



Factsheet

Independence of Research Partners and Implementation Partners in Innovation Projects funded by Innosuisse

Principle

Research and implementation partners need to be independent from one another in terms of finances and personnel.

According to the implementing provisions, independence is ensured if the natural persons involved in the project on the part of a research partner:

- do not simultaneously work for an implementation partner.
- have no financial interests in the commercial activity of an implementation partner and do not financially support an implementation partner for other reasons.

Legal entities that collaborate as research and implementation partners are considered independent from each other, if neither party holds 20%¹ or more of equity securities of the other partner.

Purpose of the factsheet

The principle of independence needs to be substantiated in practice. Potential applicants need to know which cases are acceptable and which are not.

This **factsheet** aims to offer the necessary guidance.

Transparency

In order to be able to judge, whether the required independence between research and implementation partner exists, relationships and interdependencies amongst people involved need to be reported to Innosuisse.

Applicants and beneficiaries are therefore obligated to report to Innosuisse any circumstances that may affect or hamper independence between the partners of an innovation project. Respective information needs to be documented in the application and addressed either during the application procedure or later during the execution of a project, in short, as soon as such circumstances appear.

Closely related individuals

Close relatives (spouse, parent-child-relationship, siblings) and close friends shall disclose their relationship of their own accord; if they are able to prove their independence from each other in economic terms, a cooperation as research and implementation partners is not compromised.

¹ The limit of 20% is fixed as well in the Swiss tax system for significant participations (Art. 20a DBG or Ordinance on tax relief on dividends for foreign companies with significant participations in Swiss companies), in the accounting rules of the Swiss Code of Obligations for the definition of shareholdings conferring a significant influence (Art. 960d CoO) and by ETHZ for the participation of its professors in start-ups.

Start-ups

Start-ups form a particular category and are very often directly affected by the independence rules of Innosuisse. Innosuisse is committed to supporting start-ups in their formative stages as well as offering support for their innovation projects. Nevertheless, independence rules must always be met.

The following application scenarios are given as guidelines to assess the independence of research and implementation partners:

A. The Start-up is not yet incorporated

Innosuisse has the possibility to support innovation projects without an implementation partner. A research partner that intends to create a start-up later on in order to implement the expected results of an innovation project may submit an innovation project without implementation partner to Innosuisse. The research partner may pursue the innovation project supported by Innosuisse as an innovation project without innovation partner, even if the incorporation of the start-up takes place during the project execution.

B. The Start-up is incorporated

a. The professor or the senior scientist of the research partner is involved in the start-up that acts as implementation partner

Independence rules are considered to have been met, if:

- a. he or she cooperates, executes managerial authority or supervises the innovation project on the side of the research partner, but limits his or her role in the start-up to a consulting activity, fixed in writing and limited in time;
- b. he or she cooperates, executes managerial authority or supervises the innovation project, but has, at any time, equity securities of less than 20%² of the start-up;
- c. he or she is active in the strategic or executive body of the start-up or has a financial stake (including loans and donations) in the start-up that exceeds the limit set forth in part b above, but does not cooperate in, nor execute any managerial authority or supervision over the innovation project.

b. The scientific collaborator of the research partner is (co-)founder or otherwise significantly involved in the start-up

Independence rules are considered to have been met, if:

- a. he or she does not work in the innovation project as a staff member of the research partner;
- b. he or she does work in the innovation project as a staff member of the research partner or does otherwise exert any influence on the execution of the project by the research partner, but does not draw any salary financed by Innosuisse.

Remark: The current legal framework does not make possible any personal unions on a broader scale between research and implementation partners. However, Innosuisse accepts that scientists, who exert no managerial role for the research partner, may be involved in the innovation project as a staff member of the research partner, as long as they do not touch any salary financed by Innosuisse. Innosuisse is striving for an amendment of the legal regulations in order to allow Innosuisse to offer project support directly to start-ups before their market entry.

ega, 27.08.2019

² The limit of 20% is fixed as well in the Swiss tax system for significant participations (Art. 20a DBG or Ordinance on tax relief on dividends for foreign companies with significant participations in Swiss companies), in the accounting rules of the Swiss Code of Obligations for the definition of shareholdings conferring a significant influence (Art. 960d CoO) and by ETHZ for the participation of its professors in start-ups.