

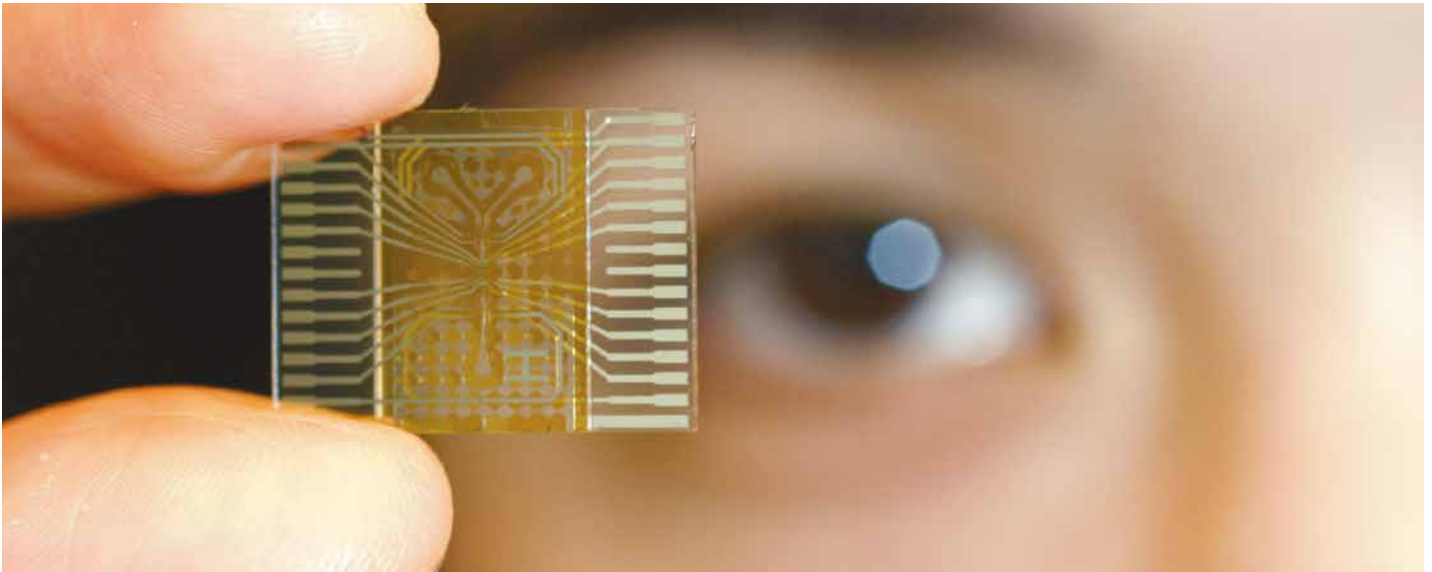


financial incentives

setting up, establishing and developing businesses

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The legal framework defined by the "Loi sur l'appui au développement économique" (LADE, articles 31 - 34) allows the Office for Economic Affairs (SPECo) to provide direct financial incentives for specific business projects.

This financial assistance is intended to support the creation and establishment of enterprises, as well as the development of Vaud-based SMEs and start-ups looking to innovate, or expand international operations.

This brochure tells you about the various financial incentives that can be obtained from the Office for Economic Affairs (SPECo).

SPECo will similarly inform you about the tax incentives that can be granted for newly created activities.

Finally, other financial incentives may be granted by the Vaud Labour Office (www.vd.ch/emploi) such as subsidies for hiring new staff.

1.1. GENERAL PRINCIPLES

Beneficiaries

Companies based in the canton of Vaud and whose economic activity is included in the canton's list of economic development priorities (PADE, Annex 7.3) may request financial assistance from SPECo.

This applies to SMEs and start-ups that are involved with industrial production and advanced technologies.

The list of sectors and the types of eligible activities is available on the website www.vd.ch/promotion-economique («Legal Basis» section, bottom right) or from SPECo.

Amounts

The cumulative amount of financial incentives provided by SPECo to a single business is:

- SFr 50,000 per calendar year
- SFr 100,000 for a period of 5 years from the date the first support was granted

These amounts may be granted by SPECo to companies that meet the eligibility criteria. **The maximum amounts include support for innovation** (Chapter 2), as well as **support for marketing and internationalization** (Chapter 3).

Not included in these limits are:

- financial incentive for the training of technical and scientific staff
- the partial coverage of bank interest
- loan guarantees

Request submission

Every request for financial incentives should be submitted before the start of the project which forms the object of the request.

Right to financial assistance

SPECo reserves the right to refuse any request for financial assistance, explaining its decision.



2.1. ACQUIRING INTELLECTUAL PROPERTY RIGHTS

Projects supported

- Submission of a request to grant a patent in Switzerland or abroad
- Request for a preliminary examination for an international patent submission

Amount of support

The incentive amounts to 50 % of the costs incurred by the project, but **no more than SFr 5,000**.

Cost of the project

The costs taken into consideration notably include the official charges payable during the course of the examination and issue procedure, databases research expenses and the external mandatory fees.

Request

The request should be submitted to the Office for Economic Affairs (SPECo) **before the project is implemented**. It should be accompanied by the following:

- an application form* for financial support
- a business plan or brief presentation of the enterprise (general information, products/services, marketing, competition, financial plan)

- a presentation of the external mandate (mandatory, description of the project, budget and financing)
- a quote from the mandatory (-ies)
- a signed commitment* in respect of the collective bargaining agreements currently in force

The request is handled in full confidentiality.

Disbursement

The disbursement request should be submitted to SPECo once the project has finished, but no later than 2 years after the decision date. Any request to extend this period should be submitted to SPECo without which the support will not be disbursed.

The subsidy will be paid upon presentation of the following:

- a disbursement request form* with a brief report describing the results achieved (quantitative and/or qualitative)
- a final breakdown of the expenses relating to the mandate and official charges
- a copy of the mandatory invoices and proofs of payment

* Please note that all the forms are downloadable from www.vd.ch/promotion-economique



2.2. DEVELOPING NEW PRODUCTS, IMPROVING OR DEVELOPING PLANT, OBTAINING CERTIFICATION OR HOMOLOGATION

Projects supported

Performance of an analysis or mandate with a view to:

- developing an innovative product (including the feasibility study)
- enhancing, optimising or developing production structures, equipment or processes
- obtaining homologation or certification (except ISO 9000)

Amount of support

The incentive amounts to 50 % of the costs incurred by the project, but **no more than SFr 30,000**.

Cost of the project

The costs taken into consideration consist exclusively of external mandatory fees.

Request

The request should be submitted to the Office for Economic Affairs (SPECo) **before the project is implemented**. It should be accompanied by the following:

- an application form* for financial support
- a business plan or a brief presentation of the enterprise (general information, products/services, marketing, competition, financial plan)
- a presentation of the external mandate (mandatory, description of the project, budget and financing)

- a quote from the mandatory (-ies)
- a signed commitment* in respect of the collective bargaining agreements currently in force

The request is handled in full confidentiality.

Disbursement

The disbursement request should be submitted to SPECo once the project has finished, but no later than 2 years after the decision date. Any request to extend this period should be submitted to SPECo, without which the support will not be disbursed.

The subsidy will be paid upon presentation of the following:

- a disbursement request form* with a brief report describing the results achieved (quantitative and/or qualitative)
- a final breakdown of the expenses relating to the mandate
- a copy of the mandatory invoices and proofs of payment

A downpayment representing no more than 80 % of the amount of support granted may be disbursed upon written, justified request and upon presentation of copies of the invoices already submitted by the mandatory(-ies). Under no circumstances may the downpayment be more than 50% of these invoices.

* Please note that all the forms are downloadable from www.vd.ch/promotion-economique



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3.1. ATTENDING EXHIBITIONS OR BUSINESS CONVENTIONS

Projects supported

Active participation in an international exhibition or convention of world-class businesses, in Switzerland or abroad, in order to promote the commercial and international development of the company. Participation as a simple visitor is not included.

Support is limited to a firm's five initial participations at an identical convention or exposition.

Amount of support

The incentive amounts to 50 % of the costs incurred by the project, but **no more than SFr 5,000**.

Cost of the project

The costs taken into consideration notably include surface area, the hiring of stands and furnishing, the cost of transporting materials, travel and accommodation expenses, and the promotion expenses regarding the event.

Request

The request should be submitted to the Office for Economic Affairs (SPECo) **before the project is implemented**. It should be accompanied by the following:

- ➔ an application form* for financial support
- ➔ a subsidy request form* for exhibition / business conventions
- ➔ a presentation of the event and commercial objectives targeted (quantitative and/or qualitative)

- ➔ a business plan or brief presentation of the enterprise (general information, products/services, marketing, competition, financial plan)
- ➔ a signed commitment* in respect of the collective bargaining agreements currently in force

The request is handled in full confidentiality.

Disbursement

The request for disbursement should be submitted to SPECo once the project has finished, but no later than 2 years after the decision date. Any request to extend this period should be submitted to SPECo, without which the support will not be disbursed.

The subsidy will be paid upon presentation of the following:

- ➔ a disbursement request form* with a brief report describing the results achieved (quantitative and/or qualitative)
- ➔ a final breakdown of the expenses relating to the firm's participation to the event
- ➔ a copy of the invoices and proofs of payment

* Please note that all the forms are downloadable from www.vd.ch/promotion-economique



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3.2. DEVELOPING NEW MARKETS

Projects supported

Survey or mandate with a view to:

- developing international markets
- diversifying the customer base
- identifying a strategic partner

Amount of support

The incentive amounts to 50 % of the costs incurred by the project, but **no more than SFr 30,000**.

Cost of the project

The costs taken into consideration consist exclusively of external mandatory fees.

Request

The request should be submitted to the Office for Economic Affairs (SPECo) **before the project is implemented**. It should be accompanied by the following:

- an application form* for financial support
- a business plan or brief presentation of the enterprise (general information, products/services, marketing, competition, financial plan)
- a presentation of the external mandate (mandatory, description of the project, budget and financing)
- a quote from the mandatory(-ies)

- a signed commitment* in respect of the collective bargaining agreements currently in force

The request is handled in full confidentiality.

Disbursement

The request for disbursement should be submitted to SPECo once the project has finished, but no later than 2 years after the decision date. Any request to extend this period should be submitted to SPECo, without which the support will not be disbursed.

The subsidy will be paid upon presentation of the following:

- a disbursement request form* with a brief report describing the results achieved (quantitative and/or qualitative)
- a final breakdown of the expenses associated with the mandate
- a copy of the mandatory invoices and proofs of payment

A downpayment representing no more than 80 % of the amount of support granted may be disbursed upon written, justified request and upon presentation of copies of the invoices already submitted by the mandatory(-ies). Under no circumstances may the downpayment be more than 50 % of these invoices.

* Please note that all the forms are downloadable from www.vd.ch/promotion-economique

4.1. TRAINING OF TECHNICAL OR SCIENTIFIC STAFF

Projects supported

In-house training of employees in technical or scientific fields during the establishment, start-up or development phases of the company.

Amount of support

Calculation basis

The amount of the incentive is calculated on the basis of the monthly income of the employee, the duration of the training course and the amount of employee work time dedicated to the training.

Amount

The incentive amounts to **maximum 50% of the gross income of the employee but no more than Sfr 15'000**. The maximum duration of the training course taken into account when calculating the assistance is 6 months.

The Office for Economic Affairs (SPECo) can set a maximum support budget for each enterprise for the training of its technical and scientific staff.

Examples

- Training 2 days per week, duration 4 months, gross monthly salary SFr 6,000
Calculation basis = SFr 9,600 (6,000 x 4 x 40 %)
Maximum support = SFr 9,600
- Training 4 days per week, duration 6 months, gross monthly salary SFr 6,000
Calculation basis = SFr 18,000 (6,000 x 6 x 50 %)
Maximum support = SFr 15,000
- Training 1 day per week, duration 8 months, gross monthly salary SFr 6,000
→ Calculation basis = SFr 7,200 (6,000 x 6 x 20 %)
→ Maximum support = SFr 7,200

Conditions

The company must certify that the training is directly linked to its research, development or production activities, and that the employees receiving support:

- are following a specific training course **within the enterprise** to gain required technical skills
- are working under an employment contract of indefinite duration
- are not receiving any benefits under Swiss laws covering labor or unemployment insurance

Request

The request should be submitted to the Office for Economic Affairs (SPECo) **before the project is implemented**. It should be accompanied by the following:

- an application form* for financial support
- a business plan or brief presentation of the enterprise (general information, products/services, marketing, competition, financial plan)
- a complete training plan for each employee covered by the request (description of the post and the qualifications required, objectives, description of the training, amount of work time dedicated to training and duration of the training course)
- a copy of the curriculum vitae and the employment contract of the employees covered by the request
- a signed commitment* in respect of the collective bargaining agreements currently in force

The request is handled in full confidentiality.

Disbursement

The disbursement request should be submitted to SPECo once the training period has finished, but no later than 2 years after the decision date. Any request to extend this period should be submitted to SPECo, without which the support will not be disbursed.

The subsidy will be paid upon presentation of the following:

- a disbursement request form* with a brief training report describing the results achieved
- the salary breakdowns relating to the period concerned and proofs of payment

A downpayment representing no more than 80 % of the amount of support granted may be disbursed upon written, justified request and upon presentation of the salary slips issued. Under no circumstances may the downpayment be more than 50 % of these salary breakdowns.

* Please note that all the forms are downloadable from www.vd.ch/promotion-economique



4.2. SUSTAINABLE DEVELOPMENT TRAINING

Projects supported

External training course for employees, targeting the integration of ecological and social issues into the company management.

Amount of support

The incentive amounts to 50% of the costs incurred by the project, but **no less than SFr 1,000 and no more than SFr 3,000.**

Cost of the project

The costs taken into consideration consist exclusively of registration fees for the training course.

Condition

Employees must be registered on the training course under the company name and the cost of the course must be paid by the company.

Request

The request should be submitted to the Office for Economic Affairs (SPECo) **before the project is implemented.** It should be accompanied by the following:

- an application form* for financial support
- a business plan or brief presentation of the enterprise (general information, products/services, marketing, competition, financial plan)
- a presentation of the training course (institution, course description, objectives, cost, financing)
- a copy of the employee registration on the training course

- a signed commitment* in respect of the collective bargaining agreements currently in force

The request is handled in full confidentiality.

Disbursement

The disbursement request should be submitted to SPECo once the project has finished, but no later than 2 years after the decision date. Any request to extend this period should be submitted to SPECo, without which the support will not be disbursed.

The subsidy will be paid upon presentation of the following:

- a disbursement request form* with a brief training report describing the results achieved
- a copy of the educational institution invoices and proofs of payment

* Please note that all the forms are downloadable from www.vd.ch/promotion-economique



5.1. LOAN GUARANTEES

Projects supported

Industrial projects involving investments relating to the development of a new product, infrastructure, plant or operating equipment, and promoting the creation or preservation of jobs.

Amount of the guarantee

The guarantee amounts to **50 % of the loans granted, but no more than one third of the total cost of the investments related to the industrial project**. It is granted for a period of no more than 10 years. The decrease of the loan implies a proportional decrease of the guarantee.

The amount of the guarantee is **between SFr 500,000 and at most SFr 5,000,000**. In principle, guarantees of less than SFr 500,000 fall under the competence of the Cautionnement romand (www.cautionnementromand.ch) providing financial guarantees in French-speaking Switzerland.

Cost of the project

The costs taken into consideration notably include investments in property, plant and equipment, research and development expenditures through to the industrial prototype, and the cost of exploitation related to the launch of the project (inventory buildup, marketing, salaries).

Examples

- Project costs SFr 6 million, bank loan(s) SFr 3 million, capital SFr 3 million, maximum guarantee = SFr 1.5 million
- Project costs SFr 6 million, bank loan(s) SFr 5 million, capital SFr 1 million, maximum guarantee = SFr 2 million

Conditions

- The loan is provided by an establishment subject to the "Loi fédérale sur les banques et caisses d'épargne", a pension fund, a cooperative under public law or an insurance company based in Switzerland
- The capital must cover a fair part of the project (theoretically at least one third)

Request

The request should be submitted to the Office for Economic Affairs (SPECo) **before the project is implemented**. It should be accompanied by the following:

- an application form* for financial support
- a business plan or detailed presentation of the enterprise (general information, products/services, marketing, competition, financial plan)
- a copy of the loan agreements (loan offers)
- a bank appraisal regarding the solvency of the enterprise
- a recent certificate from the official debt-collection agency (Office des poursuites)
- a signed commitment* in respect of the collective bargaining agreements currently in force

The request is handled in full confidentiality.

* Please note that all the forms are downloadable from www.vd.ch/promotion-economique

5.2. PARTIAL COVERAGE OF BANK INTEREST

Projects supported

Industrial projects involving investments relating to the development of a new product, infrastructure, plant or operating equipment, and promoting the creation or preservation of jobs.

Amount of interest covered**Calculation basis**

The eligible amount on which the interest coverage is granted represents **one third of the total cost of the investments related to the industrial project, but no more than Sfr 5,000,000**. It may not exceed the amount of the loan granted. It falls in proportion with loan repayment plan.

The interest will be serviced for a period not exceeding **6 years**.

Amount

The amount of bank interest covered amounts to **no more than 50% of the interest calculated on the basis of the eligible amount above-mentioned**. The interest rate applied is the same as the one quoted in the loan offer. SPECo reserves the right to modify at any time the amount covered or the calculation formula in line with the development of the loan and its conditions.

Cost of the project

The costs taken into consideration consist of investments in property, plant and equipment, research and development expenditures through to the industrial prototype, and the cost of exploitation related to the launch of the project (inventory buildup, marketing, salaries).

Examples

- Project costs SFr 6 million, bank loan(s) SFr 5 million, capital SFr 1 million, annual interest 5 %
Calculation basis = SFr 2 million
Maximum amount covered/year = SFr 50,000
(2 million x 5 % x 50 %)
- Project costs SFr 6 million, bank loan(s) SFr 1.5 million, capital SFr 4.5 million, annual interest 5 %
Calculation basis = SFr 1.5 million
Maximum amount covered/year = SFr 37,500
(1.5 million x 5 % x 50 %)
- Project costs SFr 18 million, bank loan(s) SFr 10 million, capital SFr 8 million, annual interest 5 %
Calculation basis = SFr 5 million
Maximum amount covered/year = SFr 125,000
(5 million x 5 % x 50 %)

Conditions

- The loan is granted by an establishment subject to the "Loi fédérale sur les banques et caisses d'épargne", a pension fund, a cooperative under public law or an insurance company based in Switzerland
- The capital must cover a fair part of the project (theoretically at least one third)

Request

The request should be submitted to the Office for Economic Affairs (SPECo), **before the project is implemented**. It should be accompanied by the following:

- an application form* for financial support
- a business plan or detailed presentation of the enterprise (general information, products/services, marketing, competition, financial plan)
- a copy of the loan agreements (loan offers)
- a recent certificate from the official debt-collection agency (Office des poursuites)
- a signed commitment* in respect of the collective bargaining agreements currently in force

The request is handled in full confidentiality.

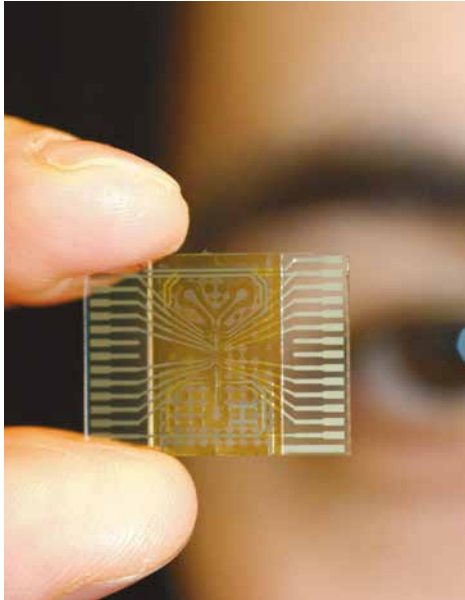
Disbursement

The disbursement requests should be submitted regularly to SPECo (but once a year at least).

The subsidy will be paid upon presentation of the following:

- a breakdown of the interest accruing in the previous period
- a copy of the proofs of payment

* Please note that all the forms are downloadable from www.vd.ch/promotion-economique



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