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FUNCTIONS AND ORGANIZATION OF NATIONAL OFFICES FOR
TRANSFER OF TECHNOLOGY *

prepared by the

International Centre for Industrial Studies
UNIDO

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INTRODUCTION

Government regulation and promotion of transfer of technology is receiving increasing attention as awareness of the complexities of transferring technology grows in the developing countries, particularly in the context of their overall economic development.

National offices for the transfer of technology or similar institutions occupy a key position within the governmental framework established for regulating the acquisition of technology, since they implement national technological policies. Such offices may bear a variety of names. For example, in Latin American countries they are often called national registries for transfer of technology. Recently, the United Nations Conference on Trade and Development (UNCTAD) invented the term "centres for transfer of technology". In principle, all these organisations provide the same services and have to a certain degree similar functions and aims. Centres for transfer of technology, however, will play a more promotional than executive role in implementing technological policies.

Regardless of whether special legislation regulating inflow of technology has been introduced or not, national offices for transfer of technology and similar institutions have been created or are going to be created in several developing countries : Algeria, Argentina, Brazil, Colombia, Egypt, Ethiopia, Ecuador, Guatemala, India, Iraq, Malaysia, Mexico, Peru, Portugal, Spain, Philippines, Sri Lanka, Turkey and Venezuela among others.

Up to now, little literature exists on this subject and the present paper is a preliminary attempt to make up for this lack. The information presented is based on the extensive experience UNIDO has gained in advising countries on the establishment of national offices for the transfer of technology and in drawing up guidelines for legislation regulating the inflow. ^{1/}

^{1/} The following countries received UNIDO assistance: - 1972: Argentina; 1974: Ethiopia; 1973-76: Mexico; 1975: Uruguay; 1975-77: Guatemala; 1975-76: Turkey; 1975: Costa Rica; 1976: Philippines; 1976: Malaysia; 1977: Spain and Portugal. Three recent United Nations publications that relate to acquisition of technology are : "Guidelines for the Acquisition of Foreign Technology in Developing Countries" (Sales No.73.II.B1); "Manual on the Establishment of Industrial Joint-Venture Agreements in Developing Countries" (Sales no 71.IIb.23); and "National Approaches to Acquisition of Technology" (UNIDO ID/187).

BASIC FUNCTIONS OF A NATIONAL OFFICE FOR THE TRANSFER OF TECHNOLOGY

A national office for the transfer of technology in principle executes government technological policies. It can also stimulate and influence, on the basis of its experience, the direction and formulation of those policies. On the basis of available experience, it should be given a central position within the bodies of government that are concerned with technology transfer and should be accorded the highest possible status if it is to perform its functions effectively.

In some developing countries it may be desirable for the national office also to provide information and advisory services to industry, both public and private.

The objectives of policy concerned with the acquisition of foreign technology may include, inter alia, the following :

- (a) To establish the most efficient means of selecting technology;
- (b) To ensure that technology shall be obtained on the best possible terms, which means that negotiating skills must be developed;
- (c) To ensure that the technology acquired shall flow into the essential sectors of industry;
- (d) To improve the process of adapting and absorbing technology;
- (e) To create and develop local technological capabilities.

In executing technological policies, the national office performs regulatory, co-ordinatory and promotional functions. In some circumstances the regulatory functions may predominate, while in others the co-ordinating or promotional functions may be more important. There is no single pattern that can be applied extensively in organising a national office. Each developing country, after carefully analysing its own needs and specific conditions, must develop its own model once it recognises the necessity for such an office and corresponding administrative and legislative framework.

Regulatory functions

One of the key functions of the national office is to regulate the flow of imported technology. Government policy may be incorporated in legislation or decrees that state the explicit or implicit conditions under which technology may be imported. In carrying out policy, the national office

evaluates all agreements involving the transfer of technology, services and other kinds of intellectual and industrial property, including those involving foreign equity participation. It then registers the agreements approved. It is recommended, however, in many instances that the national office gives an unofficial opinion on agreements before they are submitted formally for registration. Although such a procedure will give the office a great deal of work, it will pay off handsomely in the long run in order to avoid unnecessary negotiations between parties concerned.

In addition, the national office, in co-operation with other government agencies, establishes the priority areas of the economy into which the technology flow should be directed. The national office should establish criteria for evaluating foreign technology that take into account the country's needs and those of the specific industrial sectors.

Agreements for technology inflow cover in principle the following :

- Use or exploitation of trade marks, patents and secret non-patented know-how;
- Technical information in the form of plans, diagrams, models, operating manuals, formulae, specifications and training of persons in computer-based systems;
- Consulting agreements of any type;
- Supply of basic or detailed engineering;
- Management or administrative systems;
- Franchising agreements.

The evaluation, on the basis of which the decision to approve or reject agreements is made, has three basic aspects :

- (a) Legal - conformity with prescribed national legislation and generally acknowledged rules for international transfer of technology;
- (b) Technical - possibility of adapting and utilising technology, proper selection of technology to meet the requirements of industrialisation, input for local research and development;
- (c) Economic - analysis of the project's commercial viability, conformity to foreign exchange controls (if any), comparative analysis.

The national office may also pay increasing attention to agreements providing for equity participation with capitalisation of intangible rights, as well as, if possible, with agreements related to foreign investments in the country.

From the experience of developing countries where national offices have been established and operating for some time, the conclusion may be drawn that the national office may be granted the sole responsibility for deciding all matters related to the transfer of technology and for implementing national technological policies. Attempts have been made in some countries to assign responsibility for making decisions to a designated group, usually consisting of high government officials (ministers or deputy ministers). However, experience has shown that after an initial period the officials have had difficulties in finding a time to meet, not to mention reaching decisions quickly. It is advised, therefore, to refrain from such "collective" practice and to assign the responsibility to the national office.

Co-ordinating functions

The transfer of technology affects many areas of the economy - balance of payments and trade, domestic and foreign investment, fiscal policies, industry as a whole and its specific branches, research and development, and employment.

To be able to co-ordinate all aspects of technology transfer, the national office must have direct contact with agencies in all related areas of the national economy from which it collects data that can be drawn upon in formulating and implementing technological policies. The office should be given direct access to those responsible for deciding on technological policy. Another field of activities of national offices in this context worth mentioning relates to securing the access to sources of information on available alternative suppliers of technology, their conditions both for use of industry as well as of other co-operating government agencies.

Promotional functions

One of the most important functions of a national office is to present and explain government policies and directives to both the foreign suppliers of technology and the domestic business community.

The national office enables a government to carry on direct and indirect promotional efforts in foreign business circles through both official and unofficial channels. Frequently, important business deals are negotiated best unofficially.

Promotional efforts in the domestic business community are equally important. In developing countries government regulatory policies are not always fully understood, particularly by private industry and affiliates of foreign companies. If these policies are to be executed efficiently, the co-operation of the domestic business community is essential. Such co-operation will be forthcoming only if the business community understands and supports the government's goals.

The national office advises domestic businessmen on all issues related to the transfer of technology, starting with the selection and evaluation of the technology and ending with the negotiation of the agreements. It collects and analyses information on sources of alternative technologies and on the terms of the agreements and disseminates this information among businessmen. The advisory services the national office provides, demonstrate its usefulness even in the early days of its operation.

It is recommended that the national office organize also training courses for government officials and businessmen dealing with key issues of government policies in this field and issues related to transfer of technology agreements. In this way the national office can increase skills in this specialized field.

THE ORGANIZATION OF THE NATIONAL OFFICE

Because the national office engages in a substantial amount of analysis and evaluation, three basic units responsible for legal, economic and technical evaluation, respectively, should be incorporated in its structure. They will, in fact, form the core of the structure, and through them the office will carry out its regulatory, co-ordinating and promotional functions.

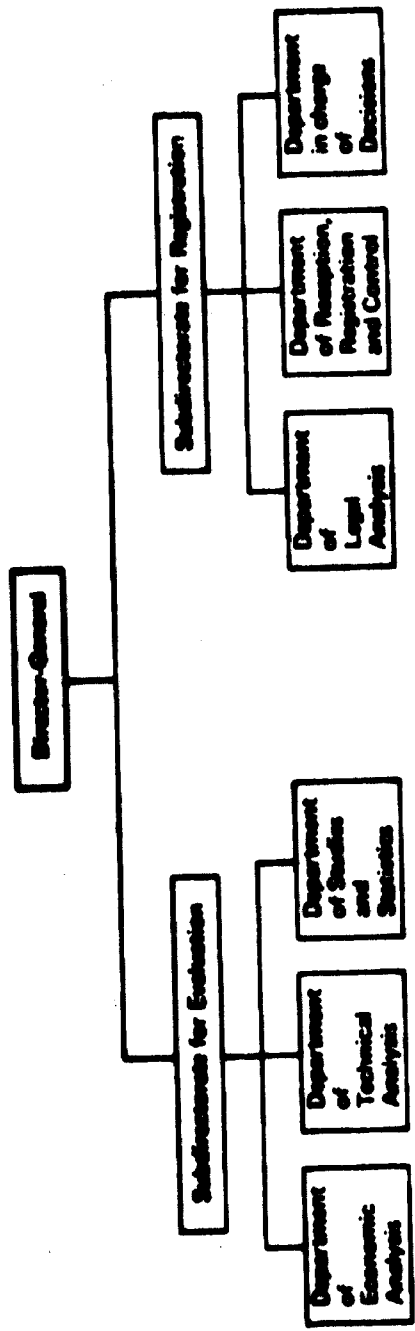


Figure 1. Organization chart of the National Registry for Transfer of Technology in India

In addition to the key evaluation units, it is advisable to establish an information unit to carry on the supporting activities described earlier. In addition, this unit will help to increase the efficiency of the office by seeing that agreements under review are processed promptly.

It is also advisable to establish a unit within the national office to co-ordinate the office's activities with those of other administrative units of the government (for instance, Central Bank, Ministry of Trade, Ministry of Foreign Affairs and Ministry of Finance).

Figure I gives the organization chart of the National Registry for the Transfer of Technology in Mexico established by the Law for the Registration of the Transfer of Technology of December 1972 (for text, see annex I).

As may clearly be seen, the organization of the Mexican National Registry reflects its basic regulatory functions. Such a structure leaves no doubt that the final responsibility for making decisions rests with the director general (or his deputies).

This type of organization, which has proved efficient in the Mexican environment, leaves plenty of room for the functions of promotion and co-ordination. The National Registry in Mexico was attached to the Ministry of Industry and Trade (at present Ministerio de Patrimonio) (which is logical, since technology transfer affects those sectors of the economy in particular); and the director general reports direct to the minister, which indicates the importance attached to this office. Figure II gives the flow sheet for processing contracts submitted to the National Registry for Registration (i.e. approval). It shows that agreements that are rejected after evaluation may be renegotiated. At this stage the government may take a direct part in the negotiations to ensure that the agreements shall conform with its policies.

The Mexican law on technology transfer also provides that contracts may be submitted for "information". This provision was included because the Mexican law applied retroactively to all technology

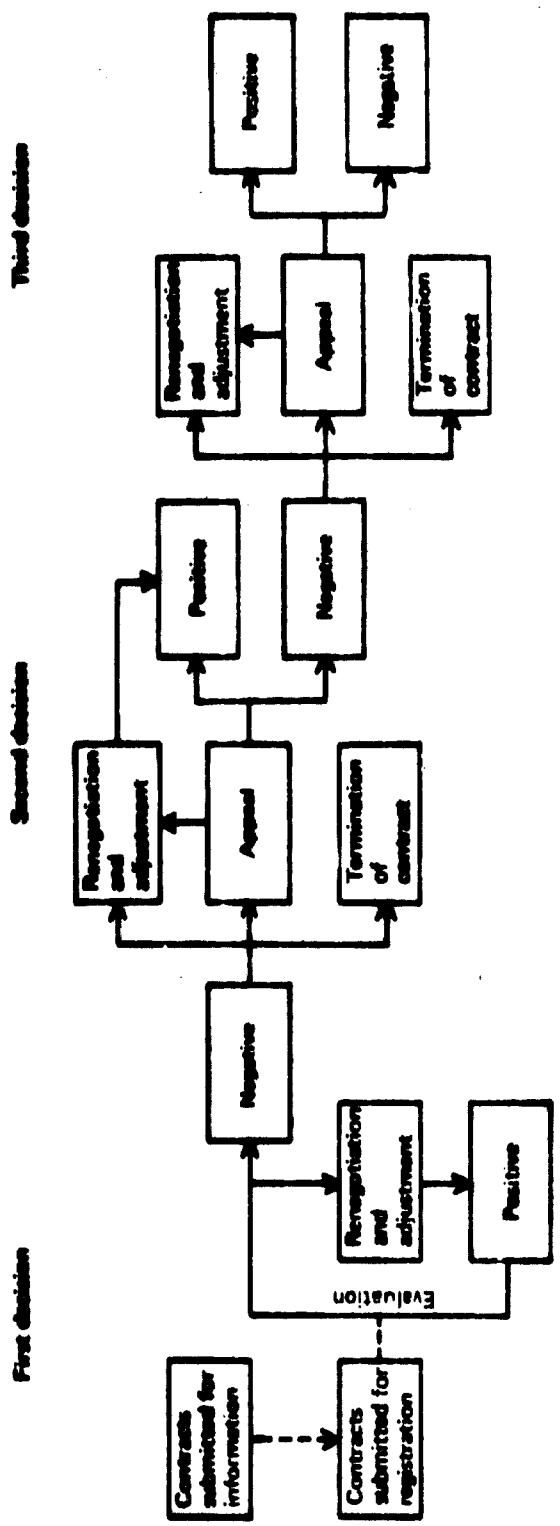


Figure II. Flowchart of the process for approving or rejecting agreements presented to the Mexican National Registry of Technology Transfer

contracts signed earlier. Over 6,000 existing agreements were submitted for information. Those that did not conform to the provisions of the law had to be modified within two years. The submission-for-information procedure also permits parties intending to enter into an agreement to ascertain the Registry's position before signing. They can thereby avoid the expense and complication of lengthy renegotiation.

In Argentina, the national office is called the National Registry of Contracts for Licences and Transfer of Technology and is under the National Institute of Industrial Technology. The decisions of the National Registry are reviewed by an advisory committee composed of officials of the Secretariat of Industrial Development, the Secretariat of Science and Technology and the National Development Bank before they are submitted to the Secretary of State for Industrial Development for final approval or rejection. Thus, in Argentina the national office does not occupy as important a position as it does in Mexico. It evaluates and advises but does not make decisions. The law no 21.617 of August 12, 1977, has slightly modified the organisational structure in Argentina in a sense that responsibility of approval of agreements rests at present with the Technical Undersecretariat subordinated to the Secretariat of State for Industrial Development. Furthermore, the above-mentioned law has relaxed to a degree as to rather strict provisions for contract approval which were provided by earlier laws 19.231 and 20.794.

In Sri Lanka, the evaluation of licence agreements is the responsibility of the Ministry of Industry. The agreements are then submitted to the Advisory Committee on Foreign Investment, composed of representatives of the Ministries of Planning, Industry, Finance, Trade and Exchange Control, for the final decision.

It should be emphasized that in Mexico, in contrast to other countries, the issue of foreign exchange control does not arise, since Mexico has been able to maintain its currency freely convertible : no restrictions on foreign currencies are imposed.

The close link between the treatment of licence agreements and the policy on patents has led some countries to prefer to assign the registration and evaluation of such agreements to bodies responsible for implementing the regulations governing industrial property. In Brazil, this duty is discharged by the National Institute of Industrial Property. In Peru, such duties were given to the Industrial Property Office under the Ministry of Industry and Tourism, which evaluates contracts related to imported technology. Recently, in Peru some organizational changes took place whereby a special body called CONITE (National Commission for Foreign Investments and Technology) was charged on the basis of the Decree 21501 with the evaluation and approval of transfer of technology agreements by implementing Decision 24 of the Andean Pact.

Nevertheless, since over 80 per cent of the trade in technology concerns know-how arrangements and only 15 - 20 per cent patent and trademark agreements, the national office should not necessarily be attached to an office for industrial property or patent office. The long-term trends would seem to indicate that patent protection and patent policy, in particular from the point of view of developing countries, will occupy a less important position in a transfer-of-technology agreement. It should also be stressed that industrial property offices do not fully perform all the functions of the national office for the transfer of technology described earlier in this paper.

It should also be mentioned that among recent developments in this field Portugal has established by Decree-Law no 348/77 of 24 August 1977 a specialised body called Foreign Investment Institute which, inter alia, is given responsibility for evaluation and final approval of all agreements related to transfer of technology.

Figure III, an organisational chart for a national office performing the functions described in this paper, is based on the structure of the national offices in Argentina, Brazil and Mexico and takes into account information obtained from officials in Malaysia, the Philippines and Turkey. The structure shown may, of course, be modified to suit conditions in a country.

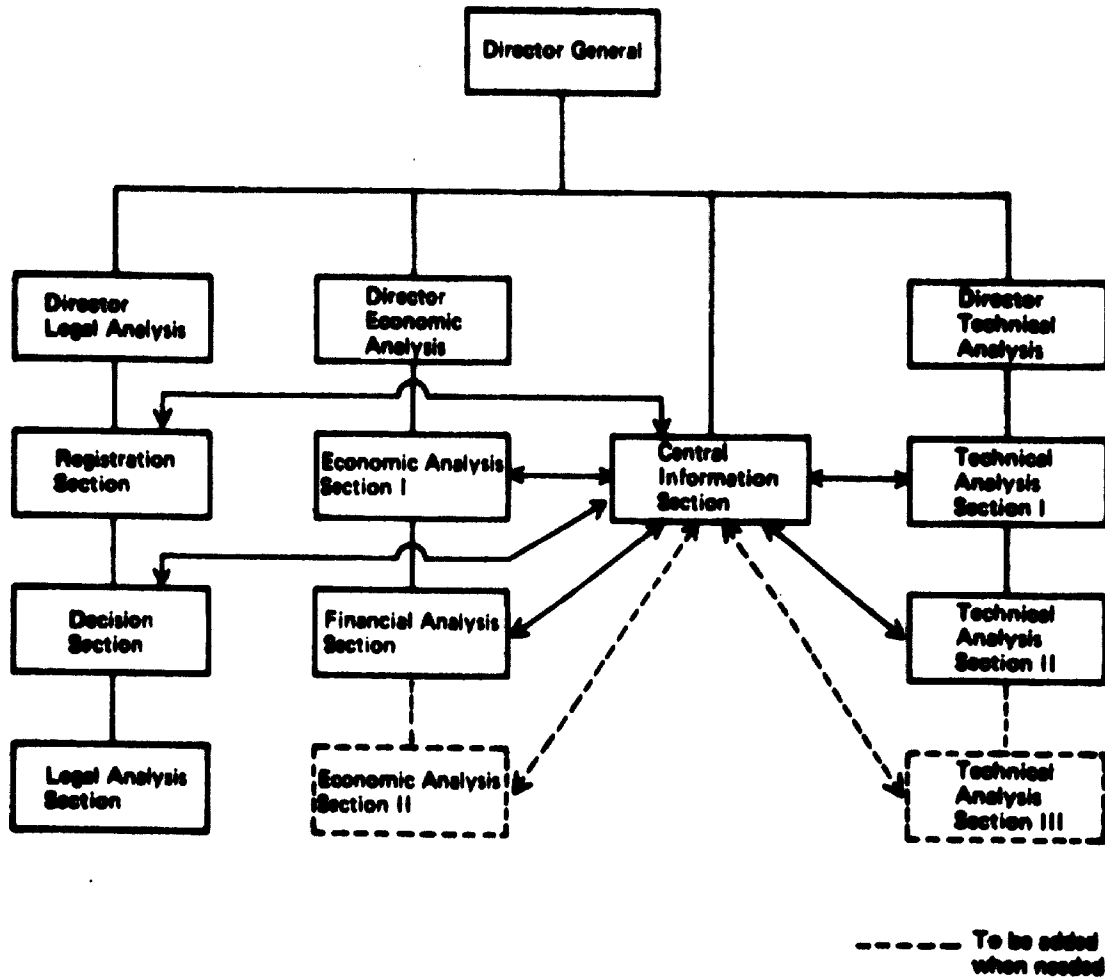


Figure III. Organization chart for a national office for transfer of technology

The evaluation carried on by the three key divisions (legal, economic and technical) forms the basis for the decisions the office takes concerning particular agreements. The information office lends its support by providing necessary data and information from both domestic and outside sources.

The office of the director maintains working contacts with all other government institutions and with the domestic and foreign business communities.

Depending on the amount of work, the staffing of the national office varies substantially. In countries where the average number of agreements per year does not exceed 100, the staff should not in principle be more than 10 - 15 professionals. Some activities (information, co-ordination etc.) may in such cases be performed by other agencies. Where the number of new agreements per year reaches 250 - 350 or more, a professional staff of 35 - 45 persons may be needed.

The cost of running a large office may be rather high; but as analyses have shown in Mexico, the total savings on payments of technology in the course of two years have been 20 times as great as operating costs. An office carefully designed according to the actual and future needs will no doubt operate profitably.

The staff employed in the national office should be of the highest possible calibre. Some of the staff should be well acquainted with all aspects of technology transfer, finance and fiscal policies and possibly have had some experience in private or public enterprises.

EVALUATION ACTIVITIES

The national office decides itself the number and type of documents that must be submitted with agreements that are to be evaluated and registered. The documents and agreements should be evaluated simultaneously by the legal, technical and economic units. Internal guidelines for evaluation should be continuously improved and updated for the purpose of reviewing the evaluation process itself and for analyzing the effect of a large flow of technology on the economy.

Guidelines and evaluation systems may well be used for purposes of comparative analysis and for renegotiation of agreements. The results of such analyses can lead to modifications of national technology policy and to improvements in existing or planned legislation.

It is recommended that guidelines for evaluation and internal check lists be drawn up according to sector, since the technology flow and the terms of technology agreements vary considerably from sector to sector. Here, in particular, the information service in the office can play an extremely important role.

In evaluating agreements, not only their terms should be examined but also their wider implications. Some basic points to be raised are listed below:

- (a) The transfer of know-how or technical knowledge from licensor to licensee will be permanent;
- (b) The licensee acquiring technology is fully aware of all its critical and competitive aspects and can manage its operation;
- (c) "Know-how", "technical information" etc. is clearly defined in the agreement;
- (d) The licensor is to be compensated on the basis of the principal defined elements of transfer of technology (know-how, patents);
- (e) Compensation and the form of payments take into account the nature of the technology transferred;
- (f) The licensee is adequately protected in terms of the technical performance of the process or production scheme through process guarantees and warranties;
- (g) The agreement specifies the responsibility of the licensee and licensor in achieving performance of the technology;
- (h) The licensor provides information on marketing techniques so that the licensee will be able to operate effectively in the market place;
- (i) Information on process improvements will flow steadily;
- (j) Provisions are made for the speedy settlement of disputes on technical matters;
- (k) The licensee is given a reasonable period in which to absorb the technology;

- (1) The licensee will be able to operate his plant efficiently after the agreement formally expires.

Three steps can be taken to facilitate the smooth operation of the evaluation process. First, a deadline can be set for handing down decisions on agreements submitted for evaluation, which might be 60 - 90 days after the date of submission. Second, either party (domestic or foreign) to an agreement can be required to submit it for evaluation within a stipulated period (15 - 30 days after signature of the agreement). Third, the national office can establish a system of fees (paid by the parties to the agreement) for evaluation and registration of agreements. Annex I presents a list of fees paid to the National Registry in Mexico as an example, while Annex II contains a submission questionnaire used by this office.

It should again be stressed that a national office for the transfer of technology should be established in countries where industrial development plays or is going to play an important role in overall development and where the existing system for the flow of technology does not function efficiently.

If the national office is to play a positive role in industrial development in general and in the transfer of technology in particular, a specific government framework should be created and support and understanding won from businessmen, both private and public.

Finally, it must be stressed that while the national office for the transfer of technology appears to be the most efficient means of protecting the legitimate interest of developing countries and of contributing to the increase of the flow of technology on better terms would be the case without it, its organization and functions should be continuously evaluated and modified so that the office will perform efficiently as conditions change.

**PERSPECTIVES FOR FURTHER DEVELOPMENT OF NATIONAL OFFICES
FOR TECHNOLOGY TRANSFER**

According to previous paragraphs, the functions of national offices for technology transfer may be characterized in principle as static which means that their activities are geared towards certain static functions in implementing government regulations regarding the inflow of foreign technology.

It seems, however, that as time goes on and with more experience acquired the present functions of these and similar institutions should further develop in order to meet increasing demands of national economic growth and specifically needs of growing and expanding industry.

In this connection, on the basis of acquired experience, it seems right to predict for the relatively near future a further enlargement and expansion of activities of national offices for transfer of technologies parallel to increasing efficiency of their functions as well as sophistication of their operations.

At least, two directions seem to clearly emerge towards where further evolution is going: one is the increasing co-operation and exchange of experience and information among these institutions, and the second the enlargement of their services both for industry and co-operating government agencies.

Co-operation among national offices for technology transfer in developing countries may bring about such important developments like exchange of experience in operating the office, visits and training of personnel, exchange and improvement of evaluation procedures and finally exchange of information on sources of alternative technologies in selected sectors including terms and conditions of their acquisition.

On the other hand, enlargement and further sophistication of services of national offices both for industry and government may lead ultimately to the creation of very effective instruments for the formulation and

implementation of national technological policies and plans at the country level.

As at present the role of these offices is limited, in principle, to regulation of technology inflow to a country, by virtue of their knowledge and experience these offices should increasingly pay their attention to encouragement of indigenous technological development and finally to the formulation and possible implementation as leading agencies of national technological plans and policies.

These new functions of national offices may gradually be achieved by incorporating, inter alia, the following specific activities :

- (a) Monitoring of implementation of projects based on approved and registered technology agreements;
- (b) analysis of implemented projects with a view to updating the scope of alternative sources of technologies;
- (c) Continuous sector-based analysis of approved agreements with a view to establish long-term trends in relation to prices, royalty rates, profit margin as well as technological developments etc.;
- (d) Identification of technological gaps and establishment of systems of technology for bridging these gaps;
- (e) Development of guidelines for the promotion of indigenous technology;
- (f) Development and elaboration of directives for technology policies at the national level;
- (g) Enlarging the scope of use and utilization of information and expertise available at national technology offices and similar institutions among governments and industrial communities both for the technological development and improvement of negotiating possibilities and capacities.

DECREE ESTABLISHING THE PAYMENT SCHEDULE OF THE NATIONAL
REGISTRATION OFFICE FOR TRANSFER OF TECHNOLOGY AND THE
USE OF AND OPERATION UNDER PATENTS AND TRADEMARKS

Article 1 : For the services provided by the National Registration Office for Transfer of Technology under the Ministry of Industry and Commerce in the various categories stipulated in the Law on the Registration of Transfer of Technology and the Use of and Operation under Patents and Trademarks it is charged at the amounts established as follows :

Payments Schedule

I. Acceptance and examination of the document, agreement of contract.....	\$ 1,000.00
II. For each patent or trademark involved in the document, agreement or contract referred to under the point above..	\$ 100.00
III. Recording at the National Registration Office.....	\$ 500.00
IV. Issuance of a certificate of registration.....	\$ 500.00
V. Inspection and custodianship :	
1. Fee for the first year.....	\$ 500.00
2. Fee for subsequent years.....	\$ 1,000.00
VI. Examination and study of modifications to documents, agreements or contracts already registered.....	\$ 500.00
VII. For each patent or trademark modified or added to the documents, agreements or contracts referred to under the point above.....	\$ 50.00
VIII. Recording of modifications to documents, agreements or contracts already registered.....	\$ 250.00
IX. Issuance of a certificate of registration covering modifications.....	\$ 250.00

Article 2 : The fees stipulated under points I, II, VI and VII of the foregoing schedule must be paid before the submission of applications, which must be accompanied by receipts confirming payments as a condition for the examination and study of the application.

Article 3 : The fees stipulated under points II, IV, VIII and IX of the foregoing schedule must be paid within 15 days following notification that registration has been authorized.

Article 4 : The fee stipulated under point V of the foregoing schedule must be paid in the following manner: the payment for the first year is to be made at the time of payment for the recording and certificate of registration, and the payment for the second and subsequent years within the first month of each year.

Article 5 : For the purpose of this payment schedule, the yearly fee period will end on 31 December, regardless of the date on which the request was received for the use of the services in question.

Article 6 : The fees established by the payment schedule set forth in this Decree must be paid to the Directorate of the National Registration Office for the Transfer of Technology under the Ministry of Industry and Commerce and remitted directly to the Federal Treasury.

Transitional Provisions

First and only article : The present Decree will enter into force on 31 January 1973.

*) \$ - read Mexican Peso; 1 US\$ = 12.50 \$

ANNEX II

MINISTRY OF INDUSTRY AND COMMERCE
DIRECTORATE GENERAL FOR THE NATIONAL
TRANSFER OF TECHNOLOGY REGISTER

QUESTIONNAIRE FOR THE REGISTRATION OF DEEDS, AGREEMENTS OR
CONTRACTS PROVIDED BY LAW ON THE REGISTRATION OF TECHNOLOGY
TRANSFER AND THE USE AND OPERATION OF PATENTS AND TRADEMARKS

1. Data relating to the licensee or recipient party

- 1.1 Name, designation or trade name:
- 1.2 Legal residence:
- 1.3 Date on which company commenced operations:
- 1.4 Capital structure:
 - 1.4.1 Registered capital:
 - 1.4.2 Paid-up capital:
 - 1.4.3 Registered shares:
 - 1.4.4 Bearer shares:
 - 1.4.5 Percentage of foreign capital, where appropriate:
 - 1.4.6 State whether the company's Articles of Association contain an exclusion clause relating to foreigners:
- 1.5 Personnel strength at the close of the last financial year:
Manual workers: Technical staff: Office staff: Total:
- 1.6 Principal products of the company during the last financial year, in order of importance and percentage of the total net sales:

_____ %
_____ %
_____ %
_____ %
_____ %

- 1.7 Total net income or sales during the last five years (if manufacture is only in the early stages give estimates for the next five years):

19 —
19 —
19 —
19 —
19 —

1.10.5 Annual expenditure on original technological research,
in Mexico (last three years):

19 ___
19 ___
19 ___

2. Data relating to the licensor or supplier

2.1 Name, designation or trade name:

2.2 Legal residence:

2.3 Nationality:

3. Relations between the parties

3.1 Has the licensor or supplier and/or any subsidiary, parent or associate company any holding in the registered capital of the licensee or recipient company? If so, what percentage of the licensee's registered capital does it represent?

3.2 Has the licensee or recipient party any holding in the registered capital of the licensor or supplier? If so, what percentage?

4. Description of the deed, agreement or contract

4.1 Nature and purpose of the deed, agreement or contract:

- 4.1.1 Use of trademarks
- 4.1.2 Use of patents
- 4.1.3 Provision of technical know-how
- 4.1.4 Provision of basic and/or detailed engineering ...
- 4.1.5 Technical assistance
- 4.1.6 Administrative services
- 4.1.7 Others (specify)

4.2 If it does not appear in the contract, include as an annex a list of the patents and/or trademarks which the licensee is entitled to use as a result of the deed, agreement or contract, indicating its registration number in Mexico, together with the expiry date of the patents and trademarks:

Annexed: Yes ___ No ___

4.3 Contract valid from:

4.4 Contract terminates on:

4.5 Principal products covered by the contract:

4.6 Attach as an annex catalogues of the products covered by the contract and/or publicity leaflets:

Annexed: Yes No

4.7 Starting date for manufacture of the products covered by the deed, agreement or contract:

4.8 Date on which first deed, agreement or contract was concluded between the parties, for the manufacture of the products concerned:

4.9 Period after which recipient enterprise will cease to need the technical assistance and/or the rights granted by the licensor:

4.10 Exports and imports:

4.10.1 If there should be any restriction on the exporting of the products covered by the contract, please indicate as far as possible in which other countries the licensor has granted exclusive licences:

4.10.2 What are the principal raw materials used to manufacture the products covered by the deed, agreement or contract:

Products Raw materials

4.10.3 Degree of national integration and origin of imported inputs (give estimates where necessary)

<u>Products</u>	<u>Degree of national integration</u>	<u>Origin of imported inputs</u>
-----------------	---------------------------------------	----------------------------------

XXXXXXXXXX

4.10.4 Indicate the value of exports of the products covered by the contract during the last three years, specifying the principal products and countries involved (estimate for the next three years, where appropriate):

19
19
19

4.10.5 Indicate the principal national competitors for the products covered by the contract:

4.10.6 Indicate as a percentage the share of the national market obtained by the products covered by the contracts:

4.11 Payment:

4.11.1 Net income derived from, or sales of, the products or services covered by the contract during the last five years (if manufacture of the products or provision of services have only recently begun, give estimates for the next five years):

19 ___
19 ___
19 ___
19 ___
19 ___

4.11.2 If the payment formula provides for the deduction of the value of the raw materials or intermediate products acquired from the licensor from the total net sales, state the amount of those inputs during the last five years (estimates for the next five years where appropriate):

19 ___
19 ___
19 ___
19 ___
19 ___

4.11.3 What was the installed capacity for the products covered by the contract during the last financial year (give estimates where appropriate):

<u>Products</u>	<u>Installed capacity</u> (Units, kilogrammes, litres, etc.)
-----------------	---

4.11.4 Volume of production of the products covered by the contract, during the last three years (estimates for the next three years where appropriate):

<u>Products</u>	<u>Unit Price</u>	<u>Volume of production</u> (Units, kilogrammes, litres, etc.)
		19 ___ 19 ___ 19 ___

4.11.5 Net profits derived from the products covered by the contract during the last five years (estimates for the next five years where appropriate):

19 ___
19 ___
19 ___
19 ___
19 ___

4.11.6 Please state whether there is a fixed lump-sum payment for the know-how or services acquired, giving details of the periods in which such payment is to be made:

4.11.7 Where royalties are paid, please indicate the formula or basis on which they are calculated:

4.11.8 Sum total of amounts paid in the last five years:

19 ___
19 ___
19 ___
19 ___
19 ___

4.11.9 How many man-days during the last five years were accounted for by visits from the licensor's technical staff (estimates for the next five years where appropriate):

19 ___
19 ___
19 ___
19 ___
19 ___

4.11.10 Annual amount of additional payments in respect of fees for technical staff of the licensor, reimbursement of expenses and payment of special technical services requested by the licensee and not included in the overall payment, during the last five years (estimates for the next five years where appropriate):

19 ___
19 ___
19 ___
19 ___
19 ___

4.11.11 Which of the parties is liable to taxation on payments:

4.11.12 What other potential suppliers of technology were taken into consideration before the contract in question was signed?

5. If the contract involves the construction, installation and/or start-up of a plant, indicate:

5.1 Date on which construction of the plant began:

5.2 Probable date of start-up:

5.3 Total capital investment in the plant covered by the contract:

6. If the contract was originally submitted for information purposes, indicate entry and file number. Also indicate the date on which information was noted:

Entry number

File number

Date on which information was noted

This questionnaire has been completed by:

who is authorized to supply the information contained herein, by virtue of the powers granted in the terms of the document annexed, verifying his capacity as:

of the company submitting for registration the deed, agreement or contract which is also attached hereto and which has been completed under formal declaration as to its authenticity.

Address for further correspondence:

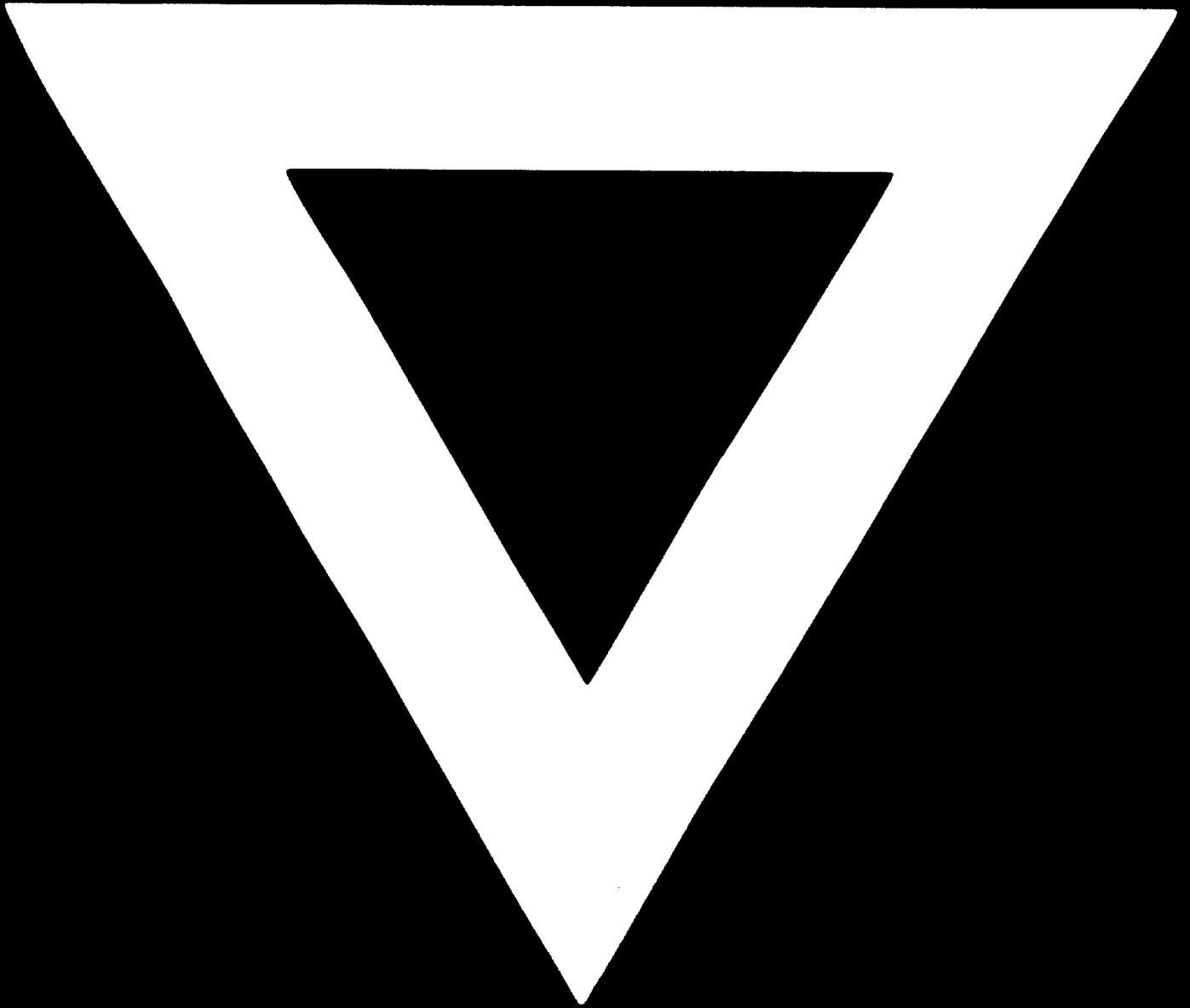
Telephone number:

Place and date:

Signature



C-670



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