

## Questions and Answers

### **What can funding intended for research and development in the creative industries be used for?**

R&D funding is intended for companies seeking bold renewal and business growth in international markets. With R&D funding, Business Finland shares risk with the company in ambitious projects where competence is developed to achieve a competitive advantage.

The R&D funding is provided as a grant. It can be applied for by companies of any size engaged in economic activities. The company must have a team capable of guiding its international growth. Business Finland does not fund one-person companies.

### **But Business Finland's current funding criteria and R&D funding are not suitable for companies in the creative industries, are they?**

Research and development activities can improve the competitiveness of companies in any sector.

It should be noted that research and development funding cannot be used to finance a company's core business, such as a new game, TV series, film, music album, artwork, or clothing collection, or routine or regular work that generates a company's normal revenue.

### **How is R&D funding for the creative industries different from R&D funding that has already been available from Business Finland for projects in any sector?**

All R&D funding, including funding earmarked for R&D in the creative industries, is governed by the same legislation, definitions and criteria. By opening two funding calls to promote research and development in the creative industries, Business Finland aims to highlight the opportunities that renewal and efforts to enter international markets can bring to the sector. In addition, all sectors can benefit from harnessing the know-how of the creative industries.

What is special about the R&D funding for the creative industries is that it allows the development of products, services, and business models with a 35 percent grant, instead of the usual 50 percent loan, in projects by small and medium-sized enterprises. Depending on the level of research and the size of the company, the grant may be smaller or larger or granted as a loan. In addition, companies from other industries can apply for funding when the solution planned in the project is based on creative expertise and at least 40 percent of the project costs consist of expertise from the creative industries. Read detailed instructions on the call for applications to be published after 7.1.2026 [Research and development funding](#)

### **Why are projects by solo entrepreneurs' not funded?**

At a minimum, the team must be composed of, for example, one full-time employee and two part-time employees working 50% of their full-time hours in Finland.

Solo entrepreneurs often have limited resources for R&D, entry into international markets, and international operations. Solo entrepreneurs should actively network and market services to companies in different industries. Companies from other industries can apply for R&D funding for the creative industries if the project includes at least 40% purchased services that include creative know-how.

Participation in the project increases competence in R&D activities.

### **Is no call arranged for micro-enterprises?**

The definition of SME also covers micro-enterprises, as long as the resources for international growth are otherwise in order, including a team of at least two people and sufficient self-financing.

### **What are the definitions and limitations of research and development based on?**

Business Finland's funding is regulated by EU and national regulations. For example, Business Finland can only finance R&D activities as defined in the EU Block Exemption Regulation with R&D funding.

Support for research and development projects is based on Article 25 of the General Block Exemption Regulation and on the Government Decree on the Funding of Research, Development and Innovation Activities (1444/2014).

The OECD Guidelines for R&D activities contain five elements. The definition applies to all industries.

- The goal is to produce new information and new results
- creative problem framing, solutions are sought through new concepts and testing of observed hypotheses
- risky; uncertainty about results and resources needed
- systematic; planning, budgeting, and monitoring of implementation
- results must be transferable and/or replicable

Meeting an individual element or parts of the elements on their own does not suffice to demonstrate the nature of the R&D activities for a funding decision. In addition, companies are required to have a goal for and commitment to gaining a competitive advantage in international markets.

### **What is meant by industrial research or research-orientation?**

A project is research-oriented when it produces new knowledge and expertise as a basis for development work to be carried out later. Thus, a research-oriented project does not result in a finished product, service, production method, or business model. The information generated in the research-oriented project can later be used to develop new products, processes or services, or to significantly improve the processes or services of existing products. This applies to any industry or technology.

### **What is meant by experimental development or development work?**

It refers to significantly updating current products, services, production methods, or business models, or developing completely new ones. Development means the acquisition, merger, editing and use of existing know-how. However, routine or regular activities are not regarded as development.

### **What is meant by piloting?**

Piloting means verifying the effectiveness of a new solution at the threshold of the commercialization phase on a sufficiently large scale considering the solution's commercial potential in situations where significant uncertainties are still associated with the effectiveness of the solution. The piloting project must consist of research and development activities. Piloting can also be carried out in a customer's facilities, provided that it cannot be regarded as a commercial delivery and the customer does not provide funding for the project directly or indirectly. The beneficiary must always carry the risk for the piloting project's success.

### **What is meant by a research organization in the Co-Innovation call?**

A 'research and information dissemination organization' refers to any entity (such as universities or research institutes, technology transfer bodies, innovation intermediaries, research-oriented physical or virtual collaborative communities), irrespective of its legal status (whether governed by public or private law) or its mode of funding, the main purpose of which is to independently conduct basic research, industrial research, or experimental development, or to disseminate the results of such activities through education, publications, or the transfer of knowledge.

### **What does it mean that competitive advantage should be sought in international markets?**

Significant competitive advantage means standing out from competitors' offerings in the international markets and having something the target group is willing to pay for. First, try to identify what your company's product, competitive advantage, and position are in the domestic market, and whether its resources are sufficient to enter international markets.

### **Could an R&D project be carried out with a foreign actor, for example, a foreign hotel chain?**

Business Finland can only provide R&D funding to a Finnish company with a business ID. It is naturally useful to develop a product, service, or solution so that it serves the target customer (e.g., a foreign hotel chain) and allows piloting the solution with a foreign customer.

### **Are entrepreneur's own salaries accepted as project costs?**

Yes, the entrepreneur's wage costs may be part of the eligible costs. Of course, it must be born in mind that in practice an entrepreneur must also use their working time for many other things. Using 100% of the working time in R&D would therefore be a strange situation. Often entrepreneurs do not pay themselves a salary, so in that respect there are no allowable costs. The matter has been clarified in the funding terms for companies' research and development projects: [Business research and development funding](#) Salaries of the beneficiary's management and administration are, as a rule, overhead costs. The salaries of these persons may be accepted as direct costs, if the work performed is directly attributable to the project.

### **Can the project costs include the costs of an associated company?**

Purchased services from group and associated companies can be accepted, but the group and associated company must also arrange project accounting and working time monitoring as described in the funding terms and conditions. The group and associated company must provide the beneficiary with an invoice for the services purchased for the project. The funder may accept costs paid by the beneficiary that have been incurred by the seller for producing the service. The Group's internal governance costs and amounts paid as governance fees are not acceptable costs for the project. The funder approves the paid purchased service without margin. To demonstrate the nonprofit 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.

### **For example, what is the right support for the acquisition of the operational equipment required for R&D activities?**

As part of the approved cost estimates for an R&D project, either the full equipment rental costs required for the project or the planned depreciation of their purchase price over the project duration are approved. Examples include If the duration of the project is 2 years and the depreciation period of the device is 5 years, then two years' depreciation, i.e., 40% of the acquisition cost, will be accepted.

**Can self-financing be considered imputed salary? Many entrepreneurs are flexible with their own pay.**

Costs must be paid and reflected in the beneficiary's accounts over the duration of the project.

**Is the company's R&D project required to include the work of a research organization as a purchased service?**

No, it is not For the project, it is essential to have access to the best competence required for the work. Competence may already exist in the company, it may be acquired through recruitment or as a purchased service from another company or research organization. What matters is knowing where to find the best and most appropriate competence in terms of the project's objectives and implementation.