



## Hong Kong-Israel R&D Cooperation Programme

**A bilateral framework providing financial support for collaborative industrial R&D Projects between Hong Kong and Israeli companies**

***December 2015***

### 1. About the Programme

With the goal of promoting industrial R&D cooperation between Hong Kong and Israeli companies, a Memorandum of Cooperation was signed in February 2014 between The Innovation and Technology Commission (ITC) on behalf of the Government of Hong Kong SAR and the Office of the Chief Scientist (OCS) at the Ministry of Economy on behalf of the Government of the state of Israel.

The Hong Kong-Israel R&D Cooperation Programme provides Israeli and Hong Kong companies access to their respective governments for funding on collaborative research and development (R&D) projects aimed at the development of products or processes leading to commercialisation in the global market; as well as assistance in locating R&D partners.

This bilateral framework is jointly implemented by ITC in Hong Kong and MATIMOP - The Israeli Industry Centre for R&D - on behalf of the Office of the Chief Scientist (OCS) in Israel, and will be promoted to the companies in their own economies by the respective implementing organisations.

These guidelines and information are specific to the Hong Kong-Israel R&D Cooperation Programme.

Hong Kong and Israeli companies are welcome to submit proposals for funding for bilateral industrial research and development (R&D) projects, involving at least one company from each economy, which include science and technology (S&T) development which may lead to commercialisation, social good and benefit to both economies.

### 2. Common Requirements & Criteria

In order to apply, companies and projects must meet the following criteria:

- ✧ At least one science and technology company from the respective economies, fulfilling the eligibility criteria mentioned below, should express a wish to cooperate in the research and development of a new product or a new process.
- ✧ The project may involve more than one company from each side.
- ✧ Academic/Research entities are eligible to join as sub-contractors only.
- ✧ The product should be highly innovative with significant commercial potential. The joint industrial R&D project should aim at the development of products/processes leading to commercialisation in the global market.
- ✧ Companies and projects from all technology fields are eligible to apply.
- ✧ The project partners should agree in advance on the IP rights and on the commercialisation strategy of the product or process. The companies also have to observe the relevant IPR requirements under the respective government funding schemes.
- ✧ The project should demonstrate the contribution of the participants from both economies.
- ✧ The project should be balanced between participants and significant to both partners.
- ✧ The maximum project period is two years subject to the rules of the respective government funding schemes.



Any partner whose cooperative R&D project meets the aforementioned criteria can apply for funding in accordance with the national laws, rules, regulations and procedures of respective participating funding schemes in effect.

### 3. Eligibility

#### **Hong Kong Applicants:**

Eligible applicants should be companies incorporated or registered in Hong Kong under the Companies Ordinance and are validly existing under the laws of Hong Kong which have R&D activities in Hong Kong.

#### **Israeli Applicants:**

Eligible applicants will be R&D performing Israeli registered companies operating in Israel.

### 4. Funding Support

Funding support will be provided to each partner through its own implementing & funding organisation (either ITC in Hong Kong or OCS in Israel) in accordance with the respective laws, rules, regulations and procedures in effect.

#### **In Hong Kong**

1. Under the Enterprise Support Scheme (ESS) of the Innovation and Technology Fund (ITF), funding support of up to HK\$10 million may be provided on a *dollar-for-dollar matching basis*. Recoupment of Government's contribution is not required.
2. An eligible company may submit an ESS application indicating that the project would have a partner in Israel under the Hong Kong-Israel R&D Cooperation Programme.
3. The application will be vetted and funded in accordance with the established mechanism of the ESS; however, final approval of the ESS project under this joint programme would be subject to the approval of the partner project in Israel (the Israeli Partner's application would also be independently vetted and funded in accordance with the OCS established mechanism (see below for details)).
4. For more information about funding conditions, applicants should visit the ITC website: <http://www.itf.gov.hk/l-eng/ESS.asp> and FAQ at: [http://www.itf.gov.hk/l-eng/ESS\\_FAQ.asp](http://www.itf.gov.hk/l-eng/ESS_FAQ.asp)

#### **In Israel**

1. Funding will be provided in the form of a *conditional grant* to the projects selected under the Call for Proposals.
2. The total funding from the Government of Israel via the OCS will not exceed 50% of the eligible and approved costs of the R&D, in accordance with the national laws and regulations.
3. When a project results in sales of a product, service or process, the financial support must be repaid to the Office of the Chief Scientist according to its regulations (in general, royalties are paid at rates beginning at 3% of sales, depending on various criteria. Royalties are payable until 100% of the amount of the grant has been repaid with interest as provided in the applicable regulations). If the project does not result in sales, no repayment is required.
4. For more information on funding conditions, applicants should visit the website of the Office of the Chief Scientist: <http://www.economy.gov.il/RnD/research%20and%20development%20programs/Pages/MopFund.aspx>



## 5. The Application Process

### In Hong Kong

The Hong Kong partner is required to submit an ESS application to ITC through its electronic application submission system; the Innovation and Technology Commission Funding Administrative System (ITCFAS) at <https://www3.itf.gov.hk/>

### In Israel

#### **Phase 1: Cooperation Application Form (CAF) + Letter of Intent (LOI)**

The first phase Cooperation Application Form (CAF) provides a summary of the proposed joint project with enough detail for the reviewers to make an initial assessment of the merits of the project. The CAF must be signed by both Hong Kong and Israeli partners, and must be submitted together with a Letter of Intent (LOI) or MOU detailing IP plans for the project. Incomplete CAF template or CAFs submitted in any other format will not be accepted. (For application & submittal instructions - [click here](#))

The filled out and CAF & LOI must be submitted online via the MATIMOP website login page\*\* and sent in softcopy via email to the Programme Manager in Israel ([talia@matimop.org.il](mailto:talia@matimop.org.il)).

\*\*In order to get a username and password to access the online application system, Israeli companies should create a company profile or ask the programme manager for their login details.

**Submission of the CAF is mandatory, and is the first required document that companies must submit.** MATIMOP will acknowledge the receipt of all CAFs within five working days of receipt.

The CAF would then be referred for basic technical review to confirm that all the documents required are provided and that companies are considered eligible. Upon approval, the companies will receive notification as to whether or not they can move to Step 2 in the application process. If approved, companies will be requested to submit a full project proposal (national format) to the Office of the Chief Scientist in Israel.

#### **Phase 2: Full Project Proposal (FPP) – National Format**

Partners meeting all eligibility criteria and whose CAFs are approved will be invited to submit the Full Project Proposal (FPP) within one month of notification of eligibility, according to the procedures and rules that apply, based on the rules and regulations of the OCS respectively. Once submitted to the OCS, the application in the prescribed format along with the OCS File Number assigned to the application should be submitted to MATIMOP's programme manager. (For submittal Instructions - [click here](#))



## 6. Evaluation and Selection

ITC in Hong Kong and OCS/MATIMOP in Israel will carry out an independent evaluation of the joint R&D application and will select the eligible project to be financially supported in accordance with their respective Laws and Regulations.

The successful projects will be jointly selected by the two funding organisations at a "Joint Committee Meeting" based on the project criteria and requirements specified in the respective application form and guide. Companies who receive joint approval will be notified by their local implementing or funding agency.

Parties whose projects have been selected will be informed of the result and the amount of funding for the successful projects by their respective implementing organisation in a timely manner.

## 7. Timeframe for the Submission Process

Applications under the HK-IL R&D Cooperation Programme can be submitted all year round. The timelines of the submission and evaluation procedures depends on the requirements, laws and regulations of HK and IL.

Hong Kong	Israel
ESS application received <i>Submitted through the ITCFAS at <a href="http://www3.itf.gov.hk/">www3.itf.gov.hk/</a></i>	Cooperation Application Form Received (1 <sup>st</sup> phase) - <i>Submitted through MATIMOP online website</i>
ITC asks for Supplementary information <i>Around 4 weeks after receiving an ESS application</i>	Notification to Companies CAF Approval - <i>Within 2 weeks of CAF submission</i>
Submission of revised application to ITC <i>Within 6 months after receiving ITC's request for supplementary information</i>	Submission of National forms to OCS (2 <sup>nd</sup> phase) - <i>within 3-4 weeks of receiving written approval from MATIMOP programme Manager</i>
Evaluation period & Assessment Panel in HK <i>Assessment panel meetings will be held around every six weeks to two months for applications seeking not exceeding HK\$2.8 million by companies with less than 100 employees while for applications seeking more than HK\$2.8 million, meetings will be held around every four months.</i>	Evaluation period & Research Committee in Israel <i>Within ~10 weeks from submission of OCS forms</i>
Joint Committee	
Notification to Companies	Notification to Companies

## 8. CONTACTS

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Technology Commission



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MINISTRY OF ECONOMY



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Israeli Industry Center For R&D