicile, sector, register number of the funding decision, form of financing, granting date, the amount of funding granted and the amount paid.

The project overview provided by the beneficiary in the funding application is also public information.

When the beneficiary disseminates information about the project or its results, it must disclose that Business Finland has provided funding for the project.

The Ministry of Economic Affairs and Employment, Finnvera, Business Finland Oy, Innovation Funding Agency Business Finland, ELY Centres and TE Offices may exchange client information relating to the beneficiary.

The Funder may also require information from other authorities and funding bodies (such as the Finnish Tax Administration, municipalities, banks, capital investors, Sitra and the Foundation for Finnish Inventions) for the purposes of payment and supervision of funding. The Funder may, notwithstanding confidentiality provisions relating to business secrets, contact these authorities and funding bodies in order to obtain or provide information associated with the beneficiary and this project. By accepting the funding decision, the beneficiary agrees to the exchange of information.

The beneficiary must submit their annual statements, including appendices, for publication in the Finnish Patent and Registration Office, as laid down by law.

3 Accountable project leader

The beneficiary authorizes an accountable project leader who is in an employment relationship with the beneficiary or holds a position of responsibility in the company. A person banned from business cannot act as the responsible manager of the project.

The accountable leader monitors the implementation of the project referred to in the funding decision and is responsible for ensuring that

- project accounting has been arranged in accordance with these terms and conditions
- working time monitoring has been arranged in accordance with these terms and conditions
- the decision and related terms and conditions are reviewed with financial management/an accounting firm, and they have been sent to the auditor for information
- the project is implemented in accordance with the plan
- reported costs have been incurred by the project during the duration of the project
- the persons chosen to manage the matters pertaining to the project in the online service have access rights to the project.

4 Reporting

The accountable project leader is responsible for reporting on the project.

The beneficiary must be able to demonstrate how the project plan has been implemented and what the results of the measures have been.

The report is appended with a formal salary specification form (Y4). Due to the confidentiality of salary information, the salary specification cannot be downloaded for viewing from the service like the other documents. An auditor's report must also be appended to the final report. The forms are available on the Business Finland website.

Upon request, the Funder must be provided with additional information if required for project monitoring. Additional information may include copies of receipts, invoice itemizations, selection criteria for purchased services and working time monitoring reports.

The beneficiary must declare all project costs at the latest in the final report. If it is necessary to make changes between the cost categories in the cost estimate, the beneficiary must apply to change the cost estimate in the online service. No new project costs can be presented after the approval of the final report.

The costs that have been initially approved on the basis of the interim report will be reevaluated in connection with the final report. The Funder will only give its final approval to the costs after it has received the auditor's report.

5 Auditor's report

The costs are confirmed on the auditor's report. The beneficiary must submit an auditor's report covering the entire duration of the project and prepared by an independent auditor as part of the final report. The report template is available on the Business Finland website.

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Reasonable costs arising from the auditor's report prepared by the project auditor can be accepted as direct project costs. If the billed and paid costs incurred by the audit are not included in the project costs confirmed by the auditor, copies of the invoice of the audit costs and receipt/bank statement must be submitted to the Funder.

The Funder has the right to deliver the auditor's report to other authorities for the purposes supervising funding.

6 Payment of funding

The Funder will provide the funding on the basis of the approved report.

A minimum of 10 per cent of the funding granted for the project will only be paid after the approval of the final report. The final instalment will be paid if the project has accumulated an adequate amount of eligible costs.

The investment must be fully implemented before the final instalment can be paid.

However, funding cannot be paid if the company has failed to comply with an aid recovery order referred to in Article 1(4)(a) of the General Block Exemption Regulation or if the aid has been declared illegal and incompatible with the internal market.

Entitlement to the granted funding or part of it will lapse if the beneficiary does not submit the requested reports or further information by the due date specified in the funding decision or separately notified by the Funder. Innovation Funding Agency Business Finland may order any funding already provided to be repaid immediately, with interest.

7 Monitoring of costs and project accounting

The beneficiary must arrange its accounting so that the costs arising from the project can be itemized and their connection with the accounting and the reported costs can be verified.

If the customer's accounting system does not permit the generation of cost-category-specific reports, the customer must draw up some other calculation that lists how accounting costs are allocated to cost categories (such as an Excel spreadsheet).

Accounting must include purchase invoices of project purchases. The invoices must specify the product or service purchased for the project.

Costs incurred from the auditor's report may be incurred and may be paid after the project has ended.

Project documents and other materials necessary for the supervision and auditing (including personal working time records with verifications, where required) must be kept for a minimum of 10 years after the payment of the last project funding instalment.

The material of the projects funded by the European Union must be preserved at least until the end of 2033.

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8 Working time monitoring

Every person working for the project must record the time they allocate to the project on an hourly basis for the entire duration of the project. Hours worked must be reported monthly for the days when the work was performed. Any working time monitoring conducted after submitting the salary specification in connection with the report will not be accepted. Working time monitoring also applies to persons who are paid trade income.

Persons to whom the Working Hours Act does not apply or who do not have their working hours specified in writing must keep records of both total number of hours worked on the project and total number of working hours. Such persons include, for example, the CEO and other managers as well as the shareholders.

The accountable project leader or the employee's supervisor must approve the working hours at least on a monthly basis. The approval must be entered in the monitoring system.

The Funder has the right to refuse approval of the salaries in whole or in part if the working time monitoring has not been in compliance with the above terms and conditions or cannot be regarded as reliable.

9 Eligibility of costs

The project plan and cost estimate approved by the Funder form a part of the funding decision and serve as the basis for accepting the costs.

Eligible costs are expenses incurred in the investment project which

- have arisen from the project during the duration of the project (accrual basis)
- have been paid and entered in the accounts of the beneficiary
- are in net amount and VAT exempt.

Eligible costs are expenses resulting from:

1. purchases of installation of machinery or equipment
2. purchases of intellectual property rights
3. purchases of materials or supplies necessary for the construction, repair or expansion of a building or structure or the purchase, planning and labor costs of machinery directly related to these
4. planning and construction of telecommunications networks or other similar networks, purchases of hardware for such networks, and purchases of licenses necessary for the construction of use of the networks
5. deployment of the investment or training of the necessary operating personnel.

The costs must be based on the corresponding expenditure payment records. This does not apply to computational costs allocated to the project. The expenses must be fully paid in money by the beneficiary when they are reported to the Funder. Procurements may not be paid by loans issued by the recipient of the payment. Invoice for work performed during the project may be paid after the project end date but before the costs are reported to the Funder.

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The Funder has the right not to accept costs presented in a statement if their relevance to the project is not clearly substantiated or they are too large in view of the project results.

All costs based on the project plan must be reported to the Funder. Final approval of the costs for a project can only be given after the costs have been approved.

As a rule, to ensure the effectiveness of the funding, only procurements and work ordered or agreed upon in writing after submitting the funding application are approved for the project. However, if a procurement included in the project has been ordered before submitting the funding application, the relevant order or agreement must include a cancellation clause whereby the realization of the order or agreement is made contingent on the funding application being accepted. If there is no such cancellation clause, then such a procurement will not constitute an acceptable cost.

Costs will be approved ex VAT, unless the beneficiary is not liable to pay VAT. The costs on which VAT is payable may also be reported if they are connected with VAT-exempt operations and the VAT will be payable by the beneficiary.

10 Procurement procedures

When the beneficiary is a public procurement unit or the funding provided by the Funder or other public funding covers more than 50 per cent of the project costs, the beneficiary must observe the provisions of the Act on Public Contracts. When the total value of the procurement is at least 60,000 euros, the procurement must be tendered as a public procurement.

If a public procurement unit has made a procurement in violation of the procurement provisions, the procurement price will not constitute an eligible project cost.

The beneficiary must prove that competitive bidding has taken place by attaching a copy of the contract notice published in HILMA (hankintailmoitukset.fi) to the cost statement, or by providing justification for applying the direct award procedure.

11 Declared salaries

Of the salary paid to a person for their total working hours, the beneficiary can only report the salary paid for the hours spent on the project according to working time monitoring (see the acceptable methods of calculating the working hours in the salary specification form Y4). The Funder will compare each person's declared overall salary to the information in the Incomes Register. As a public authority, Business Finland receives its information from the Incomes Register.

Eligible costs include salaries subject to withholding tax for the effective working hours dedicated to the project by participants working on the project, for up to 11 months per year (specification template Y4).

Effective working hours do not include absences on full pay, such as annual holidays, or the time spent on sick leave or maternity, parental or paternity leave.

The amount of salaries reported to the Funder

- may not substantially differ from what has been paid to the person in question for work of a corresponding level, either before the project or immediately after it
- must correspond to the compensation paid to the person by the beneficiary for other work during the project.

The Funder may, at its discretion, accept the payment of a reasonable salary to a person working for the project who has not been paid any salary for any work before the project.

The Funder will not accept any salary components that are paid to a person on the condition that funding for the pay component is received from the Funder or other funding bodies.

The beneficiary must notify the Funder in the salary specification if performance-related or other exceptional payment components are included in the salaries reported to the Funder. The Funder may, at its discretion, approve them if they are an established and important part of the beneficiary's salary payment regime. The beneficiary must always submit the details of the total amount of the exceptional salary components, the payment criteria and period for which the components are paid so that the proportion allocated to the project can be determined.

If the compensation paid is classified as trade income and not as salary, the beneficiary must report it under Purchased services.

The beneficiary must report any project-related salaries paid to persons coming from abroad to work in Finland or persons working abroad. The information is entered in the salary specification form.

12 Indirect personnel costs

A percentage of the salaries paid for effective working hours and approved for the project that is laid out in the project cost estimate (max. 50%) can be accepted as indirect personnel costs.

Indirect personnel costs include

- midweek holidays, holiday pay, sick pay, leave pay and holiday bonus
- social security costs
- other employment costs, such as recruitment costs, personnel training, fringe benefits, workwear, and protective clothing.

The Funder has the right to intervene in budgeted indirect personnel costs arising from employment relationships that are not subject to the same indirect personnel costs as conventional employment relationships. Such employment relationships may apply to individuals who do not come under the Working Hours Act (shareholders in management positions), persons coming from abroad to work in Finland or persons working abroad.

- If a salary's social security costs are not paid to Finland, indirect personnel costs and overhead cannot be accepted as project costs.
- For persons that do not receive any holiday pay, a total of 30 percent of all reported salaries are approved as indirect personnel costs.

The Funder has the right to verify all indirect personnel costs and pay the funding on the basis of actual indirect personnel costs when these remain under the level approved in the cost estimate. Indirect personnel costs must be calculated on request using a spreadsheet available on the Business Finland website.

13 Material and supplies costs

Material and supplies costs based on procurement from an external supplier can be accepted as invoiced.

Internal material and supplies costs must be reported at cost price.

14 Machinery/equipment purchases

In investment projects, eligible costs include expenses incurred by the purchase and installation of machinery, equipment and software.

The costs of partial payment and finance leasing contracts are eligible up to the value of equivalent purchase costs. Administration, financing, insurance, repair and maintenance and other similar costs are not eligible costs. If the investment project includes leasing contracts, partial payments or other equivalent costs, the beneficiary must demonstrate that the financing company has paid for the procurement in full.

Second-hand machinery and equipment are eligible if no public funding has been received for purchasing second-hand machinery or equipment in the previous five years. It is the beneficiary's responsibility to identify the previous owners of second-hand machinery or equipment during the previous five years and to find out whether they were subsidized. The five-year period is calculated from the latest payment of subsidies towards the machinery or equipment received by the seller. Second-hand machinery or equipment is always deemed to have been purchased on the date on which the transaction was agreed (contract, order, delivery or payment).

Purchase costs of personal computers and mobile phones are not accepted as equipment purchases.

15 Purchased services

Eligible costs based on the project plan and invoicing include the following:

- planning and construction costs of telecommunications networks and other similar networks
- purchase costs of licenses necessary for the construction or use of the networks
- planning and labor costs of the construction, repair or expansion of a structure or building
- purchase costs of intellectual property rights
- costs of construction supervision
- costs of deployment and the training of operating staff required for deployment
- costs arising from project auditing.

Rental costs of equipment necessary for the investment may also be approved under Purchased services.

Business Finland does not accept the allocation of purchases for a project as a percentage of the total sum of a purchase invoice, for example.

Services purchased from domestic SMEs; for these purposes, a small and medium-sized enterprise (SME) is defined as a Finnish company with fewer than 250 employees. Also fees billed by an independent contractor are declared under "Services purchased from SMEs".

Services purchased from domestic public-sector research organizations; a research institution is defined as a Finnish university, university of applied sciences or public research institute.

Services purchased from other domestic companies/entities; services purchased from domestic organizations other than those specified above are entered under this cost category.

Services purchased from the European internal market area; under this cost category are entered the purchased services from the European internal market area (an area formed by the European Economic Area and the Swiss Confederation).

Services purchased from outside the European internal market; services purchased from outside the European internal market are entered here.

16 Purchases from other companies in the same group and associated companies

16.1 Business Finland's definition of an associated company

Companies (here referring to all legal persons) are each other's associated companies if another company or person exercises control over another company or can influence its choice of procurement sources.

Companies are considered each other's associated companies if at least 20% of the other company's share capital or corresponding equity is directly or indirectly owned or controlled by the other company. Companies are considered each other's associated companies also if at least 20% of the other company's share capital or corresponding equity is directly or indirectly owned or controlled by the same individual.

The Funder also considers direct or indirect ownership to exist on the basis of the following criteria when the individuals serve in the following roles or positions under the beneficiary or an associated company:

- members or alternate members of a company's Board of Directors
- responsible persons within the company
- employees of the company
- creditors or guarantors of the company
- family members: an applicant's spouse or a cohabiting partner, the applicant's or their spouse's/partner's children
- close relatives, such as a grandchildren, siblings, parents, grandparents, or corresponding half-relatives.

16.2 Project accounting and cost reporting of an associated company

Group companies and associated companies must also observe these funding terms and conditions. The beneficiary must ensure that the group companies and associated companies arrange project accounting and working time monitoring in a manner that is in accordance with these terms and conditions.

The group companies and associated companies must provide the beneficiary with an invoice for the services purchased for the project. The Funder may accept costs incurred by the seller for providing the service and paid by the beneficiary. Group-internal administrative costs and items paid as administrative fees are not eligible project costs.

The Funder will accept the paid purchased services without profit. In order to demonstrate the non-profit nature of the services, the group companies and associated companies must also provide the Funder with a separate project cost statement of the costs arising from the project.

In addition to direct project costs, indirect personnel costs and overheads connected with wages and salaries are also eligible costs. A maximum of 50 per cent of the salaries allocated to the project are accepted as indirect personnel costs.

The costs must be declared using the cost statement template (Y3) and the accountable project leader statement (Y5) in the same Excel file and a separate salary specification form (Y4). The authorized signatory of the group company or associated company signs the accountable project leader's declaration. The forms are available on Business Finland's website.

The beneficiary must submit the cost statement of each group company or associated company in a separate file. No later than in connection with the final report, the beneficiary must also submit a

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separate auditor's report in a specified form detailing the declared costs of the group company or associated company. The auditor's report must be prepared by an independent auditor. The report template is available on the Business Finland website. The Funder may, at its discretion, exceptionally accept purchased services without a separate cost statement even from associated or group companies.

16.3 Purchases from foreign group companies and foreign associated companies, and costs arising in an office abroad

The Funder may also accept as project costs purchases from foreign group companies and foreign associated companies and costs to the beneficiary arising in an office abroad. This must be specified in the special terms and conditions of the funding decision. Only direct project costs are accepted as eligible costs. Indirect personnel costs and overheads are not accepted. Exchange rates on the date of payment are applied to invoices submitted in a foreign currency.

Foreign group companies and foreign associated companies must provide cost statement forms and an auditor's report prepared by an independent auditor. The auditor's report on an official Business Finland template may be in Finnish, Swedish or English. The forms and auditor's report templates are available on the Business Finland website.

17 Ineligible costs

- overheads
- entertainment expenses
- travel expenses of the beneficiary
- banking and financing costs
- voluntary personal insurance policies
- costs that have been allocated public funding that may not be combined with other types of public funding (for example, the salary costs of a person who has received a startup grant for the same period)
- payroll costs for which a pay subsidy has been received
- services containing other public funding
- any financing, administration, insurance, repair, maintenance or equivalent expenditures arising from acquisitions financed through a part payment agreement
- purchase costs of office equipment, cars and other equivalent durable goods
- costs arising from normal business operations
- costs related to business, production, advertising, marketing or sales, such as salaries, travel, brochures, advertising expenses or professional fairs
- cost increase reserves
- payments based on the Act on Criteria for Charges Payable to the State (150/1992)
- costs that are not relevant to the project's implementation.

18 Consideration of income

If, during the project or immediately after its conclusion, the beneficiary receives income generated by project costs declared to Business Finland, the beneficiary must report the income to the Funder immediately and no later than in the final report. Such income may be generated when the investment is deployed, for example.

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If such income is substantial, the Funder has the right not to accept the costs allocated to commercial operations or deduct the income from the costs.

19 Other public funding

The reports must specify all other public funding granted for the project by the state, municipalities and other public entities or bodies or foundations governed by public law. Funding granted by the European Union must also be reported.

The combined total funding that the project receives from the Funder and other providers of public funding may not exceed the project's maximum limit for public funding. If necessary, the Funder will reduce its own contribution so that the maximum amount of public funding is not exceeded.

20 Monitoring of funding impact

The Funder will continue to evaluate the impact of the projects after their completion.

If necessary, the beneficiary must report on project results for five years after the completion of the project.

The beneficiary must, on request, provide details of the outcome of the plans and forecasts that it presented during the processing of the application and the realization of the project. Upon request, the Funder must be provided with a report on how the business targeted in the project has developed.

The Funder must have the opportunity to audit the beneficiary's annual accounts and auditing statements kept in the Finnish Patent and Registration Office database for a period of five accounting periods following the completion of the project.

The Funder has the right to commission an analysis of the beneficiary's annual accounts from another public funding agency.

21 Changes to the project

The beneficiary must obtain the Funder's consent for project changes. Consent must be sought from the Funder in writing in advance / before the change if the project's progress deviates from the plan:

- significant changes to the project plan
- changes to cost categories
- changes to the schedule
- changes to a reporting date
- changing the accountable project leader.

A positive amendment decision can only be made if the beneficiary has fulfilled their registration, declaration, and payment obligations in relation to taxes or other legal obligations.

A change in the beneficiary's bank account is reported using form Y1 available on the website.

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22 Reassignment and approval of corporate reorganization

As a rule, a funding decision may not be transferred to a third party.

The beneficiary must notify the Funder, in writing and in advance, if it implements significant business changes or corporate reorganizations (such as sale of a share majority, merger or demerger) during the project. The time limit of five years commences following the last instalment of the funding payment.

The assets for which investment aid was granted must be used for the purpose specified in the funding decision for a period of five years, and the assets may not be assigned to a third party or transferred into their ownership or control during this time without the permission of the Funder due to special reasons and on advance application. As an exception, ownership may be transferred to a financing company or equivalent entity for a fixed term if the beneficiary retains the right of use and possession of the assets.

The Funder has the right to claw back any funding under section 'Clawback of funding' of these general terms and conditions if the beneficiary violates the provisions of said section.

23 Beneficiary's disclosure obligation

The beneficiary must provide the Funder with accurate and sufficient information for the payment of funding and for monitoring the compliance with the terms and conditions.

The beneficiary must inform the Funder without delay of any change affecting the realization of the intended use of the funding or of any other change affecting the use of the funding.

24 Right of inspection

Innovation Funding Agency Business Finland, the National Audit Office, the State Treasury, the Ministry of Finance, the Government Financial Controller's Function, the Ministry of Economic Affairs and Employment, the European Commission, the European Court of Auditors, the European Public Prosecutor's Office (EPPO), and the European Anti-Fraud Office (OLAF) have the right to obtain necessary information about the use of the support and to audit the finances and operations of the beneficiary as required for the payment of the funding and supervision of its use.

The audits can be performed by other authorities or auditors authorized by the Funder. An external expert may, at the Funder's request, assist in the performance of the audit. By accepting the funding decision and its terms and conditions, the beneficiary provides their written consent that it will fully cooperate to protect the financial interests of the Union and authorizes the European and national officials to exercise their powers comprehensively as well as agrees to ensure that any third parties participating in the management of the Union's assets will grant similar rights.

The beneficiary should assist with the inspection and provide the needed information for the inspector without compensation.

The auditor has the right to seize any material subject to audit, if auditing so requires. A written record must be drawn up of any seizure of materials during an audit. The record must state the purpose of seizing the material and what has been seized. The seized material must be returned without delay when it is no longer needed for the audit.

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The auditor has, to the extent required by the audit, the right to enter the premises managed or used by the beneficiary. This applies to the business, storage and other similar premises used for practicing a profession or a business, as well as other areas relevant to the granting of the funding and the supervision of its use. Audits may not be carried out in premises covered by domestic peace.

25 Discontinuation of payment

Innovation Funding Agency Business Finland may order the temporary discontinuation of the payment of the funding on following grounds:

1. The Funder has reasons to suspect that the beneficiary does not provide the Funder with correct or adequate information or uses the funding in a manner that is in violation of the funding decision.
2. The grounds on which the funding was granted have essentially changed. Such changes include situations where
 - a) the beneficiary deviates from the project plan without a written authorization granted by the Funder
 - b) there is a substantial deterioration in the beneficiary's financial position in relation to the anticipated trend
 - c) the beneficiary loses its equity in full
 - d) the beneficiary initiates reorganization proceedings
 - e) the beneficiary neglects its registration, notification, or payment obligations related to taxes or other regulatory obligations
 - f) the beneficiary has outstanding debt to the State or the institutions of the European Union arising from their payment or recovery decisions or orders
 - g) the beneficiary has recovery decisions with which it has failed to comply
 - h) the beneficiary has failed to adhere to the repayment obligations concerning the loans granted by Business Finland.
3. The payment of funding must be discontinued under European Union legislation.

If the grounds for the discontinuation are not corrected within the time specified in the decision to interrupt funding, Innovation Funding Agency Business Finland has the right to discontinue payment of the funding and to claw back the funding already paid in whole or in part.

26 Repayment of funding

The beneficiary must, without delay, repay any funding or part thereof received through error, in excess or manifestly without cause.

Grants of less than 100 euros need not be repaid.

The beneficiary must contact the Funder before the repayment of funding.

27 Clawback of funding

Innovation Funding Agency Business Finland may claw back any funding already paid if the beneficiary violates against these terms and conditions.

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27.1 Statutory clawback

Innovation Funding Agency Business Finland will order the discontinuation of the payment of funding and the clawback of funding already paid if the beneficiary has

1. failed to return funding or part thereof that must be repaid under section Repayment of funding
2. used the funding for a purpose essentially different from that for which it was granted
3. provided false or misleading information about a matter that has been essential to the granting of the funding, its amount or terms and conditions
4. otherwise essentially violated the provisions concerning the use of the funding or these terms and conditions in a manner comparable to paragraphs 1-3.

27.2 Discretionary clawback

Innovation Funding Agency Business Finland has the right to order the discontinuation of the payment of funding and the clawback of funding or part thereof already paid if

- false or misleading information has been provided for the purpose of payment of funding or supervision thereof, information has been concealed, the provision of information has been refused or the information requested by Innovation Funding Agency has not been provided by the specified date
- the beneficiary has not complied with the terms and conditions for funding
- the beneficiary has not informed the Funder without delay of any change affecting the realization of the intended use of the funding or of any other change affecting the use of the funding
- the funding has not been used in compliance with the funding decision
- the beneficiary has not been able to demonstrate how the project plan has been implemented or what the results have been
- the beneficiary has refused to assist in the project audit
- the beneficiary has terminated the project for which the funding was granted, reduced or altered it substantially or transferred it to another party
- the beneficiary has been subjected to recovery proceedings, placed into liquidation or bankruptcy, or made subject to restructuring proceedings
- the beneficiary or its representative has been convicted of an offence or ordered to pay penalties, in accordance with section 22 of the Act amending the Act on Discretionary Government Transfers
- the clawback of funding is required under European Union legislation
- the beneficiary otherwise acts in a manner comparable to the matters in this section.

In investment aid granted for the purpose of supporting business activities, the amount of investment aid to be repaid or clawed back based on sections 20 to 22 of the Act on Discretionary Government Transfers is the amount of investment aid paid to the beneficiary.

27.3 Interest

The beneficiary must pay interest on the amount to be repaid or clawed back. The interest is applied from the date on which the funding was paid. It is calculated as an annual interest to which three percentage points are added. The annual interest is determined in accordance with section 3(2) of the Interest Act (633/1982).

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27.4 Penalty interest

If the beneficiary has not paid the amount to be repaid by the due date set by the Funder, an annual penalty interest must be paid on the outstanding balance of the loan. For the period after the due date, the penalty interest is in accordance with the interest rate referred to in section 4(1) of the Interest Act (633/1982).

27.5 Moderation of grant clawback

Innovation Funding Agency Business Finland may decide that a part of the sum to be repaid or clawed back, and any interest or penalty interest on it, will not be clawed back if repayment full is unreasonable in light of the financial standing and circumstances of the beneficiary or in relation to the type of property acquired with the grant or in relation to the procedure on which the clawback is based or because of a change in circumstances. For an extremely weighty reason, Innovation Funding Agency may decide to totally waive the sum to be repaid or clawed back, or the interest or penalty interest on it.

27.6 Clawback time limit

The grant and interest or penalty interest on it will not be clawed back if ten years have elapsed from the remission of the final instalment of funding for the project.

28 Funder's right of offsetting

The funding to be repaid or clawed back and the interest on it may be deducted from the other funding provided to the beneficiary.

29 Misuse

If, during the course of the project, there is reason to suspect that the beneficiary or a person acting on the beneficiary's behalf has committed a criminal offence under the Criminal Code (19 December 1889), with the Funder as the injured party, the Funder will take the required action in the matter.

30 Order of application

In the event of a conflict between the funding decision and appendices to it, the following order of application will apply:

1. Funding decision and any special terms and conditions thereof
2. Funding terms and conditions
3. Cost estimate
4. Project plan
5. Funding application and its appendices
6. Any other documents relevant to the funding decision