

PROCEDURE

BG16RFPR001-1.004 “Support for family enterprises, enterprises in the creative industries and crafts”

Programme “Competitiveness and innovation in enterprises” 2021-2027

MINISTRY OF INNOVATION AND GROWTH

PROCEDURE OBJECTIVE:

Encouraging investments to improve the production capacity of family enterprises, enterprises of the creative industries and crafts, and thus contribute to increasing their competitiveness and strengthening their market presence.

TOTAL BUDGET FOR THE PROCEDURE:

117 514 155 BGN

AMOUNT AND INTENSITY OF GRANT FUNDING:

Amount of the grant aid – “de minimis” regime applicable:

<u>Minimum</u> amount of the applied grant	<u>Maximum</u> amount of the applied grant
15 000 BGN	150 000 BGN

Intensity of grand funding:

<u>Eligible target groups of enterprises</u>	<u>Maximum intensity of funding</u>
Family enterprises and enterprises with a main economic activity in the field of creative industries	75%
Enterprises carrying out activities included in the List of Crafts	85%

ELIGIBLE APPLICANTS:

- 1. Merchants according to the Commerce Act or Cooperatives act.**
- 2. To be registered not later than 31.12.2021**
- 3. To be micro and small enterprises.**
- 4. To have an average number of employes for 2023 that is ≥ 1 employed person**

5. To meet AT LEAST ONE of the following requirements:

5.1. Be a family enterprise according to the following definition:

- **more than half of the capital (ownership) of the enterprise is owned by the individual**, who created the enterprise or acquired its capital (property) **AND at least one other (different) individual is officially involved in the management of the enterprise**, and there is a family relationship between the two persons,
or
- **more than half of the capital (ownership) of the enterprise is owned by two or more individuals**, who created the enterprise or acquired its capital (ownership), with a family relationship between them **AND at least one of these persons or at least one other (different) individual**, with whom all persons, owning more than half of the capital (ownership) of the enterprise are related, **officially participates in the management** of the enterprise,
or
- **more than half of the capital (ownership) of the enterprise is owned by the individual**, who created the enterprise or acquired its capital (ownership) **AND at least one other (different) individual** is assigned to an employment contract in the enterprise, and there is a family relationship between the two persons,
or
- **more than half of the capital (ownership) of the enterprise is owned by two or more individuals**, who created the enterprise or acquired its capital (ownership) with a family relationship between them **AND at least one of these persons or at least one other (different) individual**, with whom all persons owning more than half of the capital (ownership) of the enterprise are related, is assigned to an employment contract in the enterprise.

IMPORTANT: To be considered a family enterprise, the applicant must meet one of the above four conditions (hypotheses) during the whole of 2023 or only during a certain period of 2023. And on the date of submission of the project proposal under the procedure (cumulative).

OR

- 5.2. To be enterprises with a main economic activity (four-digit numerical code according to the Classification of Economic Activities - KID-2008, based on data for 2023) in the field of creative industries, as follows:**

Printing activity (group 18.1 according to KID-2008) – allowed codes:

- 18.11 - Printing of newspapers
- 18.12 - Printing of other publications and printed products
- 18.13 - Pre-press preparation
- 18.14 - Binding and similar printing activities

Playback of recorded media (group 18.2 according to KID-2008) – allowed codes:

- 18.20 - Playback on recorded media

Publication of books, periodicals and other publishing activities (group 58.1 according to KID-2008) – allowed codes:

- 58.11 - Publication of books
- 58.12 - Issuance of directories, directories and address lists
- 58.13 - Publication of newspapers
- 58.14 - Publication of magazines and other periodicals
- 58.19 - Other publishing activity

Release of software products (group 58.2 according to KID-2008) – allowed codes:

- 58.21 - Publishing of computer games
- 58.29 - Release of other software products

Production and distribution of films and television programs (group 59.1 according to KID-2008) – allowed codes:

- 59.11 - Film and television production
- 59.12 - Technical activities related to film and television production (post-production)
- 59.13 - Distribution of films and television programs
- 59.14 - Projection of films

Sound recording and publishing of music (group 59.2 according to KID-2008) – allowed code:

- 59.20 - Sound recording and publishing of music

Creation and broadcasting of radio programs (group 60.1 according to KID - 2008) – allowed code:

- 60.10 - Creation and broadcasting of radio programs

Creation and broadcasting of television programs (group 60.2 according to KID - 2008) – allowed code:

- 60.20 - Creation and broadcasting of television programs

Architectural and engineering activities (group 71.1 according to KID-2008) – allowed code:

- 71.11 - Architectural activities

Advertising activity (group 73.1 according to KID-2008) – allowed code:

- 73.11 - Activities of advertising agencies

Specialized activities in the field of design (group 74.1 according to KID-2008) – allowed code:

74.10 - Specialized design activities

Activities in the field of photography (group 74.2 according to KID-2008) – allowed code:

74.20 - Activities in the field of photography

Translation activity (group 74.3 according to KID-2008) – allowed code:

74.30 – Translation activity

Other educational activities (group 85.5 according to KID-2008) – allowed code:

85.52 – Non-formal education in the field of culture

Artistic and creative activity (group 90.0 according to KID-2008) – allowed codes:

90.01 - Performing arts

90.02 - Ancillary activities related to performing arts

90.03 - Creative activity in the field of literature and arts

90.04 - Operation of performance halls

Other activities in the field of culture (group 91.0 according to KID-2008) – allowed code:

91.01 - Activity of libraries and archives

91.02 - Activity of museums

91.03 - Preservation and management of cultural and historical monuments and places

OR

5.3. To be enterprises carrying out an activity included in the List of Crafts according to Appendix No. 1 to the Law on Crafts, whose owner/s is/are registered with the same activity in the National Register of Craftsmen, maintained by the National Chamber of Crafts.

The requirement under sub. 5.3) is considered fulfilled if, on the date of submission of the project proposal under the procedure, the owner(s) of the candidate enterprise is/are entered in the National Register of Craftsmen as master(s) or as journeyman(s) for the implementation (exercise) of activity included in the List of Crafts (Appendix No. 1 to the Law on Crafts).

A list of trades is set out in an appendix to this presentation.

6. To have realized net sales revenue TOTAL for 2021, 2022 and 2023:

Enterprise category	Minimum Amount of Net Sales Revenue in the aggregate for 2021, 2022 and 2023.	Maximum Amount of Net Sales Revenue aggregate for 2021, 2022 and 2023.
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Micro enterprise	≥ 30 000 BGN	≤ 1 800 000 BGN
Small enterprise	≥ 75 000 BGN	≤ 7 200 000 BGN

7. To have requested support only for their main economic activity according to KID-2008 based on data for 2023 – applicable to family enterprises according to sub. 5.1) and for the enterprises with main economic activity in the field of creative industries according to sub. 5.2), above

OR

To have applied for support for an activity according to the List of Crafts - Annex No. 1 to the Law on Crafts, with which the owner/s of the enterprise is/are entered in the National Register of Craftsmen, maintained by the National Chamber of Crafts - applicable to enterprises responding to the requirement under sub. 5.3) above.

ELIGIBLE ACTIVITIES:

1. Activity 1. Improving the production capacity of family enterprises and enterprises from creative industries and crafts (*obligatory activity*).

- Within Activity 1, the acquisition of assets for the production process/service provision process (tangible fixed assets and intangible fixed assets), as well as tools and equipment, ensuring the improvement of the enterprise's production capacity, is permissible.

2. Activity 2. Improving the market performance of family enterprises and enterprises from the creative industries and crafts (*optional activity*).

- Within Activity 2, only the creation of a new online store for the products/services of the enterprise's activity, for which support has been requested under the procedure, is permissible.

3. Activity 3. Improvement of management, production and logistics processes (*optional activity*).

Within Activity 3, the introduction of the following ICT systems/modules to improve management, production and logistics processes in the enterprise is permissible:

- 3.1. Resource management system (ERP system);
- 3.2. Customer relationship management system (CRM system);
- 3.3. Supply chain management system/module;
- 3.4. Warehouse management system/module (WMS system/module);
- 3.5. Production management system/module (MOM/MES system/module);
- 3.6. System for business analysis (Business Intelligence system).

4. Activity 4. Consulting services for the preparation of the project proposal under the procedure (*optional activity*).

IMPORTANT: Project proposals must necessarily include Activity 1. Activities 2, 3 and 4 are optional.

ELIGIBLE COSTS:

1. Eligible costs for the implementation of Activity 1 "Improving the production capacity of family enterprises and enterprises from creative industries and crafts" (*obligatory*):

- 1.1. **Costs for the acquisition of tangible fixed assets (FTA)**, representing machines, facilities, equipment for the production process/ the process of providing services, which ensure improvement of the production capacity of the enterprise.
- 1.2. **Costs for the acquisition of tools and equipment** for the production process/service provision process below the value threshold of materiality for FTA, which ensure improvement of the enterprise's production capacity.
- 1.3. **Costs for the acquisition of intangible fixed assets (IFA)** – specialized software that ensures the improvement of the production capacity of the enterprise.

2. Eligible costs for the implementation of Activity 2 "Improving the market performance of family enterprises and enterprises from creative industries and crafts" (*optional*):

- 2.1. Costs of setting up an online store for the products/services of the activity for which support is requested.
IMPORTANT: The total allowable costs under item 2.1) /grant and the applicant's own co-financing/ for creating an online store must not exceed 10,000 BGN.

3. Eligible costs for the implementation of Activity 3 "Improving management, production and logistics processes in family enterprises and enterprises from creative industries and crafts" (*optional*):

- 3.1. Costs for introducing the following ICT systems/modules to improve management, production and logistics processes in the enterprise:
 - Resource management system (ERP system);
 - Customer relationship management system (CRM system);
 - Supply chain management system/module;
 - Warehouse management system/module (WMS system);
 - Production management system/module (MOM/MES system);
 - System for business analysis (Business Intelligence system).

IMPORTANT: The total eligible costs /grant and the applicant's own co-financing/ for each individual ICT system/module specified in item 3.1) must not exceed 15,000 BGN.

4. Eligible costs for the implementation of Activity 4 "Consultancy services for the preparation of the project proposal under the procedure" (optional):

4.1. Costs for consulting services for the preparation of the project proposal under the procedure

The total allowable expenses /grant financial assistance and the applicant's own co-financing/ under item 4.1) must not exceed 3,000 BGN.

DEADLINE FOR IMPLEMENTATION OF THE PROJECTS:

12 (twelve) months, counted from the date of entry into force of the administrative contract for the provision of grant aid.