

No. 75 from 29 March 2007 Act on Government Support for Technology Research, Innovation and Industry Development

Entered into effect on 1 August 2007.

CHAPTER I. Innovation Centre Iceland

■ Article 1 Administration

□ The Innovation Centre Iceland is a special Agency that appertains to the Minister of Industry.

■ Article 2 Role and activities

□ The role of Innovation Centre Iceland is to strengthen the competitive position of Icelandic industry and to increase the quality of life in Iceland. This entails:

a. Disseminating knowledge and give support to innovators, start-up companies and innovative enterprises;

b. Engaging in technology research, product development, analytical work, testing, measuring and accrediting.

□ Innovation Centre Iceland must also handle other administrative tasks which the agency is required to do under the law or according to government directives or the Minister's decisions.

□ The Iceland Innovation Centre must take account in its operations of the policies of the Science and Technology Policy Council.

■ Article 3 The Director and other personnel

□ The Minister shall appoint the Director of Innovation Centre Iceland for a term of five years. The Director is the manager of the Centre and of its daily operations. The Director recruits other employees for the Centre and determines their job responsibilities.

■ Article 4 Servicing start-up companies and innovative enterprises

□ Innovation Centre Iceland shall provide information and guidance in connection with the founding of and operation of start-up companies and innovative enterprises. A variety of services and support projects must be offered that encourage product development, innovation, the exploitation of designs and formulation of business ideas.

□ Innovation Centre Iceland is responsible for the following tasks:

a. Initiating collaborations with those government entities that form the supporting system for innovation in industry;

b. Forming specific support projects that contribute to improvements in the operation of small- and medium-sized companies and the advancement of new business ideas that grow out of personal ingenuity or the research and development done by universities, businesses and other institutions;

c. Operating an incubator centre for innovators,

d. Handling the dissemination of all kinds of practical knowledge about the founding of and operation of businesses;

e. Enhancing the influence of design in the Icelandic economy and increasing awareness among corporate entities of the importance of design in innovation and growth;

f. Acting as a point of contact for those who perform basic research and applied research that may lead to innovation in industry;

g. Promoting cooperation among research institutions, universities, businesses, investors and industrial development associations;

h. Sharing knowledge about domestic and foreign technical innovations and techniques for improving productivity;

i. Handling collaborations with domestic and foreign institutions that perform similar roles.

■ Article 5 Icelandic Technology Research

□ Research organised by the Iceland Innovation Centre shall be organised under the name Icelandic Technology Research.

The activities of the Centre shall take into account the resolutions of the Science and Technology Policy Council that focus on applied research and product development for the benefit of innovation in industry and basic research in defined areas that are vital for the national economy. The activities shall contribute to technology transfer and the adjustment of knowledge for the benefit of Icelandic industry.

□ Icelandic Technological Research is responsible for the following tasks:

a. Technology research that may lead to an increase in innovation, increased productivity and improved competitive position of industry;

b. Technological development, technology transfer and technology adoption in close collaboration with businesses and branches of industry;

c. It will possess the facilities and skills to undertake research in new fields of research that have or will have a determining impact on the progress of Icelandic industry;

d. Consulting, measuring, testing and certification.

■ Article 6 Advisory Committee

□ An eight-member Advisory Committee appointed by the Minister of Industry for a term of three years shall be engaged at the Iceland Innovation Centre. One of the Committee members shall be nominated by the Federation of Icelandic Industries, one by the Confederation of Icelandic Employers, one by the Standing Committee of the Rectors of Icelandic Higher Educational Institutions, one by the Icelandic Confederation of Labour, one member by the Technology Committee of the Science and Technology Policy Council, one member by the Association of Chartered Engineers in Iceland, one by the Minister of Education and finally the Minister shall appoint one member without nomination. The Committee elects its own chairman. The Director of the Iceland Innovation Centre and a representative of Icelandic Technological Research shall attend the meetings of the Committee. The Committee acts in an advisory capacity to the Minister and Director concerning technical issues that are linked to strategic planning of technological research and concerning the selection of the more important work projects, as well as being the point of contact for stakeholders.

■ Article 7 Shares in research and development companies

□ The Iceland Innovation Centre is authorised to establish, own, operate and sell companies that provide counselling, research, product development and production on a commercial basis in a competitive market. This authorisation is restricted to public limited companies or other types of corporations where the personal liability of the owners is limited.

■ Article 8 Authorisation to charge fees

□ In order to meet the costs of research, consulting, offering learning courses and certification, the Iceland Innovation Centre may charge service fees.

■ Article 9 Income

□ The income of the Iceland Innovation Centre is as follows:

a. Contributions from the Treasury as determined in the national budget;

b. Service fees according to the organisation's rate list;

c. Financial revenue;

d. Revenue from the sale of participating interests;

e. Other income.

CHAPTER II. Technology Development Fund

■ Article 10 Role

□ The Technology Development Fund is a special fund that appertains to the Minister of Industry. The technical management of the Technology Development Fund shall be contractually commissioned to an independent entity.

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a. Strengthening technological development and linked research for the benefit of innovation in industry, including in collaboration with universities, businesses and other institutions;

b. Strengthening the build-up of start-up companies and working in partnership with them during the first stages of innovation;

c. Financing initiatives and target plans within separate technology fields in order to reinforce the technological foundation of the various industries, their individual branches or their branch divisions;

d. Supporting small projects by individuals and small enterprises that are likely to be job creating and income generating and commercially viable, notwithstanding the initial risks;

e. Paying the cost of analytical research on the status of innovation and the preparation of plans to strengthen innovation.

■ Article 11 Income

□ The Technology Development Fund's revenue is as follows:

a. Budget allocations;

b. Income from the sale of participating interests in start-up companies that the Fund has acquired;

c. Contributions from domestic and foreign partners;

d. Other contributions.

■ Article 12 Board

□ The Board of the Technology Development Fund consists of eight members appointed by the Minister of Industry for a term of three years. Two of the members are appointed in accordance with nomination by the Confederation of Icelandic Employers, one member according to nomination by the Science Committee of the Science and Technology Policy Council, one member according to nomination by the Minister of Agriculture, one member according to nomination by the Minister of Fisheries, one member according to nomination by the Federation of Icelandic Industries, and the Minister appoints one member without nomination.

□ Alternates shall be nominated in the same manner. The Minister of Industry appoints the Chairman and Vice Chairman to the Fund's Board from the group of Board Members.

■ Article 13 The role of the Board and the Industry Professions Councils of the Technical Development Fund

□ The Board of the Technology Development Fund determines the focal points for the Fund in accordance with the Fund's defined role, cf. Article 10. The Board makes decisions concerning Fund disbursements after receiving references from the Industry Professions Councils, which the Science Committee of the Science and Technology Policy Council appoints for a term of two years. The Industry Professions Councils act in an advisory capacity regarding industry-specific professional matters with respect to grants from the Technology Development Fund. At the same time, the Industry Professions Councils act in an advisory capacity for the Science and Technology Policy Council and their sub-committees as requested.

□ The Board seeks advice from other sources, in addition to what the Industry Professions Councils are able to provide, if the Board thinks it necessary. Those who are appointed to the Industry Professions Councils shall have extensive experience in the field of technology development and innovation. The appointees shall

□ The role of the Fund is to support development work and research in the field of technology development aiming at innovation in Icelandic industry. The Technology Development Fund is authorised to finance innovative projects in accordance with the basic policy of the Science and Technology Policy Council by:

neither be members of the Science and Technological Policy Council, nor of the Board of the Technology Development Fund.

□ In the event of a vote by the Board of the Technology Development Fund resulting in even votes, the Chairman's vote shall determine the outcome.

□ The cost of evaluating applications and of operating the Fund must be paid out of its annual disposable funds.

□ Resolutions that are passed concerning the awarding of grants from the Technology Development Fund are final at the administrative level.

■ Article 14 Rules for awarding grants

□ The Technology Development Fund's policy for awarding grants shall be in compliance with the focal point of the Science and Technology Policy Council. The Board of the Technology Development Fund sets rules for applications, their evaluation and for the procedures. These rules must indicate the pre-conditions for applications and the focal points of the Science and Technology Council.

CHAPTER III. Miscellaneous provisions

■ Article 15 Regulations

□ The Minister may further prescribe the activities of Innovation Centre Iceland through regulations, and the activities and operation of the Technology Development Fund and the implementation of this Act.

■ Article 16 Entry into force and repealed acts

□ This Act shall take effect on 1st August 2007.

■ Article 17 . . .

Temporary provisions

■ I Those employees of the Technological Institute of Iceland and the Icelandic Building Research Institute who are employed at the time of entry into effect of the Act shall have the right to a job at Innovation Centre Iceland under the same employment terms that applied earlier. The provisions of Article 7 of the Act on the Rights and Obligations of Government Employees No. 70/1996 do not apply to jobs that are filled under this provision.

■ II Innovation Centre Iceland takes over the assets, rights and obligations of the Technological Institute of Iceland and those of the Iceland Building Research Institute.

□ The Technology Development Fund shall retain the assets and obligations of the Technology Development Fund, which operates under Articles 4-8 of Act No. 4/2003 on Government Support of Technological Development and Innovation in Industry.

■ III Notwithstanding the provisions of Article 16, the Minister may immediately appoint the Director of Innovation Centre Iceland, and the Director shall be authorised to prepare the entry into effect of the Act, including to offer employment to the employees of the Technological Institute of Iceland and those of the Iceland Building Research Institute with Innovation Centre Iceland from 1 August 2007, cf. interim provision I.

■ IV The Minister of Industry shall appoint a committee which will be commissioned to assess the legal form of Innovation Centre Iceland, i.e. whether a legal form other than direct state ownership may be more suitable for the activities of the organisation as a whole or in part. The Committee shall complete its work before the end of 2009.