



RULES OF THE CALL FOR SUBSIDY APPLICATIONS FOR SEED STARTUPS 2024

1 Purpose

Valencia Innovation Capital is the initiative of the Department of Innovation of the City of Valencia to promote a dynamic, diverse and creative city.

Technology is the how, and the human being is the why. Valencia Innovation Capital is committed to solving the city's real problems with innovation that is close to the people, is effective and has a direct impact on people's lives.

We bring together all Valencian agents in the area of innovation and technological entrepreneurship to work on the political and economic transformation towards a sustainable and technologically advanced future.

Valencia Innovation Capital is a strategy to foster an inclusive, digital and resilient economy. It focuses on innovative policies that promote the digitisation of the city and drive prosperous socio-economic development. Valencia Innovation Capital promotes the attraction and retention of talent that pursues the successes of the innovative entrepreneurial ecosystem in Valencia.

The purpose of this call is to support, encourage and promote the development of startups in their initial stage so that they can evolve and promote their project from the moment it began as an idea.

Solutions, products, services and initiatives applicable to the different verticals of the Valencia Innovation Capital strategy (detailed in point 6.11 of these rules) and that promote the innovative and technological dynamism of the city of Valencia as a technological hub of reference in Europe must be offered.

These subsidies are aimed at covering certain running costs of the activity performed by the startups, detailed in point 5 of the call, and are linked to the participation of the beneficiary entities in the public incubation and acceleration programme for seed startups, which will take place at La Harinera.

Valencia City Council's public incubation and acceleration programme for seed startups is an innovative programme specifically designed to support early-stage startups with high growth potential. Understanding the unique challenges entrepreneurs face when starting their innovative and technology-based entrepreneurial project, Valencia Innovation Capital is committed to providing essential resources, training, specialised mentoring and access to an invaluable network of contacts that will open doors to unprecedented opportunities. The methodology of this programme focuses on practical and tangible learning, including:

- Mentoring: Direct access to a network of experienced mentors who will offer personalised advice, guidance and support.
- Workshops: Practical workshops on crucial topics such as finance, marketing, product development and team management, delivered by experts in each area.
- Networking: Exclusive events to connect with other entrepreneurs and investors, and key figures in the entrepreneurial ecosystem.
- Investment opportunities: A platform to present their projects to investors during our Demo Day, opening the way for future collaborations and funding.

It will be a **two-phase** programme, the first six-month Incubation phase will include mentoring, training workshops and a demo day to present the projects. The second phase of Scaling, lasting six months, will include networking activities, investment opportunities and



the holding of an Investor Day.

We are committed to the success of startups and firmly believe in the potential of each entrepreneur, which is why this accelerator is more than a programme; it is a community, a support network and a platform to catapult the most promising startups to the next level.

1. Regulatory bases and applicable regulations

- 1.1. The regulatory bases governing this call are the General Subsidies Ordinance of Valencia City Council and its Public Bodies, approved by plenary agreement dated 28.07.2016 (Official Provincial Journal [Boletín Oficial de la Provincia - BOP] dated 02.11.2016).
- 1.2. This call will be generally governed by the provisions of the regulatory bases, of Spanish General Law 38/2003, of 17 November, on Subsidies (hereinafter, LGS) and its implementing regulations, approved by Spanish Royal Decree 887/2006, of 21 July (hereinafter, RLGS), and of the bases of implementation of the Municipal Budget for the financial year 2024 and, supplementarily, of Spanish Law 39/2015, of 1 October, on the Common Administrative Procedure of the Public Administrations, and any other regulatory provision that, due to its nature, may be applicable.
- 1.3. They are also subject to the *de minimis* regime. On 15 December 2023, Commission Regulation (EU) 2023/2831 dated 13 December 2023 regarding the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union concerning *de minimis* aid was published in the Official Journal of the European Union and entered into force on 1 January 2024. Among other issues, the maximum amount of total *de minimis* aid per beneficiary is now €300,000 over any three-year period.
- 1.4. The management of these subsidies will be subject to the principles of publicity, concurrence, transparency, objectivity, equality and non-discrimination, as well as effectiveness in the fulfilment of objectives and efficiency in the allocation and use of public resources.

2. Budget appropriation

The maximum amount earmarked for this subsidy is €600,000 from the budget application of the action plan of the Valencia Community Foundation for strategic promotion, development and urban innovation (hereinafter, the Foundation) according to its 2024 action plan in its Valencia Innovation Ecosystem activity.

3. Amount of the subsidy and allocations

The granting of this aid is linked to the participation of the beneficiary entities in the public incubation and acceleration programme for seed startups, which will take place at La Harinera, a municipal building at the epicentre of the technological and innovative entrepreneurship ecosystem of the city of Valencia, where they will also have access to workspaces during the implementation of the programme, from its launch at the beginning of 2025.

Participants can apply for up to four fixed workspaces in the facilities of La Harinera as a resident startup, committing to a minimum attendance of 15 hours a week from Monday to Friday between 9am and 8pm.

The beneficiary will be eligible for 100% of the eligible expenses presented and correctly justified, however, the entity may, in any case, grant up to a **maximum of €25,000** for each applicant that meets the requirements established in point 6 of this call.

4. Eligible expenses

Eligible expenses are considered to be those current expenses that undoubtedly correspond to the nature and purpose of the subsidised activity, and which can be included



in the following list:

- 4.1. **Company staff expenses**, which may not exceed 30% of the subsidy awarded.
- 4.2. **Subcontracting**: Contracting services to third parties to perform activities that add value to the company's operations. In this respect, the limit set out in article 68 of the RLGS is applicable, and expenses under this heading may not exceed 50% of the subsidised amount.
- 4.3. **Actions aimed at** carrying out marketing and commercialisation programmes that improve market positioning:
 - 4.3.1. **Market analysis and research**: the process of collecting, analysing and interpreting information on a given market. It takes into account geographical, demographic and psychological data on past, current and potential customers, as well as competitive analysis to evaluate a product proposal.
 - 4.3.2. **Actions aimed at generating new products and/or services, as well as improving existing ones**:
 - 4.3.2.1. Implementing quality systems.
 - 4.3.2.2. Improving business management tools based on ERP (Enterprise Resource Planning) software.
 - 4.3.2.3. Creating prototypes or conducting usability tests or field tests with them.
 - 4.3.3. **Development of commercial communication tools including adaptation to foreign markets**.
 - 4.3.3.1. Strategic plans, marketing plans, production plans, human resources, financial plans. Strategic business consultancy.
 - 4.3.3.2. Consultancy and advice for the implementation of marketing plans.
 - 4.3.3.3. Establishment or improvement of corporate identity.
 - 4.3.3.4. Establishment of technological solutions and services that favour the dissemination and marketing of products and services through the Internet.
 - 4.3.3.5. Encouragement of the generation of new business networks or management entities, as well as promoting membership in existing ones.
 - 4.3.3.6. Lease of premises and equipment intended exclusively for exercising the activity, up to a maximum of 20% of the subsidy awarded.
 - 4.3.3.7. Advertising on radio, television, press, applications for telephones and smartphones, internet, blogs and social networks or other media.

100% of the total justified eligible expenses will be subsidised (**with a maximum limit of €25,000**), **excluding recoverable taxes**, provided that the following requirements are met:

- 4.4. The expenses correspond to invoices issued from 1 January 2024 and up to the submission date of the application.
- 4.5. The expenses are justified by providing the **invoices and corresponding bank proofs of payment**. No cash payments will be accepted.
- 4.6. Under no circumstances may the cost of eligible expenses exceed the market value.

5. **Beneficiary entities and requirements**



The beneficiaries of these subsidies are startups, as defined by Spanish Law 28/2022, of 21 December 2022, on the promotion of the ecosystem of emerging companies, and which also meet the following requirements:

- 5.1. They started their business activity between **1 January 2021 and 6 months before the deadline for submitting applications**. The start of business activity will be understood to be the date of the earliest registration with the Tax on Business Activities that appears on the census status certificate.
- 5.2. They have their tax domicile or a place of business in the municipality of Valencia and its metropolitan area, as defined on the website of Valencia City Council:
https://www.valencia.es/documents/20142/2154295/AM_Poblaciones.png/1bd24b20-bce7-c6f5-b350-40b6adbd7485?t=1705324429308.
If this requirement is not met and the startup is **eligible for this aid**, its activity must benefit the municipal interest of Valencia directly or indirectly, a condition that must be sufficiently demonstrated and justified in the description of the innovative project and, additionally, it must undertake to occupy at least one fixed workspace in the municipal building of La Harinera during 2025, with a minimum attendance of 15 hours a week, from Monday to Friday, between 9am and 8pm.
- 5.3. They actively participate in the incubation and acceleration programme mentioned in point 1 of these rules. Startups that, at the end of the incubation and acceleration programme, have not obtained a minimum participation of 80% in the mandatory face-to-face sessions, as well as in the demo day and investor day, will have to reimburse 50% of the amount received in this subsidy.
- 5.4. Participants who wish to have a fixed workspace in the facilities of La Harinera as a resident startup commit to a minimum attendance of 15 hours a week, from Monday to Friday, between 9am and 8pm.
- 5.5. They must maintain their business activity for at least 12 months from the day after the deadline for submitting applications, otherwise they will have to reimburse the subsidised amount.
- 5.6. They provide proof of the eligible running costs listed in point 5 of this call.
- 5.7. They are not involved in any of the circumstances listed in Article 13.2 and 13.3 of Spanish General Law 38/2003, of 17 November, on Subsidies, and in particular, they must be up to date with their tax obligations to the Spanish Tax Authorities (AEAT).
- 5.8. They are not involved in any of the circumstances listed in Article 13.2 and 13.3 of Spanish General Law 38/2003, of 17 November, on Subsidies, and in particular, they must be up to date with their payment obligations to the General Treasury of the Social Security (TGSS).
- 5.9. They are up to date with their tax obligations to Valencia City Council.
- 5.10. They have not made false declarations when providing the information required to participate in the call.
- 5.11. They have a product or service that focuses on one or more of the following strategic areas of Valencia Innovation Capital:
 - 5.11.1. Sustainability: Startups focused on solutions for the circular economy, energy efficiency, sustainable mobility, green spaces and biodiversity, and other solutions focused on improving sustainability on a global scale.
 - 5.11.2. Artificial Intelligence: Startups focused on driving enabling technologies such as AI for inclusive economic and social development, with a focus on improving the quality of life of citizens and developing ethical AI.
 - 5.11.3. Health and Well-being: Startups focused on innovative technological solutions that improve people's quality of life in the field of health and well-being, to promote a healthy lifestyle.



- 5.11.4. Gaming, entertainment, e-sports: startups focused on the development of video games and e-sports that foster innovation, education, promote tourism, culture and boost technological development by promoting inclusion and social development.
- 5.11.5. Innovative and sustainable tourism: startups focused on the development of solutions focused on developing more innovative and sustainable tourism.
- 5.11.6. Diversity: startups focused on social inclusion, encouraging the participation of all players in society, enriching the construction of a more plural, equitable and prosperous city with different perspectives, experiences and origins.
- 5.11.7. Govtech and Smart City: startups focused on improving the Administration-Citizen relationship through disruptive technologies that solve real city problems and municipal services.
- 5.11.8. Talent and Edtech: startups focused on fostering digital, innovative, entrepreneurial and technological talent as a driver of the new economy.
- 5.11.9. Startups that combine technology, innovation and sustainability in order to address both the prevention of natural disasters such as the storms suffered in the Province of Valencia, limiting the impact of future events, as well as offering fast and effective methods for damage mitigation and sustainable reconstruction.

6. Documentation to be provided.

- 6.1. Startups will have to fill out an application form (<https://valenciainnovationcapital.typeform.com/seed-2024>) in which they will have to provide the following documents:
 - 6.1.1. The startup's **census status certificate** (issued within the application period of this call), indicating the business activity being performed with the date of registration, the tax domicile and the premises where the activity is undertaken. [Tax Authority: Tax certificates. Issuance of tax certificates. Census Status.](#)
 - 6.1.2. **Deeds of incorporation, powers of attorney** and articles of association of the company, showing their registration in the corresponding Registry.
 - 6.1.3. **Executive summary** of the business plan detailing the basic aspects of the business idea, the marketing plan, the internal organisation and economic-financial viability, with special emphasis on the company's funding lines. **Maximum 3 pages.**
 - 6.1.4. Appendix of **Supporting Account** in Excel format where the invoices of the expenses to be justified must be listed in numbered form (01, 02, 03, etc.).
 - 6.1.5. **Invoices** of expenses to be justified (included in a single PDF and respecting the same order number as the one established in the appendix of the supporting account in Excel) for a maximum net amount of up to €25,000, excluding ineligible taxes, whose date of issue is between 1 January 2024 and the submission date of the application. The invoices must correspond to the running costs of the activity for which the subsidy is requested (set out in point 5 of the call).
 - 6.1.6. **Bank proofs of payment of the invoices submitted** (included in a single PDF and respecting the same order number as the one established in the PDF of invoices and in the appendix of the supporting account in Excel). Each proof of payment must include the identification of the recipient person or company, the amount, the payment date and the entity making the payment, which must match the applicant entity, together with the requirements established in point 8 of this call.
 - 6.1.7. **Certificate of ownership of the bank account** indicated in the application form. This account must belong to the entity applying for the subsidy and must have been issued no more than 6 months before the date on which the application was submitted.
 - 6.1.8. **Responsible Declarations** (included in the application form), in which it will be



declared:

- That the applicant entity does not fall under the prohibitions to obtain the status of beneficiary and to be a recipient of the payment established in Spanish Law 38/2003, of 17 November, and specifically sections 2 and 3 of Article 13.
 - That the applicant entity is a startup according to the definition in Spanish Law 28/2022, of 21 December 2022, on the promotion of the ecosystem of emerging companies, and that it also meets the requirements established in point 6 of the call.
- 6.2. The beneficiary entity must submit in the thirteenth month, counting from the date of the end of the deadline for submitting applications for this subsidy, a census status certificate accrediting the obligation to maintain its business activity for at least 12 months, as established in point 6.4 of the call, by e-mail to emprendimiento@lasnaves.com, failing which the subsidised amount must be reimbursed.

7. Invoice and proof of payment requirements.

- 7.1. The applicant entity must submit the corresponding invoices or documents of similar probative value, valid in trade activity or with administrative effectiveness, and the corresponding bank proofs of payment of the expenses together with the application. These documents will contain the requirements established in Spanish Royal Decree 1619/2012, of 30 November, regulating invoicing obligations.
- 7.2. Specifically, **invoices** must contain the following information:
- Name of the company applying for the subsidy.
 - Name and surname(s), full company name, tax identification number and address of the supplier.
 - Invoice number and issue date.
 - Expense item and its amount, including the unit price excluding tax, as well as any discounts or rebates.
 - The tax rate or rates, if any, applied to the transactions, as applicable.
- 7.3. Consignment notes, delivery notes and pro forma invoices are not acceptable as proof of expenses. In the case of proofs of payment issued in foreign currency, the exchange rate applied must be indicated.
- 7.4. The submission of a receipt will not replace the submission of the corresponding invoice.

7.5. Proof of payment:

- 7.5.1. Expenses actually paid and incurred between 1 January 2024 and the submission date of the application will be eligible.
- 7.5.2. Payments made in the name of a person other than the entity applying for the subsidy will not be accepted.
- 7.5.3. In the event that the proofs of payment are in the name of a joint holder of the bank account, a certificate of ownership of the bank account must be submitted stating the name of the subsidy applicant.
- 7.5.4. With regard to the method of payment, proof must be provided with the following documentation:
- bank transfer: this must be justified by means of a bank statement in which the expense is recorded, identifying the recipient of the payment and its matching with the issuer of the invoice or document proving the expense.
 - direct debit: this must be justified by the bank notification of the direct debit or a copy of the bank statement showing the expense.
 - cheque: this must be supported by a copy of the cheque made out to the supplier issuing the invoice and a copy of the bank statement showing the expense.
 - card payments: this must be justified by means of the document charging the payment to the bank



account in which the recipient of the payment is identified, and it matches the issuer of the invoice or document justifying the expense.

- Payments made by cards that are not in the applicant's name will not be accepted.

8. Concurrence with other subsidies

8.1. As these are subsidies subject to the *de minimis* regime, established in Commission Regulation (EU) 1407/2013, of 18 December, on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union concerning *de minimis* aid (OJEU L352 dated 24.12.2013), they may not be granted to companies in the following sectors:

8.1.1. Fisheries and aquaculture, as referred to in Regulation (EU) 1379/2013 establishing the common organisation of markets in fishery and aquaculture products.

8.1.2. Primary production of agricultural products listed in Appendix I to the Treaty.

8.1.3. Companies operating in the processing and marketing of agricultural products, in the following cases:

8.1.3.1. where the amount of aid is determined on the basis of the price or quantity of such products purchased from primary producers or marketed by the companies concerned.

8.1.3.2. where the aid is conditional upon part or all of it being passed on to primary producers.

8.1.4. Activities related to exports to third countries or Member States where the aid is linked to the establishment and operation of a distribution network or to other current expenses linked to the export activity.

8.1.5. Aid conditional on the use of domestic rather than imported products.

8.2. Under no circumstances may aid exceed the total maximum amount of *de minimis* aid, currently set at €200,000 over a period of three fiscal years for the same company, either individually or as a result of being cumulated with other *de minimis* aid granted to the same company, as stipulated in Commission Regulation (EU) No. 1407/2013, or with other types of aid subject to EU State aid rules.

8.3. For the purposes of the above paragraph, "company" means any entity engaged in a business activity, irrespective of its legal status and the way in which it is funded.

9. Deadline and method of submission of applications

9.1. Applications must be submitted via the link to the Application Form indicated in point 7.1 of these rules.

9.2. The deadline for submission of applications will be 20 calendar days from the day following the publication of the extract of the call in the Official Provincial Journal (BOP).

9.3. Submission of the subsidy application after the established deadline and failure to use the standard forms for mandatory use will be grounds for not accepting the subsidy application.

9.4. A maximum of one application per entity may be submitted. If more than one application is submitted, only the last one submitted will be considered, taking into account the date and time of its submission using the application form indicated in point 7.1 of these rules.



10. Procedure and Instruction

- 10.1. The awarding of the subsidy regulated in this call will be made in accordance with the provisions of Articles 22.1 and 23 to 27 of the LGS.
- 10.2. The awarding of subsidies will be made on a competitive basis, establishing as the order of assessment the date and time of entry recorded in the electronic print of the application form, until the available credit is exhausted, provided that they exceed 50% of the assessment criteria detailed in point 11.6 of these rules.
- 10.3. The procedure will be carried out by the Valencia Community Foundation for strategic promotion, development and urban innovation, which will carry out, ex officio, as many actions as it deems necessary to determine, know and verify the data on the basis of which the agreement proposal must be formulated.
- 10.4. All communications and notifications in this procedure will be made by e-mail to emprendimiento@lasnaves.com, including those made to entities applying for aid that are required due to not having submitted all the documentation required in the call for the subsidy.
- 10.5. An application assessment committee will be appointed, which will be made up of the Sub-Directorate for Entrepreneurship or the person delegated by them, who will act as chairperson; a member of the Foundation's technical staff who will act as secretary, or the person delegated by them; and two persons of reference in the field of the technological entrepreneurship ecosystem who will act as members. This assessment committee will be appointed by resolution of the Foundation's Management.
- 10.6. The Assessment Committee will decide by consensus the score of the different applications, establishing the following assessment and scoring criteria:
- Business model and scalability potential (0-2 points)
 - Innovation, differentiation, originality and competitive advantage (0-2 points)
 - Traction, metrics of actual progress and validation of the business model (0-2 points)
 - Founding team skills (0-2 points)
 - Having 50% or more women in the founding team (0-2 points)
 - Projects that are going to develop a pilot project within the framework of the City of Valencia Sandbox (0-2 points)
- 10.7. The Assessment Committee will draw up a report stating that, from the information in its possession, it is clear that the beneficiary entities meet all the necessary requirements to access the subsidies, and that they also exceed 50% of the established assessment criteria. They will therefore draw up a proposal for the awarding of subsidies, which will be submitted to the competent body, the Foundation's Management.
- 10.8. The following provisional lists will be published for notification purposes on the website www.valenciainnovationcapital.com:
- 10.8.1. Applicant entities proposed as beneficiaries for having submitted their application, meeting all the requirements and documentation required in the call.
- 10.8.2. Applicant entities that do not meet the requirements established in the call and whose application has been rejected and/or applicant entities that have not provided all the documentation required in point 7 of the call.
- These entities will be granted a period of **5 calendar days** to submit any arguments they deem appropriate or, where appropriate, to rectify their application and submit the required documentation.



10.8.3. As a consequence, if the allegations presented or the required documentation is accepted, the provisional list of beneficiary entities of the aid may be modified.

10.9. The maximum period for resolving and notifying the resolution will be three months from the date following the end of the period for submitting applications. This will put an end to administrative proceedings, and an appeal for reversal may be filed against it within a period of one month, before the same body that has issued the resolution, or directly before the contentious-administrative jurisdiction in the manner and within the periods established in the law regulating this jurisdiction.

11. Obligations of the beneficiary entities

The obligations of the beneficiaries are as follows:

- **To maintain their business activity for at least 12 months** from the day after the deadline for submitting applications, otherwise they will have to reimburse the subsidised amount.
- **To actively participate in the incubation and acceleration programmes** mentioned in point 4 of these rules. Startups that, at the end of the incubation and acceleration programme, have not obtained a minimum participation of 80% in the mandatory face-to-face sessions, as well as in the demo day and investor day, will have to reimburse 50% of the amount received in this subsidy.
- To submit to the verification and financial control actions set forth in the current legislation on subsidies.
- To proceed with the reimbursement of the funds received in the cases specified in Article 37 of the Spanish General Law on Subsidies.
- To comply with the remaining obligations detailed in Article 14 of the Spanish General Law on Subsidies and those detailed in Article 11 of the General Subsidies Ordinance of Valencia City Council and its Public Bodies.

12. Payment and justification of subsidies

Payment of these subsidies will be made in a single payment for the full amount awarded, by bank transfer, from the date of the grant agreement, without the need to provide guarantees.

The beneficiary entity must submit in the thirteenth month, counting from the date of the end of the deadline for submitting applications for this subsidy, a census status certificate accrediting the obligation to maintain its business activity for at least 12 months, failing which the subsidised amount must be reimbursed. Contributions must be made by e-mail to the following address emprendimiento@lasnaves.com.

The beneficiary entity must attend at least 80% of the sessions scheduled in the incubation and acceleration programme. This attendance will be recorded by the programme coordination and if this is not met, 50% of the subsidised amount must be reimbursed.

13. Reimbursement of subsidies

The reimbursement of the amount received, where applicable, will be governed by the provisions of Title II of the LGS and Title III of the RLGS.

14. Incompatibilities

This subsidy will be compatible with any other subsidy granted by Valencia City Council or by any



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other entity or institution, in 2025 or in previous years, under the terms established in Article 13 of the General Subsidies Ordinance of Valencia City Council.