

European Commission
Directorate-General for Competition, Unit H1
State Aid Registry
1049 Bruxelles /Brussel
Belgique /België



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Re: Review of the Communication on the Framework for State aid for Research and Development and Innovation

Dear Sir/ Madam,

The American Chamber of Commerce Ireland represents the US companies in Ireland, the Irish companies that support them, and the growing number of Irish companies with businesses in the US. Our members are a major accelerator of the innovation ecosystem in Ireland.

The knowledge economy will be a significant driver of the economic recovery and will deliver the solutions we need for the green and digital transformation of our economies. Global competition for innovation investment is intensifying. Beyond the EU, small globalised economies such as Israel and Singapore have established themselves as technological hubs for international companies. This Framework is an important step in ensuring that the EU will be able to compete for this global investment.

Our members are concerned that the proposed guidance on the admissible level of indirect costs, in paragraph 81 of the draft Framework, will directly impact the level of R&D within the EU. This is a significant departure from the 2014 Framework, which did not contain any limits on the level of indirect costs.

The proposed rate will limit the ability of companies based in Europe to invest in innovation at a time when many companies are under increased economic strain. We propose that the final guidance in paragraph 81 reads:

'The eligible costs shall be supported by the most recently available documentary evidence which shall be clear and specific. They should be established on the basis of normal accounting practices, must comprise only eligible R&D project costs listed in Annex I, and must be duly justified'.

We appreciate the opportunity to provide on the proposed changes to the *Framework for State aid for Research and Development and Innovation*. We would welcome any opportunity to assist further in this process.

Yours Sincerely,

Mark Redmond

CEO