

Conditions of Issue of the Voucher, Circulation and Use Thereof

1. General

- 1.1. These conditions shall determine the procedure for ensuring the circulation of a voucher and the pay-out of the support funding indicated on the voucher to the Service Provider for the service provided to the Beneficiary.
- 1.2. The following terms and abbreviations are used in these conditions:
 - 1.2.1. Agency – Investment and Development Agency of Latvia;
 - 1.2.2. Support Agreement – an agreement concluded between the Agency and the Beneficiary on the receipt of the support;
 - 1.2.3. Beneficiary – a merchant referred to in Paragraph 35 of Cabinet Regulation No. 644, whose project has been approved by the Agency, has been granted support financing, and with which the Agency has concluded a support agreement and accordingly issued a voucher for the implementation of the supported activities;
 - 1.2.4. Supported Activity – an activity provided for in the project, which complies with Cabinet Regulation No. 644, for the implementation of which eligible costs are planned and which has been completed during the validity period of the voucher;
 - 1.2.5. Eligible Costs – project costs which are eligible for support in accordance with Cabinet Regulation No. 644 and which have been incurred in compliance with the requirements of regulatory enactments governing procurement procedures for projects co-financed by European Union (EU) funds, as well as other requirements set out in the support agreement and other regulatory enactments of the Republic of Latvia or the European Union. Value-added tax shall not be covered with a voucher, in cases where the value-added tax is non-recoverable according to tax policy regulations, this can be included in the eligible costs;
 - 1.2.6. Internal Rules – Internal Rules of the Agency governing the procedure for the provision of the innovation voucher support service within the framework of measure 1.2.1.4 “Support for the improvement of the technology transfer system” of the specific support objective 1.2.1 “Strengthening research and innovation capacity and the introduction of progressive technologies for enterprises” of the European Union Cohesion Policy Programme for 2021–2027. The current version of the Internal Rules is available on the Agency’s website, www.liaa.gov.lv, and on the National Platform for Business Development, www.business.gov.lv (hereinafter – www.business.gov.lv);
 - 1.2.7. Cabinet Regulation No. 644 – Cabinet Regulation of 7 November 2023 No. 644 “Regulations Regarding the Implementation of measure 1.2.1.4 “Support for the improvement of the technology transfer system” of the specific support objective 1.2.1 “Strengthening research and innovation capacity and the introduction of progressive technologies for enterprises” of the European Union Cohesion Policy Programme for 2021–2027”;
 - 1.2.8. Cabinet Regulation No. 104 - Cabinet Regulation of 28 February 2017 No. 104 “Regulations Regarding Procurement Procedure and Procedures for Application Thereof to Projects Financed by a Contracting Authority”;
 - 1.2.9. Inappropriately Made Expenses – expenses that the Beneficiary has indicated in the project as Eligible Costs but which shall not be eligible for co-financing because they have been incurred due to the actions or omissions of the Beneficiary or the Service Provider upon violating the requirements of the Support Agreement, Internal Rules, these conditions or other legal acts of the Republic of Latvia or the European Union;
 - 1.2.10. Service Provider – a legal or natural person meeting the requirements set out in Paragraphs 41, 42, 43 or 44 of Cabinet Regulation No. 644 and providing a service to the Beneficiary for the implementation of the activities specified in the voucher;

- 1.2.11. Project – a project application for which the Agency has adopted an approval decision or an opinion on the fulfilment of the conditions set out in the decision;
- 1.2.12. VPR – voucher payment request;
- 1.2.13. Voucher – a binding document issued by the Agency in accordance with Paragraph 37 of Cabinet Regulation No. 644, pursuant to which the Agency undertakes to cover the costs of the implementation of the Supported Activities referred to in Sub-paragraph 36.1 – 36.6 or 36.8 of Cabinet Regulation No. 644 in accordance with that which is stipulated in Cabinet Regulation No. 644, the Internal Rules, these conditions and the Support Agreement.

2. General conditions for the use of the Voucher

- 2.1. The Voucher shall only be intended for the co-financing of the supported activity specified in the Voucher.
- 2.2. The Voucher shall only be valid for the validity period specified therein.
- 2.3. The maximum compensation to be paid to the Service Provider, excluding value-added tax, in cases where the value-added tax is non-recoverable according to tax policy regulations, this can be included in the eligible costs, for the Service Provided to the Beneficiary is indicated on the Voucher. If the Beneficiary has become value-added tax payer during the aid period, the value added tax shall be paid in full by the Beneficiary.
- 2.4. Before commencing the supported activities, the Beneficiary must enter into a service agreement with the Service Provider within two months of the date of the Support Agreement unless otherwise specified and certify compliance with the conditions of the Voucher in accordance with the procedure set out in Clause 3 of these conditions.
- 2.5. The Agency shall only pay the compensation provided for in the Voucher for the service provided to the Beneficiary to the Service Provider who has mutually signed the Confirmation of Compliance with the Voucher Conditions (Annex 2 to the Voucher) with the Beneficiary and in whose name the Confirmation of Compliance with the Voucher Conditions has been approved by the Agency.
- 2.6. The compensation provided for in the Voucher for the service provided to the Beneficiary shall be paid after the Beneficiary has fully paid up its part of the costs to the Service provider and the Agency has evaluated the VPR submitted by the Service Provider if these conditions are met and the VPR complies with the VPR assessment criteria as specified in the Internal Rules.
- 2.7. The Agency shall use the Agency's e-mail address, pasts@liaa.gov.lv, and the Service Provider's e-mail address as specified in the Confirmation of Compliance with the Voucher Conditions for the electronic exchange of information with the Service Provider.
- 2.8. The Service Provider shall not transfer the fulfilment of the Voucher to other persons.
- 2.9. Changes to the Voucher shall be permissible upon the written consent of the Agency, the Beneficiary and the Service Provider.
- 2.10. The sum of compensation provided for in the VPR shall not be paid out if the Service Provider or the Beneficiary is subject to international or national sanctions or significant sanctions determined by a Member State of the European Union or North Atlantic Treaty Organization affecting the interests of the financial and capital market.
- 2.11. The sum of compensation provided for in the VPR shall not be paid out if during the implementation of the Project, citizens of the Russian Federation are involved in the implementation of the supported activities, as such involvement could create security risks or violate international sanctions in accordance with Regulation (EU) of the European Parliament and Council No. 833/2014 (July 31, 2014) on restrictive measures related to Russia's actions that destabilize the situation in Ukraine.

3. Confirmation compliance with the Voucher conditions

- 3.1. In order to confirm compliance with the Voucher conditions, the Beneficiary, within one month from the date of conclusion of the service agreement, must submit the Agency, www.business.gov.lv:
 - 3.1.1. a Confirmation of Compliance with the Voucher Conditions to be mutually signed by the Beneficiary and the Service Provider after the conclusion of the service agreement;
 - 3.1.2. "Statement Regarding Absence of a Conflict of Interests" as specified in Annex No. 1 of Cabinet Regulation No. 104, to be completed and signed by the Beneficiary.
- 3.2. If the Agency, having assessed the Confirmation of Compliance with the Voucher Conditions, establishes that the information contained therein and the Service Provider comply with the requirements specified in Cabinet Regulation No. 644, the Internal Rules and these conditions, and the laws and regulations governing the procurement, the Agency shall approve the Confirmation of Compliance with the Voucher Conditions, electronically informing the Beneficiary and the Service Provider to this effect.
- 3.3. If the Agency, having assessed the Confirmation of Compliance with the Voucher Conditions, establishes that the information contained therein or the Service Provider does not comply with the requirements specified in Cabinet Regulation No. 644, the Internal Rules and these conditions, and the laws and regulations governing the procurement, the Agency shall send an electronic notification to the Beneficiary and the Service Provider requesting additional information or shall send a notification of rejection of the Confirmation of Compliance with the Voucher Conditions.

4. Procedure for claiming compensation

- 4.1. Payment of the consideration provided for in the Voucher to the Service Provider in whose name the Confirmation of Compliance with the Voucher Conditions has been approved for the service provided to the Beneficiary shall be claimed from the Agency, subject to the following:
 - 4.1.1. The Service Provider must prepare and submit the Beneficiary at least the following documents and information by the expiry of the validity of the Voucher:
 - 4.1.1.1. VPR cover letter, *inter alia*, specifying the bank account number to which the Agency should pay the VPR, if different from the account number in the invoice issued to the Beneficiary;
 - 4.1.1.2. deliverable or substantive report on the work performed and the result thereof;
 - 4.1.1.3. acceptance and delivery certificate signed by the Service Provider and the Beneficiary;
 - 4.1.1.4. an invoice for the work performed within the scope of the service agreement, in which the share to be paid by the voucher and the share to be paid by the Beneficiary shall be indicated, including taking into account the part referred to in Sub-paragraph 2.3.
 - 4.1.2. The Beneficiary shall submit at least the following documents and information to the Agency www.business.gov.lv no later than 10 working days after the receipt of the documents prepared by the Service Provider referred to in Clause 4.1.1 of these conditions, but no later than 10 working days after the expiry of the validity of the Voucher specified in the Voucher:
 - 4.1.2.1. the documents prepared by the Service Provider as specified in Clause 4.1.1 of these conditions;
 - 4.1.2.2. a document certifying the payment of the Beneficiary's share of the costs from a payment account held by the Beneficiary with a credit institution;

- 4.1.2.3. a certificate signed by the Beneficiary on the validation of expenses signed by the Beneficiary (available at www.business.gov.lv upon the submission of the VPR documentation).
- 4.2. VPR may be submitted:
 - 4.2.1. for making an interim payment on the basis of the Eligible Costs of the Supported Activities carried out during the phases of the service for the audited value. The auditable value is a physically measurable result of the performed activity, which is substantiated with documents (delivery and acceptance report, deliverable, report on performed works, etc.);
 - 4.2.2. for payment of the final payment, which is granted after the performance of the service provided by the Service Provider, on the basis of the Eligible Costs of the Supported Activities performed for the audited value.
- 4.3. A VPR interim payment request may be submitted no more frequently than once a quarter if the amount of the interim payment for the claimed part of the support does not exceed EUR 10,000. Interim payments shall not apply to projects for which the amount of granted support funding does not exceed EUR 5,000.
- 4.4. The total amount of interim payments shall not exceed 90% (ninety percent) of the amount specified in the Voucher.

5. VPR assessment and payment procedure

- 5.1. The Agency shall perform the evaluation of the VPR documents within 20 working days. In case of necessity, the Agency can extend the term of evaluation of VPR. If the VPR documents comply with the VPR payment criteria specified in these conditions and the Internal Rules, the Agency shall electronically inform the Service Provider and the Beneficiary about the approval of the VPR.
- 5.2. If the Agency, having assessed the VPR, establishes that:
 - 5.2.1. the VPR does not comply with the VPR payment criteria set out in the Internal Rules or these conditions, or there is insufficient information to assess the VPR's compliance with them, the Agency shall request the submission of additional information or shall give notification of the rejection of the VPR. The VPR shall be rejected if:
 - 5.2.1.1. the Support Agreement is null and void;
 - 5.2.1.2. the Service Provider is not entitled to implement the Supported Activity provided for within the project in accordance with Cabinet Regulation No. 644;
 - 5.2.1.3. the Service Provider or the Beneficiary is subject to international or national sanctions or significant sanctions determined by a member state of the European Union or North Atlantic Treaty Organization affecting the interests of the financial and capital market;
 - 5.2.1.4. the Beneficiary has received support from another institution (double support funding);
 - 5.2.1.5. the conditions for the cumulation of Eligible Costs are not met;
 - 5.2.2. law enforcement authorities have initiated criminal proceedings against the responsible persons of the Beneficiary or the Service Provider in relation to the Support Agreement or performance of the service, the Agency defers the payment of the VPR until a decision is made to terminate the criminal proceedings accordingly, by no later than 31 July 2027. If the decision to terminate the criminal proceedings has not been made and entered into force by 31 July 2027, or a conviction has entered into force in relation to the performance of the service, the Agency shall give notification of the rejection of the VPR.
- 5.3. If, after receiving additional information (including if no additional information is submitted within the deadline set by the Agency), the Agency finds that the VPR does not

meet the VPR payment criteria specified in these Conditions and Internal Rules, the Agency shall give notification of the established Inappropriately Made Expenses, specifying the costs that are not eligible and justification for the reduction of the claimed amount of the Voucher or rejection of the VPR.

- 5.4. The Agency shall perform the payment of the VPR in the form of non-cash payments to the bank account of the Service Provider specified in the invoice issued to the Beneficiary (if applicable) or in the VPR within 5 (five) working days after the approval of the VPR.