

# APPLYING FOR INCUBATION SERVICE, APPLICATION PROCEDURE AND GRANTING OF INCUBATEE STATUS

## 1. Requirements for applicants

- (1) The applicant can be:
  - 1) a resident of the Republic of Estonia – as an adult natural person or as a legal entity;
  - 2) non-resident of the Republic of Estonia – as an adult natural person (applications from non-Estonian legal entities will not be accepted).
  
- (2) A legal entity must meet the following conditions:
  - 1) the entity is not a subsidiary of another legal entity;
  - 2) the applicant does not have national or local tax debts or other debts to the City of Tallinn, except if the tax arrears are scheduled to be paid in instalments. In case of tax arrears, payments must be paid according to schedule. The applicant must have duly fulfilled the obligation to submit tax declarations set in the Taxation Act;
  - 3) no liquidation, reorganization or bankruptcy proceedings have been initiated against the applicant and no notice of the company's payment difficulties has been published;
  
- (3) The main fields of activity of the applicant may not be the following activities listed in the Annex I of the Treaty establishing the European Economic Community or published in the Estonian Classification of Economic Activities (EMTAK 2008):
  - 1) the primary production of agricultural products listed in Annex I of the Treaty establishing the European Economic Community;
  - 2) hunting (EMTAK 2008, section A, subsection 01) and forestry (EMTAK 2008, section A, subsection 02) and the service activities related thereto;
  - 3) fishing and aquaculture (EMTAK 2008, Section A, subsection 03) and the service activities related thereto;
  - 4) production of beverages, excluding the production of non-alcoholic beverages, the production of mineral water and other bottled water (EMTAK 2008, section C, subsection 11, except subsection 11.07);
  - 5) production of tobacco products (EMTAK 2008, section C, subsection 12);
  - 6) wholesale and retail trade (EMTAK 2008, Section G);
  - 7) financial and insurance activities (EMTAK 2008, section K);
  - 8) real estate activities (EMTAK 2008, section L);
  - 9) legal services and accounting; activities of head offices; management consultancy; market research and public opinion polls (EMTAK 2008, section M, subsections 69, 70 and 73.2);
  - 10) organizing gambling and betting activities (EMTAK 2008, Section R, subsection 92).

## 2. Application procedure

- (1) A written application with the description of a business idea shall be submitted through the website form or by e-mail to the incubator.
- (2) Applicants whose application complies to the requirements are invited to an expert panel that analyzes the business idea and potential. The panel's proposal for qualification or non-qualification of the applicant to present the idea in front of Evaluation committee is submitted to the board of the foundation.
- (3) The foundation shall notify the applicant about the decision of the management board by e-mail within three working days after the expert panel.
- (4) The final decision regarding the acceptance or non-acceptance of the applicant to the incubation programme will be done after Evaluation committee.

### **3. Evaluation committee**

- (1) The evaluation committee shall consist of five to seven members. The members of the evaluation committee may be representatives of the Tallinn City Council, city authorities, Enterprise Estonia and the partner organizations of the foundation and business specialists. The members of the evaluation committee are approved by the board of the foundation.
- (2) Meetings of the evaluation committee shall be convened and the work of the evaluation committee shall be organized by the foundation.
- (3) At least one representative of the foundation who does not have the right to vote shall participate in the meeting of the evaluation committee.
- (4) The evaluation committee shall decide, on the basis of the business plan, presentation and financial forecasts of the applicant, whether or not to grant him the status of an incubatee. The negative decision of the evaluation committee must be justified.
- (5) The foundation shall notify the applicant of the decision of the evaluation committee in writing within five working days after the decision is made.
- (6) The decision of the evaluation committee regarding the granting of the incubatee status is valid within one month from the decision. During this period, the applicant has the right to sign Incubation Service Agreement with the foundation. The contract is signed for the period of two years. The deadline for signing a contract can be extended in the case of a reasonable excuse on the basis of a written request of the company.

### **4. Signing the Incubation Service Agreement**

- (1) Incubation Service Agreement will be signed with a company that:
  - 1) has been granted the status of the incubatee as a result of the evaluation committee;
  - 2) is registered in the Republic of Estonia as a legal entity;
  - 3) meets all the requirements listed in section 1 ("Requirements for applicants") subsections 2 and 3.
- (2) If, for reasons arising from the foundation, the delivery of incubation service cannot be started after the granting of the incubatee status, the foundation shall start to provide the incubation service within six months after the decision of the evaluation committee regarding the granting of the incubatee status. The validity of the evaluation committee's decision and the co-operation period between the incubator and the incubatee will be extended by that amount of time.

Read more about other requirements [here](#).