

Growth Engine funding, competition

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 bank account number into which the funding will be deposited shall be indicated. The person approving this decision must be authorised to sign for the organisation.

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

These terms and conditions have been issued under section 3 of the Act on State Lending and State Guarantees.

2 Publicity of the funding decision

The following information will be public: the beneficiary's name, business ID, size, sector, region, form of financing, the date of the decision, the amount of funding granted and the amount paid, and a summary of the project.

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 appoints an accountable project leader who is in an employment relationship with the beneficiary or holds a responsible position in the company. The accountable leader monitors the implementation of the project referred to in the funding decision. The accountable leader is responsible for ensuring that:

- the funding decision has been accepted in the online service
- the decision and related terms and conditions are reviewed with financial management/an accounting firm and have been sent to the auditor for information
- the project is implemented in accordance with the plan

- the persons chosen to manage the project's issues in the online service have access rights to the project.

4 Supervision, reporting and disbursement

The updated project implementation plan is a part of the funding decision and serves as the basis for supervision.

The accountable project leader reports the progress of the project in the Online Service.

The Funder shall pay out funding on the basis of approved progress reports. The first instalment may be up to 50% and payable upon approval of the funding decision.

The Funder has the right to refrain from paying the loan in full also upon the interim report in the event that the project does not progress in accordance with the implementation plan.

The beneficiary must submit the final report within 12 months of the final payment order in accordance with the approved payment plan. Payment may no longer be requested upon submitting the final report.

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. The Funder may order any funding already provided to be repaid immediately, with interest.

5 Loan terms and interest

Practical arrangements related to the loan are administered by the State Treasury. In addition to these terms and conditions, the loan recipient must comply with the terms and conditions set out in the bond issued by the State Treasury.

The interest rate for subordinated loans is stated in the funding decision. However, the interest rate may be changed during the loan period upon unilateral notice by the creditor, in the event that the interest rate stated in the funding decision is below the interest margin for weak collateralisation, as specified in the Communication from the Commission (2008/C 14/02), plus the country-specific reference rate specified by the Commission. In this situation, the new interest rate shall be the interest margin for weak collateralisation, as specified in the Communication from the Commission (2008/C 14/02), plus the country-specific reference rate specified by the Commission. However, the interest rate must always be at least that specified in the funding decision. The interest margin set by the Communication from the Commission varies depending on the rating category of the beneficiary. The rating category used to determine the minimum interest rate (Rating alfa) is determined according to the situation at the time of the funding decision. The Commission sets the reference interest rates on an annual basis or more frequently and may update the interest margins depending on the market situation.

6 Auditing

The Funder requires that the company's annual financial statements are audited. The auditor must be an authorized public accountant (KHT).

The auditor must provide a dated and signed auditor's report for each financial period. The auditor's report must specify the audited financial statements and indicate the accounting principles used in

preparing the financial statements. The auditor's report must specify the international auditing standards used in the audit.

The auditor's report must give an opinion on the following issues: a) whether the financial statements and annual report give true and fair information on the corporation's or foundation's financial performance and position in accordance with the accounting principles used; and b) whether the information given in the annual report and financial statements are consistent.

The opinion must be unqualified, qualified or adverse. If the auditor is unable to give an opinion, this must be indicated in the auditor's report. The auditor's report must provide any necessary further information.

The auditor must indicate in the audit report if a partner, a member, chair or deputy chair of the board of directors, supervisory body or equivalent governing body, or the managing director or any other accountable person in the corporation or foundation: a) is guilty of an act or negligence which may result in liability for damages towards the corporation or foundation; or b) has violated an act applicable to the corporation or foundation, or the articles of association, deed of partnership, or rules of the corporation or foundation.

With respect to a corporation or foundation acting as the parent company, a specific consolidated report must be provided where applicable, in accordance with the provisions of sections 1 to 4.

7 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.

8 Changes to the project

The loan period may be a maximum of ten years. Repayment of the loan may not be waived.

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 the schedule
- changes to a reporting date
- changing the accountable project leader.

The beneficiary must immediately notify the Funder of other significant changes to the project, for example if there are changes to key personnel resources.

Changes of bank account are to be reported using form Y1 available on the website.

9 Reassignment and approval of corporate reorganization

The funding decision cannot be transferred to a third party.

The beneficiary must notify the Funder in advance in the event that, during the project, within five years of payment of the final funding instalment or before the principal and interest on a loan have been settled in full, it

- sells, gives as security or otherwise assigns business or any part thereof generated in the project
- sells, gives as security or otherwise assigns intellectual property rights or other rights generated in the project
- moves its business activities abroad, or
- undertakes other significant business changes or restructuring, including sale of a share majority, merger, division and significant personnel cutbacks directed at operations funded by the Funder.

Prior written consent of the Funder is required for the measures referred to in this section that are carried out outside the European internal market or that may undermine the realization of the targeted project impacts, or that make it more difficult for the beneficiary to repay the loan. No approval is needed if licensing is an integral part of the business originally targeted as part of the project.

The Funder may give its approval if the targeted project impacts can, for the most part, be achieved and the loan repayment secured despite the changes. The Funder has the right to claw back the funding under section Clawback of funding of these terms and conditions if the beneficiary violates against the provisions laid down in this section.

10 Project ownership and intellectual property (IPR)

The beneficiary must ensure that it holds the ownership and intellectual property rights in the items used and results generated in the project, either pursuant to legislation (e.g. Copyright Act, Act on the Right in Employee Inventions) or by separate agreement.

If the beneficiary uses intellectual property rights owned by a third party (including employees and owners) in the project, it must ensure that it has sufficient rights to use these intellectual property rights for the research and development as well as the business activities in accordance with the project plan.

11 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.

12 Right of inspection

Innovation Funding Agency Business Finland, the National Audit Office, the European Commission and the European Court of Auditors have the right 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 to carry out the task. An external expert may, at the Funder's request, assist in the performance of the audit.

Right of inspection will remain in effect for a period of ten years from the payment of the last project instalment. Project documents and other materials necessary for project monitoring and auditing must be stored for at least the same period of time.

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.

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.

13 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 accumulates tax debts
 - f) 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.

14 Repayment of funding

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

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

15 Clawback of funding

15.1 Right of clawback

Innovation Funding Agency Business Finland will issue a decision ordering the discontinuation of the payment of funding and the clawback of funding already paid if the beneficiary has

- interest or repayment instalment is not paid by the due date
- the debtor is placed in liquidation or bankruptcy, applies for the abatement of debts or suspends repayment
- the debtor has used the loan capital for purposes other than those for which it was granted
- the debtor has provided substantively false information during or after applying for the loan or kept secret a factor with substantive influence on the loan decision
- the debtor has failed to comply with the loan terms
- the prerequisites for the use of the loan capital under which the loan was granted have changed substantively.

15.2 Interest

The beneficiary must pay interest on the amount to be repaid or clawed back. The interest rate on the repayment of the loan is defined in the bond issued by the State Treasury.

15.3 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 amount. 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).

16 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.

17 Order of application

1. Funding decision and any special terms and conditions thereof
2. Bond issued by the State Treasury
3. Funding terms and conditions

1.1.2021

4. Project implementation plan
5. Funding application and its appendices
6. Growth Engine competition invitation to tender
7. Any other documents relevant to the funding decision

18 Scope of application and legal basis

- Annual state budget
- Act on State Lending and State Guarantees (449/1988)
- Act on Discretionary Government Transfers (688/2001)
- Act amending the Act on Discretionary Government Transfers (1113/2018)
- Government Decree on Funding for Research, Development and Innovation Activities (1444/2014)
- Government Decree amending the Government Decree on Funding for Research, Development and Innovation Activities (125/2018)
- Act on customer information systems for business services (293/2017)