

Treadstone is pleased to direct you to the following information from AusTrade:

Export Market Development Grant (EMDG) 2010

What is EMDG?

The Export Market Development Grants (EMDG) scheme is a key Australian Government financial assistance program for aspiring and current exporters. Administered by Austrade, the scheme supports a wide range of industry sectors and products, including inbound tourism and the export of intellectual property and know-how outside Australia.

The EMDG scheme:

- encourages small and medium sized Australian businesses to develop export markets
- reimburses up to 50 per cent of expenses incurred on eligible export promotion activities, above a \$10,000 threshold
- provides up to eight grants to each eligible applicant.

To access the scheme for the first time, businesses need to have spent \$10,000 over two years on eligible export marketing expenses. Applications for the 2009-10 grant year opened on 1 July 2010 and close by 30 Nov 2010.

Who can apply?

Any Australian individual, partnership, company, association, co-operative, statutory corporation or trust that has carried on export promotion activities during the year for which they wish to apply for an export grant.

To be eligible, the business must have:

- income of not more than \$50 million in the grant year
- incurred at least \$10,000 of eligible export expenses under the scheme (first-time applicants can combine two years expenses)
- principal status for the export business (some exceptions apply, eg. event promoters)

The business also must have promoted one of the following:

- the export of goods and most services
- inbound tourism
- the export of intellectual property and know-how
- conferences and events held in Australia

Under Austrade's Export Market Development Grants (EMDG) scheme, certain organisations and groups, who would not otherwise be eligible to apply for a grant under the general provisions of the EMDG Act can obtain approved status to enable them to apply for a grant in their own right. The three categories of approved status available include approval as an Approved Body, a Joint Venture and a Trading House.

Grants entry

First-time applicants are required to satisfy grant entry requirements, which includes providing financial statements and some information that explains your business and your product or service.

What is an eligible product?

To qualify for an EMDG grant, your business must have:

- promoted your product for export

and your product must be one of the following:

- a good made in Australia

- a good made outside Australia where Australia will derive a significant net benefit from its sale overseas
- all services except those specified as ineligible in the EMDG Regulations
- a tourism service (including accommodation, passenger transport or tours)
- a conference or event held in Australia
- an intellectual property right that mainly resulted from work done in Australia
- a trademark that was owned, assigned or first used in Australia
- know-how that mainly resulted from work done in Australia

What can you claim?

You may claim for expenditure on specific export promotional activities undertaken during the financial year before the application period. For your first grant you may claim expenses incurred over the last two financial years.

Nine categories of promotional activities can be claimed

1. Overseas representatives
2. Marketing consultants
3. Marketing visits
4. Communications
5. Free samples
6. Trade fairs, seminars, in-store promotions
7. Promotional literature & advertising
8. Overseas buyers
9. Registration and/or insurance of eligible intellectual property

To be able to claim EMDG for any of the above activities:

- you must have spent the funds to seek out, create demand for or develop an export market for your product
- you must be the intended principal in export transactions (exemptions apply for manufacturers, Approved Trading House or Approved Body applicants, events promoters, suppliers to inbound tour operators or in situations where a company closely related to the applicant owns the product intended for export)
- the expense must have been paid by you during the financial year (ie, it must be taken up as an expense in your books of account, not just in consolidated accounts or in the accounts of a related entity)
- the item paid for must have been provided to you
- you must have evidence of the expense and of what it was incurred for (ie, invoices, bank statements etc)
- if you are claiming expenses under the overseas representatives or marketing consultants categories, you must have documentary evidence that shows the role and function of the representative or consultant
- if you are claiming expenses under the marketing visits category you must have trip reports, boarding passes, diary notes and/or other evidence which substantiate the details of the trip

Ineligible expenses

As EMDG is designed to assist export promotion, it does not support expenses arising from production or from product development, distribution or certification. Also, you cannot claim expenses that:

- are not substantiated
- were incurred by a related business entity
- relate to business with New Zealand
- were incurred in relation to Iran and North Korea*
- are not promotional
- were incurred by you when you were not a resident of Australia
- relate to after-sales activities
- have or will be subject to reimbursement by a third party (other than EMDG)

- relate to an illegal or unlawful activity
- are a commission or discount
- are in payment of an Australian tax, levy or charge (except Australian departure tax)
- relate to any form of pornographic material with a classification equivalent to the X-rating for films
- are cash payments exceeding \$10,000 per application

More info:

More information is available on the AusTrade website.

If you are interested in more information about how to put together the application or would like help maximise your rebate please contact Treadstone on:

Office: (03) 9016 3575

Email: info@treadstone.com.au