

Funding for business development in disruptive circumstances, questions and answers

Q: How is the novelty value of the project assessed?

A: The development must be new to the company itself; it does not necessarily have to be new in Finland or the industry.

Q: Usually internationalization is a requirement for the projects funded by Business Finland. Is that also true for this funding?

A: The funding can also be granted to companies that operate in the domestic market.

Q: How much funding can you get?

A: A grant of EUR 10,000 at maximum for preliminary studies, constituting 80% of the total costs of the project. This means that the maximum project size is EUR 12,500.

In development funding, the share of Business Finland is EUR 100,000 at maximum, constituting 80% of the total costs of the project. This means that the maximum project size is EUR 125,000.

In both funding cases, the required own funding share for companies is 20%; it does not need to be verified separately in the application phase.

This funding constitutes a grant that does not have to be paid back.

Q: Can the funding be used to reinforce working capital?

A: No. Banks and Finnvera can help with this issue.

Regarding Finnvera's guarantees:

Finnvera's Start Guarantee and SME Guarantee are suitable for the working capital needs caused by the coronavirus. The simplest solution for a maximum of EUR 150,000 of funding (for a Start Guarantee, a maximum of EUR 100,000) is a bank loan, for which Finnvera can give a guarantee of 80%. The Start Guarantee is intended for companies that have been operating for three years at maximum, while the SME Guarantee is for the companies that have been operating for more than three years. The bank applies for a Start/SME Guarantee from Finnvera on your behalf, which means that you or your company do not need to contact Finnvera directly at all when applying for funding. [Finnvera.fi](https://finnvera.fi)

Q: What is the size of the companies the funding is intended for?

A: The funding services are intended for SMEs employing 6-250 people and mid-cap companies.

Q: Does the funding require EUR 30,000 in equity financing like the Tempo funding?

A: No.

Q: How is the company's financial situation reviewed?

A: The funding is allocated to companies that had the prerequisites for viable business before the special situation caused by the coronavirus. In addition, the company must not be a 'firm in difficulty' according to the EU definition. The financial situation is reviewed based on the latest confirmed financial statements. If the Finnish Patent and Registration Office does not have the information, the client is asked to provide it.

Q: Will the companies draw up a cost statement? What kind of a final report, working time monitoring, etc. is needed?

A: In accordance with the de minimis conditions, see: [funding terms and conditions](#)

Q: Can investments be funded?

A: No. For example, the funding cannot be used to renovate premises or buildings or alter them for other uses or build new premises, or purchase a booking system or software licenses.

Q: Can the development or establishment of an online store be funded?

A: The implementation of an online store cannot be funded. It constitutes the establishment of a distribution network, which is prohibited by the de minimis regulation. Matters related to an online store can be investigated, if they are new to the company, but Business Finland funding cannot be used to implement an online store or invest in it.

Q: Can a company receiving YIC funding receive funding for disruptive circumstances?

A: Business Finland can also grant funding for business development in disruptive circumstances to YIC companies. The companies can develop a digital sales model, sharpen their offering and develop new partnership and subcontracting models in the target market, for instance. The funding can be used to drive the change in the business model required by the market situation forward ('pivoting') and the company can return to the YIC project and the path of rapid growth after the crisis.

Q: Is it necessary to purchase the services needed for the project from a registered service provider (like with the innovation voucher)?

A: The service provider can be selected freely.

Q: Can the same application be used to apply for both a preliminary study and development funding?

A: No, separate applications are needed. In order to get the full benefit of a preliminary study for further development, the study should be done first and the results used in the development funding project. Doing a preliminary study before the development funding is not mandatory, however; the company can also find out its needs on its own.

Q: Can a company applying for funding have a tax debt?

A: Funding can be provided, if a plan on paying the tax debt has been made with the Finnish Tax Administration.

Q: Are purchases from associated companies, i.e. related parties, accepted?

A: Purchases from associated companies will not be accepted. Purchases from companies in the same group are OK.

Q: Are the salaries of the management, owners and family members accepted?

A: They are acceptable costs, as long as they are allocated to the work on the project.

Other obstacles to funding

Companies in agricultural primary production or fishery and aquaculture are ineligible for the funding. One-person businesses are also ineligible.

Education and translation cannot be funded.