

International Collaborative Research Grant Rules

1 Grant Objective

The aim of the International Collaborative Research Grant (“Grant”) under these rules is to provide research teams composed of leading Japanese and overseas researchers with the necessary funds to conduct research and development for the cultivation of new business in the fields communications and broadcasting (“research and development of advanced technology”) through the rendering of service that uses the research results, or other improvements in the method of rendering service. The Grant is administered under the auspices of the National Institute of Information and Communications Technology (“NICT”). NICT provides the necessary grant device within budget limits to contribute to international research and development collaboration, international standardization, and the creation of new business in the fields of communications and broadcasting.

2 Definitions

The following terms are defined for use in these International Collaborative Research Grant Rules (“Grant Rules”).

- (1) “International Collaborative Research Team” (“Research Team”) is a group whose members study a subject by either joint or individual assignment.
- (2) “Research Coordinator” is the representative of a Research Team.
- (3) “Project” is a plan carried out by a Research Team for the research and development of advanced technology and eligible to receive the Grant.
- (4) “Grantee” is the organization a Research Coordinator belongs to. The organization is located in Japan.
- (5) “Grant Period” is the time during which the Grant is provided.

3 Grant Coverage

NICT offers the Grant to the Grantee to cover the funds necessary for the research and development of advanced technology.

4 Requirements of Research Team

A Research Team must satisfy the following requirements.

- (1) A Research Team must be composed of four or more researchers.
- (2) A Research Team must be composed of researchers from more than one country including Japan.
- (3) A Research Coordinator must be appointed to represent a Research Team. The Research Coordinator must represent the Research Team and play a leading role in drawing up and implementing the research plan.
- (4) Each researcher on a Research Team must belong to a research institute*. Each affiliated research institute must be located in Japan and overseas.

5 Selection Criteria of Grantee

To select a Grantee, NICT uses the provisions below in this article as a point of reference.

- (1) A Research Team must possess sufficient research and development capability to carry out the Project properly.
- (2) A research and development subject must satisfy each of the following requirements:
 1. Creativity: the research must be creative and based on an original idea.
 2. Effectiveness: through the organic integration of advanced technology from Japan and overseas, the research must be a highly effective international collaboration that contributes to international standardization and the creation of intellectual property.
 3. Wide applicability: the new fields of business created by the developed technology must have high growth potential, or the developed technology must have the potential for wide application in the fields of communications and broadcasting.
- (3) A Grantee has difficulty funding research and development activities without support.
- (4) A Grantee must have the financial capability to cover the portion of the costs necessary for proper implementation of the Project to be borne by itself.
- (5) A Grantee must have an appropriate system and sufficient capability to manage accounting and other affairs concerning a Project.

6 Type of Grant Period

The two types of Grant Period are single year and multi-year.

7 Eligible Costs

- (1) The costs eligible for the Grant (“Eligible Costs”) are the expenses necessary to carry out a Project in accordance with the items specified in Attachment 1.
- (2) The Grant portion for the indirect costs is offered only when it is possible for the Grantee to receive such indirect costs. The indirect costs must be expended properly under the responsibility of the head of the institute that receives such indirect costs (“Indirect Costs Receiving Institute”).

8 Grant Amount

The amount of the Grant is limited to the sum equivalent to 50% of the direct costs (10 million yen if such amount exceeds 10 million yen in a fiscal year) plus the indirect costs (up to 30% of the direct costs of the grant amount). Fractions less than 1,000 yen in the amount are rounded off.

9 Grant Application

- (1) An applicant seeking to obtain the Grant must select a type of Grant Period in accordance with Article 6 and submit to NICT an Application for International Collaborative Research Grant (Form 1, including the attached documents).
- (2) The Grantee who receives a multi-year Grant Period may apply for one grant extension during but not exceeding the second fiscal year of the Grant Period. In such case, the Grantee must submit to NICT an Application for International Collaborative Research Grant Extension (Form 2, including the attached documents).
- (3) The applicant seeking to obtain the Grant in accordance with paragraphs (1) and (2) above must state the amount requested after deducting the tax credit for consumption and local consumption taxes on purchase relating to the Grant (the amount of the consumption and local consumption taxes that are deductible as the tax credit for consumption and local consumption taxes on purchase under the provisions of the Law for Partial Amendment of the Income Tax Law and the Consumption Tax Law (1994 Law No.109) and the Law for Partial Amendment of the Local Tax Law (1994 Law No.111) multiplied by the grant rate). This provision does not apply if the amount of the tax credit for consumption and local taxes on purchase is not clearly known at the time of application.

10 Grant Decision and Notification

- (1) After an application is filed in accordance with Article 9 paragraphs (1) or (2), NICT makes a grant decision that does not exceed two fiscal years, taking into

consideration the result of a review by the NICT Screening Committee composed of external experts.

- (2) After a decision to approve funding is made under paragraph (1) above in accordance with Article 9 paragraph (1), NICT notifies the applicant through a Notification of Award of International Collaborative Research Grant (Form 3).
- (3) After a decision to approve funding is made under paragraph (1) above in accordance with Article 9 paragraph (2), NICT notifies the applicant through a Notification of International Collaborative Research Grant Extension (Form 4).
- (4) When making a decision to approve funding in accordance with paragraph (1) above, NICT may modify any item of the grant application or add conditions, if necessary.
- (5) After making a decision to deny funding, NICT notifies the applicant through a Notification of Denial of International Collaborative Research Grant (Form 5).

11 Application Withdrawal

- (1) An applicant who receives notification in accordance with the preceding article and is not satisfied with the contents of the grant decision or the conditions imposed on the Grant may withdraw the application.
- (2) The applicant who intends to withdraw the application in accordance with paragraph (1) above must notify NICT in writing to that effect within 20 days after the delivery of the notification provided in the preceding article.
- (3) If the application is withdrawn in accordance with paragraph (2) above, a grant decision on the application is considered not to have been made.

12 Approval of Plan Modification

- (1) A Grantee must submit to NICT a Request for Approval of Modification of Project Plan for International Collaborative Research Grant (Form 6) to obtain approval prior to initiating any of the events listed below. This provision does not apply to a trivial modification that does not change the amount of the Eligible Costs.
 1. A change in the amount of the Eligible Costs (except where the amount allocated to an item of the direct costs is appropriated to another other item and such appropriated amount is less than 20% of the smaller amount of either item)
 2. The Discontinuation or the dissolution of the Project
 3. A change of researchers on the Research Team
 4. A researcher on the Research Team changes the institute belongs to
 5. A change in the contents of the research and development
 6. A shortening of the Grant Period

7. In the case of a multi-year grant decision, a change in the amount of the Eligible Costs in each fiscal year
- (2) In accordance with paragraph (1) above, NICT conducts an inspection upon receiving the Request for Approval of Modification of Project Plan for International Collaborative Research Grant. If, as a result, NICT recognizes the modification as appropriate and approves it, the applicant will be notified through a Notification of Request for Approval of Modification of Project Plan for International Collaborative Research Grant (Form 7).
- (3) When giving approval in accordance with paragraph (1) above, NICT may modify the details of the grant decision or impose conditions on the Grant, if necessary.

13 Change in Institute Research Coordinator Belongs to

- (1) If a Research Coordinator changes the institute he belongs to and after the change wants to continue implementing a Project at the new institute, immediately after the change, the new institute the Researcher belongs to must submit a Transfer Approval Application (Form 8) to NICT for approval.
- (2) After receiving the Transfer Approval Application in accordance with paragraph (1) above, NICT reviews it. If, as a result, NICT recognizes the application content as appropriate and approves it, the applicant will be notified through a Transfer Approval Notification (Form 9).

14 Property Management, Books and Records

- (1) A Grantee must manage the equipment acquired through the Grant (“Acquired Property”) with the care of a good manager.
- (2) A Grantee must maintain books and other records for the portion of a Project under his responsibility, clarify the division of accounting roles, and constantly render account of receipts and disbursements.
- (3) A Grantee must keep the books and records in accordance with paragraph (2) above for five years after the completion of the Project or until the approval of its dissolution.

15 Restriction on Disposal

After the completion of a research and development Project, the Grantee must obtain prior approval from NICT for using, assigning, exchanging, leasing, or pledging any Acquired Property (e.g. machinery, implement) whose acquisition value or additional

utility value is 500,000 yen[※] or over for any purpose contrary to the objective of the Grant. This provision does not apply to property subject to disposal restrictions on Attachment 2 after the expiry of the restriction period specified for each item of property.

16 Accident Report

If a Project is unlikely to be completed within the planned period or has become difficult to carry out, the Grantee must submit a report to NICT describing the situation, the reason for it, and the future prospects. The Grantee must then follow the directions of NICT.

17 Status Report

If requested, a Grantee must prepare a project status report and submit it to NICT.

18 Achievement Report

- (1) For a single-year Grant Period, after completing a Project, or after receiving approval to dissolve the Project in accordance with Article 12 paragraph (1), a Grantee must prepare an achievement report summarizing the results of the Project. The Grantee must submit to NICT within 30 days after completing, or after receiving approval to dissolve, the Project, or at the end of the fiscal year, whichever is earlier.
- (2) For a multi-year Grant Period, after completing each fiscal year of a Project, or after receiving approval to dissolve the Project in accordance with Article 12 paragraph (1), a Grantee must prepare an achievement report summarizing the results of the Project. The Grantee must submit the report to NICT within 30 days after completing, or after receiving approval to dissolve, the Project, or at the end of the fiscal year, whichever is earlier.

19 Determination of Grant Amount

NICT reviews an achievement report in accordance with the preceding article and may conduct a field audit, if necessary. If the achievements of a Project are found to be consistent with the contents of the grant decision and they satisfy the attached conditions,

[※] Under Document No. 1618 entitled “The Scope of Machinery and Main Implements Designated by the Heads of Government Ministries Based on Article 22 of the Law Concerning the Proper Implementation of a Grant Budget in Accordance with Article 13 Enforcement Order No. 4 of the Law,” (Attachment) by the Budget Bureau, Ministry of Finance on May 12, 1971

NICT will acknowledge the completion of the Project, determine the final amount of the Grant, and notify the Grantee.

20 Grant Payment

After determining the final amount of the Grant in accordance with the preceding article, NICT makes a grant payment, which may be made as a rough estimate, if considered necessary.

21 Research Report

- (1) Within two months after the completion of a Project, NICT has the Grantee submit a report on the results of research and development during the Grant Period (“Research Report”).
- (2) If a grant decision is revoked in accordance with Article 24, NICT has a Grantee submit a Research Report for the period up to the receipt of the notification of revocation (or, in the case of approval of discontinuation or dissolution under Article 12 paragraph (1), for the period up to the approval).

22 Research Result Report

- (1) NICT has a Research Team announce research project results at academic meetings or in academic journals within two years after the end of a Grant Period. The announcements clearly state the research and development was made possible through NICT funding.
- (2) If the research results are announced in accordance with the preceding paragraph, NICT has the Research Team submit a document or a publication showing the announcement content.
- (3) If the Research Team is not able to announce the research results within the period specified in paragraph (1) above, the Research Coordinator must report the reason to NICT.
- (4) For five years after the completion of the Grant Period, the Research Team must prepare an annual report within 20 days after the end of each accounting year about the Project’s ongoing impact (e.g. contribution to international standardization, application for industrial property rights, commercialization of research results) over the past year. The Research Team must submit the report to NICT.

23 Revenue Payment

- (1) In accordance with the report stipulated in Article 22 paragraph (4), if a Grantee receives considerable revenue from the commercialization of research results, NICT will order the Grantee to pay all or part of the amount of the Grant.

- (2) In accordance with the preceding paragraph, NICT may order the Grantee to pay up to but not exceeding the stipulated amount of the Grant.
- (3) NICT may order the Grantee to make revenue payments for five years beginning the year after the year of completing the research and development Project.

24 Grant Revocation

- (1) When approving the discontinuation or the dissolution of a Project in accordance with Article 12 paragraph (1), NICT may revoke all or part of the grant decision.
- (2) If the Grantee, or a member of the Research Team, violates a condition attached to the grant decision or a provision of these Grant Rules, NICT may completely or partially revoke the grant decision.
- (3) The preceding paragraph applies even after the determination of the grant amount in accordance with Article 19.

25 Grant Return

- (1) If a grant decision is revoked in accordance with the preceding article and the Grant has already been paid, NICT will decide on a deadline and demand repayment.
- (2) If an amount has already been paid that exceeds the amount determination in accordance with Article 19, NICT will decide on a deadline and demand repayment of the excess part.
- (3) If a grant decision is revoked under Article 24 paragraph (2) and a repayment request is received in accordance with paragraph (1) above, a Grantee must pay a surcharge on the amount of the Grant at an annual rate of 10.95%* for the number of days from the day of receipt of the Grant to the day of repayment.
- (4) If the Grant is not repaid and the surcharge is not paid by the deadline, the Grantee must pay a delinquent charge on the period of nonpayment at an annual rate 10.95%*.

26 Indirect Costs Allocation Report

- (1) An Indirect Costs Receiving Institute must properly allocate indirect costs in accordance with the Common Guidelines for Allocation of Indirect Costs of Competitive Fund (an agreement at the liaison conference of government ministries concerned with the competitive fund dated April 20, 2001).

* Under the rate provision stipulated in Article 19 of the Law Concerning the Proper implementation of a Grant Budget

- (2) The Indirect Costs Receiving Institute must prepare an indirect costs allocation report in accordance with the Common Guidelines in the preceding paragraph and submit the report to NICT by June 30 one year after each year of the Grant Period.

27 Other Necessary Items

If there are other necessary items related to the Grant in addition to these Grant Rules, NICT will decide on each item separately.

Items and Extent of Eligible Direct Costs

Item	Extent of the costs eligible for the grant
<p>I Cost of Equipment</p>	<p>(1) The cost of purchasing, leasing, and renting machinery and equipment necessary for the research and development activities (including parts and other components of machinery that are not covered by the cost of goods).</p> <p>(2) The cost of manufacturing, altering (including design), repairing machinery and equipment necessary for carrying out research and development activities. Some costs under (1) and (2) above may not be covered by the Grant, such as basic machinery and equipment that are clearly owned at the research site.</p> <p>(3) The cost of constructing, modifying, purchasing, and renting buildings (including the cost purchasing accessory facilities to buildings such as gas, water, heating, lighting, and ventilation) that are used exclusively for the research and development activities covered by the grant application, and indispensable for the same, excluding the deposit, the security money, and the key money.</p>
<p>II Travel Expenses</p>	<p>The expense of traveling to collect information and data and to conduct various surveys necessary for the research and development activities, the expense of traveling to attend study meetings and consultations, and the expense of traveling to attend academic meetings to present the research results achieved with the Grant, including the expense of transportation (for the shortest route to and from the destination) and accommodation.</p>
<p>III Fees and Other Service Expenses</p>	<p>To conduct research and development, the fees (remunerations) to people who cooperate by providing expert knowledge and collecting information, and the expenses of people who support experiments and arrange materials at the research site for a certain period (other service expenses).</p>
<p>IV Printing and Copying Expenses</p>	<p>The expenses of preparing the Research Report and other documents necessary for research activities.</p>
<p>V Meeting Expenses</p>	<p>The expenses of holding meetings such as the rent of the conference room.</p>
<p>VI Miscellaneous</p>	<p>The expenses of materials and supplies, material processing and analysis, communication and transportation, and other expenses not listed above (e.g. computer rental, database access, machinery repair, attendance at academic meeting, reference material) that are recognized as necessary for the research and development activities.</p>