

PROMOTION OF INDUSTRIAL RESEARCH, PRE-COMPETITIVE DEVELOPMENT, INNOVATION AND TECHNOLOGICAL TRANSFER

TITLE I GENERAL PROVISIONS

Art. 1 (Subject and purpose)

The Republic of San Marino believes that research in industry and technology bear a strategic value for the development of the economy. This law regulates all the actions taken to support research, innovation and technological transfer.

Art. 2 (Objectives of the law)

With a view to supporting innovation for the productive systems and promoting programs for research, innovation and technological transfer to the productive system, a specific item of expense in the State Budget is allocated to finance the initiatives described in the following article 7 of this law.

This law promotes initiatives aimed at:

- a) developing the San Marino productive system towards industrial research, technological transfer and innovation, respecting environmental sustainability and also with reference to improvements in production and energy consumption, helping companies and pools of companies to take an active role in the national and international research activities and structures, as well as implement research achievements through the establishment of new enterprises;
- b) transferring technological know-how and expertise and using human resources in universities, research centres, enterprises and research activities;
- c) jointly developing a network of initiatives, activities and structures for industrial research and technological innovation.

Art. 3 (Definitions)

For the purposes of this law:

- a) fundamental research means
 - the activity aiming at the improvement of scientific and technical knowledge;
- b) applied research or research with industrial purposes, hereinafter referred to as industrial research, means
 - planned research;
 - experimental applications or thematic investigations aiming at acquiring new knowledge to devise new products, productive processes and services or entailing a

considerable improvement to existing products, productive processes or services in the short and medium term;

- research oriented towards environmental sustainability, in productive cycles and final products, in materials, production and energy consumption;
- c) activity of pre-competitive development means
- the translation of the results achieved in industrial research into a plan, a project or a design to devise new products, productive processes or services or to improve existing ones, whether for sale or direct use, including the creation of prototypes; this activity does not include modifications, even if performance-enhancing, ordinary or periodical, to existing products, production lines, manufacturing processes and services;
- d) innovation means
- the renewal and widening of the range of products and services;
 - the implementation of new methods for production, supply and distribution;
 - the introduction of changes in work management, organization and conditions as well as in related workers' qualifications;
- e) technological transfer means
- the transfer of knowledge and technologies among research institutes and the industrial system and among enterprises to promote the acquisition and circulation of information and the availability of specific technical skills;
- f) research laboratories and technological transfer means
- the facilities established to carry out industrial research and innovation projects, as well as specialised functions for technological transfer;
- g) public or private innovation centres mean
- the facilities established to carry out technological transfer activities and services, including training.

TITLE II COMPETENT BODIES

Art. 4 (Five-year program for research)

The Congress of State through the Secretariat of State responsible for Research shall prepare the technical and political guidelines for the definition of a five-year program for industrial research, pre-competitive development, innovation and technological transfer; to set priorities in the division of funds allocated every year for the objectives described in article 2 of this law.

On the basis of the guidelines contained in the plan referred to in the first paragraph of this article, the Panel of Expert Assessors (PEA) shall ascertain that the project complies with the requirements necessary to obtain financing, as defined in the following article 6. The economic-financial characteristics shall be specified by a Regency's Decree.

Art. 5 (Panel of Expert Assessors)

The Congress of State shall appoint the Panel of Expert Assessors (PEA) which shall include six members. At least the majority of its members shall be San Marino citizens or residents in the Republic of San Marino and shall meet the following requirements:

- enjoying civil and political rights;
- not having been convicted of non-negligent crimes for which a final criminal sentence has been pronounced entailing an imprisonment term of not less than two years.

Two of the six members shall be appointed by the Secretariat of State responsible for Research, two members shall be chosen among the Professors of San Marino University, two members shall be chosen among the representatives of San Marino organisations, structures, initiatives operating in the field of industrial and scientific research. The expert assessors shall be chosen among individuals of renowned scientific, technological, economic-financial or entrepreneurial experience.

The Panel of Expert Assessors shall also be responsible for verifying the different stages of the project development and monitoring the attained results.

Art. 6
(Evaluation parameters)

In particular, the Panel of Expert Assessors shall express a binding opinion on the research projects submitted, which shall fulfil the following parameters:

- a) novelty and originality of the knowledge to be acquired with respect to the state of the art;
- b) usefulness of the same knowledge for product and process innovations enhancing competitiveness and development;
- c) adequacy of the costs indicated for the creation of the prototype;
- d) developments of the activities proposed, by taking into consideration both their development schedule and their nature referred to in art. 2;
- e) absence of other public financing for the same project as well as the financial plan, divided into phases, of the whole project submitted;
- f) the financial and economic capacity of the applicant on the basis of the procedures used to realise the project submitted;
- g) the impact which the project submitted by the applicant may have on economy and/or employment.

TITLE III
ACTIONS

Art. 7
(Purposes of the actions)

Supporting actions are aimed at:

- a) activities of industrial research and pre-competitive development aimed at technological product and process innovation;
- b) the creation of preliminary and executive projects for activities concerning pre-competitive development, innovation or technological transfer.

Art. 8
(Persons entitled)

Juridical persons established and recognised under San Marino law.
San Marino University and Public Entities which intend to develop activities of industrial research, pre-competitive development, innovation and technological transfer together with the persons referred to in the first paragraph.

Art. 9
(Forms of funding accepted)

In order to implement the actions set forth in this law, the State offers tax incentives in form of tax credits, favourable credit terms and tax allowances, in the ways and measures envisaged in implementing regulations, to be issued through delegated decrees. 1

Art. 10
(Financial coverage)

The financial charges connected to the funding of the activities referred to in article 7 and envisaged in the preceding article, are mentioned in the specific Chapter of the State Budget.

Art. 11
(Implementing Regulation)

The Congress of State shall adopt, through delegated decrees, a specific implementing regulation which shall identify the forms of assessment, the modalities to submit and finance research projects.

New text of art. 11 introduced with Law N° 129 of 21 December 2007.

Art. 12
(Coordination and Promotion of Research Activities)

The Office for the Coordination and Promotion of Research Activities is established in order to steadily support and coordinate the activities connected to national and international bodies which support and promote research in industry, as well as the activities connected to the undertaking of projects of industrial research in particular in the framework of international cooperation.

The Office shall also support San Marino companies or research institutes which intend to carry out activities of industrial research, pre-competitive development, innovation and/or technological transfer according to guidelines contained in the five-year program for research, as it is envisaged in article 4 of this law.

For administrative purposes, the Office is located at the Department of the Secretariat responsible for Research.

As long as a specific staff is not recruited for the Office for the Coordination and Promotion of Research Activities in the framework of the reorganisation of the services of

the State's offices, the Office shall rely on the personnel already working at the Department which is competent for Research.

Art. 13
(Entry into force)

This law shall enter into force on the fifth day following that of its legal publication.