SPIN-OFF

RULES

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Preliminary note: *The use of the masculine gender in this text has been adopted in order to facilitate reading and has no discriminatory intent. The masculine is used as a neutral gender to refer to women, men and non-binary people.*

1 OBJECTIVE OF THE *SPIN-OFF* PROGRAMME

The SPIN-OFF programme supports the creation of new businesses in the Brussels-Capital Region with the aim of valorising the results of scientific research.

The programme funds projects which:

- *finalise an innovative product, process or service based on results acquired during previous research*
- *study the conditions for the industrial and commercial exploitation of the results obtained, with a view to creating a new economic activity in the Brussels-Capital Region*
- *achieve the requirements for the launch of the spin-off, such as obtaining a Minimum Viable Product (MVP[1]), concluding the first sales or finalising the fundraising.*

There must be experimental development challenges at the start of the funded projects.

In addition, the projects financed must ultimately make a positive contribution to the development of the Brussels-Capital Region, in line with the strategic objectives and priority topics defined by the Government. All the financed projects are expected to be exemplary at the social or environmental level and to have no negative impact on these two levels (see definition of exemplarity: section 6.3, criterion 6).

2 TARGET AUDIENCE

2.1 Beneficiary

The Beneficiaries of this programme are research institutions that meet the definition of point 16 ff of the Guidelines for state aid for research, development and innovation (2022/C 414/01) (universities, higher education institution, De Groote centres, etc.) and who have at least one operating office in the Brussels-Capital Region.

2.2 Researcher-entrepreneur

Each project is led by a researcher-entrepreneur who is in charge of the realisation of the project. This person occupies a central position in the scientific leadership and economic valorisation of the project. With the support of his guidance structure (see §2.4), he/she does everything to ensure that the results of the project lead to a new undertaking.

The researcher-entrepreneur must hold at least a Master's degree, be able to justify similar experience or similar competencies. His/her entrepreneurial skills are as important as his/her scientific competencies. If he/she has not yet acquired business skills, he/she should show motivation and a sufficiently developed entrepreneurial mindset. If the SPIN-OFF grant is awarded, the research-entrepreneur will receive a specific budget for the first two years of the project that covers the costs of training in business management and entrepreneurship. If the researcher-entrepreneur has already completed such a training course, he can ask for exemption to Innoviris.

The researcher-entrepreneur can under no circumstances be replaced during the project and cannot follow or complete a PhD within the framework of his SPIN-OFF project.

[1] A MVP is a version of a product with just enough features to attract early- adopter customers and have feedback to pursue future product development.

2.3 Alter ego

The formation in due time of a technical-economic duo with solid scientific and business skills increases the project's chances of success. In order to form this duo, the programme makes it possible to hire an alter-ego with complementary skills to those of the researcher-entrepreneur. The ideal situation is that the duo formed by the researcher-entrepreneur and his/her alter-ego constitutes the basis of the future spin-off's team.

The involvement of an alter-ego is not formally mandatory but strongly recommended.

If the alter-ego is not identified upon project submission although the entrepreneurial skills of the researcher-entrepreneur require it, the recruitment of this person should be a priority so that he/she becomes involved as soon as possible, thus giving the project the necessary business orientation from the start.

2.4 Guidance structure

The aim of the guidance structure of the researcher-entrepreneur is to support and guide him/her in his/her progress, both scientifically and in terms of business. It must be composed of a promoter, at least two "sponsors" and, if applicable, an advisor of the Knowledge Transfer Office of the host institution.

1. Promoter

The promoter is a professor or senior researcher of the host research institution. In particular, if the beneficiary is neither a university nor a higher education institution, the promoter is the institution's research manager.

The promoter entrusts the researcher-entrepreneur with the valorisation of the research results. He/She is responsible for the supervision of the researcher-entrepreneur and provides him/her with the conditions required for the successful completion of the project. The promoter submits the project for approval to a superior (Rector, Managing Director, person legally authorised to commit the institution), who introduces the project to Innoviris on behalf of the institution.

2. Knowledge Transfer Office

For the universities and higher education institutions, the involvement of the Knowledge Transfer Office in the elaboration of the application is mandatory. The Knowledge Transfer Office provides assistance in setting up the support and training framework and ensures that the economic objectives of the project are taken into account.

3. Sponsors

The researcher-entrepreneur must be surrounded by at least two "sponsors" who will guide him/her in the economic valorisation of the project. The 'sponsors' must come from the economic world (industry or incubator) or financial world (venture capital funds, business angels). One sponsor must have a good knowledge of the target market. The other sponsor must have experience in setting up or running companies; the sponsors must come from different companies or organisations.

A coach who accompanies the researcher-entrepreneur within the framework of his/her business management training is not considered to be a sponsor.

4. Steering committee

The promoter, researcher-entrepreneur, "sponsors", and, if applicable, the advisor of the Knowledge Transfer Office and the alter-ego form a steering committee. Based on the work of the researcher-entrepreneur, the committee has to evaluate and leverage the potential of creating a company/business. The committee must meet at least twice a year at the initiative of the researcher-entrepreneur. The conclusions of these meetings must be recorded in minutes that will be added to the report to be submitted to Innoviris (see point 1.7 of these rules).

The role of the steering committee should not be overlooked. It is important for the researcher-entrepreneur to receive feedback from experienced professionals. The discussions and recommendations will help to feed the researcher-entrepreneur's thinking and guide the project to improve the chances of success. Steering committee meetings should not be seen as an administrative constraint but as a real added value for the business project.

3 DURATION OF THE PROJECT

The funding that can be obtained through this programme will run for a period of two years.

Exceptionally, a final period of maximum 12 months can be granted.

4 FUNDING

The funding covers the following costs:

- *The staff costs, namely 100% of the salary of the researcher-entrepreneur and, if applicable, of his/her alter ego (if this person is assigned on the payroll of the beneficiary) and any support staff necessary for the implementation of the technical objective of the project.*
- *The operating costs related to the scientific / technical objectives of the project;*
- *The cost of supplies and equipment for as long as they are used for the project;*
- *The costs of contractual research, knowledge and patents purchased or licensed from external sources under the condition of full competition as well as the costs of consultancy and similar services used solely for the scientific/technical purposes of the project.*
- *General expenses (10% of salaried staff costs and operating costs)*
- *A budget to support innovation and advisory services (budget related to the economic goal of the project). This includes:*
    1. *A budget that gives the entrepreneur-researcher the opportunity to follow a training course that must be aimed at business management and entrepreneurship (max. €4,000 for 2 years).*
    2. *Costs of:*
        1. *Legal advice, marketing advice, financial and economic advice related to the creation of the spin-off, including the salary of the alter ego, if applicable.*
        2. *Economic demonstrations (trade fairs, customer acquisition, certification, etc.)*
        3. *Patenting (costs associated with acquiring, approving and defending the patent linked to the project).*

In the event that a third year is granted to the Beneficiary, the financial support covers the same eligible costs, except for the costs of business training courses, which will no longer be eligible.

Eligible expenses are explained in more detail in the accounting guidelines on our website. (https://innoviris.brussels/general-accounting-directives).

The subsidy covers 100% of the eligible costs. All expenses must be substantiated by evidence and approved by Innoviris. A contract between the Region and the Beneficiary will specify the expenditure allowed and the payment procedures.

5 SUBMISSION OF YOUR APPLICATION

Applications must be drawn up using the form available on the Innoviris website (www.innoviris.brussels).

They can be submitted at any time by the Knowledge Transfer Office of the applicant research organisation after approval by the latter's authorities. They are sent to the following e-mail addresses: funding-

request@innoviris.brussels and agrosfils@innoviris.brussels. The applications must include the following elements:

- *A Word version of the form*
- *A PDF version including signatures and all appendices*
- *the budget in Excel file.*

Applications submitted in any other form or by any other means will not be considered.

Please note: Please contact the *Knowledge Transfer Office* of your research organisation as soon as possible to prepare your application and plan its submission.

6 HANDLING OF YOUR APPLICATION

6.1 Reception

Upon receipt of your application, Innoviris will send you an acknowledgement of receipt within 5 days of submission of the application.

6.2 Admissibility and initial evaluation

You will then receive a letter within one month informing you of the administrative admissibility of your application.

A dossier is admissible if it is complete, and meets all the criteria defined in the article 18, §6 of the Ordonnance[2], which among other include:

1. *The researcher-entrepreneur must hold at least a Master's degree, be able to justify similar experience or similar competencies.*
2. *The promoter is a professor or a senior researcher of the research institution or is the head of the organization's research department.*
3. *The request must be submitted to Innoviris with the approval of the Rector, the Director of the higher education institution or another person with legal authority to commit the organization*
4. *The project must aim at the valorisation of innovative scientific research results through the creation of a spin-off in the Brussels-Capital Region.*
5. *At least 2 sponsors whose profile fits with the definition of the section 2.4/3 must be involved in the project.*
6. *The applicant must have fulfilled all obligations imposed in the framework of possible previous granting from the Region.*
7. *The project must not start before the support application is submitted.*

In addition, to be eligible for the SPIN-OFF programme, the applicant research organisation must comply with all applicable obligations in the fields of environmental, social and labor law. The entity will ensure that it remains compliant throughout the duration of the project[3].

[2] *L'ordonnance du 27 juillet 2017 visant à promouvoir la recherche, le développement et l'innovation par l'octroi d'aides à finalité non économique en faveur des organisations non marchandes, des organismes de recherche et des entreprises, ci-après « l'Ordonnance ». De ordonnantie van 27 juli 2017 ter bevordering van onderzoek, ontwikkeling en innovatie door de toekenning van steun met niet-economische finaliteit ten voordele van non-profitorganisaties, onderzoeksorganisaties en ondernemingen, hierna "de Ordonnantie".*

[3] *Article 2, §4 de l'Ordonnance. Artikel 2, §4 van de Ordonnantie.*

On the basis of the content and level of detail of the application, the members of a jury must be able to assess the project according to the criteria described in §6.3[4].

When an application is re-submitted (allowed once), it must be sufficiently improved. If not, Innoviris won't propose it to a jury of experts.

6.3 Evaluation

Each admissible project will be evaluated by a jury organised and chaired by Innoviris. This jury will be made up of at least one scientific expert, an expert with a business profile and representatives of Innoviris. When submitting the application, the promoter may indicate whether there are potential conflicts of interest with certain specialists from the sector in question in Belgium or abroad.

Each expert will sign a confidentiality agreement before receiving a copy of the project for prior reading. The evaluation will be made based on the submitted documents and an interview by the jury. The project will be defended by the researcher-entrepreneur, in the presence of his/her promoter, the "sponsors" of the project and, if applicable, an advisor of the Knowledge Transfer Office.

The applications will be assessed on the following criteria:

1. ***Innovation and scientific quality**:*
    1. *Quality of the description of the state of the art and the results obtained.*
    2. *Scientific quality of the preliminary research carried out by the applicant on which the product/process/service is based.*
    3. *Degree of innovation of the product/process/service*
    4. *At the start of the project, there are still experimental development challenges.*
2. ***Feasibility of the project**:*
    1. *A proof of concept[5] of the product/process/service has been obtained.*
    2. *The proposed methodology and planning are relevant to overcome the technological and scientific risks that exist at the start of the project.*
    3. *The business approach is relevant and consistent with the scientific approach.*
    4. *The freedom-to-operate of the product/process/service has been confirmed.*
    5. *The programme is in line with the requested resources and budget.*
3. ***Competencies of the researcher**:*
    1. *The candidate has the entrepreneurial spirit and motivation to carry out all the tasks required to set up the spin-off.*
    2. *The candidate has the scientific and technical expertise needed to achieve the technical objective of the project.*
4. ***Guidance of the researcher**:*
    1. *The research environment is of high quality and the promoter has the technical skills to ensure that the technical objective is achieved.*
    2. *The sponsors' profiles are suitable.*
    3. *The sponsors and the Knowledge Transfer Office are clearly involved.*
    4. *The level of involvement and the mission of the alter ego make it possible to form a suitable technical and economic duo.*

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[4] *Article 12 de l'arrêté du Gouvernement de la Région de Bruxelles-Capitale du 21 février 2019 portant exécution de l'ordonnance du 27 juillet 2017 visant à promouvoir la recherche, le développement et l'innovation par l'octroi d'aides à finalité non-économique en faveur des organisations non-marchandes, des organismes de recherche et des entreprises, ci-après « l'Arrêté d'exécution ». Artikel 12 van het besluit van de Brusselse Hoofdstedelijke Regering van 21 februari 2019 houdende uitvoering van de ordonnantie van 27 juli 2017 ter bevordering van onderzoek, ontwikkeling en innovatie door de toekenning van steun met niet-economische finaliteit ten voordele van non-profitorganisaties, onderzoeksorganisaties en ondernemingen, hierna "het Uitvoeringsbesluit".*

[5] *"Proof of Concept": objective demonstration of the feasibility and reliability of a technology, method or idea through the short, incomplete or small-scale implementation of the technology, method or idea.*

5. ***Economic potential**:*
    1. *The product/process/service clearly responds to an unmet need of the market and distinguishes itself from competing alternatives.*
    2. *The planned valorisation strategy will lead to sustainable benefits for the Brussels-Capital Region in terms of value and employment (size of target market, number of jobs envisaged, activities in the BCR, relocatable or not, etc.).*
6. ***Other possible effects of valorisation on the Brussels-Capital Region, considering the strategic objectives and priority themes defined by the Government.***
    1. *What will be the impact of the creation of the spin-off and marketing of the envisaged product/process/service on the citizen, the environment or the regional ecosystem (partnerships, expertise, strategic areas of activity, ...)?*
    2. *Exemplarity regarding social and/or environmental impact on the Brussels ecosystem.*
        i. *A project is socially exemplary when it makes a significant contribution to one of the following objectives:*
            1. *an adequate standard of living for the most vulnerable categories of people or those with specific needs, including: a) improved access to products and services meeting basic human needs, such as water, including wastewater management, food, housing, healthcare, including care provided in the workplace, education, including vocational training; b) improved access to basic economic infrastructure, including sustainable transport, telecommunications and the Internet, electricity and financial inclusion;*
            2. *the development of quality local employment;*
            3. *the development of social and democratic entrepreneurship;*
            4. *the creation of a more inclusive society.*
        ii. 2. *A project is environmentally exemplary when it contributes significantly to one of the following objectives:*
            1. *a more rational use of resources, in particular through recycling, the practice of the circular economy or the improvement of energy performance, including carbon neutrality;*
            2. *improving environmental impact, particularly with regard to pollutant emissions, mobility, biodiversity and ecosystems;*
            3. *adaptation to climate change.*

Note that the exemplarity criterion is a <u>necessary condition</u> for the funding of SPIN-OFF project. To be selected, a project must therefore at least contribute to one of the exemplary objectives listed above and not be detrimental to any of them. (cf art 4/2 de l'Ordonnance/ art 4/2 van de Ordonnantie).

Innoviris also assesses

- *Equal opportunities. Innoviris assesses whether the project has taken into account the possibility that the theme and/or activities of the project could lead to discrimination against persons directly or indirectly affected, on the basis of gender, ethnic and cultural origin, sexual orientation, gender identity and expression, or origin and social situation.*
- *Ethical implications. Innoviris assesses whether the project has taken into account ethical issues of a legal and supra-legal nature.*

In the event of a positive evaluation, Innoviris will propose to grant the project to Minister in charge of Scientific Research and/or to the Government of the Brussels-Capital Region.

The granting procedure takes approximately 6 months. However, the beneficiary may start its project at its own risk from the first day of the month following the submission of the application. It should be noted that the financing of a selected project may be postponed to the following budget year if the budget available for the SPIN-OFF programme is exhausted. Innoviris informs applicants as soon as possible about the processing time and the status of the administrative process of projects.

6.4 Protection of personal data

The personal data collected by Innoviris, the data controller, by means of this form is used to process your funding application (which involves analysis and evaluation by Innoviris or even external experts). Their processing is necessary to comply with a legal obligation to which the data controller is subject (i.e. article 31/1 of the Ordonnance/ Ordonnantie and article 2,§1 of its arrêté d'exécution/Uitvoeringsbesluit) and to perform a task in the public interest or in the exercise of the public authority vested in the data controller.

No data is shared with third parties without the prior consent of the person concerned or unless a legal obligation obliges Innoviris to do so. Innoviris makes every effort to ensure the confidentiality and security of the data processed. The retention time shall be that necessary to accomplish the purposes of the processing concerned. If you have any questions or wish to exercise your rights under Articles 15 to 22 of the GDPR, please contact dpo@innoviris.brussels or visit our "privacy" webpage.

7 PROTOCOL FOR THE FOLLOW-UP OF PROJECTS

The researcher-entrepreneur is responsible for managing the project follow-up protocol. Compliance with the protocol is necessary for the good progress of the project.

The researcher-entrepreneur and his/her promoter must do their best to ensure that the technology is transferred to the spin-off.

The steering committee shall meet at least 2 times a year on the initiative of the researcher-entrepreneur to evaluate the progress of the project and the perspectives for setting up the spin-off.

1. *After 6 months*

At the end of the first semester, the researcher-entrepreneur and the promoter must submit an electronic copy of an intermediate report presenting the business developments over the previous six months.

You can find an example of this report on the website of Innoviris. The report consists of

- *a few-pages summary of the most important events and business developments of the past semester and their influence on technical development;*
- *a table, elaborated with the Knowledge Transfer Office, with the answers to specific questions asked to allow the results achieved on the business plan to be evaluated. The answers to these questions are seen as the milestones of your project. They are not to be answered theoretically or prospectively, but need concrete and validated answers. Innoviris will evaluate the report. Should the milestones not be achieved, a meeting will be organised between the team, the Knowledge Transfer Office and Innoviris in order to understand the reasons for the delays and to discuss the continuation of the funding.*

2. *After 12 months*

At the end of the first year, the researcher-entrepreneur and his/her promoter must submit the following documents to Innoviris, in one paper copy, recto verso, and one electronic copy:

- *a detailed scientific report on the implementation of the project, the results obtained during the previous 12 months and, where appropriate, any deviations from the initial programme*
- *a detailed report on the economic progress, including an assessment of the economic potential of the project*

- *the minutes of the meetings of the steering committee*
- *the adjustments to the programme for the second year of the project*

The progress of the project will be presented to a follow-up committee, to evaluate the good progress and the correct use of the grant by the research team. The promoter, researcher-entrepreneur, the sponsors and, if applicable, the Knowledge Transfer Office will be invited by this committee.

3. After 18 months

At the end of the third semester, the researcher-entrepreneur and the promoter must submit an electronic copy of the report presenting the business developments over the previous six months.

You can find an example of this report on the website of Innoviris. This document is identical in form to the report to be submitted after 6 months as well as the funding strategy to ensure the transition to a spin-off at the end of the project.

Innoviris will evaluate the report. If the milestones are not reached, a meeting will be organised between the team, the Knowledge Transfer Office and Innoviris to find out why they have not been reached and to determine whether the funding can be continued.

4. After 21 months

The researcher-entrepreneur provides Innoviris with a detailed progress report on the funding strategy (fundraising, incubation, funding applications submitted or to be submitted, etc.).

5. After 24 months

The researcher-entrepreneur and his/her promoter must provide Innoviris with the following documents, in an electronic version:

- *a detailed scientific report on the implementation of the project during the last 12 months with, where appropriate, justification of any deviations from the initial programme*
- *a summary of all the results*
- *a detailed report on the economic progress observed during the previous year (including a business plan and a financial plan)*
- *minutes of the meetings of the guidance committee*
- *a certificate of the training plan*

The final report is evaluated by the follow-up committee, organised by Innoviris.

The figure below illustrates the main stages of project monitoring.

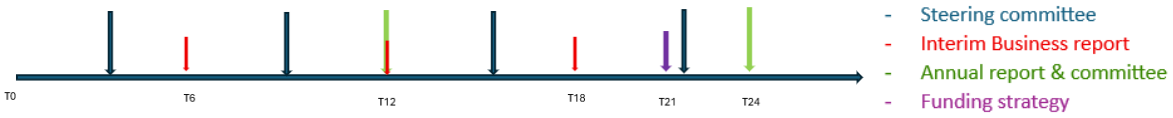


Figure 1: Main stages of project monitoring - steering committees twice a year, Intermediate business report after 6 and 18 months, reporting and annual Innoviris committee, funding strategy-21 months

8 SET-UP OF THE SPIN-OFF

The SPIN-OFF grant awarded to a research organisation is provided under the Ordonnance governing the award of non-economic aid. Consequently, once the spin-off has been established, this funding ends. However, the new company is eligible for grants governed by the Ordonnance du 27 juillet 2017 visant à promouvoir la recherche, le développement et l'innovation par l'octroi d'aides affectées à des finalités économiques en faveur des entreprises et des organismes de recherche assimilés à des entreprises.

The researcher-entrepreneur must immediately inform Innoviris of any activity linked to the set-up of the spin-off.

9 MANAGING OF REVENUES

If an economic activity is operated within the framework of the Project, it must be carried out by the Beneficiary (the research organisation). Any revenue must be immediately reported to Innoviris, which will assess its, and may in light of this:

a) allow the reinvestment of this revenue in the project
b) discontinue funding prematurely.

If Innoviris allows the reinvestment of these revenues, expenses can be made as regards the following items:

- *Staff costs (alter ego, additional technical support staff)*
- *The cost of supplies and equipment for the period that they were used for the project*
- *Operating costs*
- *The costs for contractual research, knowledge and patents purchased or licensed from external sources under the condition of full competition as well as the costs of consultancy and similar services used solely for the purposes of the project.*
- *Legal advice, marketing advice, financial and economic advice related to the creation of the spin-off, including the salary of the alter ego, if applicable.*
- *The costs of economic demonstration (fairs, exhibitions, customer acquisition and certification, etc.).*
- *Patents (assistance in writing the patent, filing costs, etc.)*
- *The costs associated with taking an additional economic training course.*

The Beneficiary makes a sworn declaration that the revenues will be used to incur authorised expenses which are not yet the subject of the awarded grant. All evidence of the expenses incurred with the recorded income may be requested and analysed by Innoviris. Innoviris reserves the right to reduce the grant by the revenues not used in accordance with the regulations set out in this chapter.

The research institution can include a maximum of 15% of the revenues in the general expenses.

10 TERMINATION OF FUNDING

In addition to the situation referred to in point 8, the following circumstances may lead to the termination of funding:

- *the premature discontinuation of the project*
- *the premature departure of the researcher-entrepreneur*
- *non-compliance with the regulations for the follow-up of the project, which were explained in §7;*
- *non-valorisation of the project results in favour of the economy, employment and the environment of the Brussels-Capital Region.*

11 CUMULATION WITH OTHER FUNDING

The SPIN-OFF project cannot be financed by other Belgian, foreign or international institutions for the same authorised expenses.

The researcher-entrepreneur must immediately inform Innoviris of any application for funding or support received from other institutions within the framework of the project for the benefit of the Beneficiary or the spin-off.

If the project receives partial financing from another public institution, Innoviris cannot guarantee financial intervention on its part.

12 CONFLICTS OF INTEREST

The promoter and the researcher-entrepreneur shall take all necessary means to prevent any situation which may compromise the impartial and objective execution of the project, including situations that result in conflicts of interest.

A conflict of interest can arise from financial interests, political or national affinities, family ties or emotional connections, or any other interpersonal or common interests.

Any conflict of interest or any situation that can lead to a conflict of interest during the execution of the project must be immediately reported to Innoviris in writing.

13 FORMS AND INFORMATION

The application form and the following rules are available on the website of Innoviris (www.innoviris.brussels).

For more information, please contact: agrosfils@innoviris.brussels, 02 600 50 66