

Terms of Support Schemes for Small and Mid-Size Businesses – Business Grants

1. General

- 1.1. The MAOF and its services, operated by the Small and Medium-Sized Business Agency (SMBA) in the Ministry of Economy and Industry (hereinafter: "**the MAOF Services**", "**the SMBA**" and "**the Ministry**", respectively) are among the range of services offered to entrepreneurs and enterprises as part of the Ministry's efforts to support and promote the small and medium-sized business sector in Israel.
- 1.2. The support schemes are intended to promote and assist businesses impacted by the coronavirus outbreak.
- 1.3. These terms are an appendix to the Rules and Regulations of MAOF Business Support Services and form an integral part thereof. In the event of a conflict between the provisions of this appendix and the provisions of the Rules and Regulations, the latter will prevail.
- 1.4. A team will be set up in the Ministry to track the implementation of the support schemes, and to receive reports from MAOF regarding applications for assistance and applications that have been approved in each support scheme.
- 1.5. **Breakdown of business support schemes**
 - Support scheme to assimilate EMV-standard clearing.
 - Support scheme to finance business adjustments in light of the coronavirus.
 - Grants schemes for operators of private daycare centers.
 - Support scheme to finance a fiber-optic infrastructure connection to the home / business (FTTH)
- 1.6. The threshold conditions for participation in the support schemes are defined in the Rules and Regulations of MAOF Business Support Services, Section 4. **Link to Rules and Regulations**

2. Business support scheme for the assimilation of EMV-standard clearing

2.1. Background

The EMV standard (hereinafter - the "Standard"), currently the world's most widely used payment standard, offers advanced innovation in payments, allowing for contactless payments through supported cards and advanced payment applications, and strengthens competition in issuance and clearing by removing a barrier to entry of new players from Israel and abroad. In addition, using the standard reduces the risk of fraudulent transactions and the misuse of credit cards through upgraded security mechanisms.

2.2. Criteria for scheme eligibility:

- 2.2.1. A business which, as of the date of publication of the scheme, also enables its customers to make card-present transactions (conducted face-to-face, in which his / her card is physically swiped), and the clearing volume for the card-present did not exceed NIS 100 million in 2019.
 - 2.2.2. At the time of publication of the scheme, the business had not yet embedded the required hardware and / or software for EMV-standard clearing at the POS, including an integrated, EMV-supporting POS terminal, a PIN Pad, or the required upgrade for a cash register that connects to the PIN Pad. (Note: Businesses that use a fake EMV chip, i.e. businesses that do not comply with the EMV standard, even though they have EMV-compatible hardware and software, are not entitled to the grant).
 - 2.2.3. Assistance will be provided for upgrading / replacing workstations that already existed as of the publication of this scheme, and not for new workstations.
 - 2.2.4. Assistance to businesses under this scheme will be provided on a first come, first served basis, until the Ministry's budget, allocated to this scheme, has been exhausted.
- 2.3. Nature and scope of assistance**
- 2.3.1. The Ministry will participate in business expenses for the purchase of hardware and / or technician costs for the purpose of implementing the EMV standard.
 - 2.3.2. Scope of assistance: 80% of all expenses related to the installation of the EMV standard at a POS, provided that the total cost for a POS does not exceed NIS 2,500, including VAT. A business is eligible to receive assistance for up to 20 POS terminals.
- 2.4. How the assistance is materialized**
- 2.4.1. The business will approve an application form for assistance, attached to the Rules and Regulations of MAOF Business Support Services, as Appendix I.
 - 2.4.2. The business will fill out and submit an online eligibility application (on the Agency's website) for the assimilation of EMV-standard clearing. The business owner will include the following on the eligibility application:
 - 2.4.2.1. A declaration that he / she meets the eligibility criteria.
 - 2.4.2.2. An estimate as to the number of POS terminals to be adapted to the EMV standard in terms of hardware and software.
 - 2.4.2.3. An estimate as to the number of POS terminals to be adapted to the EMV standard in terms of software only.

- 2.4.2.4. That he / she waives confidentiality and authorizes the clearinghouse / consortium to send to the Agency, if necessary, any data relating to the EMV assimilation and to compliance with the terms of the support scheme.
- 2.4.3. After submitting the eligibility application, the business owner will receive, by email, "eligibility confirmation" which will be valid until September 30, 2020. After this date and until November 1, 2020, the grant will be given for payment requests on a first come, first served basis.
- 2.4.4. After September 30, 2020, all budgetary authorizations for payment requests not yet submitted, will be canceled. The remaining budget will be published and payment will be made for payment requests on a first come, first served basis, and provided that the business requesting payment meets the threshold conditions and has not yet received assistance under this scheme.
- 2.4.5. After the standard has been assimilated into the business and clearing has been executed at all POS terminals for which Ministry participation is required, the business will submit an online payment request on the Agency's website for assimilating EMV-standard clearing.
- 2.4.6. The following documents should be attached to the payment request:
- 2.4.6.1. Tax invoice / receipt (if an exempt business, a receipt only) with the name of the business / business owner, in respect of the purchase of hardware for a POS that is support by the EMV standard and / or expenses for the service of a technician who has assimilated the EMV standard in the business's existing POS terminals. The following must appear on the tax invoice / receipt:
- Type of service - purchase of hardware for POS terminal(s) / technician services.
 - The number of POS terminals adjusted to the EMV standard in terms of hardware.
 - The number of POS terminals adjusted to the EMV standard in terms of software only.
 - The date the hardware was purchased for the POS terminal(s) / for assimilating the EMV standard.
 - Full amount paid by the business for the service(s) rendered.

- The invoice will be dated no earlier than the date of publication of the scheme.
- 2.4.6.2 A company ID according to the nature of the business (Business License or Certificate of Incorporation).
- 2.4.6.3 Valid certificate of proper bookkeeping.
- 2.4.6.4 Valid certificate of tax withholding.
- 2.4.6.5 For nonprofits – a valid certificate of Proper Management.
- 2.4.6.6 A cancelled bank / checking account management approval. The bank account must be in the name of the business owner / business.
- 2.4.7 The documents will be checked for the purpose of payment approval. If the documents are in order, payment will be made to the business within 10 business days from the date the payment request was submitted.
- 2.4.8 In addition to checking documents, a check will be carried out vis á vis the clearinghouse / consortium. To the extent that this check is inconsistent with the payment request, an individual check will be conducted vis á vis the business.
- 2.4.9 In the event that the payment request is not approved or is partially approved, the business will be notified, and the reasons the payment was declined will be specified, or alternatively, the business will be asked to provide additional relevant documentation.
- 2.4.10 Every business owner will be given one opportunity to add relevant documentation or to amend his / her payment request.
- 2.4.11 Each business may only submit a payment request once. All payment requests for terminals must be sent together in a single payment request.

3. Support scheme to finance business adjustments in light of the coronavirus

3.1. Aim of scheme

To help small and medium-sized businesses adjust so they can operate in line with the new routine in the shadow of the coronavirus. The adjustments businesses are required to make are either physical or technological, as part of their desire to conduct business activity online, so as to reduce the physical presence of employees in the company. The Agency is offering a support scheme to finance adjustments made by businesses, and that meet the conditions set out below.

3.2. Criteria for scheme eligibility

- 3.2.1. An enterprise, as defined in Section 2.16 to the Rules and Regulations of MAOF Business Support Services.
 - 3.2.2. Assistance under this scheme will be provided to businesses that submit an eligibility application, on a first come, first served basis, and until the Ministry's budget, allocated to this scheme, has been exhausted.
- 3.3. Nature and scope of assistance**
- 3.3.1. The business's payment request will be for Ministry participation in the following expenses:
 - 3.3.2. Structural adjustments and the purchase of furniture designed to cope with the lingering effects of the coronavirus, including partitioning, creating / upgrading an online trading platform, including clearing, shipping, etc., that will help the business provide online service.
 - 3.3.3. A business that meets the threshold conditions of the support scheme for EMV-standard clearing, or the threshold conditions of the support scheme for a fiber optic infrastructure connection to the home / business (FTTH), will not be entitled in this scheme to request reimbursement with regards EMV-standard assimilation, outlined in Section 2.4.6 above, or with regards a fiber optic infrastructure connection to the home / business, outlined in Section 5.4.1 below.
 - 3.3.4. A business that participates in the E-Commerce Track, as outlined in Section 13 to the Rules and Regulations of MAOF Business Support Services, may not request to be reimbursed in this scheme for the same expenses for which it will receive a grant in the E-commerce Track. **Link to Rules and Regulations**
 - 3.3.5. The scope of financing per business is 50% of expenses up to a ceiling of NIS 5,000 including VAT.
- 3.4. How the assistance is materialized**
- 3.4.1. The business will approve an application form for assistance, attached to the Rules and Regulations of MAOF Business Support Services, as Appendix I.
 - 3.4.2. The business will submit an online eligibility application form (on the Agency's website) for the financing of adjustments in light of the coronavirus. On the eligibility application form the business owner will state that he / she meets the eligibility criteria.
 - 3.4.3. Each business may submit one eligibility application form only. Further applications from the same business will not be accepted.

- 3.4.4. After submitting the application form, the business owner will receive (by email) "eligibility confirmation", which will be valid until September 30, 2020. After this date and until November 1, 2020, the grant will be given for payment requests on a first come, first served basis.
- 3.4.5. After September 30, 2020, all budgetary authorizations for payment requests not yet submitted, will be canceled. The remaining budget will be published and payment will be made for payment requests on a first come, first served basis, and provided that the business requesting payment meets the threshold conditions and has not yet received assistance under this scheme.
- 3.4.6. After making its adjustments, the business will submit a payment request (on the Agency's website) for assistance in financing its business adjustments in light of the coronavirus. The following documents must be attached to the payment request:
 - 3.4.6.1. Tax invoice / receipt (if an exempt business, a receipt only) with the name of the business / business owner, in respect of business expenses and the amount paid on expenses in accordance with the adjustments specified in Sections 3.3.1. – 3.3.2. above. In this scheme, a payment request for expenses may be submitted from the date the scheme is published, with the exception of expenses for installing partitions, for which a payment request can be made as of April 19, 2020. Up to 10 invoices (or receipts in the case of an exempt business) may be submitted, provided that the invoice / receipt is not less than NIS 100, excluding VAT.
 - 3.4.6.2. A company ID according to the nature of the business (business license or Certificate of Incorporation).
 - 3.4.6.3. Valid certificate of proper bookkeeping.
 - 3.4.6.4. Valid certificate of tax withholding.
 - 3.4.6.5. For nonprofits – a valid certificate of proper management.
 - 3.4.6.6. A cancelled bank / checking account management approval. The bank account must be in the name of the business owner / business.
- 3.4.7. The documents will be checked for the purpose of payment approval. If the documents are in order, the business will be paid within 10 business days from the date the payment request was submitted.

- 3.4.8. In the event that the payment request is not approved or is partially approved, the business will be notified, and the reason(s) payment was declined will be specified, or alternatively, the business will be asked to provide additional relevant documentation.
- 3.4.9. Each business owner will be given one opportunity to add relevant documentation or to amend his / her payment request.
- 3.4.10. Each business may only submit a payment request once. All payment requests in respect of adjustments must be sent together in a single payment request.

4. Grants schemes for operators of private daycare centers (hereinafter: Private Daycare Centers) for which a controlled price does not apply

4.1. Aim of scheme

To assist Private Daycare Centers so that they can reopen in accordance with the Ministry of Health guidelines and cope with the additional costs as a result of operating the Private Daycare Centers in a reduced format during the Coronavirus outbreak.

4.2. Eligibility criteria:

- 4.2.1. An enterprise, as defined in Section 2.16 to the Rules and Regulations of MAOF Business Support Services. **Link to Rules and Regulations**
- 4.2.2. The business operates a Private Daycare Center as described in the Daycare Supervision Law, 2018.
- 4.2.3. The Private Daycare Center received preliminary approval in accordance with Section 76 to the Daycare Supervision Law, 2018, as of the publication of this scheme, or will receive preliminary approval by October 31, 2020.
- 4.2.4. The Private Daycare Center was attended by least 7 toddlers at the start of the coronavirus outbreak in February 2020.
- 4.2.5. The daycare center reopened in accordance with the guidelines of the Public Health Order (New Corona Virus) (Restricting Activities of Educational Institutions) (Temporary Order), 5720 – 2020, as of the date of the request.

4.3. Nature and scope of assistance

The daycare center will be eligible for a grant based on the number of children who attended it in February 2020.

The grant will be calculated as follows:

- Up to 12 children (inclusive) - NIS 350 for each child (subject to the condition specified in Section 4.2.4 above).

- From the 13th child to the 24th child (inclusive) - NIS 700 for each child.
- From the 25th child - NIS 1,200 for each child.

All the above amounts include VAT.

4.4. How the assistance is materialized

- 4.4.1. The business will approve an application form for Business Support Services, attached to the Rules and Regulations of MAOF Business Support Services, as Appendix I.
- 4.4.2. The business will submit an online eligibility application, found on the Agency's website. The deadline for submitting an eligibility application form is October 31, 2020.
- 4.4.3. The eligibility application form must include the following:
 - 4.4.3.1. Business details.
 - 4.4.3.2. The number of children who attended the daycare center as of February 2020.
 - 4.4.3.3. Preliminary approval number from the Ministry of Labor, Welfare and Social Services.
 - 4.4.3.4. Declaration by the business owner that he meets all eligibility criteria.
 - 4.4.3.5. Statement of the CPA / tax advisor on the daycare center's income in February 2020, and the number of invoices issued during that month, attached herewith as Appendix II.
 - 4.4.3.6. A company ID according to the nature of the business (Business License or Certificate of Incorporation).
 - 4.4.3.7. Valid certificate of proper bookkeeping.
 - 4.4.3.8. Valid certificate of tax withholding.
 - 4.4.3.9. For nonprofits – valid certificate of proper management.
 - 4.4.3.10. A cancelled bank / checking account management approval.
- 4.4.4. The documents will be checked for the purpose of payment approval. If the documents are in order, the business will be paid within 10 business days from the date the payment request was submitted.
- 4.4.5. In the event that the payment request is not approved or is partially approved, the business will be notified, and the reasons the payment was declined will be specified, or alternatively, the business will be asked to provide additional relevant documentation.
- 4.4.6. Every business owner will be given one opportunity to add relevant documentation or to amend his / her payment request.

4.4.7. A business may only submit one payment request for every preliminary approval number.

5. Support scheme to finance a fiber optic infrastructure connection to the home / business (FTTH)

5.1. Background:

Coping with the corona virus worldwide, and in Israel in particular, has highlighted the need for high quality, high-speed and reliable communications infrastructures, that enable teleworking in various sectors of the economy. The use of broadband technology will help businesses to sustain and expand their operations.

5.2. Aim of scheme:

Assistance with business expenses involved in connecting to a high-speed, FTTH-based Internet infrastructure.

5.3. Eligibility criteria:

5.3.1. An enterprise, as defined in Section 2.16 to the Rules and Regulations of MAOF Business Support Services. **Link to Rules and Regulations**

5.3.2. Assistance to businesses under this scheme shall be provided on a first come, first served basis, and until the Ministry's budget, allocated to this scheme, has been exhausted.

5.4. Nature and scope of assistance:

5.4.1. The assistance will be for a FTTH infrastructure connection that was executed from April 1, 2020 onwards, and until the Ministry's budget, allocated to this scheme, is exhausted, or until November 1, 2020, whichever is earlier.

5.4.2. The scope of assistance is NIS 1,000 including VAT per business for a FTTH infrastructure connection.

5.5. How the assistance is materialized:

5.5.1. The business will request assistance with regards a connection to the FTTH infrastructure by filling out an online form on the Agency's website. The business owner will state on the form that he / she meets the eligibility criteria.

5.5.2. The request for assistance will be for "reimbursement of expenses for a connection to a FTTH-based, high-speed Internet infrastructure", the monthly cost of which does not exceed NIS 250, including VAT.

5.5.3. The business will approve an application form for assistance, attached to the Rules and Regulations of MAOF Business Support services, as Appendix I.

- 5.5.4. Upon submission of the form, the business owner will receive, by email "eligibility confirmation", which will be valid until September 30, 2020. After this date and until November 1, 2020, the grant will be given for payment requests on a first come, first served basis.
- 5.5.5. After September 30, 2020, all budgetary authorizations for payment requests not yet submitted, will be canceled. The remaining budget will be published and payment will be made for payment requests on a first come, first served basis, and provided that the business requesting payment meets the threshold conditions and has not yet received assistance under this scheme.
- 5.5.6. All payment requests must be submitted together in a single payment request. The same business may not submit additional payment requests.
- 5.5.7. After carrying out a connection to a FTTH-based, high-speed Internet infrastructure, the business will submit an online payment request form (found on the Agency's website) against the expenses. The following documents will be attached to the online form:
 - 5.5.7.1. Tax invoice / receipt (if an exempt business, a receipt only) with the name of the business / business owner, in respect of business expenses and the amount of the expenses in accordance with the terms set forth herein. The invoice must explicitly state that it is for a connection to a FTTH-based Internet service.
 - 5.5.7.2. A company ID according to the nature of the business (Business License or Certificate of Incorporation).
 - 5.5.7.3. Valid certificate of proper bookkeeping.
 - 5.5.7.4. Valid certificate of tax withholding.
 - 5.5.7.5. For nonprofits – a valid certificate of proper management.
 - 5.5.7.6. A cancelled bank / checking account management approval. The bank account must be in the name of the business owner / business.
- 5.5.8. The documents will be checked for the purpose of payment approval. If the documents are in order, the business will be paid within 10 business days from the date the payment request was submitted.
- 5.5.9. In the event that the payment request is not approved or is partially approved, the business will be notified, and the reason(s) the payment was declined will be specified,

or alternatively, the business will be asked to provide additional relevant documentation.

5.5.10. Every business owner will be given one opportunity to add relevant documentation or to amend his / her payment request.

Appendices:

Appendix I – Application for Business Support Services

Appendix II – Income Statement of Private Daycare Center for February 2020, issued by a CPA / Tax Advisor