



Impact of Brexit on EU funding for UK Members of OEE

17 September 2020

Impact of Brexit on EU funding for UK Members of OEE

Eligibility for future EU funding

- UK-based OEE members are unlikely to be eligible for future Horizon 2020 (including EIC Accelerator and InnovFin Energy Development Projects), ERDF and Interreg funding post-Brexit.
- The position might change if an international agreement is negotiated between the UK and EU permitting funding continuity – it currently seems unlikely.

Impact of Brexit on EU funding for UK Members of OEE

Continuity of funding by UK Government

- The UK has committed to provide funding for all successful eligible UK bids to Horizon 2020 that are submitted before the end of 2020.
- It has committed to funding, post-Brexit, ERDF projects funded under the 2014-2020 programme period.
- These are promises, not legal guarantees, however.
- UK-based OEE members currently receiving funding under any of the above funding instruments are strongly advised to engage with both their EU and UK project partners to find out how to maintain funding continuity.

Impact of Brexit on EU funding for UK Members of OEE

Establishing an eligible entity

- To be sure of eligibility for future funding, UK-based OEE members will have to establish and incorporate a new company or economic entity (“**establish a legal entity**” in EU legal terms) in an EU Member State.
- This cannot be a branch of the UK company.
- The majority of the UK-based company’s bidding activities in relation to the above (or any) EU funded projects will have to be moved to the new EU-based company to be eligible to tender.
- The new company should be the principal place of business for tendering activities. This means in practice:
 - Approximately 80% of the staff should be located in the new EU entity;
 - The board meetings should take place in the new EU entity.

Impact of Brexit on EU funding for UK Members of OEE

What should OEE members consider?

- In considering in which EU Member State to establish a new entity, UK-based OEE members should consider which EU Member State would provide the most suitable location.
- The key criteria are company law requirements, corporate tax rates, VAT rates, employment legislation, transport infrastructure, language, and inward investment incentives. These vary widely between EU Member States.
- Consider how to obtain funding from the UK Government within the scope of the UK funding guarantees.

Impact of Brexit on EU funding for UK Members of OEE

Contact details



Paul Hardy
Brexit Director and Head of UK
Government Affairs
London
Paul.hardy@dlapiper.com



Bob Martens
Partner
Brussels
Bob.martens@dlapiper.com



George McLellan
Associate
London
george.mclellan@dlapiper.com



Andreas Gunst
Partner
London/Vienna
Adnreas.gunst@dlapiper.com

Thank you