

SPIN-OFF RULES

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 (MVP¹), concluding the first sales or finalising the fundraising.*

There must be experimental development challenges at the start of the funded projects. These must necessarily make a positive contribution to the development of the Brussels-Capital Region in the long term: social, environmental and/or ecosystem impact in Brussels.

2 TARGET AUDIENCE

2.1 Beneficiary

The Beneficiaries of this programme are research institutions that meet the definition of point 15 ee of the Guidelines for state aid for research, development and innovation 2014/C 198/01 (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

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.

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.

2.3 Alter ego

The formation in due time of a technical-economic tandem with solid scientific and business skills increases the project's chances of success. In order to form this tandem, 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 tandem 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 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 regulations).

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. This period may be extended by one year.

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

4 FUNDING

The first two years cover 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 costs related to the technical objective of the project, namely:*
 1. *The cost of supplies and equipment for as long as they are used for the project;*
 2. *Operating costs*
 3. *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 purposes of the project.*
 4. *Additional operating costs (5% of staff and operating costs).*
- *General expenses (10% of staff costs and operating costs)*
- *A budget to support innovation and advisory services. 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).*

For the third year of the project, the financial support covers the same eligible costs, except for the costs of business training courses, which will no longer be eligible.

The subsidy² 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.

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 previously defined criteria, 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 an 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.*

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.

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

2 If there are extraordinary costs, Innoviris will examine the possibility of financing these on an exceptional basis. Applications for additional funding are drawn up using a form to be requested from Innoviris.

Innoviris will reserve the right to carry out a pre-assessment on the basis of the application dossier alone, according to the criteria described in §6.3 to confirm the relevance of presenting the application to the 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 scientific experts, 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. *The description of the state of the art and the results obtained is of high quality.*
 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 concept³ 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 tandem.*
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.).*

³ "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.

6. **Other possible effects of valorisation (social, environmental and/or on the regional ecosystem)**

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, ...)?*

In the event of a positive evaluation, Innoviris will propose to grant the project to the State Secretary 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. the l'ordonnance à finalité non-économique⁴ and its arrêté d'exécution⁵) 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 developments;*
- *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*

⁴ 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.

⁵ 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, notamment son article 2 §1er .

are seen as the milestones of your project. They are not to be answered theoretically and 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.

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 20 months

At the request of Innoviris, the researcher-entrepreneur will indicate whether he/she intends to submit a renewal application for a third year.

5. After 22 months

If the researcher-entrepreneur has indicated that he/she wish to submit a renewal application, he/she must provide Innoviris with the renewal application form, in one electronic version, including:

- a detailed scientific report on the implementation of the project after 22 months with, where appropriate, justification of any deviations from the initial programme*
- a summary of all the obtained results*
- a detailed report on the economic progress (including a business plan and a financial plan)*
- minutes of the meetings of the steering committee*
- a certificate of the business training plan*
- the detailed programme, planning and budget for the third year of the project*

A jury of experts will evaluate the results and the future programme. Together with the experts, Innoviris will write a document describing the jury's position on the renewal of the project. This document will also contain recommendations in order to increase the project's chances of success. Innoviris will provide the researcher-entrepreneur with this document.

If the project continues, the financial support may be extended for a maximum of one year.

6. After 24 months

If the researcher-entrepreneur and his/her team have not submitted a renewal application, the researcher-entrepreneur and his/her promoter must provide Innoviris with the following documents, in two paper copies, recto verso, and 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.

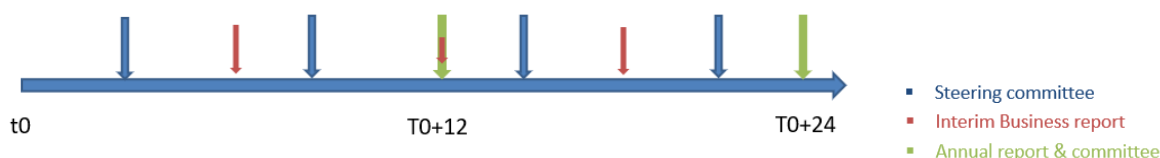


Figure 1: Main stages of project monitoring - steering committees twice a year, Intermediate business report after 6 and 18 months, reporting and annual Innoviris committee

Exceptionally, a final period of maximum 12 months could be requested. This request would be evaluated by a jury of ad hoc experts who would give its opinion on the case and the budget to be allocated.

8 SET-UP OF THE SPIN-OFF

The aim of the SPIN-OFF programme is to support projects that lead to the creation of new businesses in the Brussels-Capital Region. As such, SPIN-OFF funding stops when the spin-off is set up.

However, the spin-off and the SPIN-OFF project can run in parallel

1. if the economic activities are operated by the Beneficiary or;
2. if the first fundraising round needed for starting the economic activities of the Spin-off has not yet been finalised.

When the economic activities of the spin-off have started or the fundraising has been completed, the funding of the SPIN-OFF project will stop. The new company can continue to develop the product, prototype or service within the framework of an experimental development project financed by Innoviris.

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 by the Beneficiary within the framework of the Project, the revenues must be immediately notified to Innoviris, which will verify the nature of these revenues, and may:

- 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 situations 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