

PICQ – PART 1
CYBERSECURITY INNOVATION PROJECT

INFORMATION GUIDE



FINANCIAL PARTNER:



BACKGROUND

There is undeniable value in the rapid increase in digital interactions, the magnitude of information exchanged, the proliferation of communications and their many possible uses. Disruptive technologies such as artificial intelligence, the Internet of Things, new storage and data transmission technologies are enabling businesses to innovate and improve their performance. New-generation devices offer more powerful data processing performance made possible by unprecedented storage and connection capability. The emergence of such powerful technologies is transforming workplaces and the economy as a whole. While this transformation brings new opportunities, it also raises important issues concerning the protection of information, computer systems and critical infrastructure.

To address these strategic issues facing our society, the Government of Quebec created the Quebec Cybersecurity Innovation Program (QCIP). The program was extended in March 2021 as QCIP 2.0. This second version builds on QCIP 1.0, one of three strategic mobilizing projects in the Quebec Economic Plan of March 27, 2018.

QCIP 2.0 will continue carrying out structuring projects by supporting the creation of partnerships between large companies, SMEs and public research and technology expertise centres of Quebec. The QCIP 2.0 target will be to produce over 70 projects in **three separate categories**:

1. Funding for projects that develop products/solutions/processes
2. Funding for projects to obtain certification or to demonstrate, from a cybersecurity perspective, the compliance and interoperability of their products/solutions/processes in support of their marketing efforts
3. Funding for projects in partnership with a public sector donor.

OBJECTIVES

The QCIP—Part 1 supports companies that want to develop a cybersecurity innovation (product/solution/process) that can:

1. Support Quebec companies in their new innovation development projects aimed at strengthening their cyber-resilience
2. Facilitate the marketing of cybersecurity technologies and winning new markets.

The QCIP—Part 1 targets a number of socio-economic benefits:

- Accelerate the growth and development of Quebec's economy by leveraging the strengths of industrial sectors and generating investment projects
- Support projects that develop new products/solutions/processes, led by collaboration ecosystems that ally the private sector with government resources dedicated to economic development
- Increase structuring investments and expenditures by companies aimed at strengthening their position as technology leaders

- Market new products, processes and services with a view to positioning companies and helping them grow through value chain integration
- Develop supply chains by integrating SMEs within local flagship companies
- Contribute to the marketing of innovations by helping to certify the security and interoperability of products/solutions/processes.

Lastly, the objective of the QCIP—Part 1 is to facilitate the marketing of technologies and increase the cyber-resilience of companies.

TARGET COMPANIES

This program addresses Quebec companies that want to develop an innovation (product/solution/process). To be eligible, the recipient company must meet the following criteria:

- Be a private for-profit company with an active place of business in Quebec
- Be legally incorporated under federal or Quebec laws in force and be registered with the Quebec enterprise register
- Have its head office in Quebec and its employees or subcontractors must work mainly from Quebec
- Not be owned 50% or more by other existing businesses or organizations
- Seek first-time certification, approval or accreditation of already-developed products/solutions/processes to facilitate their marketing and win new markets.
 - o 1 Innovative technology within TRL 1-6 when development began in the QCIP project

The following companies are not eligible:

- Companies controlled directly or indirectly by a government (provincial or federal) or a municipal entity;
- Companies majority-owned by a Crown corporation
- Companies under the protection of the Companies' Creditors Arrangement Act or the Bankruptcy and Insolvency Act
- Companies registered in the Business Register as not eligible for public contracts
- Companies that, in the two years preceding the application for financial aid, failed to meet their obligations after having been duly put on notice in connection with a previous grant of financial aid by the MEI or Investissement Québec (IQ).

¹ **Please refer to the “technology readiness level” scale to determine where your project stands*

ELIGIBLE PROJECTS

Projects must be submitted to Prompt.

The financial package presented must be necessary to carry out the project for which the company is requesting funding (contribution and forecast expenditures).

The projects focus specifically on supporting the development of cybersecurity innovation (product/solution/process) to:

1. Support Quebec companies in their new innovation development projects aimed at strengthening their cyber-resilience
2. Facilitate the marketing of cybersecurity technologies and winning new markets.

Lastly, the objective of the QCIP—Part 1 is to facilitate the marketing of technologies and increase the cyber-resilience of companies.

Note: A single project may not receive more than one financial contribution from the MEI or Investissement Québec. Operations that already receive financial support from the Quebec government are not eligible expenses and cannot be part of the submitted project.

PLEASE CONTACT YOUR PROMPT ADVISOR TO CHECK IF YOUR PROJECT IS ELIGIBLE BEFORE STARTING TO WRITE YOUR GRANT APPLICATION.

FINANCIAL AID FROM MEI

The financial aid granted is a non-repayable and non-recurrent contribution.

- Maximum assistance is \$350,000 per project
- Maximum financial assistance is 25% of eligible expenses
- Minimum private contributions of **50%** of eligible expenses
- Maximum cumulative government expenditure: **50%** of eligible project expenses
- Maximum project duration: **2 years**
- Management and communication fees amounting to 5% of Prompt's contribution will be billed to the partner.

The commitment to pay the amounts granted is conditional on the funding provided by the partners and the proper progress of the project in accordance with the funding agreement and annual budget established.

ELIGIBLE EXPENSES

Only expenses related to operations under the QCIP 2.0 project are eligible:

- a) Salaries of the workforce of Quebec residents directly attributable to the project, plus 43% to cover fringe benefits and overhead, management and administrative costs
- b) Salaries of the workforce of Ontario residents working in Quebec directly attributable to the project, plus 43% to cover fringe benefits and overhead, management and administrative costs, not to exceed 5% of the project value
- c) Travel and living expenses related to executing the project, in accordance with government standards in force as stated in the *Recueil des politiques de gestion du gouvernement du Québec*, not to exceed 5% of the project value;
- d) Costs associated with a study to evaluate different aspects (e.g. contracts, processes, technologies, obtaining patents or certifications, costs and deadlines, compliance with standards) and the development of specifications, not to exceed 5% of the project value
- e) Costs of foreign experts coming to Quebec, not to exceed 5% of the project value
- f) Acquisition of equipment from non-affiliated companies, including specialized computer tools, the eligible costs of which are the annual depreciation charges calculated according to accounting principles, as well as the purchase of raw materials. The cumulative value of equipment and raw materials acquired outside Quebec is limited to 25% of the project value
- g) Equipment rental within the time frame of QCIP 2.0, including the cost to install, remove and return such equipment, unless these costs are related to a leasehold improvement or permanent infrastructure
- h) Expenses to prepare a strategy to protect intellectual property, obtain the protection of intellectual property, and acquire intellectual property rights or licences (including patent application expenses such as fees of a patent agent)
- i) Costs of licence user right charged by a non-affiliated company or organization for the duration of the sub-project
- j) Costs to transport equipment and material
- k) Costs of external tests and approvals leading to certification necessary for marketing
- l) Costs of auditing sub-projects and conformity with standards, performed by an external auditor

- m) Costs related to communications activity, not exceeding \$10,000 per partner
- n) Professional fees for specialized services including sub-contracted services
- o) Costs of training related to requirements to achieve and maintain certification standards necessary for marketing, not to exceed 10% of the total project value

Eligible expenses may be claimed retroactively after the project submission date.

To be eligible, the expenses must be necessary, reasonable and directly attributable to the completion of the project.

Eligible expenses exclude the Quebec sales tax and the federal goods and services tax and are eligible only if:

- a) they were incurred during the term of the QCIP — Part 1 project.*
- b) they are reasonable and justified.*

All other expenses are not eligible, including:

- Expenses incurred before the file was submitted, including expenses for which the company has made contractual commitments
- Operations that already receive financial support from the Government of Quebec
- Debt service, future repayment of loans, capital loss or replacement, payment or amount disbursed as capital
- Operating expenses for regular operations
- Recurring fees such as annual subscription fees and software update fees
- Intellectual property maintenance expenses
- Land acquisition or development expenses
- Expenses to acquire, construct and expand a building
- Transactions between related companies or partners
- Sales taxes applicable in Quebec
- Marketing expenses or preparation of a marketing plan

EVALUATION CRITERIA

The QCIP - Part 1 uses the following evaluation criteria:

The objectives and relevance of the project to the objectives of the Call for Projects and cybersecurity issues. Linked with the box on page 7 of the Proposal Form. (15 points)

- Support Quebec companies in their new innovation development projects aimed at strengthening their cyber-resilience
- Facilitate the marketing of cybersecurity technologies and winning new markets.

Marketing potential (25 points)

- Creation of new products/services/solution/processes
- Marketing strategy
- Overall quality of the marketing plan
- Added value of the solution in relation to the current situation and competitive landscape
- Potential market size
- Marketing potential of innovations supported by the QCIP

Overall project quality (30 points)

- Innovative nature of the project and the presence of technological uncertainties
- Methodology and recommended technical approaches concerning the problem to resolve
- Level of R&D investment compared to overall project budget
- Skills of the team to complete the project
- Quality of the partnerships and expertise of the experts who will work with the recipient company to develop the cybersecurity product/solution/process

Economic and social benefits for Quebec (30 points)

- Job creation and maintenance
- Export of Quebec services, products and know-how
- Impact on the development of a strong industry in Quebec
- Involvement of Quebec SMEs and suppliers

CONDITIONS FOR SUBMITTING PROJECTS

All submissions must include:

- Financial statements for the past year (or projected financial statements for start-ups)
- The grant application form, completed and signed by the company's CEO
- Letters of commitment OR service offers from partners (consultant, companies, organizations, laboratories, etc.) that describe the role of each project partner and the date on which each contractual agreement should be signed
- The Gantt chart illustrating the schedule for completing project milestones

The complete package must be submitted to PROMPT at the email below:

picq@promptinnov.com

PROJECT DURATION

The maximum duration of projects is 24 months from the signing of the financial contribution agreement. Recipients will have up to one (1) month to sign their financial contribution agreement.

DEADLINE AND CONDITIONS

- Launch of call for projects: **July 9, 2021**
- Deadline for submitting application: **Ongoing**

PROMPT:

With financial support from the Government of Quebec, Prompt helps create partnerships and develop innovation and R&D projects in the fields of ICT, digital, artificial intelligence, cybersecurity, telecommunications and quantum computing and more.

For questions about this call for projects or to receive coaching in setting up your application, contact us right now:

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