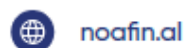


INFORMATION KIT

Erasmus for Young Entrepreneurs



An initiative funded and supported by the European Union



PRE-DEPARTURE INDUCTION COURSE FOR NEs

This brief course includes information on the mobility scheme and important EU related business subjects, such as the internal market, European law issues (particularly regarding business and contract law) and support services, including the European Enterprise Network (EEN) and SOLVIT.

Once a relationship has been approved by the European Partnership and checked by the Commission/EASME, if necessary, NIO should organise and provide a training session for the NE according to the methodology defined by its consortium and include general information on EU related topics.

Participating entrepreneurs, particularly NEs, need to be informed on how the EU internal market functions, as well as about the many remaining barriers to buying and selling across borders that they may encounter. A set of very practical online information sheets available to NIOs contains information on key aspects of the single market²⁵, how it is supposed to function and case studies on obstacles encountered and how to address them. These can be used during the induction sessions by NEs throughout their stay abroad.



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1. FINANCIAL RULES OF THE EYE PROGRAMME

1.1 Financial Assistance

Grant agreements foresee payment of **monthly lump sums** to the New Entrepreneurs. In this link [Financial support per country](#) you can find information about lump sum support for your stay abroad.

A lump sum is defined as a **global amount** deemed to cover expenses, such as **travel, accommodation and subsistence** linked with travel and stay abroad. This amount is paid without any further justification of costs incurred (i.e. entrepreneurs do not have to provide proof for their expenses or justify the amount spent).

However, NIOs should gather sufficient evidence that the relationship has taken place abroad (e.g. rent contract, boarding passes, letter from HE).

Entrepreneurs with disabilities and entrepreneurs coming from or going to outermost regions of the European Union or overseas territories benefit from the maximum monthly allowance to compensate for the extra costs linked to their specific situation.

The maximum financial support is only applicable for entrepreneurs with a disability, which requires an additional financial support- for example, an entrepreneur who requires to have a

carer with them or an entrepreneur who has an increased cost for the transport as they need to transfer their wheelchair to the host country. An official certificate for disability is not required and the submission of such a document does not automatically grant maximum financial support either.

It is foreseen an **advance payment** to the NE being the **equivalent of 1 month of the financial assistance foreseen prior to the start of the stay**. Further advance payments should be made at least on a monthly basis allowing the NEs to cover their expenses during the stay. **The balance of maximum 1 month equivalent should be paid within 30 days of submission of the corresponding feedback questionnaires by both entrepreneurs** and of the evidence that the exchange has taken place.

To cover the contingency of a failed¹ relationship due to the fault of the NE or of a relationship being found ineligible for reasons out of the control of the NIO

¹ A failed relationship is defined as a relationship between an NE and an HE that did not fulfil the commitments agreed to by the HE, NE and the IOs, involved in the Erasmus for Young Entrepreneurs Commitment. For instance, the work carried out was unrelated to the entrepreneurial field, daily working hours were too long (10-12h), or objectives were not respected. A relationship is not considered as failed when:

- The NE and HE mutually agree that the relationship can be shorter than initially agreed and are both satisfied with the exchange;
- The relationship breaks due to force majeure.

Furthermore, if the NE has remained with the HE for the full duration of the exchange or has only voiced issues with the match after some time of the exchange, and not immediately when they occurred, the exchange will not be considered failed.



(i.e. a HE which turns out to be ineligible after the relationship has started or other similar circumstances), the Commission/EASME undertake to consider the amount of the advanced payment paid prior to the starting of the stay as eligible cost provided that:

- The NIO can show that they have undertaken the necessary steps to ensure the eligibility of the entrepreneurs and the quality of the match during the relationship building process;
- The NIO has followed up on the progress of the relationship, in collaboration with the HIO, and has reacted timely to the problems that might have arisen;
- The NIO proves unable to recover the money from the NE if the situation requires such a recovery, despite investing significant effort to try to recover the money (IO has done so via emails sent, phone calls, and signed for ("recommandé") letters); and
- The HIO in collaboration and agreement with the NIO has stopped the relationship in due time after the event that leads to the termination of the stay is known.

The **final amount** of financial assistance depends on the actual dates of the exchange, as entered by the HIO at the end of the exchange. All IOs should therefore double-check that the HIO has entered the correct dates. The HIO, on the other hand, should always double-

check the actual dates with the NIO, NE and HE before ending the match.

IOs must ensure that NEs and HEs are aware that they may need to sign other agreements considered important, such as those related to confidentiality, intellectual property/industrial products, etc. NEs and HEs are free to sign such bilateral arrangements, but they must not contradict the clauses of the Commitment or of the grant agreement. NIOs are responsible for confidential treatment of the business plan submitted by NEs. (NOTE: No other IO than the NIO and the LNIO can see the business plan.) If required, NEs can ask their IO to sign a **non-disclosure agreement (NDA)** or any similar confidentiality agreement that they consider pertinent. Yet, it is to the IO's discretion to decide whether to sign it or not.

Please note that no template for such agreements is provided by the programme and IOs are advised to use the template usually used by their organisation in such situations. The IO should furthermore discuss with the NE **the reasons behind requesting such an agreement**. If the NE is, for example, **applying for a patent** and they need to have such a document signed by all actors, who might have access to the document (including EC, EASME and SO), it is advisable that the NE waits until the patent application process has been closed and then they apply for the programme.

1.2 Changing duration of an exchange

Extension of a relationship after approval is possible fulfilling the following conditions: the relationship must be still on-going the initial financial contribution will be increased and properly encoded in the EYE IT tool and, all actors (NIO, HIO, NEP and HEP) remain the same which means a relationship should correspond to a specific grant agreement for NIO/NEP and HIO/HEP.

Also, **in the case of an extension the maximum duration of 6 months remains valid.** The responsible IO(s) are requested to keep evidence of such corrections (e.g., keep a written justification of the changes on file, etc.) and of written amendments made to the agreement between NIO and NE that reflect any increase of financial support (where applicable) and duration of stay abroad. These should be signed by the relevant parties. An extension of a relationship without additional financial allowance should be avoided. That being said, **an extended business cooperation beyond the duration of the relationship is, of course, welcome but will happen outside the EYE programme.** Also, the reverse case might happen. **An on-going relationship can be shortened upon request** of the NE and HE and in agreement with the responsible IOs, respecting the above specified conditions.

The information in the IT Management Tool, as far as the planned dates in the commitment, remains unchanged. The

HIO must update the actual exchange dates of the relationship, once in Stay Ongoing, in order for it to reflect the real stay period. The HIO should also mention in the comment box that the relationship has been either extended or shortened.

Please note that the NE and the HE are obliged to immediately inform the IOs of any developments that might have an impact on the stay or the relationship between the two entrepreneurs.



2. PROGRAMME RULES

Erasmus for Young Entrepreneurs is about breaking barriers and crossing borders. The idea behind this exchange programme is that national borders should not curtail potential of SMEs. On the contrary, the internal market is a great opportunity for SMEs. They should make use of it since it allows them to grow and create jobs. This approach is particularly valuable in times of economic crisis because a dynamic and innovative business community is a prerequisite to recovery. The Erasmus for Young Entrepreneurs programme contributes to fostering an entrepreneurial mindset and behaviour. It fosters development of more internationalised SMEs and creation of more new businesses in Europe — two fundamental elements which will promote sustainable economic development and will benefit all EU countries.

Above all, **the programme is a business and interpersonal exchange, based on practical experience and joint work on concrete projects rather than plain theory.**

As mentioned, NEs can request an extension of their exchange. The minimum duration of stay abroad is one month and the maximum duration is six months.

Please note that the amount is calculated on the basis of the actual days inserted in the commitment/ongoing match. The guiding principle, however, should be based on the amount of the financial support- that is to say that a 6 months

exchange should never have a total financial support that exceeds 6 times the monthly lump sum for the country of the exchange.

However, for planning ease, IOs can base the planned dates on an average of 30 days per month BUT the final amount paid should be in line with the final amount indicated in the EP Performance section of the IT Tool.

2.1 Fragmented stay

NE and HE may agree that the stay abroad should be completed in multiple periods of at least one week each. However, it must be completed within an overall time span of twelve months from the first day of the exchange and within the activity period of both IOs.

A week is defined as five consecutive working days.



3. COMPLAINT PROCEDURE

NEs/HEs involved in the programme have the right to make a complaint to express their dissatisfaction (e.g. rejection of their application, problems with relationships, etc.). IOs are expected to sort out the problem directly with the entrepreneur in a relatively short period of time, without any unjustified delay. IOs dealing with complaints are encouraged, whenever practical, to meet with the NE/HE to ensure a mutual understanding of the issue. If, for any reason, the problem encountered cannot be solved via these means informally, NEs/HEs should formally contact the Support Office, which will try to find equitable and fair solutions with the parties involved. The European Commission/EASME will only be involved in case of major difficulties. Entrepreneurs are expected to send an email to the Support Office and describe the problem and the outcome(s) they are seeking in an email. The conclusion of the case will be communicated by email to the entrepreneur, with a copy to the IO, in a reasonable period of time.

4. REPORTING PROCEDURES

IOs are **obliged** to regularly report about their activities and any difficulties encountered. This is done via the six monthly progress reports as well as the final reports.

All reports must be submitted via the **Participant's Portal**.



5. FAILED OR EARLY TERMINATION OF THE STAY ABROAD

A failed relationship is defined as a relationship between an NE and an HE that did not fulfil the commitments agreed to by the HE, NE and the IOs, involved in the Erasmus for Young Entrepreneurs Commitment. For instance, the work carried out was unrelated to the entrepreneurial field, daily working hours were too long (10-12h), or objectives were not respected. However, a relationship is not considered as failed when:

- The NE and HE mutually agree that the relationship can be shorter than initially agreed and are both satisfied with the exchange;
- The relationship breaks due to force majeure.

Note that the NE can only participate once in the programme but if a match has failed due to the HE breaking the rules of the programme or the terms of the agreed commitment, the European Commission and EASME may consider granting a second exchange for the NE. If this is the case, the total length of the two exchanges must not exceed 6 months. Yet, such cases should be considered an exception.

The NIO and HIO should assess the validity of the reasons given by the entrepreneurs for early termination of an

exchange because of the relationship **failure**.

The NE will have to reimburse any amounts received if the relationship failed because the NE did not respect his/her obligations under the Erasmus for Young Entrepreneurs Commitment.

If the relationship failed because the HE did not respect his/her obligations under the Erasmus for Young Entrepreneurs Commitment, **no reimbursement will be claimed from the NE** and the amount corresponding to the length of the actual stay will be paid. The HIO can, on the basis of the failed RLT, decide to terminate the participation of the host entrepreneur, if the HE has shown a breach of the programme's rules (e.g., misuse of NE; HE not present for the exchange; not providing reasonable working environment, etc.).

When responsibility for the **unsuccessful relationship cannot be attributed** to either the NE or HE, then the decision to reimburse the new entrepreneur should be taken by the European Commission/EASME.

If the relationship has to be cancelled within the first month of stay, **for reasons of force majeure** or reasons outside the control of the NE, the actual expenses incurred by the NE and supported by the corresponding invoices will be reimbursed up to the limit of the first monthly allowance. In these cases, the entrepreneur might, upon approval by EC/EASME, be included again in the



database for a future matching. **If this is the case, the total length of the two exchanges must not exceed 6 months.** Yet, such cases should be considered as exceptions and only upon approval by EC/EASME.

6. RESPONSIBILITIES OF HES AND NES DURING THE EXCHANGE

Responsibilities of Entrepreneurs at the time of application are as follows:

- To **carefully read the supporting documents published on the programme website** (User guide, Registration guides, etc.) and **comply with the programme rules and procedures;**
- To **apply for the programme via the online registration form;**
- To **provide any additional information**(documents/evidences) to the selected IO **when requested;**
- To **inform the selected IO about any change that may affect their participation in the programme.**

HEs are also responsible to **ensure proper working environment for the NEs during the exchange** (providing suitable working space and necessary equipment and tools) and must demonstrate this at the time of applying. **HEs have to comply with all arrangements negotiated for the stay in order to achieve the stated objectives.** In particular, they must

execute agreed planned activities, An initiative of the European Union **stimulate improvement of the NE's project** and **do his or her best to make the stay a success** (a certain flexibility and willingness to adapt will be necessary due to cultural differences). They must **agree with the NE about tasks and responsibilities** that match his or her knowledge, skills, competences and objectives and ensure that appropriate equipment and support are available and that the NE's work/learning objectives are achieved and **foster the NE's understanding of entrepreneurship and how to start-up a business.** **HEs shall provide practical support if required and submit the online feedback questionnaire at the end of stay.** **HEs who do not fulfil this requirement cannot be allowed to host again.**

NEs must comply with the compulsory rules and regulations the host entrepreneur is subject to. They're also requested to **respect the code of conduct and confidentiality rules of the host entrepreneur** and to **communicate with Intermediary Organisations about any problem or changes regarding the placement.** **NEs must comply with all arrangements negotiated for his or her stay in order to achieve the stated objectives.** In particular, **execute the agreed planned activities and do his or her best to make the stay a success** (a certain flexibility and willingness to adapt will be necessary due to cultural differences);



Submit a report in the specified format at the end of the stay.

Remember that **NEs can only participate once** and that **NEs must arrange a suitable accident and health insurance** (or a comprehensive travel insurance) **that will cover them during their exchange abroad, as the programme cannot provide any assistance in the case of accident or sickness.**

You may find all the other useful information following this website: [LINK](#).

7. INTERNAL MARKET OF THE EUROPEAN UNION

The Erasmus for Young Entrepreneurs programme aims to inform participants about the many opportunities offered by the Single Market as well as how to overcome market/business obstacles.

7.1 What is the Internal Market?

The Single market (+ monetary union/single currency) is the most visible sign of EU economic integration; it is probably the most successful European policy. It has practical benefits for European citizens and businesses.

The single market applies to the EU 27 + the European Economic Area (+ Norway, Iceland, Liechtenstein (+ Switzerland)

History:

Treaty of Rome 1957 established European Economic Community with the 'Common Market' = customs union + common policies on product regulation + free movement of capital and labour and of enterprise.

The goal is that the movement of capital, labour, goods, and services between the members is as easy as within them

- Abolition of internal tariff barriers was achieved in 1968
- Single European Act – 1986 – to achieve Single Market by end 1992 = remove barriers to free movement (address non-tariff barriers, including



fiscal (VAT), subsidies, differing health and safety standards, technical specifications; etc. + harmonisation and mutual recognition

Current development:

- There is shift from removing trade barriers to **making markets work better for consumers and businesses.**
- Focus on **implementation and completion of the Services Directive.**
- Small Business Act in 2008 – cut red tape, **SME access to European programmes, procurement, reduce obstacles to cross-border working,** European Private Company Statute.
- Making **globalisation deliver for European citizens** – competition to deliver trade benefits to citizens. Examine sectors more specifically.
- **Knowledge and Innovation** – initiatives on universal services and interoperability of e-government systems, mobility passport for researchers.
- **Better day-to-day management of the single market** – monitoring mechanisms, SOLVIT.
- Services of General Interest – **Clarification of implementation of community rules.**
- **Empowering consumers** – Consumer contractual rights, collective redress. Retail financial services. Consumer scoreboard.

Priorities of the European Commission:

- To maximize the potential of the Internal Market **to boost growth and employment.**
- To **eliminate remaining barriers** to an effectively functioning internal market for services across Member States.
- To **deepen the integration of Europe's capital markets** and improve its financial infrastructure so that the cost of capital is reduced, the inefficiencies of fragmentation are minimized, and competition is intensified to the overall benefit of Europe's economy.
- To ensure that existing internal market rules are properly enforced.
- To **improve public procurement procedures** to ensure that the European taxpayer gets value for money.
- To **ensure an effective framework for the protection of intellectual property rights** to encourage innovation in the new knowledge economy.

7.2 Why is the Internal Market important for your business?

Benefits from a functioning Single Market:

- Lower transaction costs for businesses (e.g. bureaucracy, exchange rate fluctuation)



- Larger market size, economies of scale
- Improved competitiveness, lower cost, higher profitability
- Cheaper, better goods and services, more choice and innovation, price convergence
- Transition costs: Some companies will not survive
- Longer term shift in economic activity – outsourcing, off-shoring
- Overall net effect: growth and jobs but scale of impact is disputed

Implications for EU SMEs:

- Opportunities in Single Market (esp. procurement, public services, services) but remains easier for large firms to exploit them
- Increasing specialisation, need for cross-border markets
- Increased pressure from competition
- Focus on knowledge-intensive economic activity
- Protection of IPR (Intellectual Property Right)
- Harmonisation in consumer protection and company legislation
- Outsourcing – within and out with the EU
- Cross-border investments and co-operations
- Business services and finance across borders?
- English essential
- Targeting cross-border trade in e-commerce
- Increasingly competition between EU countries as business locations

Free movement of goods, services, capital and people:

Goods can freely move through Europe: **restrictions are only allowed in exceptional circumstances**, such as public health, consumer protection, and environment issues. Important results in this sense have already been achieved, even if ongoing challenges such as new technologies, and environmental impacts must be mentioned.

Services count now for the 70% of European economy, and only 20% of intra-EU trade. It is key to mention the **not complete liberalisation of several sectors**, such as telecommunications and air travel, together with some specific services such as the public ones, those connected to energy, and financial services.

For what concerns **capitals**, in principle free movement is possible but in the most of the cases, **rules are strictly national**. Anyway, **Single European Payment Area** has been settled, in terms of transfers, and payment abroad.

Finally, for what concerns people, free movement concerns not only workers: indeed, we're talking about living, studying, and retiring.

Main principle is represented by the **portability of social provisions and qualifications**.

It is still important to consider, however, the security and migration issues, together with some transition arrangements necessary for accession to specific countries.

7.3 Protection of rights

There are ongoing efforts in the fields of Consumer rights (e-commerce), Intellectual Property Rights (IPR) but much work remains in terms of legal environment and legal certainty.

In particular, **Intellectual property** consists of products, work or processes that one has created, and which give him/her a **competitive advantage**. It is possible to consider 3 subcategories of IR:

- **Industrial property:** inventions (patents), trademarks, industrial designs, new varieties of plants and geographic indications of origin
- **Artistic work protected by copyright:** original literary and artistic works, music, television broadcasting, software, databases, architectural designs, advertising creations and multimedia
- **Commercial strategies:** trade secrets, know-how, confidentiality agreements, or rapid production.

It is possible to **protect the intellectual property** by means of the intellectual property rights (IPR) laid down by the World Intellectual Property Organisation (WIPO).

The form of protection depends on the type of IP:

- **Patents:** allow one to stop third parties from making, using or selling your invention for a certain period depending on the type of invention;

- **Trademarks:** protect the name of the product by preventing other business from selling a product under the same name;
- **Copyright:** informs others that one (as the author) intends to control the production, distribution, display or performance of his/her work. **Copyright is granted automatically**, with no need for formal registration and it is possible to use the copyright symbol immediately.

IPRs are still chiefly protected by national rather than EU laws: defending them in each individual EU country can be complicated and costly. **Protecting the intellectual property at EU level may be time and money saving.**

If a person does business in more than one EU country, a European Union trade mark and a registered Community design give his/her **protection in the 28 Member States of the EU in one single registration**. It is possible to register a trademark or design in any of 23 EU languages with a **single application at the European Union Intellectual Property Office** (EUIPO). An online application costs € 850 for a trademark and € 350 for a community design.

It is possible to apply for a **national patent** at a patent office in an EU country or for a **European patent** through the **European Patent Office** (EPO). However, a European patent needs to be validated by the national patent office in each country where

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protection is required. Depending on the country's law, you may have to provide translations or pay fees by a certain date. Intellectual property right protection became an extremely important issue, considering the alarming proportions of counterfeiting, intended as unauthorised imitation of a branded good, and piracy, unauthorised copying of an item covered by an intellectual property right. These two matters have deep implications for **innovation, growth, employment and consumer health and safety.**

Customs administrations are the front line of defence for your intellectual property rights at EU borders and protection against counterfeiting. It is possible to ask them to detain goods suspected of infringing IPR by lodging an application for action with the competent national customs authorities. While the request for assistance is national, requests deposited in one EU country may be granted the same legal status in all EU countries.

You can find all the information you may need on this website: [Link](#)

8. INFORMATION FOR BUSINESSES

8.1 Start a business in Europe

To start a new company or expand a business in another EU country needs to know the **rules** that apply and the relevant national contact points. Here is

the [LINK](#) where you can find information to set up a company in a specific country. If you are a EU citizen is entitled to:

- Set up his/her own **business** (even as a sole trader) **in any EU country, Iceland, Norway or Liechtenstein;**
- Set up a **subsidiary branch** of an existing EU-based business that is already registered in one EU country.

The **requirements vary depending on the country.** However, the EU encourages all countries to meet certain targets for helping to set up new companies, including:

- Setting up in no more than **3 working days;**
- Costing less than **EUR 100**
- Completing all procedures through a **single administrative body;**
- Completing all **registration formalities online;**
- Registering a company in another EU country online.

In particular, the **European Services Directive**, which has to be fully implemented by the end of 2009, obliges EU Member States to **simplify all procedures involved in starting and carrying out a service activity.** By end 2009 it is possible for companies and individuals providing services to complete all necessary formalities, such as authorisations, notifications, environmental licences, through **points of single contact: European Enterprise Network** contact points provide

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information and advice to SMEs on EU matters.

Profiting from the EU Market

- ❖ Selling goods
- ❖ Providing services
- ❖ Competing fairly
- ❖ Benefiting from public contracts

Expanding a business

- ❖ Finding partners
- ❖ Opening a branch
- ❖ Merging with another company
- ❖ Doing business outside the EU

Competing through innovation

- ❖ Sharing new ideas
- ❖ Conducting research
- ❖ Protecting intellectual property

Deciding to stop

- ❖ Transferring ownership of a business
- ❖ Winding up a business
- ❖ Handling bankruptcy and starting afresh

Access to finance

- ❖ Bank loans
- ❖ Equity
- ❖ Loan/equity combinations
- ❖ Subsidies



Document History

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1.0	03/2023	Initial creation	Valbona Elmazi – Project Manager, Projects Unit -NOA Sh.a

