

## Translation



The following document, issued by the Chinese Academy of Sciences (CAS), describes CAS' efforts to encourage its scientists to find practical applications for their technological innovations. The guidelines laid down in this document aim to incentivize PRC scientists to engage in entrepreneurship, even if it means they leave CAS.

### Title

Guiding Opinions of the Chinese Academy of Sciences on Accelerating the Promotion of Transfer and Conversion of Scientific and Technological Achievements  
中国科学院关于新时期加快促进科技成果转化指导意见

### Author

The Bureau of Science & Technology for Development (科技促进发展局) of the Chinese Academy of Sciences (CAS; 中国科学院; 中科院). CAS is a huge PRC government-run complex of scientific research institutes.

### Source

CAS website, August 23, 2016.

The Chinese source text is available online at:

[https://web.archive.org/web/20201119203456/http://www.cas.cn/tz/201608/t20160823\\_4572052.shtml](https://web.archive.org/web/20201119203456/http://www.cas.cn/tz/201608/t20160823_4572052.shtml)

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The 18th Party Congress expressly proposed implementing the innovation-driven development strategy. These *Guiding Opinions* have been formulated in order to accelerate the conversion of technologies into real productive forces (生产力), effectively boost the ability of the Chinese Academy of Sciences (CAS) to transfer and convert scientific and technological (S&T) achievements into practical applications (科技成果转化), and fully utilize the role of S&T in supporting and leading economic and social development.

## I. Guiding Ideology

(1) CAS shall encourage its affiliated organizations to emancipate their minds (解放思想), seek truth from facts, actively explore effective initiatives well-suited to national scientific research institutions, and accelerate promotion of the transfer and conversion of S&T achievements into practical applications, in accordance with the *Law on Promoting the Conversion of Scientific and Technological Achievements*, *Several Provisions on Implementing the "Law of the People's Republic of China on Promoting the Conversion of Scientific and Technological Achievements"* issued by the State Council, and the *Action Plan for Promoting the Transfer and Conversion of Scientific and Technological Achievements* issued by the General

Office of the State Council, and in accordance with the Directive for Running CAS in the New Period and the direction of scientific research institution reform.

## **II. Basic Principles**

**(2) Implement policies, and fully mobilize the enthusiasm of S&T staff.** In determining their approaches for the transfer and conversion of S&T achievements and developing detailed implementation rules, CAS entities must follow relevant national and local policies and those of CAS, taking into account their targeted positioning; and while also ensuring the stability of the work and core scientific research teams of research centers, they must actively promote the transfer and conversion of S&T achievements into practical applications.

**(3) Simplify administrative procedures and decentralize powers, and create a good environment.** We must simplify workflows at the CAS agency level, and delegate to CAS' subordinate organizations the right to manage the use and disposal of S&T achievements, and the earnings therefrom. CAS' subordinate organizations shall have decision-making autonomy, and CAS will no longer carry out approval and filing. In cases of failure in the transfer and conversion of S&T achievements into practical applications, we must seek truth from facts and earnestly draw lessons from them, and relevant personnel will not be held responsible for leadership and decision-making [mistakes] in cases where regulations are followed.

**(4) Practice categorized management (分类管理), and strengthen performance evaluation.** In conjunction with CAS's work in promoting the "four categories of institutions" categorization reform, those CAS subordinate organizations whose main work is directed towards the national economy and major national requirements shall formulate indicators for the transfer and conversion of S&T achievements; CAS subordinate organizations that primarily engage in basic research or research in the public interest shall also actively carry out transfer and conversion work, taking into account their own characteristics.

**(5) Enhance system construction, and regulate the exercise of rights.** Based on their respective characteristics, CAS' subordinate organizations must formulate corresponding rules and regulations, fully utilize the roles of supervision and management committees for operational state-owned assets, academic committees, and employees' congresses (职工代表大会), listen fully to the opinions of employees of their own organizations, establish and improve management mechanisms that combine efficient consultation, openness and transparency and standardized supervision, and exercise their authority in accordance with laws and regulations.

## **III. Asset Management**

**(6) CAS' subordinate organizations shall formulate policies related to market-based pricing of S&T achievements, taking into account the actual circumstances of their work.** The scope of application and implementation process of market-based pricing methods shall be determined based on the types of S&T achievements and their attributes. Where it is necessary to publicly announce information such as the names of achievements and planned transaction prices, clear rules shall be made with regard to the method and scope of announcements and the procedures for handling disputes.

(7) Categorized management shall be implemented for horizontal application topic expenditures (横向课题经费) and vertical application topic expenditures (纵向课题经费), and priority shall be given to contractual agreements in the management of horizontal application topic expenditures. S&T personnel shall provide enterprises such services as technology development, technical consulting, technical services, and technical training, as this is an important form of S&T achievement conversion. CAS' subordinate organizations shall sign contracts and agreements with collaborating organizations, in accordance with relevant laws and regulations, stipulating the allocation of tasks, the investment and use of resources, ownership of intellectual property (IP), the distribution of rights and benefits, and other matters, and the expenditure of funds will be carried out according to agreements.

(8) All income received from the transfer and conversion of S&T achievements into practical applications shall be retained by the organizations concerned. CAS' subordinate organizations shall include conversion proceeds in their budgets and dispose of them reasonably. After deducting the rewards and compensation of personnel who made important contributions to the completion and conversion of S&T achievements, [the remainder] should be used mainly for relevant work such as scientific and technological R&D and achievement conversion.

(9) CAS' subordinate organizations shall refine their systems for managing intangible assets, so as to effectively protect the organizations' interests. Supervision of investment equity shall be enhanced to protect the organizations' legitimate rights and interests; protection of special intangible assets such as the good names of organizations and their services shall be enhanced to avoid causing a negative impact on CAS' image.

#### **IV. Personnel Management**

(10) In conjunction with CAS's categorization reform work, CAS' subordinate organizations shall be encouraged to set up transfer and conversion positions independently based on their actual circumstances, and develop composite teams of high-end specialized talents who understand IP operations and the inherent laws of conversion of S&T achievements into practical applications, and who are proficient in scientific research, management and law. The system for evaluating transfer and conversion talents shall be improved, emphasizing market-based evaluation and performance incentives, and achieve matching between the value of technology transfer talents and performance in transfer and conversion.

(11) CAS shall study and formulate administrative measures for S&T personnel who take leaves of absence to start businesses (离岗创业), and encourage S&T personnel to take their S&T achievements with them when they take leaves of absence to start businesses. Where S&T personnel take leaves of absence to start businesses, the time limit for such leave shall be determined reasonably by the employees' organizations, and in principle their personnel status as employees (人事关系) shall not be retained for more than three years. Where an extension is in fact necessary at the expiry of the leave of absence to start a business, it may be extended appropriately with the consent of the organization concerned, but the extension shall not exceed two years. During leaves of absence to start businesses, the personnel who take such leave shall enjoy the same rights as others at the organization with which they have their personnel status as employees, in terms of participation in job rank promotion, social

insurance, housing, medical care, etc. Organizations and their employees who take leaves of absence to start businesses shall sign or modify employment contracts, stipulating the time limit for such leave, wages and benefits, social insurance, intellectual property rights (IPR), protection of technological secrets, graduate school training, matters with regard to returning to work at their original organization, handling of liability for breach of contract, handling of disputes that arise, etc.

**(12)** In order to promote the reasonable flow of S&T factors (科技要素), CAS' subordinate organizations shall formulate rules and regulations for their organizations in accordance with relevant policies, permitting S&T personnel to engage in the transfer and conversion of S&T achievements under appropriate conditions, and to receive reasonable compensation in part-time positions. All organizations shall stipulate in writing the rights and obligations of part-time personnel. Part-time staff must truthfully report their part-time income to their organizations for filing, and pay personal income taxes in accordance with regulations.

**(13)** CAS' subordinate organizations shall implement a public announcement system for the rewards received by S&T personnel who hold leadership positions, and all such organizations shall make clear rules regarding the content, method and scope of announcements, the procedures for handling disputes, and other specific matters.

**(14)** CAS' subordinate organizations shall, in accordance with relevant laws and regulations and their own actual circumstances, formulate personalized incentive policies and detailed implementation rules for promoting the transfer and conversion of S&T achievements, and report the same to the CAS Bureau of Qualifications Protection and Financial Affairs (条财局) for filing. When determining "net income from S&T achievement conversion," CAS' subordinate organizations can make stipulations based on the characteristics of achievements, and in accounting for contract income, they can adopt the method of deducting the costs incurred to maintain the S&T achievements and complete the conversion transactions, without counting R&D investments in prior periods.

**(15)** Where the principal leaders of CAS' subordinate organizations are the main completers of S&T achievements or make important contributions to the conversion of S&T achievements into practical applications, they may receive cash rewards in accordance with the provisions of the "Law on Promoting the Conversion of Scientific and Technological Achievements," and in principle may not receive equity rewards. In the case of those who assume positions as heads of CAS' subordinate organizations, and as members of their leadership teams, who are in official posts that are managed by the Communist Party of China (CCP) Central Committee, and the heads of subordinate organizations who assume positions as legal representatives, the equity they received due to S&T achievement conversion prior to assuming their current positions may be promptly transferred upon assuming such positions, with the time for completing the equity transfer not to exceed three months, in principle; where the transfer of equity fails to occur within the time limit without special reasons, trading shall be restricted during the time they are in their current positions; those restricted from equity trading shall also not use their authority to seek gains for the enterprises whose equity they hold, and the restrictions shall be removed one year after the persons concerned leave the aforesaid positions.

## **V. Performance Appraisal Mechanisms**

**(16)** CAS shall establish a hierarchical system for reporting S&T achievement conversion circumstances. Before the end of March of each year, CAS' subordinate organizations shall report to their affiliated CAS branch, following the prescribed format, on the number of S&T achievements, implementation of conversion into practical applications, and related income and distribution circumstances, as well as other necessary content. The respective CAS branches shall summarize the reports of their affiliated organizations, form a database of the branch's S&T achievements and a corresponding pool of experts, and submit annual progress reports, which shall be incorporated into CAS' annual statistics system. Before April 30 of each year, CAS shall compile an annual report on S&T achievement conversion, and send the report, in accordance with requirements, to the information management system(s) designated by the State Council departments in charge of S&T and financial administration.

**(17)** Based on the overall deployments under the "*Pioneer Initiative*" Plan, CAS shall implement categorization-based evaluation and performance appraisal in accordance with the positioning of the "four categories of institutions," and take the circumstances of S&T achievement transfer and conversion as important content in the evaluation and performance appraisal of relevant CAS' subordinate organizations. The Chinese Academy of Sciences shall encourage CAS' subordinate organizations to take the effectiveness of their transfer and conversion of S&T achievements as an important basis for the job promotion and performance appraisal of S&T personnel; and applied scientific research institutions must develop differentiated evaluation criteria for technology transfer personnel.

## **VI. Facility Support**

**(18)** CAS shall establish "Key Special Project Funds for the Transfer and Conversion of S&T Achievements" and "Science and Technology Achievement Conversion Guidance Funds," integrate relevant resources within CAS, and adopt multiple methods, to support and guide CAS' subordinate organizations in exploring innovative approaches for the transfer and conversion of S&T achievements into practical applications. Qualified CAS subordinate organizations may refer to the management model of CAS conversion funds to establish S&T achievement conversion guidance funds within such organizations.

**(19)** CAS shall: Establish an IP operations management center; encourage CAS' subordinate organizations to fully utilize existing technology transfer centers, incubation centers, S&T parks, and other such S&T achievement transfer and conversion platforms; organize scientific research teams and, with relevant enterprises, jointly carry out work to develop and promote key common technologies for industries; and explore a variety of mechanisms for the transfer of technologies to industry.

**(20)** On the precondition of compliance with relevant national laws, regulations and rules, CAS' subordinate organizations may, based on development requirements, execute the S&T innovation-related policies issued by the local Party committees and governments where they are situated.

**(21)** For the transfer and conversion of S&T achievements that involve national security and state secrets, the approval of the original classification authority must be obtained, and the relevant entities shall properly carry out secrecy reviews in accordance with regulations.

**(22)** CAS shall implement Special Initiatives for the Transfer and Conversion of S&T Achievements into Practical Applications, establish a joint conference system, and integrate and coordinate promotion and services for the S&T achievement transfer and conversion work of CAS' subordinate organizations.

These *Guiding Opinions* shall be implemented from their date of issuance. Where existing systems of the Chinese Academy of Sciences and affiliated organizations are inconsistent with the *Guiding Opinions*, these *Guiding Opinions* shall prevail. In the course of implementation, where there are matters involving personnel, assets, evaluation, etc., that require CAS to formulate and implement detailed rules, they shall be handled by the relevant CAS departments in charge. CAS' subordinate organizations must promptly study and resolve, or seek CAS' feedback on, problems encountered in implementation, and the *Guiding Opinions* will be refined when appropriate.