

Funding terms and conditions for energy aid**Contents**

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1 Scope of application and publicity of the funding decision

The earliest date for starting a project is the date on which the Funder grants the funding. The funding decision and its terms must be formally approved within one month of the date of the decision. A conditional decision only enters into force once the beneficiary has presented written evidence of compliance with the condition(s) and approved the decision online. Conditional decisions must be approved within one month of the condition(s) being satisfied.

- 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 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 Government Decree on General Terms of Granting Energy Aid for the years 2018-2022 (1098/2017).

The funding granted under this decision is pursuant to requirements 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; OJ L187 26 June 2014, p. 1) and special aid in favor of environmental protection. (SA.50051)

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

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

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

Under the Act on the Client Information System of Enterprise Services (1039/2010), the Ministry of Economic Affairs and Employment, Business Finland Oy, Innovation Funding Agency Business Finland, ELY Centres and TE Offices may exchange client information relating to a beneficiary.

The Funder may also require information from other authorities and co-funders (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 co-funders in order to obtain or disclose information associated with the beneficiary and this project. By accepting the funding decision, the beneficiary agrees to this exchange of information.

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

2 Accountable project leader

The accountable project leader appointed by the beneficiary must be in an employment relationship with the beneficiary.

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
- 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 have been sent to the auditor for information
- the project is implemented in accordance with the plan
- declared costs have been incurred by the project within the duration of the project.
- the persons chosen to manage the project's issues in the online service have access rights to the project.

3 Monitoring of costs

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 cost statements verified.

Monitoring of the working hours allocated to the project must be arranged in accordance with section 4.3.

4 Eligible costs

4.1 Principles

Eligible costs include expenditure incurred from investment and investigation projects that

- have arisen from the project within the duration of the project (at the earliest on the date of the funding decision)
- have been entered in the accounts of the beneficiary
- is in net amount and VAT-exempt.

The costs can be accepted with VAT if the beneficiary is not liable to pay VAT. The costs on which VAT is payable may also be declared if they are connected with VAT-exempt operations and the VAT will be payable by the beneficiary.

Expenditures based on an order placed before the funding decision are not considered eligible costs unless the order is associated with the option for annulment linked to the launch of the project.

Expenditures must be paid by the beneficiary in money before they are declared to the Funder. The payment of investments may not be financed by loans issued by the recipient of the payment. The costs must be based on the corresponding expenditure payment records. This does not apply to calculatory costs allocated to the project.

The beneficiary must, on request, provide the information and documents required for project cost monitoring. These may include copies of receipts, invoice itemizations and the selection criteria for purchased services.

If purchases are made from a group or associated company, the seller must draw up his/her own cost statement in accordance with these terms and conditions. Refer to section 4.8 for more information.

The cost-category-specific amounts given in the cost estimate appended to the funding decision determine the maximum amount of individual eligible cost categories. The Funder has the right not to accept costs presented by the beneficiary if their relevance to the project is not clearly substantiated or they are too large in view of the project results.

4.2 Procurement procedures

If the beneficiary or a client purchasing the energy produced with the investment is a public procurement unit, or the company has received funding from the Funder or other public funding that covers more than 50% of the procurement, the beneficiary or client purchasing the energy must comply with the Act on Public Contracts. The procurement must be subject to tendering as a public contract when its estimated total value, excluding VAT, exceeds the value that has been set in the law.

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.

4.3 Salaries

a) Working time monitoring

Working time must be monitored at an hourly level for each person participating in the project for work performed for the project.

- Persons to whom the Working Hours Act does not apply or who do not have specified working hours must keep records both of hours worked on the project and of total working hours.
- Hours spent working on the project must be reported for days when the actual work has been performed.
- The accountable project leader or the supervisor of each employee must confirm the working hours at least once per month. Entry of confirmation must be saved in the monitoring system.

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

Personnel time recording-related materials, hour-based monitoring reports and confirmed monthly summaries must be stored for ten years from remittance of the last project funding instalment.

b) Declared salaries

The beneficiary may only declare the proportion of a person's wages or salary for their total working hours that is allocated to the project on the basis of working time monitoring.

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 midweek or annual holidays or the time spent on sick leave or maternity, parental or paternity leave.

The amount of salaries declared to the Funding Agency may not substantially differ from

- what has been paid to the person in question for work at a corresponding level before the project
- 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 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 a public funding bodies.

The beneficiary must notify the Funder if performance-related and/or other exceptional payment components are included in the declared salaries. The Funder may, at its discretion, approve them if they are an established and important part of the beneficiary's wage or 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 declare it under Purchased services in the cost statement.

The beneficiary must report on a salary specification template any project-related salaries paid to persons coming from abroad to work in Finland or persons working abroad.

4.4 Indirect personnel costs

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

Indirect personnel costs include

- midweek holidays, holiday pay, sick 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 indirect personnel costs approved in the cost estimate 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 fall within the scope of the Working Hours Act (shareholders in leading positions), persons coming from abroad to work in Finland or persons working abroad. If the person is not paid holiday pay, 30 per cent of the declared wages and salaries are accepted 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 are calculated using the indirect personnel cost calculation tool available on the Business Finland website.

4.5 Travel expenses**Investment projects**

Travel expenses will not be accepted for investment projects.

Investigation projects

Travel expenses included in the project plan of an investigation project can be accepted in accordance with the following regulations of the Finnish Tax Administration:

- Decision of the Finnish Tax Administration on the tax-exempt compensation of travel costs
- Instruction of the Finnish Tax Administration concerning compensation for commuting expenses

The Funder will accept travel expenses in accordance with other provisions and administrative regulations applying to the beneficiary if there are provisions regarding the compensation of travel

expenses that differ from the decisions and instructions issued by the Finnish Tax Administration. Costs will only be accepted up to the amount specified in the decision of the Finnish Tax Administration.

4.6 Material and supplies costs

Materials and supplies purchased from third parties can be accepted in accordance with the related invoicing. Internal material and supplies costs must be declared at cost price.

4.7 Equipment purchases

Investment projects

In investment projects, eligible costs include

- costs of the procurement and installation of machinery and equipment
- construction costs
- acquisition of land directly related to investments (no more than ten per cent of total acceptable project costs)
- costs incurred by the subscription fee charged by the distribution network operator for electricity production
- construction costs of the main pipeline required to connect the planned district heating plant to the district heating network

The costs of part payment and 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.

However, 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 available 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).

The investment project is considered completed when the funded machinery and equipment have been installed and are in working order. The beneficiary must have documentation on the acceptance and testing of the equipment.

Investigation projects

Eligible costs in investigation projects include rental costs for machinery and equipment necessary for the implementation of the project insofar as they do not exceed 10 per cent of the eligible project costs.

4.8 Purchased services

Investment projects

In investment projects, eligible costs include

- costs arising from preparation and planning insofar as they do not exceed 20 per cent of the eligible project costs
- costs arising from structural engineering work and construction supervision
- costs arising from clearance and excavation work
- costs arising from deployment and the training of operating staff required for deployment
- costs arising from the monitoring of the investment for up to a year from the commissioning of the investment, if this is justified due to the special characteristics of the project or other special reasons
- costs arising from project auditing.

Investigation projects

In investigation projects, eligible costs include direct costs incurred from the project, such as

- costs arising from consulting and expert services and information management services
- costs arising from project auditing.

Services purchased from third parties can be accepted in accordance with the project plan and invoicing.

Purchased service costs can include the following costs as direct project-related costs:

- information and data gathering
- patent or license purchases when they are used exclusively for the project
- application for intellectual property rights for SMEs¹.

Software required for the project is approved under Machinery and equipment costs or Machinery and equipment depreciations and rental costs, not under Purchased services.

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.

Work compensation is declared under "Services purchased from SMEs".

Services purchased from domestic public-sector research organizations

A research institution is defined as a Finnish university, polytechnic 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.

Purchases from other companies in the same group and associated companies

Definition of an associated company

Companies are associated with each other if at least 20 per cent of the other company's entire share capital or corresponding shareholders' equity is directly or indirectly owned or controlled by the other company. The Funder may also consider companies as associated companies if the other company has a controlling interest in the other company or can in other ways influence where the other company makes its purchases. Such a situation may arise, for example, through board membership, the responsible persons, family members or acting as an employee and/or funder.

General principles

Group companies and associated companies must also observe these general terms and conditions for funding. 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 purchases for the project. The Funder may accept costs that the beneficiary has paid and that the seller has incurred by purchasing equipment and materials or by providing the service. Group-internal administrative costs and items paid as administrative fees are not eligible project costs.

The Funder will accept the paid purchased services without financial cover. In order to demonstrate the non-profit nature of the services, the group companies and associated companies must provide the Funder with a separate 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 (see section 4.4).

The costs must be declared on the cost statement template Y3 (includes the declaration by the accountable project leader) and salary specification template Y4. The declaration by the accountable project leader must be signed by the persons authorized to sign for the group company and the associated company. The templates are found on the Business Finland website.

The beneficiary must submit the cost statements of the group companies and associated companies and, as part of the final report at the latest, an auditor's report detailing the costs of the group 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 companies.

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

Purchases from foreign group companies and foreign associated companies as well as costs incurred for the beneficiary at an office located abroad may also be accepted as project costs. This must be specified in the special terms and conditions of the funding decision. Only direct project

¹A large company refers to a company that is not considered an SME in Article 2 of Annex I of the Commission regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (Official Journal of the European Union, L 187, 26 June 2014, p. 1).

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 is provided in a specified form and may be in Finnish, Swedish or English. The forms and auditor's report templates are available on the Business Finland website.

Services purchased from the European Single Market

Services purchased from the European Single Market are reported under this section. European Single Market refers to the area comprising the European Economic Area and the Swiss Confederation.

Services purchased from outside the European Single Market

Services purchased from outside the European Single Market are reported under this section.

4.9 Ineligible costs

The following costs are not accepted as eligible costs:

- overheads
- entertainment expenses
- 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)
- salary 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
- the purchase costs of office equipment, cars and other equivalent durable goods
- costs that are not relevant to the project's implementation.

In investment projects, ineligible costs also include travel expenses of the beneficiary, interest paid during construction, cost increase reserves, subscription fees other than those referred to in section 4.7, and costs based on the Act on Criteria for Charges Payable to the State (150/1992).

5 Other public funding

The cost statement 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 total funding that the project receives from the Funder and other public funding may not exceed the maximum amount of public funding allowed for the project. If necessary, the Funder will reduce its own contribution to ensure that the maximum amount is not exceeded.

The beneficiary must fund at least 25 per cent of the project with funding that is unrelated to public funding. However, this is not applied to projects implemented by a municipality or a corporation under its majority ownership insofar as the funding is granted by the municipality.

6 Reporting

The accountable project leader must submit reports on the project's progress and send the project's cost statement using the online service. A salary specification (Y4) must be appended to the cost statement. An impact assessment form and an auditor's report must additionally be provided in conjunction with the final accounting (see section 7). The forms are available on the Business Finland webpage on energy aid.

The beneficiary must declare all project costs at the latest in the final cost statement. If the maximum amounts for each cost category in the cost estimate are substantially exceeded, the beneficiary must apply for a change to the cost estimate (see section 10). No new project costs can be presented after the approval of the final report.

Costs that have been preliminarily accepted on the basis of the interim report must be processed again as part of the final report. The Funder will only give its final approval to the costs after it has received the auditor's report.

Investment projects

The beneficiary of the investment project must, in connection with each report or cost statement, present a statement by its representative on the progress of the project

A report on the total project funding must also be included in the cost statement of the first funding instalment, or in the final cost statement if the costs are declared in a single instalment.

Regarding projects which involve leasing or partial payment expenses, the beneficiary must submit a leasing or partial payment agreement in connection with a cost statement. Furthermore, the Funder must be provided with a certificate stating that the finance company has remitted the investment should the beneficiary fail to submit an auditor's report for the project.

Investigation projects

The Funder shall disclose the information on the investigation project listed below to Motiva Oy once the beneficiary has consented to said disclosure upon accepting the funding decision:

- the funding decision and the cost estimate
- the application attachment with forms on subjects of support (1 subject/form) appended to the funding application and submitted to the Funder
- the name and email address of the applicant's contact person.

In investigation projects, the beneficiary must provide a final report in conjunction with the final cost statement for the project's results and the opportunities for their utilization. The beneficiary must, prior to the project's final cost statement, submit the subject-specific reports and summary tables ("paataulu.xls" – "main table.xls" and "kuntataulu.xls" – "municipality table.xls") to Motiva Ltd. Instructions for submittal are available on the Business Finland webpage on energy aid.

Motiva Oy shall issue an opinion to the Funder on the content and scope of the report.

7 Auditor's report

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

The costs arising from the auditor's report prepared by the project auditor can be accepted as direct project costs. The beneficiary must provide a copy of the audit invoice and a payment receipt/copy of the bank statement as part of the final cost statement.

The Funder has the right to disclose the auditor's report to other authorities for the purposes of funding supervision.

In a project of a maximum of five proofs of purchase (travel expenses, material and supplies costs, equipment purchases, and the purchase of services), the project auditor's report may be compensated for by including in the cost statement an extract of project accounting from the general ledger, a copy of purchase invoices as well as the payment receipt, and a bank statement indicating that the invoices are paid. However, an auditor's report shall be delivered every time that salaries or purchases are declared to the project from inside the group or an associated company.

8 Payment of funding

The Funder shall pay out funding on the basis of approved reports and cost statements.

The first instalment of the investment project may be paid once the beneficiary has made a binding order for primary equipment and begun construction, and when at least 20 per cent of the costs have been paid.

The final instalment of the investment project may be paid once the project is completed and the funded asset has been insured against loss or damage and the final report and cost statement have been approved.

At least 20 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.

Funding that has been granted for an investigation project is paid once the project is completed and the final report and cost statement have been approved.

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.

9 Monitoring the impact of funding

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 supply the grant provider with an account of the project impacts within two years from the payment of the last funding instalment.

The beneficiary must, on request, provide details on the outcome of the plans and forecasts that it presented during the processing of the application and the implementation of the project.

The Funder must be granted the opportunity to review the beneficiary's annual accounts and auditor's reports from the Finnish Patent and Registration Office database for 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 Funder.

10 Changes to the project

The beneficiary must obtain consent for project changes. Consent must be sought from the Funder in writing in advance if the project progress deviates from the plan in the following aspects:

- significant changes to the project plan
- changes in cost categories
- changes to the schedule
- change of the reporting date
- change of accountable project leader.

If the Emissions Trading Act becomes applicable to the project, the beneficiary must inform the Funder of this within two months.

Changes of bank account are reported using the form Y1 available on the Business Finland website.

11 Project transfer, business arrangements, use and transfer restrictions

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 a corporate reorganization (such as a merger, division, or significant ownership arrangement) during the project. The time limit of five years commences following the last instalment of the funding payment.

The assets for which energy 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 16 of these general terms and conditions if the beneficiary violates the provisions of said section.

12 The beneficiary's disclosure obligation

The beneficiary must provide the Funder with accurate and sufficient information for the payment of funding and to monitor 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.

13 Right of inspection

Innovation Funding Agency Business Finland, the Ministry of Economic Affairs and Employment, 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. An external expert may, at the Funder's request, assist in conducting the inspection.

Right of inspection is in effect for a period of ten years from payment of the project's last instalment. Project documents and other materials necessary for monitoring and inspections (including the material related to working time monitoring) must be stored for a period of at least ten years after the payment of the final funding instalment of the project.

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 the practice of 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.

14 Discontinuation of payments

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

1. The Funder has reasons to suspect that the beneficiary is not providing the Funder with accurate or adequate information or the information that has been requested 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 the written agreement of the Funder
 - b. there is a substantial deterioration in the beneficiary's financial position in relation to the anticipated trend
 - c. the company loses its entire equity
 - d. the company initiates restructuring proceedings
 - e. the company accumulates tax debts
 - f. the company has neglected its obligation to pay back loans issued by Business Finland.
3. European Union law stipulates that the payment of funding be interrupted.

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

15 Repayment of funding

The beneficiary must, without delay, repay any funding or part thereof received through error, in excess or manifestly without cause. Amounts of less than one hundred euros need not be repaid. The beneficiary must contact the Funder before the repayment of funding.

16 Claw-back of funding**16.1 Statutory claw-back**

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

Innovation Funding Agency Business Finland shall issue a decision ordering the discontinuation of the payment of funding and the claw-back of funding already paid if the beneficiary has

1. failed to repay funding or part thereof that must be repaid under section 15 of these general terms and conditions
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 fundamentally violated the provisions concerning the use of the funding or these terms and conditions of funding in a manner comparable to clauses 1-3.

16.2 Discretionary claw-back

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

1. 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 the Funder has not been provided by the specified date
2. the beneficiary has not complied with the terms and conditions for funding
3. 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
4. the funding has not been used for the purpose specified in the funding decision
5. the beneficiary has refused to assist in the project audit
6. the beneficiary has terminated the project for which the funding was granted, reduced or altered it substantially or transferred it to another party
7. the beneficiary has been subjected to recovery proceedings, placed into liquidation or bankruptcy, or made subject to restructuring proceedings
8. 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
9. the claw-back of funding is required under European Union legislation
10. the beneficiary otherwise acts in a manner comparable to the matters in this section.

16.3 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).

16.4 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 amount.

For the period after the due date, the penalty interest is determined in accordance with the interest rate referred to in section 4(1) of the Interest Act (633/1982).

16.5 Moderation of grant claw-back

The Funder may decide to waive a part of the grant to be repaid or clawed back, or any interest or penalty interest on it, if repayment in full is unreasonable in light of the financial standing and circumstances of the beneficiary, in relation to the type of assets acquired with the grant or the procedure on which the claw-back is based, or because of a change in circumstances.

For an extremely weighty reason, the Funder may decide to totally waive the sum to be repaid or clawed back, or the interest or penalty interest on it.

16.6 Claw-back time limit

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

17 The Funder's right of offsetting

The grant to be repaid or clawed back and the interest on it may be deducted from the other grants paid to the beneficiary.

18 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.

19 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 its special terms and conditions | 5) funding application and its attachments, and |
| 2) funding terms and conditions | 6) other documents relevant to making the funding decision. |
| 3) cost estimate | |
| 4) project plan | |

Disclaimer:

This English translation of the terms and conditions is provided for guidance only. Business Finland shall not guarantee the accuracy of the translated text. For interpretation purposes, the Finnish-language version shall apply.