



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

1. About the Programme

With the goal of promoting industrial research and development (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 Israel Innovation Authority (IIA) 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 R&D projects aiming 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 the ITC in Hong Kong and the IIA in Israel, and will be promoted to the companies in their own economies by the respective funding 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 R&D projects, involving at least one company from each economy, which include science and technology development which may lead to commercial success, social good and benefit to both economies.

2. Common Requirements & Criteria

Companies and their proposed projects should meet the following requirements and criteria:

- a) At least one science and technology companies from each of the respective economies, fulfilling the eligibility criteria mentioned below, should express a wish to cooperate in the R&D of a new product or a new process.
- b) The project may involve more than one company from each side.
- c) Academic/Research entities are eligible to join as sub-contractors only.
- d) 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.
- e) Companies and projects from different technology fields are eligible to apply.
- f) The project partners should agree in advance on the intellectual property rights (IPRs) and the commercialisation strategy of the product or process in accordance with relevant IPR requirements under the respective government funding schemes.***
- g) The project should demonstrate the contribution of the participants from both economies.

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- h) The project must be balanced between participants and significant to both partners.
- i) The maximum project period is generally up to two years.

Any partner whose cooperative R&D project meets the aforementioned criteria can apply for funding in accordance with the following procedure and requirements.

*****Note:** *At the application stage, an LOI (Letter of Intent) or a preliminary agreement is required. For approved projects, the partner companies would be required to show a signed final agreement that has been entered and signed by the companies indicating details on arrangements relating to IPRs and commercialisation strategy.*

3. Eligibility

Hong Kong Applicants:

Companies should be incorporated in Hong Kong under the Companies Ordinance and registered in Hong Kong under the Business Registration Ordinance. They should not be a government subvented organisation or subsidiary of any government subvented organisation that receives grant from the government on a recurrent basis.

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 funding organisation (either the ITC in Hong Kong or the IIA in Israel) in accordance with the respective laws, rules, regulations and procedures in effect.

In Hong Kong

1. Funding will be provided through the Enterprise Support Scheme (ESS) under the Innovation and Technology Fund (ITF). The total funding support for each approved project will be up to HK\$10 million on a *dollar-for-dollar matching basis*. Recoupment of Government contribution is not required.
2. For more information about funding conditions of ESS, applicants should visit the [website](#) of ITF.

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 IIA 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 Israel Innovation Authority 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 Israel Innovation Authority's [website](#).

5. The Application Process

Applicants are required to follow the local requirements and use the provided application format with instructions and **submit their proposals to the ITC by October 9th, 2020 and the IIA by December 9th, 2020 respectively**. Proposals that are not in the approved format will not be accepted.

In addition to the local application, an LOI and a Bilateral Application Form (BAF) must be submitted by each project partner to their respective funding organisations.

The BAF and LOI must be completed and signed by both Hong-Kong and Israeli partners and must include IP and commercialisation plans for the project.

In Hong Kong

Hong Kong companies are required to **submit their proposals through the ESS to the ITC**. The ESS is open to applications all year round. Hong Kong companies which aim to commence the approved projects in tandem with their Israeli partners, are encouraged to submit an electronic copy of their applications through an online system [ITC Funding and Administrative System](#) **no later than October 9th 2020**. Once the application is confirmed to be duly completed, applicants are required to submit a duly signed and stamped original application form in hard copy to the ITC **by December 9th 2020**.

In Israel

The Israeli partner is required to submit the full IIA application, in accordance with Israel Innovation Authority regulations, through an [online system](#) following the instructions on the relevant Track on the [IIA's website](#). In addition to the local application, an LOI/MOU and a Bilateral Application Form (BAF) must be submitted by Israeli companies.

6. Evaluation and Selection

The ITC in Hong Kong and the IIA 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 the laws and regulations in the respective regions.

The successful projects will be jointly selected by the two funding organisations based on the project criteria and requirements specified in the respective application forms. Companies who receive joint approval will be notified by their local funding organisations.

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Parties whose projects have been selected will be informed of the result and the amount of funding for the successful projects by their respective funding organisations.

7. Timeline & Deadlines

Item	Date
Launch of 1 st Call for Proposals*	July 6 th , 2020
Application Submission Deadline*	December 9 th , 2020
Evaluation Period	December 2020 – February 2021
Notification of Results	March/April 2021

* Applies to applications to the IIA only. Applications to the ESS administered by the ITC is open all year round. Hong Kong companies which aim to commence the approved projects in tandem with their Israeli partners are encouraged to submit the ESS applications in electronic copy by October 9th, 2020 and followed with a duly signed and stamped ESS application form, along with BAF and LOI in hard copy to the ITC by December 9th, 2020.

8. CONTACTS

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