



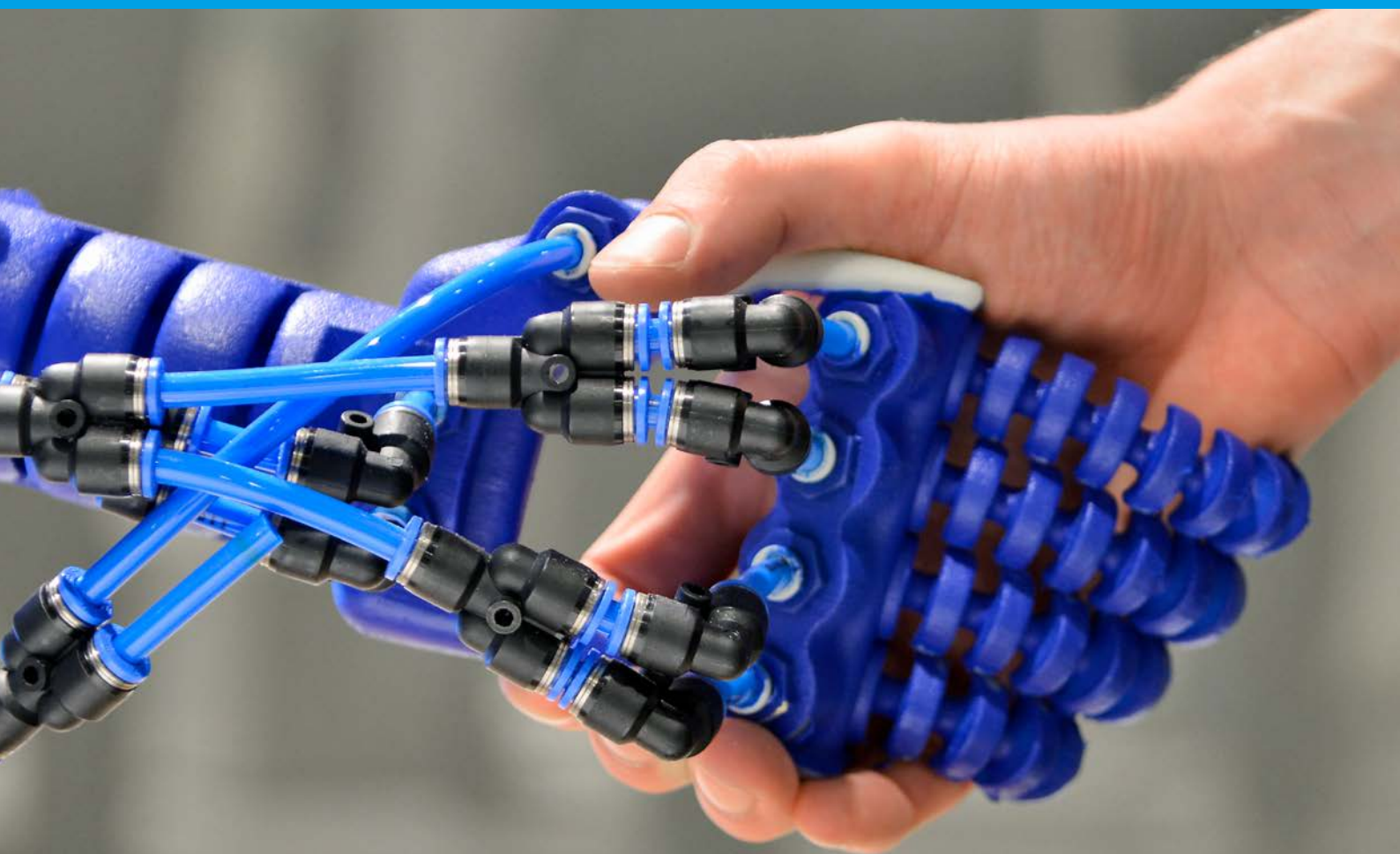
Netherlands Enterprise Agency

Your WBSO application has been granted... What next?

Guideline for using the WBSO in 2020

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 2020. What next?

- 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 Declarations, you will receive a revised declaration.
- 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 2020.
- If you have spent less than 500 hours on R&D, you must submit a timely statement of this fact. RVO 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 2020 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 2020, 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 2021 how many hours you have spent on R&D (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 2021 the total amount of costs and expenses incurred.	•		
You must report no later than 31 March 2021 the R&D hours spent if this amount is less than 500 hours. If so, RVO 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 2020. RVO uses this information to calculate the R&D hourly wage for a possible application in 2022. 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 of hours per day that a given member of staff spent on 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 www.rvo.nl/wbso > Na uw WBSO-aanvraag > S&O-administratie bijhouden (R&D administration).

- 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 approved by RVO.
 - Project administration provides insight into the nature, content and progress of the R&D activities carried out within the project. The project administration 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 www.rvo.nl/wbso > Na uw WBSO-aanvraag > S&O-administratie bijhouden (R&D administration).
- This document also clearly shows the extent to which these costs/expenditures 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 coming forth 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 advisers carry out an inspection.

What documents do you need to keep?

- The complete R&D administrative records;
- costs and expenses records (if applicable);
- copies of your application(s) and R&D Declaration(s);
- all correspondence with RVO concerning your application(s);
- any revised 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, imperfect 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.
- Costs and expenses not approved by RVO are included in the R&D administrative records.
- 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 clearly indicate 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, revised R&D Declaration and inspection

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 mijn.rvo.nl/wbso. This submission must be made no later than 31 March 2021 or, in the event that your last WBSO declaration for 2020 was only issued in 2021, three months after the date of issue of this last declaration. If you submit a statement after the deadline, RVO 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 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.

If you report fewer hours (and costs and expenses) than allocated in the R&D Declarations, you will receive a revised R&D Declaration.

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.

Tip: Use the statement submission tools

There are a number of handy tools that you can use to submit the information required. When preparing your statement, use:

- the 'Stappenplan mededelen WBSO' (Step-by-step WBSO statement submission plan) (PDF)
- the calculation tool and explanation of the calculation tool (PDF) to quickly and easily calculate your total actual hours and possible costs and expenditures.
- the 'Handleiding mededelen WBSO' (Filing a WBSO statement) (PDF) containing frequently asked questions and examples of how to transfer hours between projects in addition to deferring hours, costs and expenditures to a later period of time.

You will be able to find these publications on www.rvo.nl/wbso > Na uw WBSO-aanvraag > Realisatie WBSO melden (submitting actual information), as of the beginning of 2020.

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 will send you a revised R&D Declaration containing the revised numbers for the amount of hours, and costs and expenses, if applicable, not used or spent.

The corrected amount in this revised R&D Declaration is based on the actual amounts that you submitted via the statement, 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 revised 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 2020, provide the BSNs (citizen service numbers) of your 2019 R&D staff at the same time. RVO will use these BSNs to calculate the R&D hourly wage for any future WBSO claims that you may make for 2022. 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 2022 in October 2021 for information purposes.

RVO 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 Authorities (Belastingdienst). You will receive a revised 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 can also impose a fine. The Dutch Tax Authorities check whether you have set off the amount of your R&D Declaration(s) correctly in your returns.

Tip: Obligations Checklist

On page 6 and 7 you will find the new obligations checklist. A practical hand-out with tips and focus areas to help you meet the WBSO-obligations.

Frequently Asked Questions

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

You should record and report your R&D hours, irrespective of whether the project achieved the desired results. Keeping administrative records for all R&D projects is compulsory.

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

You must report no later than 31 March 2021 that you have not worked any R&D-hours. You will then receive a revised R&D Declaration from RVO. 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 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 granted, 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 revised R&D Declaration will be issued.

Obligations checklist

Provide the appropriate Citizen Service Numbers (BSNs).

Did you use the WBSO in 2018? If so, we will calculate your R&D hourly wage for 2020 based on the wage data of your employees who carried out R&D activities in 2018.

- Only provide the BSNs of employees who carried out R&D activities (not the BSNs of administrative and other non-R&D employees).
- Provide the BSNs of R&D employees from the appropriate year.

If you did not use the WBSO in 2018, there will be no need for you to provide any BSNs. The standard R&D hourly wage of € 29 will apply.

Further information

- www.rvo.nl/wbso > Aanvraagproces WBSO > Burgerservicenummers melden (submitting citizen service numbers)

Submit the actual number of R&D hours worked and also any costs and expenditures incurred.

You will submit your R&D hours and any costs and expenditures incurred in the previous year to us before 1 April of each year. There are a number of useful tools that you can use to do this. This information is available from www.rvo.nl/wbso > Na uw WBSO-aanvraag > Realisatie WBSO melden (submitting actual information)

Obligations checklist

Keep good R&D administrative records.

Time sheet administration

- Do not record R&D hours worked by trainees, graduate students or others not on the payroll.
- Do not record R&D hours for organisational and administrative activities.
- Do not record R&D hours for projects for which you have not received an R&D declaration.
- Do not record R&D hours during the period of an employee's leave of absence or sick leave.
- Record R&D hours per person, per day and per project.
- Make sure that the activities carried out correspond with the projects approved by RVO.

Project administration

- Keep records that provide a clear overview of the nature, content and progress of R&D activities per R&D project.

Administrative costs and expenditures

- Retain (digital) documents like quotations, order confirmations, invoices and receipts.
- Record costs and expenditures per project.
- Only record costs and expenditures that have been allocated.

Further information

- Chapter 9 of the WBSO Manual
- www.rvo.nl/wbso > Na uw WBSO-aanvraag > S&O-administratie bijhouden (R&D administration). You will also find a number of Excel templates that you can use to record hours, costs and expenditures.

If you have applied for WBSO for costs and/or expenditures, consider the following.

If you partially include expenditures under the WBSO, demonstrate how you arrived at your calculations in your R&D administrative records.

Do not specify any costs that are excluded by law. For example:

- the costs of hiring labour (temporary employees, for example);
- the costs of outsourced research;
- depreciation costs, financing costs;
- costs and expenditures for an R&D project that has not been approved/granted.

Only specify costs that exclusively serve the performance of and are directly attributable to the R&D project. The phrase 'exclusively serve the performance of and are directly attributable' means that:

- you incur costs solely (100%) for the R&D project;
- there is a clear relationship between the costs specified and the R&D activities carried out.

If you would incur (part of these) costs even if you are not carrying out the R&D project, these costs are not fully attributable to your innovation project and will not be eligible for the WBSO.

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, 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 a tax incentive for entrepreneurs to carry out innovative research. The Dutch Tax Authorities implement the Innovation Box. On www.rvo.nl/wbso under the menu 'Publicaties' you will find a detailed brochure about the Innovation Box (only in Dutch).

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").

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This publication was commissioned by the Ministry of Economic Affairs and Climate Policy.

© Netherlands Enterprise Agency | May 2020
Publication number: RVO-096-2020/BR-INNO

Netherlands Enterprise Agency is a department of the Dutch ministry of Economic Affairs and Climate Policy that implements government policy for Agricultural, sustainability, innovation, and international business and cooperation. Netherlands Enterprise Agency is the contact point for businesses, educational institutions and government bodies for information and advice, financing, networking and regulatory matters.

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