

Regulation for Allocation of Financial Support

Article 1

Object

1. The current legislation defines the general framework for financial support to be allocated by the Algarve Tourism Bureau in compliance with the Foreign Market Tourism Promotion and Marketing Protocol.
2. The present Regulation shall not apply to Marketing and Sales Plans (PCV's), which have their own independent regulation.
3. The objective of these financial supports is to benefit marketing campaigns, measures, actions and projects, hereinafter referred to as projects aimed to supporting tourism promotion and adding value to regional tourism offer and shall be directed to the distribution channels of the various markets, thereby contributing to competitiveness and smart, innovative, sustainable and inclusive growth of the Algarve tourism sector.

Article 2

Eligible projects

1. Projects that are relevant to the tourism sector, as mentioned in Article 1, may be supported by the Algarve Tourism Bureau if they contribute to promote the Algarve as a tourism destination in the selected markets and increase the capacity to attract foreign tourists, namely:
 - a) Awareness-raising and marketing campaigns aimed to promote the launch or development of airline routes with touristic relevance to the Algarve and pertain to international airline routes or operations, from point to point, on a regular basis, mostly dedicated to inbound traffic, excluding the international transfer segment and involving an increase in the number of airline seats on the market;
 - b) Awareness-raising and marketing campaigns aimed to increase overnight stays in the Algarve;
 - c) Awareness-raising and marketing campaigns aimed to increase green fees numbers in the Algarve;
 - d) Awareness-raising and marketing campaigns on the Internet for webpages related to the Algarve or with promotional offers in the Algarve;
 - e) Development of projects that help create new touristic products and revitalise existing touristic products or to increase demand;
 - f) Hold events and other initiatives that promote the Algarve as a tourism destination;
 - g) Undertake studies and statistics;
 - h) Organise and divulge touristic information;

- i) Awareness-raising and marketing campaigns for the Algarve region targeting the sector's professionals, such as fam trips, and other initiatives.
2. The following shall be included in the support stipulated in the previous number:
 - a) Support for airline's awareness-raising initiatives directed to the Algarve;
 - b) Support for tour operators;
 - c) Support for travel agencies (DMCs);
 - d) Support for hotels;
 - e) Support for golf courses;
 - f) Support to the organisation of corporative and associative events, that bring decision makers and/or influencers to the Algarve.
 3. The Algarve Tourism Bureau Board of Directors shall decide on the frequency, periods and minimum levels that are to be followed by the eligible projects, along with the Algarve Tourism Bureau contribution percentage for each type of support.

Article 3

Budgetary allocation and acceptance

The budgetary allocation used to provide the support stipulated in the present Regulation shall consist of the Algarve Tourism Bureau own revenue via annual funding provided by Turismo de Portugal I.P., the Algarve Regional Tourism Board and by financial contributions from the private sector, European funds and/or others to be determined.

Article 4

Form and nature of the financial support

1. Algarve Tourism Bureau financial support is provided in the form of a non-reimbursable financial contribution.
2. The support referred to in the previous number results in the co-funding of the items presented in the approved projects.
3. The maximum amount of the support that may be provided during each financial year shall be defined by the Algarve Tourism Bureau on an annual basis, depending on the type of support.

Article 5

Eligible promoters and conditions of access

1. Legal entities who demonstrate the following requirements may benefit from the support granted under the present Regulation:

- a) Prove that they are economic agents that are part of the tourism production and distribution chain in the market(s) where they operate or organise corporate or associative events;
- b) Meet the necessary legal conditions to perform the respective activity;
- c) Prove that they do not owe any amounts to the Portuguese Tax Authority and Social Security;
- d) Have an organisational structure and resources, whether existing or potential, that ensure adequate technical and financial capacity for implementing the projects;

Article 6

Conditions for accessing projects

Projects shall meet the following cumulative conditions:

- a) They must be of relevance to tourism in the Algarve;
- b) They have received approval from the relevant entities whenever legally required;
- c) They have proven that they meet the material and financial conditions necessary for respective execution.

Article 7

Formalities

1. Projects may be submitted at any time by initiative of the promotor or upon invitation from the Algarve Tourism Bureau.
2. The following formalities must be fulfilled during the application process:
 - a) Itemisation of the project supported by a descriptive budget identifying sources of funding, using the form that can be found at <https://www.algarvepromotion.pt/en/menu/23/trade-and-press-tools.aspx#campaign-marketing-support> ;
 - b) Project schedule;
 - c) Estimated percentage of increased sales resulting from the support given to the initiative in comparison with an analogous period and or estimated ROI to the Algarve;
 - d) Timeline of the scheduled activities;
 - e) Historical data of the operations over the past three years in the Algarve, if applicable;
 - f) Proof that there are no amounts owed to the Tax Authority and that there are no amounts owed to the Portuguese Social Security Office;
3. Algarve Tourism Bureau may require the following documentation (in case it comes to its knowledge that the promoter may be in legal or fiscal irregularity):
 - a) Evidence that the company do not owe any amounts to the Tax Authority and Social Security in their country of origin;

- b) Evidence that the company is not in a state of insolvency, declared by court decision, in the process of liquidation, dissolution or cessation of activity, subject to any preventive means of liquidating assets or in any similar situation, or have the respective proceedings pending, except when they are covered by an insolvency plan, under the legislation in force;
- c) Evidence that the company does not have any debt to Turismo de Portugal, I.P. and Private Companies;
- d) Criminal certificate;
- e) Commercial certificate.

Article 8

Criteria for receiving support

Projects shall be assessed in accordance with the following criteria:

- a) Relevance of the type of project to the market / segment, priority and dimension of the operation;
- b) Period of the operation and respective contribution towards reducing seasonality;
- c) Market(s) of origin and its importance to the Algarve's tourism strategy or to market diversification;
- d) Contribution to the Algarve's penetration into markets or segments that have a high growth potential;
- e) Sustainability of the operation and potential for generating long term results;
- f) Contribution of the project and respective promotional campaign with respect to the visibility of the Algarve as a destination in the market in question.

Article 9

Decision

1. Within the annual limit expected for each support mentioned in no. 3 of article 4, the Algarve Tourism Bureau Board of Directors is responsible for determining the percentage of the contribution and the amounts of each support package to be granted on the basis of the merit of the project in the pursuit of the objectives of the present Regulation and the criteria stipulated in the previous article.
2. The Algarve Tourism Bureau may initiate a negotiating process with the promoters and make the allocation of support depend on changes being made to the applications.
3. If it is clearly for the Algarve Tourism Bureau's interests to do so, the Board of Directors may increase the support granted in accordance with no. 1.

4. After reception of the requested clarifications and after the end of the negotiating phase, if in fact there were clarifications made, the Algarve Tourism Bureau shall technically assess the applications within a maximum period of 30 working days.
5. The final decision shall be communicated to the promoter and if the support is granted, the promoter shall be notified in order to sign the contract.

Article 10

Contract

The granting of support shall be subject to a contract between the Algarve Tourism Bureau and the promoters, and the contracts shall contain the following information, in addition to any specific information that may be required in each particular case:

- a) The content of the project;
- b) The percentage of the Algarve Tourism Bureau's and the promoters' contribution;
- c) The obligations specifically accepted by the promoters;
- d) The time required for executing the project;
- e) The nature and amount of the support granted;
- f) The terms for following up on the investments made.

Article 11

General obligations of the promoters

Notwithstanding other obligations specifically required for each type of support, the following are promoter obligations:

- a) Request a Residence Certificate from the authorities of their country of origin, if different from Portugal, fill and sign the RFI (withholding tax) Form (details for filling out the form can be found at <https://www.algarvepromotion.pt/en/menu/23/trade-and-press-tools.aspx#campaign-marketing-support>)
- b) Ensure follow-up and control of execution of the projects;
- c) Allocate the granted amounts in accordance with the present Regulation, exclusively for the purposes for which the support was granted;
- d) Communicate all changes or occurrences that bring into question the prerequisites for the granting of support;
- e) Refrain from transferring ownership of the projects to other entities without prior approval from the Algarve Tourism Bureau;
- f) Ensure that all promotional or marketing material includes the "visit Algarve Portugal" logo available at <https://www.algarvepromotion.pt/en/menu/23/trade-and-press->

[tools.aspx#campaign-marketing-support](https://www.algarvepromotion.pt/en/menu/23/trade-and-press-tools.aspx#campaign-marketing-support) and that it follows the guidelines available also at <https://www.algarvepromotion.pt/en/menu/23/trade-and-press-tools.aspx#campaign-marketing-support>

- g) Ensure that all material mentioned in the previous number is provided to the Algarve Tourism Bureau for approval at least 3 working days in advance of the publication date;
- h) If properties are mentioned they must be Algarve Tourism Bureau members (except when otherwise agreed), as listed in the following link:
<https://www.algarvepromotion.pt/en/associadosSubList2.aspx>;
- i) Webpages to which the public is directed via the promoters' websites shall show Algarve Tourism Bureau members among the first 10 places of its list or include the Algarve Tourism Bureau logo (or any other alternative logo indicated by the Algarve Tourism Bureau), redirecting only to Algarve Tourism Bureau member pages;
- j) Comply with contract stipulations, namely obligations related to financial contribution duties to be fulfilled by the beneficiary of the support;
- k) Maintain all records and documentary evidence of expenditure pertaining to the contracted projects for a period of five years after the support has been granted and present them whenever requested by the Algarve Tourism Bureau;
- l) Present interim reports, if requested, and a final report regarding the execution of the projects, along with documentary evidence, including indication of the impacts and results obtained;
- m) Provide all clarifications and information requested by the Algarve Tourism Bureau within the time periods established for such purpose.

Article 12

Payment

1. Notwithstanding the Algarve Tourism Bureau being able to decide in a manner that is different from the Contract, payment of support shall be made at the end of the projects' execution, following the Algarve Tourism Bureau approval of the final report, the certificate of residence issued by the taxation authorities of the country of residence of the company that is the beneficiary of the support, and the RFI (withholding tax) Form, duly signed and stamped, valid for one year.
2. The Final Report shall detail the initiatives that were actually carried out, indicating the sales that were made and making a comparison with analogous periods during which no support was received from any Portuguese public entity, detailing percentage and number of persons.
3. The Algarve Tourism Bureau may suspend the payment if the promotor has debts to Turismo de Portugal, I.P., Private Companies, tax department or social security.

Article 13 Inspection

The Algarve Tourism Bureau may determine that inspections be undertaken in order to verify compliance with the promoter's contractual obligations and request documents proving compliance with items and/or the contracted projects.

Article 14 Coming into force and taking effect

1. The present Regulation shall come into force on the day that follows their publication and shall remain in effect until 31st December 2024.
2. All projects submitted to the Algarve Tourism Bureau after the date on which this regulation comes into force will be under its scope.

Approved by the Board of Directors of the Algarve Tourism Board on the 23rd August 2023.

André Gomes

Digitally signed by
André Gomes
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Presidente da Direção ATA