



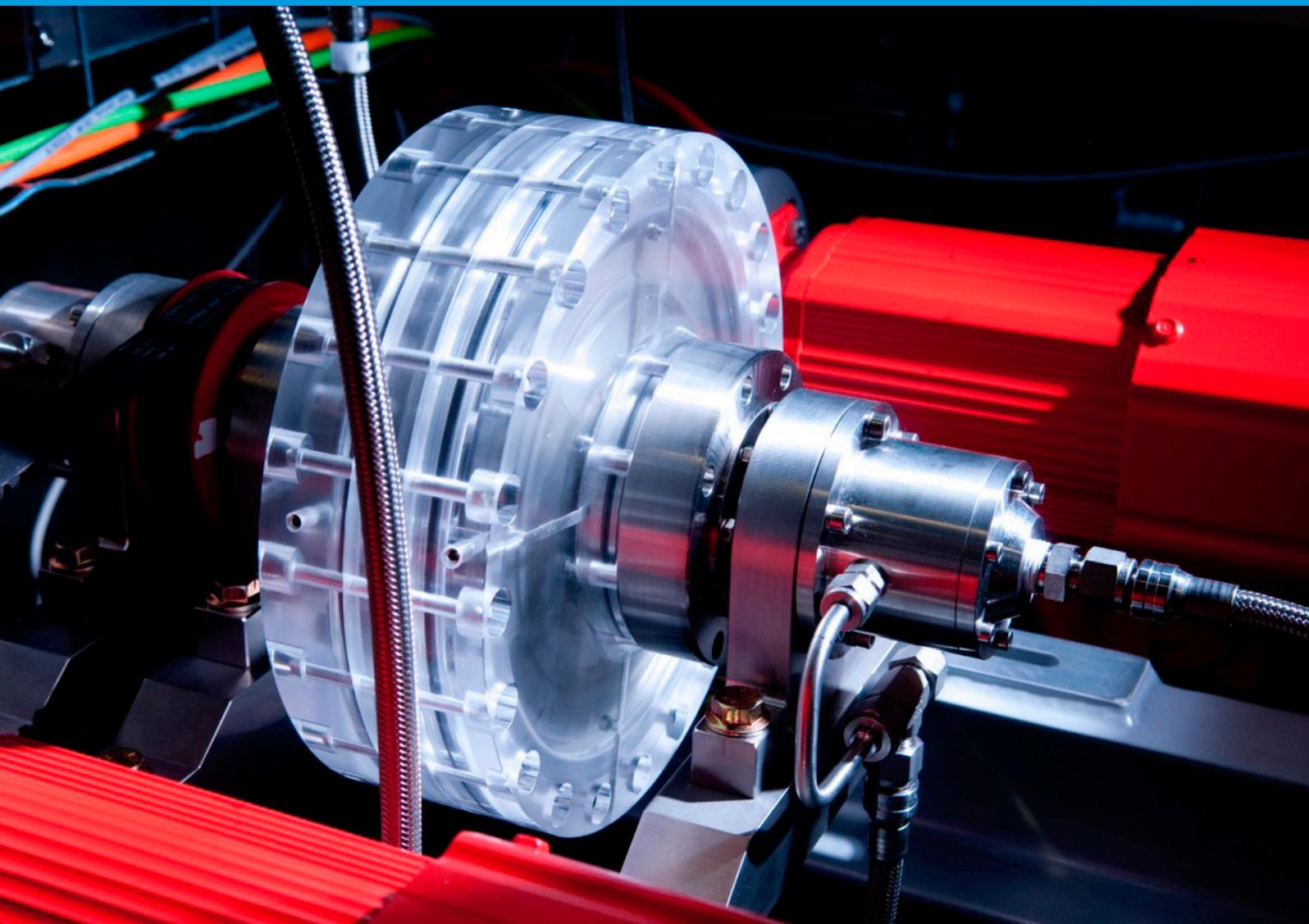
Netherlands Enterprise Agency

Your WBSO application has been granted... Now what?

Guideline for using the WBSO in 2017

Commissioned by the Ministry of Economic Affairs and Climate Policy

*>> Sustainable. Agricultural. Innovative.
International.*



You have received an R&D Declaration for R&D activities in 2017. Now what?

- You set off the financial benefit in your tax return.
- You comply with your administrative obligations.
- You submit a statement. If you report fewer hours (and costs and expenses) than allocated in the R&D Declaration, you will receive an amended decision.
- You set off this correction amount in your declaration.

An adviser from the Netherlands Enterprise Agency (RVO) may visit your company and carry out a retrospective inspection.

In this brochure, we will explain these steps further.

You set off the financial benefit in your tax return

If you are an independent entrepreneur

Settlement of the financial benefit

- You include the R&D deduction in your income tax return for 2017.
- If you have spent less than 500 hours on R&D, you must submit a timely statement of this fact. RVO.nl will then withdraw your R&D Declaration and you will be unable to apply the R&D deduction to your income tax return.

If you have a company (B.V., N.V. or commercial partnership)

Settlement of the financial benefit

- Where possible, you should incorporate any approved R&D tax rebate into your income tax and social insurance contributions returns in the tax periods to which the R&D Declaration applies.
- From the moment that you receive the R&D Declaration, you can deduct the amount in the remaining tax periods.
- For each tax period, you can deduct a proportionate part of the amount not yet used.
- If the R&D tax rebate has not been fully utilised by the end of the period covered by the R&D Declaration, you may deduct the remainder in the tax periods within the term covered by the R&D Declaration in which you paid income tax and social insurance contributions by submitting correction statements.
- If the R&D tax rebate still has not been fully utilised after this situation, you may use it in other tax periods within the same calendar year that fall outside the term covered by the R&D Declaration. This process can also be done via correction statements for tax periods that have already expired.
- There is no obligation to base the settlement during the year on the actual hours spent or on any costs and expenses incurred. Are you spending less R&D hours or costs and expenses than allocated? In that case, you only need to take action after the end of the calendar year by submitting a statement of the time spent (and, if applicable, any costs and expenses) in good time. If necessary, you can then adjust the calculations on the basis of the corrected R&D Declaration issued as a result of your statement. You can also choose to adjust the settlement during the year on the basis of actual R&D hours spent as well as any costs and expenses. This method will prevent you from having to pay back too much of the R&D tax rebate after submitting your statement.

TIP:

Examples of these adjustments can be found in the 2017 WBSO Manual (in PDF form under 'Publicaties' at www.rvo.nl/wbso).

You comply with your administrative obligations.

If you have received an R&D Declaration for R&D activities in 2017, you should note the following obligations.

	B.V./N.V./ commercial partnership with R&D Declaration based on actual costs and expenses	B.V./N.V./ commercial partnership with R&D Declaration based on a fixed amount	If you are an independent entrepreneur
You keep R&D administrative records.	•	•	•
You must report no later than 31 March 2018 how many hours you have spent on R&D for each R&D Declaration (even if you have spent no, fewer or more hours than approved).	•	•	
You keep an administration of the costs and expenses incurred.	•		
You must report no later than 31 March 2018 how many costs and how many expenses you incurred per R&D Declaration.	•		
You must report the R&D hours spent if this figure is less than 500 hours. If so, RVO.nl will withdraw your R&D Declaration and you will be unable to apply the R&D deduction to your income tax return.			•
You provide the citizen service numbers (BSNs) of the employees who carried out R&D work in 2017. RVO.nl uses this information to calculate the R&D hourly wage for a possible application in 2019. You can report BSNs digitally via mijn.rvo.nl/wbso .	•	•	

What do good R&D administrative records contain?

For each project, good R&D records provide clear and simple insight into the nature, content, progress (project administration) and size (time recording) of the R&D activities performed. How you keep track of the R&D administration can, as far as possible, be in line with what is common within your company. Good R&D records contain:

- 1. Time recording**
 - Your time recording should keep track of the days and the number hours per day that a given member of staff devoted to R&D, as well as the project involved. Ensure that this administration is in conformity with your employee's leave and sick leave records. Use the Model time sheet on mijn.rvo.nl/wbso, under "S&O-administratie bijhouden" ("Maintain your R&D records").

- R&D hours include time spent by an employee who is carrying out R&D activities within the approved R&D project.
- R&D hours do not include hours spent on travel, visits to trade fairs and conferences, project-related administrative or organisational activities, secretarial work, graduate supervision, intern supervision, marketing management, technical installation, and so on.

- 2. Project administration**
 - The activities that you carry out must be in agreement with the projects which RVO.nl approved.
 - Project administration provides insight into the nature, content and progress of the R&D activities carried out within the project and can consist of various documents (digital or otherwise) such as meeting documents and reports, drawings, correspondence,

photographs of prototypes, test results, measurement reports, calculations, and so on. If you have a company (B.V, N.V. or commercial partnership) and an R&D Declaration based on “actual costs and expenses”, the following is added to this list.

3. Administration of costs and expenses

- For each R&D project, this overview provides insight into the costs and expenses incurred as well as the related payments. Tip: use the “Invoermodel kosten en uitgaven” (“Input model for costs and expenses”) on mijn.rvo.nl/wbso, under “S&O-administratie bijhouden” (“Maintain your R&D records”).
- This document also clearly shows the extent to which these costs/expenses are attributable/related to the R&D work that has been carried out for each project.
- The records may consist of various documents (digital or otherwise) such as quotations, order confirmations, invoices, payment receipts, and so on.
- WBSO costs do not include payments for goods or services that do not exclusively serve one’s own R&D.
- WBSO expenses do not include payments for company resources that do not serve one’s own R&D.

How to keep good R&D administrative records

- Keep track of the R&D administration from the start of a project, even if you have not yet received an R&D Declaration.
- Ensure that your R&D administration complies with statutory requirements as a minimum. Apart from this constraint, you are free to set it up in any way that you wish.
- File documents for each R&D project in a clear and structured way.
- Ensure that all documents are given a date and an author.
- Prepare brief summaries at regular intervals.
- Keep all documents arising from every phase of the project. The end result is not the only important part!
- Make sure to record your R&D hours within ten working days.
- Ensure that the project administration is completed within two months after the end of every quarterly period.
- The administration of costs and expenses must be fully updated and completed at the time that you submit your statement.
- Retain your R&D administrative records for at least seven years.
- Have your R&D administrative records available at any time when RVO.nl advisers carry out an inspection.

What documents do you need to keep?

- The complete R&D administrative records;
- cost and expenses records (if applicable);
- copies of your application(s) and R&D Declaration(s);
- all correspondence with RVO.nl concerning your application(s);
- any corrected and/or supplementary R&D Declaration(s).

Please note

- In the event that you incur more costs and expenses than were originally approved, you must report the actual R&D hours, costs and expenses.

Avoid making the following mistakes

- There are missing or incomplete R&D administrative records.
- Records of the R&D hours were not kept by person, day and/or project.
- Records of costs and expenses were not kept by project.
- The work carried out was not in agreement with the projects approved by RVO.nl.
- Costs and expenses were included which were not allocated to the approved projects.
- R&D hours worked were declared for projects for which no R&D Declaration was issued.
- R&D hours worked were recorded on days when employees were on leave or sick leave.
- R&D hours worked by trainees, graduate students or others not on the payroll were included in R&D hours.

Please note

Joint R&D project within or outside a fiscal unity

- If you are working together with a number of other companies on a joint R&D project, each company must keep its own administrative records detailing its own R&D activities within this project and any costs or expenses incurred and paid.
- If you are working together with multiple companies within a fiscal unit on a joint R&D project, you can use a single set of R&D records. However, the administrative records must make it clear which R&D activities were carried out, and which costs and expenses were incurred and paid, by each individual company and for each R&D project.

Statement and corrected R&D Declaration

You are obliged to submit a statement, unless you are an independent entrepreneur and you have utilised 500 R&D hours (or more). Statements for the WBSO can be submitted very easily through www.rvo.nl/wbso. This submission must be made no later than 31 March 2018 or, in the event that your last WBSO decision for 2017 was only issued in 2018, three months after the date of issue of this last decision. If you submit a statement after the deadline, RVO.nl will impose a fine. If you fail to submit a statement after receiving a reminder, you will be subject to the full correction of your R&D Declaration(s) as well as a fine.

In your statement, you must indicate for each R&D Declaration how many hours have been spent on R&D. If you have chosen the regime for costs and expenses, you must also report the total amount of costs and expenses incurred per R&D Declaration. If you report fewer hours (and costs and expenses) than allocated in the R&D Declaration, you will receive a corrected decision.

You may shift R&D hours between various approved projects within an R&D Declaration. In addition, you may shift amounts between various approved costs and expenses. For example, if you spend less time on a particular project, you may spend the remaining time of that project on one or more other projects within the same R&D Declaration that require more time. Likewise, you may also spend R&D time (and any costs and expenses) for a project after the period of the R&D Declaration but within the same calendar year.

To submit a correct statement for the year 2017, it is important that you report the hours (and, if necessary, the costs and expenses) for the R&D Declaration in which they were awarded, even if they were spent in the period of a later R&D Declaration.

Reporting tools

With effect from 2016, the rules for reporting have changed radically. As a result, RVO.nl has created a number of tools to help you with your reporting. For example, an Excel calculation tool has been developed with which you can easily calculate what to report. Detailed information can be found on mijn.rvo.nl/wbso under “Realisatie melden” (“Report time spent”), in relation to things such as:

- WBSO Reporting Manual (shows what to report, when to report, and how to shift the hours, costs and expenses between different projects);
- step-by-step reporting plan ;
- calculation tool;
- notes on the calculation tool.

A corrected R&D Declaration

Did you submit a declaration and spend less R&D time (costs and expenses) than was allocated? If so, RVO.nl will send you a corrected R&D Declaration containing the corrected amount for the part of the time (costs and expenses) that you did not spend. The corrected amount in this corrected R&D Declaration is based on the figures that you supplied for the actual hours, costs and expenses per R&D Declaration, so it will always be lower than the total of the R&D Declaration(s) issued for that year. You will repay any excess amount of the R&D tax rebate that you have applied via the income tax and social insurance contributions return. You must include the corrected amount as a negative R&D tax rebate in the tax period to which the corrected R&D Declaration is dated, or in the subsequent tax period.

Tip:

Provide your BSNs (citizen service numbers) straight away

If you are submitting a statement for 2017, provide the BSNs (citizen service numbers) of your 2017 R&D staff at the same time. RVO.nl will use these BSNs to calculate the R&D hourly wage for any future WBSO claims that you may make for 2019. To pass on BSNs, please also visit mijn.rvo.nl/wbso. Once you have provided us with BSNs, you will receive the calculated R&D hourly wage for 2019 in October 2019 for information purposes.

RVO.nl carries out inspections

An RVO adviser may carry out retrospective visits/inspections of your company based on your R&D administration and the information supplied by the Dutch Tax and Customs Administration (Belastingdienst). You will receive a corrected R&D Declaration if the adviser detects errors in the statements or parts of your R&D records, for example. In addition to a correction, RVO.nl can also impose a fine. The Tax and Customs Administration checks whether you have set off the amount of your R&D Declaration(s) correctly in your returns.

Frequently Asked Questions

What do I do if an R&D project is unsuccessful?

You may report your R&D hours and you can make use of the WBSO, irrespective of whether the project achieved the desired results. To this end, you must also keep R&D administrative records for any unsuccessful projects.

The R&D work has been cancelled; what should I do?

Within three months after the end of the calendar year, you must notify RVO.nl that you have not worked any R&D hours. You will then receive a corrected R&D Declaration from RVO.nl. If you have already received any tax rebates for this period, you will have to repay them in a subsequent income tax and social insurance contributions return. If you are an independent entrepreneur, you must also inform us of this fact. RVO.nl will then withdraw your R&D Declaration and you will be unable to apply the R&D deduction in your income tax return.

I have worked more hours than I have been allocated, should I report this fact?

If you are an independent entrepreneur, you do not have to report this fact. If you have a B.V., N.V. or a commercial partnership (R&D withholding agent), you will have to report this fact, but no corrected R&D Declaration will be issued.

WBSO

The WBSO is an initiative of the Ministry of Economic Affairs and Climate Policy which helps companies to reduce the costs of their R&D. This scheme is implemented by RVO.nl, part of the Ministry of Economic Affairs and Climate Policy. Companies can deduct the financial benefits of WBSO from the payroll tax that they pay to the Dutch Tax and Customs Administration. www.rvo.nl/wbso

Contact details

Tel.: +31 (0)88 042 4242 (weekdays from 8.30 to 17.00) You can also call this number if you have any questions about making submissions via the e-Service Desk (eLoket).

Financial settlement

If you have any questions about financial settlement in the context of the WBSO, please contact the Tax Information Line (tel. 0800 0543 in the Netherlands) or your company's tax office.

Innovation Box

The Innovation Box is intended to provide businesses with a tax incentive for innovative research. Information about the Innovation Box is available on the Tax and Customs Administration's website. The website also includes a list of contact persons whom you can approach with any questions about the use of the Innovation Box.

Patents

The Netherlands Patent Office provides information on intellectual property rights and can help you find patent information with which to develop your invention further. This information can also help you to identify who your competitors are and find potential partners. www.rvo.nl/octrooien

Customary salary scheme

Are you a director and principal shareholder, and are you considered to be a start-up in the context of the WBSO? In that case, you will be eligible for the minimum wage as a starting point for the Customary Salary Scheme ("Gebruikelijkloonregeling") from 2017 onwards.

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Netherlands Enterprise Agency is part of the Ministry of Economic Affairs and Climate Policy.

Other schemes that may be of interest

Energy Investment Allowance (Energie-investeringsaftrek, EIA)

Benefit from tax benefits when investing in energy-saving systems and technologies and in sustainable energy supplies. www.rvo.nl/EIA

Environmental Investment Tax Scheme for Businesses (Milieu-investeringsaftrek ondernemers, MIA) and Vamil scheme

Benefit from tax benefits when investing in environmentally friendly systems and technologies. www.rvo.nl/miavamil

Innovation Credit (Innovatiekrediet)

Credit for the financing of highly promising and innovative projects. www.rvo.nl/innovatiekrediet

Loans for SMEs (BMKB)

Bank loans for SMEs with favourable conditions. www.rvo.nl/bmkb

Other support for entrepreneurs

www.rvo.nl/ondernemersfinanciering