

# RESEARCH DEVELOPMENT



F. Inicativas®  
FINANCING R & D

**F.INICIATIVAS,  
SEARCHING FOR YOUR  
DEVELOPMENT...**

“He who thinks little, errs much”  
Leonardo da Vinci

## **EXPERTS IN FINANCING YOUR R&D AND INNOVATION**

F. Iniciativas offers high quality services to companies in search of funds for their innovation and other technical-like activities.

With a 20-year track record in the field of fundamental and experimental research and development, our professionals have acquired a level of expertise that is tailored, tested and well proven in tax issues associated with innovation.

Our professional consulting practice is recognised by the TÜV technical control board and we are certified with the ISO 9001:2000 standard.

The Research and Development Tax Credit enables you to recover between 10% and up to 80% of the total R&D expenses for one fiscal year



## GROSS DOMESTIC EXPENDITURES ON R&D (GERD) AS A PERCENTAGE OF GDP

	2006	2007	2008
European Union (27 countries)	1.85	1.85	1.9
European Union (15 countries)	1.92	1.93	1.99
Belgium	1.88	1.87	1.92
Bulgaria	0.48	0.48	0.49
Czech Republic	1.55	1.54	1.47
Denmark	2.48	2.55	2.73
Germany*	2.54	2.54	2.63
Estonia	1.15	1.14	1.29
Ireland	1.3	1.31	1.43
Greece	0.57	0.57	-
Spain	1.2	1.27	1.35
France	2.1	2.08	2.02
Italy	1.13	-	1.18
Cyprus	0.43	0.45	0.47
Latvia	0.7	0.59	0.61
Lithuania	0.79	0.82	0.8
Luxembourg (Grand-Duché)	1.66	1.62	1.62
Hungary	1	0.97	1
Malta	0.61	0.59	0.54
Netherlands	1.71	1.7	1.63
Austria	2.46	2.56	2.67
Poland	0.56	0.57	0.61
Portugal	1	1.18	1.51
Romania	0.45	0.53	0.59
Slovenia	1.56	1.45	1.66
Slovakia	0.49	0.46	0.47
Finland	3.45	3.47	3.72
Sweden	3.74	3.6	3.75
United Kingdom	1.76	1.79	1.88
Croatia	0.76	0.81	0.9
Turkey	0.58	0.72	-
Iceland	2.99	2.75	2.65
Norway	1.52	1.64	1.62
United States	2.65	2.67	2.46
Japan	3.4	3.44	3.15
Canada	1.97	1.9	1.84
China	1.42	1.44	1.35
Korea	3.01	3.21	3.15

\*including ex-GDR from 1991

Source :  
EUROSTAT  
(<http://epp.eurostat.ec.europa.eu>)

## GENERAL OVERVIEW OF R&D ENVIRONMENT

Economic growth in the 21st century is driven in large part by innovation, much of it originating from investments in research. The challenge for governments is to adjust national policies in order to promote the growth of R&D within their countries. Therefore, many of them have designed incentives to promote innovative activities.

The main instruments used to implement research policies are tax incentives based on the type of activities (Investigators, Patents, Environmental investments, Learning, Intellectual property, Export, Multimedia, Information Technologies, Telecommunications, etc), competitive grants and aids.

Depending on the country, the following types of tax incentives can be found:

- Deduction: Reduces taxable income like any other business expense.
- Super-deduction: Taxable income reduced by more than the R&D expenditures.
- Immediate write-off or accelerated write-off: Faster depreciation of capital assets such as R&D equipment or purchased intellectual property (IP).
- Investment tax credit (ITC): Direct reduction of taxes payable by some percentage of the R&D expenditure.
- Refundable cash benefit: Same as investment tax credit but with possibility of refund.

Our thorough and specialised understanding of R&D incentive programs available in certain countries as well as the complex legislation that surrounds them will ensure companies of our ability to optimize R&D costs with minimum burden on the staff and the organisation.



## F. INICIATIVAS: EXPERTS ALL AROUND THE WORLD

Many countries around the world have implemented tax incentive policies in order to promote R&D activities:

- Australia was one of the first countries to set up an R&D Tax Credit.
- Canada (federal and provincial combined) has one of the best R&D Tax Incentive of the OECD (SR&ED Program).
- Various member states of the EC also operate different fiscal tools for financing R&D or similar technical activities. French, Spanish and Portuguese programs are among the most favourable tax incentives in Europe.
- United States provides R&D tax incentives at the provincial and state levels.

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## A VERY ATTRACTIVE CONCEPT FOR INTEGRATED SERVICE

Strong reactivity, expertise adapted to the invariably different scenarios and totally result-linked remuneration - this is what makes our services so specialised and attractive, combined with guaranteed success.

### METHODOLOGY

F. Iniciativas puts into practice its own and proven methodology based on dual skills: technical expertise and fiscal engineering for claiming grants and tax credits.

#### Technical audit and assistance with decision-making

We identify and select eligible projects through a filter that enables us to validate or rule out the innovative nature of those projects.

#### Economic analysis and fiscal engineering

We collect and quantify the resources allocated to the projects adopted and value them financially. We prepare tax returns or grant claims and provide technical assistance.

#### Traceability:

##### creating technical-economic report

We compile a statement of the projects and the calculation components.

This documentation serves to substantiate the Research Tax Credit in the event of an audit by the appropriate authorities.



F. Iniciativas service package includes several guarantees:

- Obtain investment tax credits on qualifying expenditures through a cash refund, a reduction in taxes payable, or both
- Our assignments include technical assistance in the event of an audit
- Our fees are determined by the results really obtained

We deliver a financial guarantee linked with our obligation to obtain benefits

Our commitment is to give you the best and reliable financial guarantees



## RELATED SPHERES OF OPERATION

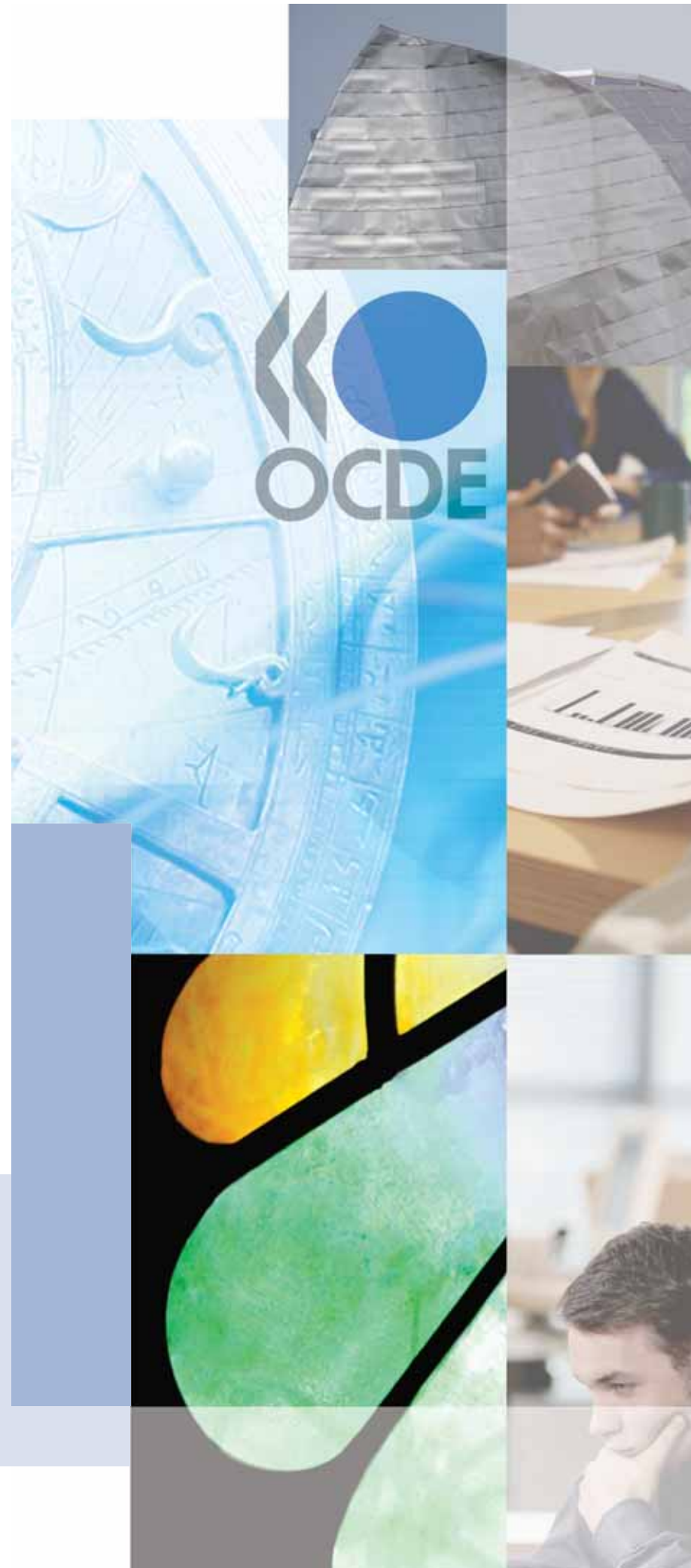
The relationships based on trust we have built up over more than 20 years with our clients leads us to deal with other tax credits such as:

- IP Tax Credit
- Multimedia Tax Credit
- Investigators Tax Credit
- Export Tax Credit
- Training Tax Credit
- Green Tax Credit
- R&D Grants and subsidies
- Innovation Grants

## SECTORS OF ACTIVITY

F. Iniciativas client base is a cross-section of industries that includes:

- Aerospace
- Automotive
- Banking / Insurance
- Chemicals/plastics
- Consumer Products
- Electronics & Optics
- Environmental Technology and Recycling
- Equipment Manufacturing
- Equipment and Automation
- Financial Services
- Food & Drinks Processing
- General Industrial Machinery
- Metals Manufacturing and Processing
- Mining Equipment
- Naval Industry
- Oilfield Production Equipment
- Pharmaceutical and Biotechnologies
- Pulp and Paper
- Renewable Energies
- Software, IT and Telecommunications
- Sports and Fitness
- Steel Forming
- Transportation / Logistic
- Textile / Fashion



## FRASCATI MANUAL

The **Frascati Manual** is a document stipulating the methodology for collecting and using statistics about research and development in countries that are members of the Organization for Economic Co-operation and Development (OECD).

In June 1963, OECD experts met with the NESTI group (National Experts on Science and Technology Indicators) at the Villa Falconieri in Frascati, Italy. The result of their work was the first version of the Frascati Manual, which is officially known as **The Proposed Standard Practice for Surveys of Research and Experimental Development**. Since then it has been revised several times. In 2002 the 6th edition of the Frascati Manual attempted to address some of the issues related to globalisation.

The Frascati Manual was very important for understanding the role of science and technology in economic development. The definitions provided in this document became internationally accepted and served as a common language for discussions of science and technology policies. Originally an OECD standard, it has become an acknowledged standard in R&D studies all over the world and is widely used by various organisations associated with the United Nations and European Union.

**F. Iniciativas is very proud to be an authorized OECD publisher of this manual in Portuguese, Basque and Catalan languages.**



**F. Iniciativas**<sup>®</sup>  
R & D FINANCING



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