



**Madeira
Promotion
Bureau**

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REGULATIONS FOR ALLOTMENT OF AID TO CAMPAIGNS AND/OR INITIATIVES PROMOTING AND MARKETING DESTINATION MADEIRA ('Regulations')

PREAMBLE

Whereas, pursuant to Government Council Resolution no. 447/2015 of 28.05.2015 (published under the Official Journal of the Autonomous Region of Madeira, Series I, no. 81, of 4 June 2015), the Regional Government's allotments for implementing and streamlining tourist promotion has been transferred to the Madeira Promotion Bureau (hereinafter briefly referred to as the APM), in accordance with the Protocol concluded on 13.11.2015;

Whereas promotional campaigns and tourist marketing are a vital instrument for boosting tourist demand in the Autonomous Region of Madeira, promoting the destination's exposure, constituting the pursuit of public interest in the region;

Whereas the public and private entities, operators, and every economic agent in the tourist distribution chain, as well as airlines, are important drivers for promoting destination Madeira and actually attracting demand thereof in the tourist market;

Moreover, whereas, lawfulness and fairness need to be ensured in allocating the aid to be granted, where such aid must hinge on mechanisms that promote the principles of transparency, equality, impartiality and competition, these Regulations have been approved as a way of setting forth the eligibility conditions of campaigns and/or initiatives, aimed at thereby achieving the pursuit of public interest in the region.



CHAPTER I

OBJECT AND ELIGIBILITY OF THE APPLICATIONS

Article 1

(Object)

These Regulations are aimed at setting forth the general conditions for allocating financial aid, to be granted to marketing initiatives, measures, projects, campaigns and activities developed by Online Travel Agencies (OTAs), Travel and Tourist Agencies, Operator, Organiser and/or Airlines, intended to promote the Autonomous Region of Madeira as a tourist destination, in accordance with the duties transferred to the APM.

Article 2

(Definitions)

For the purposes of these Regulations, the following definitions are considered:

- a) Financial aid – any monetary amounts, goods and/or services, granted or provided by the APM, via submission of the corresponding application, to public or private, natural or legal persons, for the tourist promotion of destination Madeira, in accordance with the assumptions of eligibility provided for under these regulations;
- b) Travel and Tourist Agencies – natural or legal persons acting as an operator and conducting the activities mentioned under Article 3(1) of Decree-Law no. 17/2018, of 8 March, which approved the Scheme for Accessing and Conducting the Business of Travel and Tourism Agencies (hereinafter simply referred to as 'RAVT');
- c) Operator – any public or private, natural or legal person which, under the contracts covered by the RAVT, is active, even via another person acting in their name or on their behalf, for purposes pertaining to their commercial, business, artisanal or professional activity, whether acting as an organiser, retailer,



- operator providing related travel services or as a travel service provider;
- d) Organiser – any operator combining, selling or putting forth for sale organised trips, directly, via another operator or jointly with another operator, or the operator conveying the traveller's data to another operator, pursuant to Article 2(1)(p)(ii)(5) of the RAVT;
 - e) Online Travel Agencies (OTAs) – natural or legal persons, with domestic or foreign legal personality, devoted to planning, comparing, reserving and selling trips, accommodation, car rental and other services related to travel and tourism, in solely online settings, while serving as intermediary;
 - f) Airlines – any air transport operator with a valid operating licence issued by a Member-State pursuant to Regulation (EC) no. 1008/2008 of the European Parliament and of the Council or by a Party to the Agreement regarding the Common Aviation Area between the European Union and its Member-States and the Republic of Moldova, signed in Brussels on 26 June 2012 and approved by Portuguese Parliament Resolution no. 135/2013, published under series I of the Official Government Journal, no. 177, of 13 September, notwithstanding others which the APM Board shall decide upon, on a case-by-case basis.

Article 3

(Scope of application)

1. Financial aid may be granted, under these Regulations, to applications, under eligibility conditions, that contribute towards promoting tourism in destination Madeira and boosting the ability to attract tourists to the Autonomous Region of Madeira; this can cover two types of aid:
 - a. Disseminating Marketing Campaigns;



- b. Conducting actions, projects or initiatives.
2. For the purposes of the preceding section, the following are considered marketing campaigns, among others that may be proposed by promoting/beneficiary entities:
 - a) Executing medium plans, either online, offline, or via any technological or other means, or in distribution channels, or even in retail marketing, or any activation of another touchpoint with the consumer;
 - b) Initiatives promoting direct or indirect operations for the Autonomous Region of Madeira;
 - c) Initiatives promoting routes for the Autonomous Region of Madeira.
3. For the purposes of section 1 of this article, the following are considered conducting actions, projects or initiatives, among others that may be proposed by promoting/beneficiary entities:
 - a) Acquaintance trips for travel agents or tour operators;
 - b) Trips welcoming journalists, bloggers or photographers for visiting and getting to know the destination, or any other type of opinion leaders regardless of the medium or theme used;
 - c) Public relations initiatives;
 - d) Organising Trade Shows, Workshops, Roadshows and Presentations, Events and other initiatives activating the Madeira Brand outside the Autonomous Region of Madeira.,
4. The financial aid, granted under these Regulations, may not exceed the amount needed for funding expenses with campaigns or initiatives to be conducted by the promoting/beneficiary entity, and may not, under any circumstance, serve to bear the promoting/beneficiary entity's structural and operating costs, under the terms better described below, under Article 17 of these Regulations.



Article 4

(Promoting/beneficiary entities)

Notwithstanding the other provisions under these Regulations, financial aid provided for therein may also benefit public or private legal persons, with domestic or foreign legal personality, included in the tourist production and distribution chain, namely those identified above, under Articles 1 and 2 of these Regulations and which conduct some sort of marketing initiative, measure, project, campaign or activity that is eligible pursuant to Articles 5 and 6 of these Regulations, put forth by them, with public interest in the region.

Article 5

(General access assumptions)

1. The following constitute general access assumptions to financial aid allocated by the APM under these Regulations:
 - a) Submission of the corresponding application by the promoting/beneficiary entity, in conformity with the type of aid being requested;
 - b) Campaigns and/or initiatives must be geared towards the pursuit of public interest in the region, namely, to pursue tourist promotion of destination Madeira;
 - c) No opposition to the strategic goals outlined by the APM and included in the corresponding Activity Plan, regarding the calendar year in which the aid is eligible;
 - d) Consistency of the campaign and/or initiative, namely showing the suitability of the estimate submitted for the activities to be conducted;
 - e) The status of contributions to Social Security and to the Tax Authorities in good standing, where applicable;
 - f) Meeting procedural requirements set forth under these Regulations;



- g) No instances of non-compliance towards the APM, namely debts, in previous application dossiers, in the last three years;
 - h) Initiatives and/or campaigns, which are the subject of the application, not being funded under any other tool or instrument involving incentives promoted by the APM;
 - i) Where applicable, showing proof of records, to competent domestic authorities, to conduct their activity, as well as any legally required licenses for access, admission, acknowledgement, conducting or engaging in activities included under the corporate object of the promoting/beneficiary entity.
2. Throughout the validity of the corresponding Protocol, the promoting/beneficiary entity will have to ensure fulfilment of the general access assumptions, as referred to above, under sec. 1, in particular those appearing under paragraphs e) and i), while being responsible for keeping the information appearing therein constantly up to date under the respective dossier.
 3. For the purposes of the provisions under the last part of the preceding section, the promoting/beneficiary entity shall be responsible for sending the supporting documents attesting to the fulfilment of the general access assumptions.
 4. Notwithstanding the provisions under the preceding sections, the APM, whenever it deems necessary, may ask the promoting/beneficiary entity to provide the supporting documents attesting to the fulfilment of the obligations described under paragraphs e) and i) of sec. 1.
 5. Throughout the validity of the corresponding Protocol, upon the occurrence of non-compliance with any of the general access assumptions, as referred to above, under sec. 1, by the promoting/beneficiary entity, possible outstanding payments under these regulations shall be forthwith suspended, notwithstanding the provisions under the subsequent section.
 6. The promoter/beneficiary will be notified of such fact(s) by the APM, which will grant a reasonable period of time to regularise it; if, after the period granted, the promoter/beneficiary's non-compliance continues, its



application may be rejected by the APM and the full amount of the support granted to date may have to be refunded, pursuant to the terms set out in these regulations.

Article 6

(Access specific conditions)

1. Financial aid may be provided to the marketing campaigns referred to in
 - a) Article 3(2) of these Regulations, provided that the following conditions are met:
 - a) They concern regular domestic or international air routes or operations, with direct sale of aircraft seats to the end consumer, or comprising charter operations, where sales are entirely brokered by operators or travel agents; and
 - b) They meet the eligibility conditions regarding markets, intensity, frequency and capacity, as set forth in the matrix under **Annex I** to these Regulations and whereof it is an integral part.
2. Financial aid may also be granted to conducting actions, projects or initiatives that contribute towards promoting tourism in destination Madeira, provided they meet at least one of the following conditions:
 - a) They involve an increase in aircraft seats available in the market, be it by setting up new routes or operations, or via an annual expansion of seasonal operations or by increased frequency of ongoing operations;
 - b) They seek to boost the number of tourists for the Autonomous Region of Madeira;
 - c) They contribute towards reducing seasonality;
 - d) They heighten exposure for destination Madeira with current and potential customers of the promoting/beneficiary entities, with the aim of boosting the marketing thereof;
 - e) They favour the innovative character of the initiatives/projects that substantiate added value for the Autonomous Region of Madeira, pursuing the public interest of promoting tourism in destination Madeira;



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- f) They contribute towards boosting the average RevPar (Revenue per Available Room);
- g) They contribute towards extending the average stay in the territory of the Autonomous Region of Madeira.

Article 7

(Purpose and model of aid)

1. The financial aid to be granted is aimed at promoting Madeira as a tourist destination, attracting new air operators and operations, as well as optimising the offer from existing air operators and operations, in order to boost the flow of tourists in the Autonomous Region of Madeira and to streamline its development.
2. The aid to be granted comes in the form of non-refundable financial co-funding.
3. The maximum charge of aid to be granted during each financial year is determined annually in the budget of the Madeira Promotion Bureau for such purpose.
4. The financial aid to be allocated is limited to the amounts provided for and considered, every year, in the budget of the Madeira Promotion Bureau.



CHAPTER II

PROCEDURE FOR GRANTING SUPPORT

Article 8

(Advertising)

These Regulations for allocating aid, as well as all documents identified therein are the subject of advertising on the APM website.

Article 9

(Opening the procedure)

1. The procedure for allocating financial aid under these Regulations starts with the submission of an application by every promoting/beneficiary entity, as set forth under the subsequent article.
2. With the opening of the procedure, the APM Board appoints an Evaluation and Monitoring Commission, comprising 3 (three) members, who shall exercise the competencies referred to under these regulations, free of charge.
3. It is incumbent on the Evaluation and Monitoring Commission to:
 - a. Check for the assumptions and eligibility conditions provided for under these Regulations;
 - b. Monitor and follow up on the application dossier;
 - c. Determine the aid amount to be granted, in accordance with the criteria set forth under these Regulations and considering the maximum charge of the aid to be granted pursuant to the above, under Article 7(3) of these Regulations;
 - d. Successively inspect the execution of the Protocols to be concluded. The promoting/beneficiary entities may be asked to produce any documentation and information, as well as to make any requests for information and clarification that shall be deemed relevant.



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Article 10

(How to submit the application)

1. The application procedure begins by filling in and submitting the application form, as per the form comprising **Annex II** to these Regulations and whereof it is an integral part, duly instructed with the elements provided for under Article 12 of these Regulations.
2. The application can be submitted in person at the registered office of the Madeira Promotion Bureau, located at Rua dos Aranhas, n.º 24-26, 9000-044 Funchal, by registered post with acknowledgement of receipt, or sent by electronic mail to the address geral@ap-madeira.pt with a copy for the head of the Commercial Department that such market concerns
3. The application form and other information shall be made available by the APM, upon request from any interested parties.
4. Applications submitted and the documents included therein shall be written in either Portuguese or English.

Article 11

(Submitting applications)

1. Applications may be submitted throughout the year, regardless of the period whereto such initiatives and/or campaigns pertain.
2. Notwithstanding the provisions under the preceding section, the APM Board may, whenever it deems necessary, set deadlines for submitting applications; such resolutions, as well as the deadlines wherein they shall be set forth, shall be publicised and disclosed in a timely manner on the APM's website.



Article 12

(Elements to be included in the application)

The application shall mandatorily contain:

- a) Application form, as per the form comprising **Annex II** to these Regulations, in keeping with the terms of the matrix appearing under **Annex I** to these Regulations;
- b) Medium Plan/Marketing Plan/Descriptive document regarding the campaign and/or initiatives to be conducted by the promoting/beneficiary entity and corresponding framework within the scope of these Regulations and of APM's Marketing Plan, by market and by product, and the corresponding timeline;
- c) Quantification of the campaign's and/or initiative's objectives, along with the corresponding measuring instruments;
- d) Budget for the campaigns and/or initiatives to be carried out;
- e) Where applicable, production over the last three years and production estimate for the year pertaining to the ongoing application.

Article 13

(Clarifications and monitoring of applications)

1. Once the application has been submitted, the APM may request clarifications needed for properly monitoring the dossier, provided this does not substantially modify the terms and conditions comprising the submitted application.
2. During the applications' appraisal stage, the promoting/beneficiary entity may submit new information it deems relevant for the granting of aid to be suitably weighted.
3. After the application has been submitted and prior to the approval thereof, the promoting/beneficiary entity is under the obligation to notify the APM of any change to the tourist promotional campaign and/or initiative that is the subject of the aid request.



4. Decisions regarding the appraisal and allotment of aid, in reference to submitted applications, shall be communicated by the APM to promoting/beneficiary entities within a maximum period of two months after the applications have been submitted, or the clarifications that have been provided under this article, as the case may be.
5. For the purposes of the preceding section, applications are deemed to be at the appraisal stage after delivery, by the promoting/beneficiary entities, of any documentation that is mandatory and/or requested by the APM.

Article 14

(Funding of campaigns and/or initiatives)

1. The funding of marketing campaigns aimed at disseminating and/or conducting actions, projects or initiatives that contribute towards promoting tourism in destination Madeira will be partly ensured by the promoting/beneficiary entities proposing them.
2. For the purposes of the funding referred to in the preceding section, the maximum contribution to be allocated may not, in any case, exceed 50% (fifty per cent) of the total amount of the proposed initiatives plus VAT at the legal rate in force, where applicable.
3. Notwithstanding the preceding section, the aid granted under these Regulations may not exceed the amount necessary for funding expenses with campaigns or initiatives to be conducted by the promoting/beneficiary entity.
4. The requirements and assumptions for the APM to allot and determine the financial aid, including the maximum amounts thereof, for every application, are those resulting from the provisions under Article 16 of these Regulations and in the matrix appearing under **Annex I** to these Regulations.
5. The allotment of financial aid to each application shall last no more than 1 (one) year of operation; as such, Summer Season and Winter Season, are understood in pursuance of the terms set forth by the IATA (International Air Transport Association).



6. Exceptionally, and due to the applications' particular relevance, applications may be submitted containing multi-annual plans, as set forth under the subsequent article.
7. In the event of excess demand relative to the supply available in the Autonomous Region of Madeira, the Board may resolve not to aid an applicant operation or may determine the allotment of a lower amount than the one resulting from the matrix, as appears in **Annex I** to these Regulations.
8. Notwithstanding the rules set forth under these Regulations, in fortuitous or force majeure cases, pursuant to Article 27(2) of these Regulations, the APM Board may decide to change the financial aid amounts to be allotted to applications, under the matrix appearing in **Annex I** to these Regulations.
9. Regardless of each application's abstract eligibility, the aid amounts to be allotted by the APM, under this norm, is subject to the budget allocation provided for, for each calendar year.

Article 15

(Multi-annual Plans)

1. Exceptionally, and due to the applications' particular relevance, the APM Board may resolve to allot aid to Multi-annual Plans, which consider campaigns and/or initiatives that extend beyond the period provided for under Article 14(5) of these Regulations, provided its multi-annual validity is deemed essential to the pursuit of the objectives set forth in the corresponding application and is suitable to pursuing public interest in the region, without ever exceeding a maximum operating period of 5 (five) years.
2. For the purposes of the preceding section, the application is deemed to be particularly relevant, namely, but without ruling out other factors, to be assessed by the APM on a case-by-case basis, when the following occur:
 - a) contribution towards reducing seasonality;



- b) the operation's economic impact, as measured by creating and maintaining jobs at the ARM and by regional GDP growth;
 - c) contribution towards the sustained and relevant increase in tourist flows to and from the ARM; and
 - d) consolidation of routes linked to APM's markets, as outlined in its Activity Plan,
3. Promoting/beneficiary entities seeking to prepare Multi-annual Plans shall expressly state this in their preliminary application, in accordance with the matrix comprising **Annex I** to these Regulations, which shall mandatorily contain the following information:
- a) An indication of the number of operating years, together with a generic description of the Medium Plan/Marketing Plan/Descriptive document regarding the campaign and/or initiatives to be developed over the course of the operating years, as well as the estimated investment amount for each year;
 - b) The Medium Plan/Marketing Plan/Descriptive document regarding the campaign and/or initiatives to be developed by the promoting/beneficiary entity in the first operating year and the corresponding investment amount.
4. Prior to the start of each operating year, the promoting/beneficiary entities shall submit an update to the Medium Plan/Marketing Plan/Descriptive document regarding the campaign and/or specific initiatives to be developed in the following operating year, according to the expected investment amount for that year and subject to review of the eligibility conditions, in keeping with the provisions under the matrix comprising **Annex I** to these Regulations.
5. Notwithstanding the provisions under Article 21(d) of these Regulations, in the case of Multi-annual Plans, promoting/beneficiary entities undertake to submit a report at the end of each operating year.
6. The financial aid, which is determined pursuant to **Annex I** to these Regulations, shall be paid to the promoting/beneficiary entities, per operating year and after the report referred to under the preceding section has been submitted; no advance payments shall be made regarding the following operating year(s).



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7. In the case of Multi-annual Plans, concluding a single Protocol shall suffice, as set forth under Article 20 of these Regulations, as the conclusion of Protocols for each operating year shall be dispensed with.



CHAPTER III

ELIGIBILITY CRITERIA FOR APPLICATIONS

Article 16

(Eligibility of applications)

1. Eligibility of financial aid depends on a show of public interest in the region, namely, the pursuit of promoting tourism in destination Madeira, in view of the following factors:
 - a) Objectives to be achieved by the campaigns and/or initiatives;
 - b) The conformity of campaigns and/or initiatives with the strategic objectives outlined by the APM, and entered in the corresponding Marketing Plan, regarding the year the aid is requested;
 - c) Suitability of the submitted budget for the campaign activities and/or initiatives to be conducted;
 - d) The level of financial contribution provided by the promoting/beneficiary entity.
2. The appraisal of the aid request for every application submitted shall abide by the principles of equal treatment for every interested entity, administrative transparency and free competition.
3. The Evaluation and Monitoring Commission shall prepare an analysis report, for every application submitted, containing a proposal with a decision on whether or not the aid is granted, as well as the weighting of the aid amounts to be allotted; after a preliminary hearing of the interested parties, this shall be delivered to the APM Board.
4. It shall be incumbent on the APM Board to approve the final decision on whether or not to grant the financial aid, which includes setting the aid amount to be allotted, as the case may be.



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Article 17

(Non-eligible initiatives and expenses)

For the purposes of allotting a financial contribution, absolutely non-eligible expenses are deemed to include the following:

- a) Structural and operating expenses of promoting/beneficiary entities, including, inter alia, wages, subsidies, representation expenses, meals, supplements, overtime work and social expenses with staff, service provision agreement expenses with staff assigned or to be assigned to the proposed initiatives;
- b) Technical studies;
- c) VAT and other taxes, contributions or fees;
- d) Financial charges, fines and expenses with legal proceedings;
- e) Initiatives aimed at promoting non-classified beds and non-licensed activities;
- f) Initiatives and/or campaigns conducted with entities not associated with the APM.



CHAPTER IV

EXECUTION AND MONITORING OF APPROVED APPLICATIONS

Article 18

(Managing, monitoring the execution of campaigns and/or initiatives)

1. Following the decision to approve applications and after setting the financial aid amount to be allotted, the Evaluation and Monitoring Commission conducts the follow-up and corresponding monitoring.
2. Promoting/beneficiary entities shall provide any information and take any steps requested by the APM.

Article 19

(Assigning funding amounts)

1. The decision to approve applications and the setting of the financial contribution amount to be allotted shall be assigned to a specific type of service.
2. The promoting/beneficiary entity must show that the services have been acquired, by producing copies of the invoices pertaining to said services, whenever asked by the APM to do so.

Article 20

(Formalising the approved application and concluding the Protocol)

1. After approval of the application, the applicable formalisation takes place, via a Protocol to be signed the APM and the promoting/beneficiary entity, containing a description of the agreed-upon conditions.
2. Up to the Protocol's signing date, the promoting/beneficiary entity shall submit to the APM the documents needed for identifying the promoting/beneficiary entity and their legal representative.



3. The Protocol shall mandatorily contain the following references, among others:
- a) Name or corporate name and domicile of the contracting parties;
 - b) Object;
 - c) General obligations of the contracting parties;
 - d) Term and place for carrying out the initiatives;
 - e) Termination of the Protocol;
 - f) Application amount and allocated aid.

Article 21

(Duties of the promoting/beneficiary entity)

Notwithstanding the obligations expressly provided for under the Protocol to be concluded and under these Regulations, the following comprise the duties of the promoting/beneficiary entities:

- a) They are solely responsible for carrying out the initiatives and/or campaigns comprising their application;
- b) Forthwith notify the APM of any changes or occurrences that call into question the assumptions with regard to approval of the aid;
- c) Reply to any requests for information or clarifications from the APM within 8 (eight) calendar days;
- d) Submit a final report after performing the operation, while indicating the initiatives and/or campaigns that were conducted, as well as the estimated results and benefits thereof, along with a summary thereof, as well as the justified comparison of the set goals and the results obtained, including the number of guests checked in and the CPM, in the case of Operators and OTAs, or the number of passengers carried and the CPM, in the case of Airlines;
- e) Include, in the final report referred to in the previous point, a reasoned analysis of the economic and financial execution, as well as evidence of the activities carried out, namely images, videos, screenshots or, in general,



any materials intended to demonstrate the effective fulfilment of the initiatives and/or campaigns included in the application;

- f) Provide access to evidence of everything that is stated in the final report, should members of the Evaluation and Monitoring Commission consider it necessary to confirm eligibility conditions, the amount of the aid and other reported or provided elements, deemed relevant for a proper evaluation;
- g) Inform and request the APM's prior approval of any addendum, amendment or replacement of initiatives/activities appearing under the originally approved timetable, as shown in its application.

Article 22

(Changes to approved campaigns and/or initiatives)

1. After the application has been approved, promoting/beneficiary entities are under the obligation to give the APM prior notice of changes to the terms and conditions put forth in the preliminary application submitted.
2. In the case provided for in the preceding section, the aid previously approved is contingent on a new evaluation and approval decision, in terms that are identical to the decision referred to under Article 16 of these Regulations.

Article 23

(On creative materials and image rights)

1. For the purposes of image control and of applying the destination logo, the promoting/beneficiary entity shall submit any creative and promotional materials, in reference to campaigns and/or initiatives to be carried out, for prior APM approval, under penalty of the aid allotment being cancelled.
2. In addition to the obligation set out in the preceding paragraph, the initiatives and/or campaigns included in the application submitted by the promoting/beneficiary entity shall



comply with the Brand Manual of Destination Madeira, under penalty of the aid being cancelled.

3. The contents referring to the Brand Manual of destination Madeira, as mentioned in the preceding section, are intended solely for conducting approved initiatives; said contents may not be used for any other purpose or assigned to third parties, under penalty of civil or criminal liability.

Article 24

(Supervision and the person responsible for monitoring the Protocol)

1. The APM, which has the right to oversee the enforcement of the Protocol to be concluded as part of these Regulations, may ask promoting/beneficiary entities to provide the entire documentation and information deemed convenient, as well as making any requests for information and clarifications deemed relevant.
2. Without prejudice to the powers attributed to the Evaluation and Monitoring Committee, provided for in these Regulations, the APM will appoint a person responsible for monitoring the enforcement of the Protocol, who will have the task of permanently monitoring the financial and material execution of the Protocol, and may, in particular, measure the performance levels of the promoting/beneficiary entity during the enforcement of the Protocol and report any deviations, defects or other anomalies detected in the enforcement of the contract.
3. For the purposes of the preceding paragraph, the person responsible for monitoring the enforcement of the Protocol may, during the course of its enforcement, ask the promoting/beneficiary entity to send proof or evidence of the data referred to above in the final part of Article 21(d).
4. Following the provisions of the preceding paragraph, should it be established, after the campaign has been carried out, that any of the conditions referred to in the final part of Article 21(d), underlying the determination of the amount of aid to be awarded, has changed downwards in relation to what was initially indicated in the approved application, that amount will be adjusted accordingly.



Article 25

(Non-compliance and inhibitions)

1. Notwithstanding the provisions under Portuguese civil law regarding contractual default, in the event of the occurrence of definitive default on the contractual obligations shouldered by the promoting/beneficiary entity, the APM reserves the right to unilaterally terminate the agreement; the latter may further demand the full reimbursement of the amounts that have been paid out in the meantime or the cancellation of the allotment of the aid under contract.
2. For the purposes of the provisions under the preceding section, definitive default on the contractual obligations of the promoting/beneficiary organisation is deemed to be, among others:
 - a) Failing to carry out the initiatives or operations set forth under the agreement or in the submitted application;
 - b) Failure to meet the goals set forth and the obligations provided for under the concluded agreement;
 - c) For a period over 30 days, failure to meet any of the obligations provided for under Article 21 of these Regulations;
 - d) Provision of false information when submitting the application.
3. When default situations are definitively ascertained, the promoting/beneficiary organisation shall be prevented from submitting new applications for a period of no less than 3 (three) years.
4. The termination referred to under section 1 shall always be preceded by a notification to the promoting/beneficiary organisation, for the purposes of a preliminary hearing.



CHAPTER V

PAYMENT AND CANCELLATION OF FINANCIAL AID

Article 26

(Payment of financial support)

1. The financial aid granted under the terms of these Regulations shall be paid in full after:
 - a) The completion of all the activities included in the application and the submission of the final report, referred to above in Article 21(d);
 - b) Proof that the beneficiary's tax and social security situation is regularised, by submitting the respective declarations or certificates, under the terms and for the purposes of Article 31-A of Decree-Law no. 155/92, of 28 July, and Article 198 of Law no. 110/2009, of 16 September; and
 - c) The monitoring of the enforcement of the Protocol by the person responsible for monitoring the enforcement of the Protocol, under the terms of Article 24 above.
2. In the case of Multi-annual Plans, as provided for under article 15 of these Regulations, the financial aid shall be paid at the conclusion of every activity appearing in the corresponding to the Medium Plan/Marketing Plan/Descriptive document of the campaign and/or specific initiatives to be developed and on the submission of the corresponding report, as referred to under sec. 5 of that article.
3. Promoting/beneficiary entities shall use the means they may deem most convenient to send the invoice to the addresses included the corresponding Protocol, indicating any data and/or bank references needed for the respective payment, namely the IBAN; moreover, the invoice shall include an internal reference that shall be indicated in the corresponding Protocol.
4. Once the invoice has been received, under the terms of the preceding paragraphs, and after checking their conformity with the provisions of the Protocol and of these



Regulations, the amounts resulting from that document shall be paid by bank transfer to the IBAN indicated by the promoting/beneficiary entities, within a maximum of 60 (sixty) days from the date of issue.

5. Notwithstanding the provisions under sec. 1 of this article, above, promoting/beneficiary entities may request, in writing, an advance payment corresponding to as much as 50% (fifty per cent) of the financial aid to be granted, by indicating the corresponding reasons.
6. In any case, the advance payment referred to in the preceding paragraph shall be conditional upon the percentage of activities that are carried out, in the corresponding proportion, included in the application and upon presentation of the corresponding evidence.

Article 27

(Cancellation of financial aid)

1. Fortuitous or force majeure cases, provided they are duly grounded, make it possible for the APM to cancel or correct the allotment of a previously approved aid under these Regulations.
2. For the purposes of the provisions in the preceding section, fortuitous or force majeure cases are natural or man-made events or facts that are invincible, inevitable and insurmountable, such as:
 - a) Acts of war or subversion;
 - b) Epidemics and/or pandemics;
 - c) Fires;
 - d) Volcanic eruptions or earthquakes;
 - e) Storms and floods.
3. The following cases, among others, do not constitute fortuitous or force majeure cases:
 - a) Circumstances that do not constitute force majeure for subcontracted parties of promoting/beneficiary entities, in the part wherein the latter intervene;



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- b) Strikes or labour disputes limited to companies of promoting/beneficiary entities or to groups of companies whereof the latter is a part, as well as companies or groups of companies of the subcontracted parties thereof;
 - c) Governmental, administrative or judicial determinations of a sanctioning nature or otherwise resulting from the non-compliance by the promoting/beneficiary entities of duties or obligations incumbent upon them;
 - d) Popular demonstrations due to non-compliance by promoting/beneficiary entities with legal norms;
 - e) Fires or floods originating at the premises of promoting/beneficiary entities, whose cause, propagation or proportions are due to blame or negligence on the part of the latter or to non-compliance with safety standards;
 - f) Malfunctions in computer or mechanical systems of promoting/beneficiary entities not due to sabotage;
 - g) Events that are or should be covered by insurance.
4. On top of the situations referred to under section 1 of this article, the APM may also cancel or correct the allotment of previously approved aid in instances of cancellation of operations and/or reduced frequencies.



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CHAPTER VI

FINAL PROVISIONS

Article 28

(Claims, appeals and conflict resolution)

1. Claims are accepted before the Evaluation and Monitoring Commission regarding decisions emanating from this entity, where such decisions were made either as part of the application approval procedure for allocating aid, or under the enforcement and monitoring of approved applications.
2. If the Evaluation and Monitoring Commission upholds the original decision, an appeal may be lodged before the APM Board, or any other entities to which the APM Board may delegate any of the competencies provided for under these Regulations and/or regarding the enforcement of the Protocols concluded thereunder.
3. Should any issue arise that is linked to the interpretation or enforcement of the Protocols, the contracting parties shall seek to amicably arrive at a fair and suitable solution.
4. If the contracting parties fail to amicably resolve the issue they stipulate, with express waiver of any other, the district court of Funchal to rule on possible conflicts or legal disputes resulting from the enforcement of the Protocols, notwithstanding turning to the Court of Arbitration, provided this is previously agreed upon by the parties.
5. APM decisions can also be contested under general terms of law.



Article 29

(On interpretation and the inclusion of omissions)

1. Any doubts resulting from interpretation of these Regulations shall be brought before the APM Board by any interested party.
2. Interpretive doubts that elicit improved wording to any part of the drafted text shall be considered as a review to these Regulations.
3. It is incumbent on the APM Board to make amendments to these Regulations resulting from the provisions under the preceding sections.
4. APM Board resolutions conveyed to interested parties are tantamount to a genuine interpretation, while the procedure to amend the Regulations is not formalised.

Article 30

(Amendments)

Any amendment to the Protocols to be signed between the APM and the promoting/beneficiary entities shall only be valid if enshrined in writing, in a document signed by the contracting parties, containing an express indication of the clauses that are amended along with the wording of those that were amended or inserted.

Article 31

(Competent jurisdiction)

To resolve any legal dispute arising from aid allotment agreements covered by these Regulations, the competence of the Administrative and Tax Court of Funchal is hereby stipulated, with express waiver of any other.



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Article 32

(Entry into force)

These Regulations shall enter into force after being approved by the APM Board and on a date to be determined by the Board.