

## Schedule 1: EDG-MD Table of eligible and ineligible costs for market development activity

**For help understanding any of these costs, please contact EDG-MD.**

This Schedule 1 forms part of the Financial Assistance Agreement between NZTE and the Recipient and any claims for reimbursement are subject to the terms and conditions of the Financial Assistance Agreement.

### Eligible costs

**For a cost to be eligible, it must be:**

- sales, marketing, or promotional activities directed at an international market
- new, additional, or changes to activity the firm is already undertaking
  - marketing a new product/service/brand
  - marketing an existing product/service/brand to a new market
  - new marketing approach/channel in an existing market
- one of the approved categories
  - market visit
  - in-market representative
  - trade shows
  - marketing collateral
  - advertising and promotion
  - market research
- not specified as ineligible in the table across or under each category.

### Ineligible costs

**Costs that fall into these categories are ineligible:**

- activities related to New Zealand
- activities related to Australia
- activities provided by government that aren't provided at full market cost
- activities for which a firm is already receiving government assistance
- activities more appropriately funded by other agencies
- activities detrimental to the image of New Zealand
- activities related to product development, support, or infrastructure
- work supplied by anyone with a personal or financial interest in the recipient firm, such as a subsidiary, associate, or parent company or their employees, any immediate family of the recipient, the recipient's employees, or shareholders of the recipient firm (except under exceptional circumstances)
- business as usual
- capital expenditure
- costs that can potentially be recouped
- in-house labour costs
- entertainment
- personal costs
- costs not incurred in cash
- activities/costs pre- or post-dating the funding period.

### Detailed costs

To help you, we have used these rules to determine the eligibility of some of the most common costs claimed for. These are detailed over the page. This is not exhaustive, and the lists above will always be the final test of eligibility.

### Notes

- If your proposed market development activity costs are not included in the table below, we encourage you to check with NZTE whether the proposed costs will be eligible for financial assistance before incurring costs.
- The detailed tables below are a guide only. NZTE will decline costs that are not eligible. If NZTE declines a cost in a claim as being ineligible, eligible costs in the same claim will still be processed and paid.

## Information on claiming

### Claiming

To claim, the minimum information you need to submit is:

- The correct EDG-MD claim form, completed, signed, and dated
- Minimum documentation for each cost, as noted in the categories below
- Any other information specified in your funding agreement
- Proof of payment as specified in your funding agreement
- If costs are incurred by an individual on your behalf, proof that the individual paid the supplier, and proof that you have reimbursed the individual
- An original bank deposit slip in the name of the firm listed in the contract (if not already provided, or if banking details have changed).

We may ask for additional information, including evidence or copies of the work claimed for, in order to process your claim.

### Amount paid out each eligible cost

For eligible costs, we will pay up to:

- 50 percent of economy air fares
- 30 percent of first class or business class air fares
- 100 percent of the daily allowance for the region you are staying in, which has been calculated as 50 percent of average costs incurred in-market
- 50 percent of all other costs.

### Minimum claim

The minimum amount per claim is NZ\$10,000 inclusive of GST. This means you need to have spent at least NZ\$20,000 inclusive of GST on eligible costs.

### GST

You need to add New Zealand GST onto all costs that you are claiming for, even if you haven't paid GST. That means, for example, that if you spent \$18,000 on GST free invoices, this counts as \$20,250 of GST inclusive expenditure, which is enough to claim.

### For more information on claiming

For more information on claiming, see the EDG-MD claim form, which has details on how to complete and submit a claim or contact [edgmdclaims@nzte.govt.nz](mailto:edgmdclaims@nzte.govt.nz).

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<p><b>Market visits</b></p> <p>This category includes travel and incidental expenditure related to visiting an offshore market other than Australia for 30 days or less.</p> <p>The purpose of the visits could include:</p> <ul style="list-style-type: none"> <li>• meeting new contacts in a new or existing market</li> <li>• arranging changes in relationships, market position or business model in an existing market</li> <li>• attending a trade fair</li> <li>• inward visits by buyers or potential buyers</li> </ul> <p>The travel costs of more than one representative per firm can be claimed.</p> <p><b>Minimum claim documentation required</b></p> <ol style="list-style-type: none"> <li>1. Flights: <ul style="list-style-type: none"> <li>• original supplier invoices</li> </ul> </li> <li>2. Daily allowances: evidence of daily location. This could include <ul style="list-style-type: none"> <li>• boarding passes</li> <li>• hotel statements</li> <li>• credit card statements</li> <li>• photocopy of a passport with entry and exit stamps</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>• Market visits for up to 30 days for New Zealand based full-time employees undertaking market development activities in-market <ul style="list-style-type: none"> <li>• airfares for all legs of a journey that starts in New Zealand (30% for first and business class, 50% for economy)</li> <li>• accommodation, food, and incidental travel costs such as taxis (covered by daily allowance)</li> </ul> </li> <li>• Inward visits to NZ by buyers or potential buyers <ul style="list-style-type: none"> <li>• As above</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Travel costs to and within Australia or New Zealand UNLESS the applicant can demonstrate that the visit is to meet with buyers from outside the Australian or New Zealand market</li> <li>• Salary costs for staff undertaking market visits</li> <li>• Personal costs while in-market e.g. sightseeing, foreign language training, visas</li> <li>• Travel costs of a relative/partner travelling with employee/contractor or meeting employee/contractor (unless the relative/partner is employed by the business on a full-time basis)</li> <li>• Flights purchased with loyalty programmes such as Frequent Flyer programmes</li> <li>• Market visits for more than 30 days (instead, see in-market representation category below)</li> </ul>

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<p><b>In-market representative</b></p> <p>This category covers the establishment and maintenance of new in-market representation whose purpose is to provide sales, marketing, or promotional activities to market or support the company, product, or brand. Types of in-market representation covered include:</p> <ul style="list-style-type: none"> <li>• physical or virtual office for conducting sales and marketing activities from</li> <li>• in-market staffing and consultants for meeting with customers and securing orders</li> </ul> <p>This category is designed to help firms meet contacts in market needed to secure orders. Once an order has been signed, ongoing costs to deliver on that order are not covered.</p> <p>These costs are covered by this category:</p> <p><b>Minimum claim documentation required</b></p> <ol style="list-style-type: none"> <li>1. Salary or fees for employee or consultant acting as in-market representative: <ul style="list-style-type: none"> <li>• employment contract or contract detailing services provided</li> <li>• pay slips or payroll records, or original supplier invoices</li> </ul> </li> <li>2. Other costs: <ul style="list-style-type: none"> <li>• original supplier invoices</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>• Base salary for full-time in-market employees for more than 30 days: <ul style="list-style-type: none"> <li>• seconded New Zealand staff</li> <li>• permanent in-market staff</li> </ul> </li> <li>• One-off airfares to relocate New Zealand-based staff to market (30% for first and business class, 50% for economy))</li> <li>• Fees charged by in-market contractor or consultant doing sales and marketing activities <ul style="list-style-type: none"> <li>• time</li> <li>• disbursements</li> <li>• travel costs</li> </ul> </li> <li>• Setting up and maintaining new physical office space from which business development activities occur <ul style="list-style-type: none"> <li>• virtual office costs (i.e. local reception services)</li> <li>• one-off realty legal costs</li> <li>• rent and real estate agent fees</li> <li>• building management fees</li> <li>• utilities i.e. water, power</li> </ul> </li> <li>• Communication costs e.g. phone, internet costs</li> <li>• One-off operational costs associated with establishing in-market presence <ul style="list-style-type: none"> <li>• one-off company registration and incorporation costs</li> <li>• legal costs associated with creating and finalising contracts with customers in-market (including agents/distribution networks/on-sellers)</li> <li>• recruitment fees such as placing ads and recruitment agency fees</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Any costs relating to an existing office, operation, or staff UNLESS the applicant can demonstrate how the activity is new</li> <li>• Any personal costs involved with relocating New Zealand staff to market <ul style="list-style-type: none"> <li>• freight of personal possessions</li> <li>• visa requirements</li> <li>• airfares for family</li> </ul> </li> <li>• Any costs the applicant can potentially recoup, e.g.: <ul style="list-style-type: none"> <li>• capital items</li> <li>• office fit out costs</li> <li>• bond payments to secure building or office leases</li> </ul> </li> <li>• Any costs involved with gaining permission/rights to sell in the market: <ul style="list-style-type: none"> <li>• intellectual property costs</li> <li>• certification costs</li> <li>• retail placement costs</li> </ul> </li> <li>• Any costs considered to be product development, maintenance, or support or related to ongoing business infrastructure <ul style="list-style-type: none"> <li>• retail or display space</li> <li>• space to assemble or manufacture items</li> <li>• distribution costs including warehousing, unloading containers, deconsolidation</li> <li>• after-sales support</li> </ul> </li> <li>• Staff representation of less than 30 days (see market visits above instead)</li> </ul>

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<p><b>Trade Fairs and Events</b></p> <p>This category covers costs specific to attending, exhibiting at, or hosting trade fairs, events, or conferences.</p> <p><b>Related costs</b></p> <ul style="list-style-type: none"> <li>• Travel to these events is covered by the market visits category.</li> <li>• Creation of physical marketing items for these events, including stands and displays, is covered by the marketing collateral category.</li> <li>• Other related marketing activities are covered by the advertising and promotion category.</li> </ul> <p><b>Minimum claim documentation required</b></p> <p>1. All costs:</p> <ul style="list-style-type: none"> <li>• original supplier invoices</li> </ul>	<ul style="list-style-type: none"> <li>• Entry fees and exhibition costs including stand fees</li> <li>• Conference attendance fees</li> <li>• Setting up and running a temporary, one-off, private exhibition/event or in-store promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Costs related to NZTE-supported trade fairs and events</li> <li>• Trade shows in Australia or New Zealand UNLESS it is a global trade show that is in Australia or New Zealand as part of a global rotation</li> </ul>

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<p><b>Marketing Collateral</b></p> <p>This category covers the costs of developing, designing and producing new physical items used to market a firm or its product/service/brand, and the freight costs of getting those items to market. Items that can be covered include:</p> <ul style="list-style-type: none"> <li>• brochures</li> <li>• point of purchase material</li> <li>• materials needed for trade fairs</li> <li>• stands and displays</li> <li>• prospectuses</li> <li>• branded clothing for promotional activities</li> <li>• branded gifts and giveaways (not actual product)</li> <li>• business cards and corporate stationery</li> <li>• freight costs directly relating to transporting marketing collateral to market.</li> </ul> <p><b>Minimum claim documentation required</b></p> <p>1. All costs:</p> <ul style="list-style-type: none"> <li>• original supplier invoices</li> </ul>	<ul style="list-style-type: none"> <li>• Content design costs for physical items <ul style="list-style-type: none"> <li>• graphic design</li> <li>• content creation and editing</li> <li>• photography</li> <li>• filming</li> <li>• translation</li> <li>• consultants assisting with content</li> </ul> </li> <li>• Printing and production costs <ul style="list-style-type: none"> <li>• consultants assisting with production</li> </ul> </li> <li>• Transportation costs – freight for samples and marketing collateral that is not for sale</li> <li>• Design and production costs of trade show site stands</li> </ul>	<ul style="list-style-type: none"> <li>• Any costs for marketing collateral that is targeted at the New Zealand or Australian market</li> <li>• Producing any of the firm's product line that can be sold or capitalised, including prototypes, samples, demonstration equipment, and gifts</li> </ul>

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<p><b>Advertising and Promotion</b></p> <p>This category includes advertising and promotion activities other than developing and producing physical items. This includes</p> <ul style="list-style-type: none"> <li>developing and producing marketing material for a range of advertising media including web, television, radio, magazines, interactive displays, and other digital media</li> <li>developing new brands, marketing approaches, or public relations.</li> </ul> <p><b>Minimum claim documentation required</b></p> <p>1. All costs:</p> <ul style="list-style-type: none"> <li>original supplier invoices</li> </ul>	<ul style="list-style-type: none"> <li>Content design costs for media including web, television, radio, magazines interactive displays, and other digital media <ul style="list-style-type: none"> <li>graphic design</li> <li>content creation and editing</li> <li>photography</li> <li>filming</li> <li>translation</li> <li>consultants assisting with content</li> </ul> </li> <li>Production of other media <ul style="list-style-type: none"> <li>development of new website or substantial redevelopment of existing website</li> <li>adding additional functionality to a website to provide in-market support</li> <li>web-hosting fees for a new website or to support new functionality</li> <li>development of interactive graphics or video clips</li> <li>placement of advertisements</li> <li>consultants assisting with production</li> </ul> </li> <li>Consultants related to new marketing, brand, advertising, public relations, press relations, and media management</li> </ul>	<ul style="list-style-type: none"> <li>Any costs for advertising and promotion that is targeted at the New Zealand or Australian market</li> <li>Web based product/services which are regarded as capital expenditure</li> <li>Fees associated with the operation of an existing website, e.g. web hosting UNLESS the applicant can demonstrate how the activity is new</li> <li>Domain name fees</li> </ul>

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<p><b>Market Research</b></p> <p>This category supports market research to assist with effective marketing and promotion activities. The market research can be standardised reports or newsletters or commissioned specifically by the applicant.</p> <p>Suppliers can be both in the international market or local.</p> <p>The purpose of the market research may include:</p> <ul style="list-style-type: none"> <li>• international market structures</li> <li>• characteristics of consumers and competitors.</li> </ul> <p><b>Minimum claim documentation required</b></p> <p>1. All costs:</p> <ul style="list-style-type: none"> <li>• original supplier invoices</li> </ul>	<ul style="list-style-type: none"> <li>• Commissioned or standardised market research</li> </ul>	<ul style="list-style-type: none"> <li>• Research into the New Zealand or Australian market</li> <li>• In-house labour costs</li> <li>• Market research provided by NZTE or any other government agency UNLESS charged at full market price</li> </ul>