

Commission Regulation (EC) No 70/2001 of 12 January
2001 on the application of Articles 87 and 88 of the EC
Treaty to State aid to small and medium-sized enterprises

[^{F1}Article 5a

Aid for research and development

1 Aid for research and development shall be compatible with the common market within the meaning of Article 87(3)(c) of the Treaty and shall be exempt from the notification requirement of Article 88(3) of the Treaty if it fulfils the conditions set out in paragraphs 2 to 5.

2 The aided project must completely fall within the stages of research and development defined in Article 2(h), (i) and (j).

3 The gross aid intensity, as calculated on the basis of the eligible costs of the project, shall not exceed:

- a 100 % for fundamental research;
- b 60 % for industrial research;
- c 35 % for pre-competitive development.

If a project includes different stages of research and development, the permissible aid intensity shall be established on the basis of the weighted average of the respective permissible aid intensities, calculated on the basis of the eligible costs involved.

In the case of collaborative projects, the maximum amount of aid for each beneficiary shall not exceed the permitted aid intensity calculated by reference to the eligible costs incurred by the beneficiary concerned.

4 The ceilings in paragraph 3 may be increased as follows up to a maximum gross aid intensity of 75 % for industrial research and 50 % for pre-competitive development:

- a where the project takes place in an area which, at the time when the aid is granted, qualifies for regional aid, the maximum aid intensity may be increased by 10 percentage points gross in areas covered by Article 87(3)(a) of the Treaty and by five percentage points gross in areas covered by Article 87(3)(c) of the Treaty;
- b where the project aims at carrying out research with potential multi-sectoral application and focuses on a multidisciplinary approach in accordance with the objective, tasks and technical targets of a specific project or programme undertaken under the Sixth Framework Programme for research and development, established by Decision No 1513/2002/EC of the European Parliament and of the Council⁽¹⁾ or any subsequent Framework Programme for research and development or Eureka, the maximum aid intensity may be increased by 15 percentage points gross;
- c the maximum aid intensity may be increased by 10 percentage points if one of the following conditions is satisfied:
 - (i) the project involves effective cross-border cooperation between at least two independent partners in two Member States, particularly in the context of coordinating national R&D policies; no single company in the Member State granting the aid may bear more than 70 % of the eligible costs; or

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- (ii) the project involves effective cooperation between a company and a public research body, particularly in the context of coordination of national R&D policies, where the public research body bears at least 10 % of the eligible project costs and has the right to publish the results insofar as they stem from research implemented by that body; or
- (iii) the results of the project are widely disseminated through technical and scientific conferences or published in peer-reviewed scientific and technical journals.

For the purposes of points (i) and (ii) subcontracting is not considered to be effective cooperation.

- 5 Eligible costs for the purposes of this Article shall be the following:
- a personnel costs (researchers, technicians and other supporting staff to the extent employed on the research project);
 - b costs of instruments and equipment to the extent and for the duration used for the research project. If such instruments and equipment are not used for their full life for the research project, only the depreciation costs corresponding to the life of the research project, as calculated on the basis of good accounting practice, are considered as eligible;
 - c costs for buildings and land, to the extent and for the duration used for the research project. With regard to buildings, only the depreciation costs corresponding to the life of the research project, as calculated on the basis of good accounting practice, are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible;
 - d cost of consultancy and equivalent services used exclusively for the research activity, including research, technical knowledge and patents bought or licensed from outside sources at market prices, where the transaction has been carried out at arm's length and there is no element of collusion involved. These costs are only considered eligible up to 70 % of total eligible project costs;
 - e additional overheads incurred directly as a result of the research project;
 - f other operating expenses, including costs of materials, supplies and similar products incurred directly as a result of the research activity.]

Textual Amendments

- F1** Inserted by [Commission Regulation \(EC\) No 364/2004 of 25 February 2004 amending Regulation \(EC\) No 70/2001 as regards the extension of its scope to include aid for research and development.](#)

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(1) [^{F1}OJ L 232, 29.8.2002, p. 1.]

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Changes to legislation:

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