
Second PERTE VEC call

Order ITC/736/2023, establishing the regulatory framework for the second PERTE VEC call, with an allocation of €1.474 billion, was published on July 7, 2023.

Spain - Legal flash

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Key points

- > The new call of the Strategic Project for Economic Recovery and Transformation in the Electric and Connected Vehicle Sector (“**PERTE VEC**,” in its Spanish acronym) will have two investment support lines: Line A (€837 million) for batteries, with the call published on July 7, 2023; and line B for the value chain of electric and connected vehicles (€638 million), to be published in the coming days.
- > There will be a non-competitive participation mechanism with evaluation criteria specific to each lin.
- > Except for innovation projects in line B, there is no obligation to form a grouping with a minimum percentage of small and medium-sized enterprises (SMEs).
- > Both lines will have a maximum project duration of up to 60 months (execution extension until December 31, 2028).
- > There will be a focus on flexibility and reduction of guarantees.
- > There will be a single advance payment for each type of aid (loan and grant), and a single justification at the end of the entire project.



Key requirements regarding beneficiaries, grants, and evaluation criteria

Under Order ITC/736/2023, which establishes the regulatory framework for both lines, the following aspects must be considered:

- **Beneficiaries:** Under article 7 of Order ITC/736/2023, companies can qualify as beneficiaries if they (i) have their own legal personality; (ii) are legally constituted in Spain and are registered with the corresponding registry (regardless of their size); (iii) carry out industrial activities within any of the sectors specified for each line in Annex I to Order ITC/736/2023; and (iv) are not part of the public sector.

To become beneficiaries, applicant companies must demonstrate industrial experience in any of the activities listed as eligible. For this purpose, the applicant company, its shareholders, or its management team must have at least two years' experience.

Regarding the industrial activities that the applicants must carry out to qualify as beneficiaries (as defined in Annex I to Order ITC/736/2023), the following activities will be considered:

- (i) For line A (batteries):
 - CNAE-2009 20.1 Manufacture of basic chemical products
 - CNAE 2009 20.30 Manufacture of compound organic solvents and thinners
 - CNAE 2009 20.59 Activated carbon, additives for lubricating oils, rubber accelerators, catalysts, and other chemical products for industrial use
 - CNAE-2009 27.1 Manufacture of electrical motors, generators and transformers and electrical distribution and control apparatus
 - CNAE-2009 27.2 Manufacture of electric batteries and accumulators
 - Within the CNAE 28.92 Manufacture of machinery for the extractive and construction industries; manufacture of all-terrain dump trucks
 - CNAE-2009 29.1 Manufacture of motor vehicles
 - CNAE-2009 29.2 Manufacture of bodies for motor vehicles; manufacture of trailers and semi-trailers
 - CNAE-2009 29.3 Manufacture of components, parts, and accessories for motor vehicles
 - CNAE-2009 30.91 Manufacture of motorcycles
 - CNAE 30.92 Manufacture of motorized vehicles for people with disabilities
 - CNAE-2009 Section C 38.3 Recovery activities on an industrial scale framed in section 38.3x of the CNAE 2009, provided (i) they have the corresponding waste management authorization at the time of application, and (ii) the project to be carried out is



classified as belonging to recovery operations: R2, R3, R4, R5 (excluding floor cleaning), R6, R7, R8, R9, R11, and R12 (excluding disassembly, sorting, drying, conditioning, repackaging, combining, or mixing), according to the definitions set out in Annex II to Act 22/2011

- (ii) For line B (value chain of electric and connected vehicles):
- CNAE-2009 Section C 13.2 Manufacture of textile fabrics; Section C 13.9 Manufacture of other textile products; Section C 20.16 Manufacture of plastics in primary forms; Section C 20.17 Manufacture of synthetic rubber in primary forms; Section C 22.1 Manufacture of rubber products; Section C 22.2 Manufacture of plastic products; Section C 23.1 Manufacture of glass and glass products; Section C 23.44 Manufacture of other ceramic products for technical use; Section C 24.1 Manufacture of basic iron, steel, and ferroalloy products; Section C 24.2 Manufacture of steel tubes, pipes, and hollow sections and their accessories
 - CNAE-2009 Section C 24.3 Manufacture of other primary steel transformation products
 - CNAE-2000 Section C 24.42 Aluminium production
 - CNAE-2009 Section C 25.5 Forging, stamping, and drawing of metals; powder metallurgy
 - CNAE-2009 Section C 25.6 Treatment and coating of metals
 - CNAE-2009 Section C 25.9 Manufacture of other metallic products
 - CNAE-2009 Section C 26.1 Manufacture of electronic components and assembled printed circuits
 - CNAE-2009 Section C 26.2 Manufacture of computers and peripheral equipment
 - CNAE-2009 Section C 26.3 Manufacture of telecommunications equipment
 - CNAE-2009 Section C 26.51 Manufacture of measuring, verification, and navigation instruments and devices
 - CNAE-2009 Section C 27.1 Manufacture of electrical motors, generators, and transformers and electrical distribution and control apparatus
 - CNAE-2009 Section C 27.2 Manufacture of electric batteries and accumulators
 - CNAE-2009 Section C 27.3 Manufacture of cables and wiring devices
 - CNAE-2009 Section C 27.4 Manufacture of lamps and electrical lighting devices
 - CNAE-2009 Section C 27.9 Manufacture of other electrical material and equipment
 - CNAE-2009 Section C 28.12 Manufacture of hydraulic and pneumatic transmission equipment
 - CNAE-2009 Section C 28.13 Manufacture of other pumps and compressors
 - CNAE-2009 Section C 28.15 Manufacture of bearings, gears, and mechanical



transmission parts

- CNAE-2009 Section C 28.25 Manufacture of non-domestic ventilation and refrigeration machinery
 - CNAE-2009 28.29 Manufacture of other machinery for general use that is not included in other sections
 - Within the CNAE 28.92 Manufacture of machinery for the extractive and construction industries; manufacture of all-terrain dump trucks
 - CNAE-2009 Section C 29.1 Manufacture of motor vehicles
 - CNAE-2009 Section C 29.2 Manufacture of bodies for motor vehicles; manufacture of trailers and semi-trailers
 - CNAE-2009 Section C 29.3 Manufacture of components, parts, and accessories for motor vehicles
 - CNAE-2009 Section C 30.91 Manufacture of motorcycles
 - Within the CNAE 30.92 Manufacture of motorized vehicles for people with disabilities
 - CNAE-2009 Section C 38.3 Recovery activities on an industrial scale framed in section 38.3x of the CNAE 2009, provided (i) they have the corresponding waste management authorization at the time of application, and (ii) the project to be carried out is classified as belonging to recovery operations: R2, R3, R4, R5 (excluding floor cleaning), R6, R7, R8, R9, R11, and R12 (excluding disassembly, sorting, drying, conditioning, repackaging, combining, or mixing), according to definitions set out in Annex II to Act 22/2011
- **Granting regime:** Under article 6 of Order ITC/736/2023, the aid will be granted through a non-competitive participation mechanism. An analysis of the applications will be carried out strictly in the order of submission. The aid can be provided in the form of a loan, a grant, or a combination of both. Also, a minimum compliance with climate labelling of at least 40% will be required.
- **Evaluation criteria:** Under article 26 of Order ICT/736/2023, the eligibility of the applicant, the eligibility of the submitted investment plan, and the commercial and temporal eligibility of the proposal will be considered.
- **Compatibility with other aid:** Under article 18 of Order ITC/736/2023, the public funding of a project must be calculated as the sum of public resources granted by any administration or public body. The regulated aid may be combined with any other aid, provided it relates to different costs that can be identified and that are eligible. Where it partly or wholly relates to the same eligible costs, the aid can only be combined if the accumulation does not exceed the maximum aid intensity—or the highest aid amount—applicable to the aid in question.

Projects to be financed through the Recovery and Resilience Facility (RRF) can only receive support from other European Union (EU) programs and instruments if such aid does not cover the same cost.



Call published for line A (batteries)

While the call for line B (value chain of electric and connected vehicles) is expected to be published in the coming days, the call for line A (batteries) was published on July 7, 2023, as part of Order ITC/736/2023.

For these purposes:

- The application period for line A is from July 17, 2023, to September 15, 2023.
- All documentation related to the application must be submitted through the application form available on the aid portal of the Spanish Ministry of Industry, Trade and Tourism.
- The maximum aid amount per beneficiary will vary depending on the investment area:
 - (i) For battery-related investments, it will range from €150 million to €300 million, depending on whether it is carried out in an assisted area.
 - (ii) For investments in essential components, it will not exceed €100 million.
 - (iii) For investments in raw materials, it will not exceed €25 million.

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