

NEWSLETTER

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DYNAMISATION AND INNOVATION IN THE AUTONOMOUS REGION OF THE AZORES: THE "INCUBATION VOUCHER"

With the aim of boosting entrepreneurship and innovation in the Autonomous Region of the Azores, Regional Regulatory Decree number 16/2025/A was published, regulating the new incentive system - "Incubation Voucher". This strategic measure aims to support incubated companies, promoting their empowerment, consolidation and sustainable growth. As part of the Recovery and Resilience Plan (RRP), this incentive is a decisive step towards accelerating the digital transformation of Azorean SMEs, strengthening their competitiveness and boosting the regional economy in an increasingly demanding and global context.

Business Team



THE "INCUBATION VOUCHER"

Regional Regulatory Decree number 16/2025/A was published, establishing the rules of the new incentive system, "Incubation Voucher", a strategic measure created to promote entrepreneurship, innovation and the sustainable growth of small and medium-sized enterprises (SMEs) incubated in the Autonomous Region of the Azores.

This diploma is part of the Regional Government's commitment to strengthening the competitiveness of the Azorean business fabric, recognising that the creation of new innovative companies is essential for the region's economic development. In this sense, the Incubation Voucher is designed to support companies in their initial stages, facilitating access to strategic services such as consultancy, marketing, product development and digital solutions, among others.

The measure is part of the Recovery and Resilience Plan (RRP), specifically in the investment "Capacity Building and Digital Transformation of Companies in the Azores" (TD-C16-i05-RAA) and is part of the "Companies 4.0" component. Its main objective is to accelerate the digitalisation of incubated companies by promoting the adoption of innovative technologies, strengthening cybersecurity and encouraging the use of artificial intelligence and automation.

Under this incentive system, incubated companies in the Azorean Business Incubator Networks (RIEA) will be able to benefit from financial support to boost their consolidation, modernisation and market affirmation. This is a crucial instrument for providing Azorean entrepreneurs with the tools they need to create value, strengthen their business models and become competitive in a constantly evolving market.

With the Incubation Voucher, the Autonomous Region of the Azores is taking another firm step towards building an innovative, resilient and future-orientated entrepreneurial ecosystem.

NATURE AND AMOUNT

The Incubation Voucher is a financial incentive granted by the Regional Government of the Azores that aims to support the start and development of small and medium-sized incubated companies, promoting innovation, capacity building and the digitalisation of their businesses.

This support takes the form of a non-refundable grant, i.e. it doesn't need to be repaid, and is awarded with a 100 per cent financing rate on eligible expenses.

Each company can benefit from a maximum incentive of € 20,000, allowing them to invest in strategic services such as specialised consultancy, marketing, product development or digital solutions.

The support is awarded under the de minimis regime, which means that it is subject to the maximum public aid limit allowed per company over a period of three financial years, as defined by European Commission Regulation (EU) number 1407/2013.

It is also important to emphasise that this incentive cannot be combined with other investment support that may relate to the same costs or objectives.

This framework guarantees a simple, direct and effective support mechanism for incubated companies, reinforcing their potential for growth and market insertion with greater solidity and competitiveness.

ELIGIBILITY REQUIREMENTS AND CONDITIONS

In accordance with the stipulations of the Regional Regulatory Decree, beneficiaries of the incentives are micro, small and medium-sized enterprises (SMEs), regardless of their legal form, if they have their head office and/or permanent establishment in the Autonomous Region of the Azores and are or will be part of the Azores Business Incubator Network (RIEA).

For beneficiaries to be able to benefit from the incentives, they must fulfil certain requirements:

- be registered in the Central Registry of Effective Beneficiaries (RCBE)
- have their tax and social security situation regularised
- fulfil the necessary conditions for carrying out their activity
- have or ensure, by the time the application is approved, the technical, physical, financial and human resources needed to carry out the operation
- have their situation regularised in terms of repayments, within the scope of funding from the European Funds
- have organize accounts
- have not submitted another application that is currently being decided or whose decision has been favourable, the investments to be submitted in the application to the incentive system that is the subject of this diploma
- comply with the rules applicable to the granting of state aid

In addition to the requirements relating to the eligibility of beneficiaries, the Regional Regulatory Decree also sets out the conditions for the eligibility of operations, which are cumulative. Thus, operations are eligible if the following conditions are met:

- be located in the Autonomous Region of the Azores
- fall within the objectives and priorities defined in the Call for Tenders
- have a work start date after the application submission date
- fulfil the necessary conditions for carrying out the activity
- not cause significant damage to any environmental objective ("Do No Significant Harm" principle - DNSH)
- submit all the information required for the application process under the terms of the respective calls, respecting the conditions and deadlines set out therein
- obtain a favourable final assessment of the selection criteria
- comply with the applicable legal provisions and regulations, including European ones
- have started incubation in one of the RIEA's incubators, through a contract signed with the incubator, to be submitted by the beneficiary by the date of acceptance

Once these requirements have been met, expenses incurred with digital training, management support services, legal advisory services and the development of digital products and services are eligible for support.

Excluded from the scope of support are any type of costs related to the normal operation of the beneficiary, as well as maintenance and replacement costs, and costs related to periodic or continuous activities; cash payments; expenses paid under contracts made through intermediaries or consultants, where the amount to be paid is expressed as a percentage of the amount financed or of the eligible expenses of the operation; acquisition of goods in a state of use; Value Added Tax (VAT); acquisition of motor vehicles and other transport equipment; interest and financial charges; working capital; current advertising; purchase of real estate; leasing and rights to use space; expenses that are not in line with the evidence of the costs presented and described in the investments.

THE BENEFICIARIES' OBLIGATIONS

In addition to the eligibility requirements, beneficiaries are also subject to obligations with which they must comply throughout the process of awarding the support regulated by the Regional Regulatory Decree, as well as after it has been awarded:

- carry out the operations under the terms and conditions approved, set out in the Call for Tenders and contracted
- allow access to the locations where the operations are carried out and to those where the elements and documents necessary for monitoring and controlling the approved operations are located
- keep all the data relating to the realisation of operations for at least five years from the date of final payment
- publicise the support
- maintain the legal conditions necessary to carry out the activity
- repay any amounts unduly received and comply with any administrative penalties imposed
- keep their tax and social security situation regularised
- adopt behaviour that respects the principles of transparency, competition and good management of public money, preventing situations of conflict of interest
- provide any information requested by the bodies responsible for monitoring, evaluating results, control and auditing
- communicate any relevant changes or occurrences that jeopardise the assumptions regarding the approval of the application
- not to use for other purposes, lease, sell or otherwise encumber the goods and services acquired within the scope of the supported operations, without prior authorisation from the Regional Directorate for Entrepreneurship and Competitiveness (DREC)
- keep the financed investment allocated to the respective activity and in the Autonomous Region of the Azores for at least three years from the date of the final payment. During this period, the final beneficiaries must not, without prior authorisation from the DREC (i) cease their activity or relocate it outside the Region, (ii) substantially alter the operation, which is the object of the support granted, in such a way as to affect its nature, objectives or conditions of realisation or to compromise its original objectives and contractual targets
- have a bank account, set up with a national banking institution, where all receipts and payments relating to the implementation of the operation are handled

THE APPLICATION PROCESS

To obtain the incentives regulated by the aforementioned Regional Regulatory Decree, potential beneficiaries must submit their application by filling in an electronic form, within

the scope of a Call for Tenders that will be publicised on the <https://recuperarportugal.gov.pt/> website.

In addition to the objectives and priorities of the targeted investments, the Call for Tenders will contain all the conditions that potential beneficiaries must fulfil in order to obtain the incentives regulated by the Regional Regulatory Decree.

Once the applications have been submitted, they will be analysed by the Regional Directorate for Entrepreneurship and Competitiveness (DREC), i.e. the executing agency. During this analysis process, the eligibility of the beneficiary, the operation and the proposed expenses are verified, as well as an assessment of the merit of the application, which takes into account the relevance of the operation in relation to the objectives of the measure, the impact of the operation on the digital empowerment of the beneficiary organisations and the maturity of the incubated company.

After the analysis process, applications that achieve the minimum final score provided for in the merit assessment and are within the budget allocation provided for in the Call for Tenders will be ranked in descending order of the final score obtained and selected for a favourable decision. Furthermore, in the event of an equal final score between operations, they will be ranked according to the tie-breaking criteria set out in the Call for Tenders.

Beneficiaries whose applications are accepted must formalise the granting of support by means of a term of acceptance, which must include the investments to be supported, the subsidies, the implementation timetables and the milestones and targets to be achieved, the final beneficiary's obligations, the penalties in the event of non-compliance and the reduction or revocation of support. If the agreement is not submitted or signed within 20 days, the approval decision lapses, however, this lapsing can be cancelled by the DREC, at the request of the beneficiary, whenever they provide a justifiable reason that cannot be attributed to them.

Once the decision process has been finalised, beneficiaries have three months to start implementing the operations and must complete them within the deadline set by the Call for Tenders. The operations to be carried out by the beneficiaries may be altered as long as these changes are accepted by the DREC and as long as they do not substantially affect the object of the operation and the agreed conditions. If these changes result in an increase in costs, this increase will be borne by the beneficiary.

CONCLUSION

The Incubation Voucher incentive system, now regulated by Regional Regulatory Decree number 16/2025/A, represents a strategic instrument of the Regional Government of the Azores to boost entrepreneurship, innovation and digital empowerment in the archipelago. By providing direct financial support, in the form of a non-refundable grant, to SMEs incubated in the Azorean Incubator Networks, this mechanism aims to create more

favourable conditions for the sustainable, competitive and technologically advanced growth of regional companies.

In conjunction with the objectives of the Recovery and Resilience Plan (RRP), this incentive reinforces the commitment to modernising the Azorean business fabric, while ensuring compliance with strict eligibility criteria, accountability and transparency in the allocation of support.

With the entry into force of this law, the Autonomous Region of the Azores is taking another solid step towards creating an innovative, resilient business ecosystem that is aligned with the challenges of the digital economy, focusing on entrepreneurial talent as the driving force behind regional economic development.

Rogério Fernandes Ferreira
Marta Machado de Almeida
Patrícia Largueiras
Inês Dias de Pinho
Miriam Vicente
Carolina Gomes Alves

Avenida da Liberdade 136 4º (reception)
1250-146 Lisbon - Portugal
T: +351 215 915 220

contact@rfflawyers.com
www.rfflawyers.com



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