

The Danish National Research Foundation Act

This is an Act to consolidate the Danish National Research Foundation Act, cf. Consolidated Act no. 833 of 13 August 2008, as amended by section 2 of Act no. 729 of 25 June 2010 and section 2 of Act no. 310 of 29 March 2014.

Part 1

Establishment and purpose of the Foundation

1.-(1) With a view to strengthening the development capacity of Denmark with regard to research, the Danish National Research Foundation shall be established with a base capital of DKK 2 billion to be transferred from the National Treasury to the Foundation.

(2) The capital of the Danish National Research Foundation and returns thereon, as well as the Foundation's other revenues, cf. subsection (5) shall be used to finance unique research of international standard.

(3) In accordance with its purpose, the Danish National Research Foundation may make grants from its capital and returns thereon, as well as from other public appropriations. In this regard, the Foundation shall safeguard that grants are made such that they contribute to ensuring the activities of the Foundation in the long term.

(4) The Foundation may grant an average of DKK 400 million annually, measured in constant prices, over continuous ten-year periods. All grants must include contributions to consequential expenses linked to research, calculated according to the relevant rate in force for the central government.

(5) The Danish National Research Foundation may collect revenues from patents, licence fees and gifts, etc. and may conduct contract research within the scope of its purpose.

Part 2

Management of the Foundation

2.-(1) The Foundation shall be managed by a board of directors, the members of which shall, among other things, be knowledgeable within research at international level and have financial insight. The chairman and members of the board of directors shall be appointed in their personal capacities by the Minister for Higher Education and Science:

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- 1) a chairman appointed by the Minister for Higher Education and Science;
- 2) three members nominated by the Danish Council for Independent Research;
- 3) one member nominated by the Danish Rectors' Conference from outside the Conference's central members;
- 4) one member nominated by the Union of Directors of the Sector Research Institutes of Denmark from outside the Union's central members;
- 5) one member nominated by the Royal Danish Society of Science and Letters;
- 6) one member nominated by the Danish Academy of Technical Sciences; and
- 7) one member appointed by the Minister for Higher Education and Science.

(2) The Foundation shall plan its own administration, however the allocation of tasks between the board of directors and the director shall be determined in the charter, cf. section 3.

(3) If any of the parties entitled to make nominations mentioned in subsection (1) are shut down or significantly changed, the charter, cf. section 3, shall determine how the member in question shall be nominated.

3. The charter for the Foundation shall be determined through Royal Decree on the recommendation of the board of directors. The charter shall lay down rules for nomination and terms of tenure of the members of the board of directors, as well as for the allocation of tasks between the board of directors and the director.

4.-(1) The board of directors shall be tasked with managing and utilising the Foundation's funds in accordance with the purpose of the Danish National Research Foundation. In order to achieve this purpose, the board of directors may:

- 1) after agreement with existing research institutions and subject to terms stipulated by the board of directors, finance in the long or short term the establishment or expansion of institutes and centres at or across institutions, after which the Foundation's financial involvement is to be phased out. These agreements shall include a significant element of researcher training in connection with the initiatives;
- 2) establish professor and associate professor positions for long or short tenures;
- 3) establish scholarship grants for researchers with PhD degrees.

(2) When making grants from the Foundation, the board of directors shall take steps to ensure that its commitments pledged for individual years do not exceed the amount available for grants, and that no other uncovered financing needs arise in connection with the Foundation's grant-making activities. In this

connection, on the basis of the expected amount available for grants, the board of directors shall lay down a framework for the total number of agreements under subsection (1), no. 1, so that a financial basis for conducting the relevant grant-making activities is in place at all times.

(3) Under normal circumstances, the board of directors shall grant the Foundation's funds in open competition on the basis of applications from research institutions and researchers.

(4) When financing the establishment or expansion of institutes and centres, cf. subsection (1), no. 1, the board of directors may require that financing is conditional upon the position as head of centre being advertised in international competition. The board of directors may also decide that a centre be established after the position as head of centre has been advertised in international competition.

(5) The board of directors shall supervise the research activities that receive grants from the Foundation.

(6) The board of directors may carry out initiatives under subsection (1), no. 1, in collaboration with, and fully or partially financed by, other public or private councils, foundations or companies, including public or private councils, institutions, foundations or foreign enterprises. After agreement, the board of directors may undertake to carry out grant-making activities with full or partial financing from other parties. After agreement with the Minister for Higher Education and Science, the board of directors may also undertake to carry out specific tasks for the Minister.

5. The board of directors of the Danish National Research Foundation may commission the Danish Council for Independent Research, cf. the Act on the Research Advisory System etc., to carry out the specialist, scientific assessments of submitted proposals, and the Council may submit proposals at its own initiative. Furthermore, for advisory services regarding use of the Foundation's funds, ad-hoc committees may be established consisting of highly qualified, active researchers from Denmark and abroad.

6. The board of directors shall publish a report on the activities of the Foundation once a year.

Part 3

Management of funds

7.-(1) The board of directors shall manage the Foundation's funds so that they best serve the purpose of the Foundation. When investing its assets, the Foundation shall strive for adequate security and the highest possible return on investment. However, as part of patent and licence agreements, cf. section 1(5), the Foundation may accept remuneration in the form of shares that do not have the same security or return on

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investment. Furthermore, the Foundation may exploit subscription rights on additional share issues linked to these shares.

(2) The Minister for Higher Education and Science shall lay down more detailed regulations after consultation with the Minister of Finance for how the funds may be placed pursuant to subsection (1).

Part 4

Supervision and auditing

8. The Minister for Higher Education and Science shall carry out supervision of the Foundation, including supervision of the Foundation's placement of funds pursuant to section 7.

9.-(1) The Foundation's financial statements shall be audited by the Auditor General and by a state-authorized public accountant pursuant to the regulations in the Act on Auditing Government Financial Statements etc. The board of directors shall appoint the state-authorized public accountant for three years at a time. The appointment shall be approved by the Minister for Higher Education and Science.

(2) The provisions in section 17(2) and (3) and section 18 of the Act on Auditing Government Financial Statements etc. shall apply correspondingly.

10. After having been approved by the board of directors, the audited financial statements shall be submitted to the Minister for Higher Education and Science.

11.-(1) The Minister for Higher Education and Science and the Auditor General's Office may at all times request any information from the Foundation which the Minister and the Auditor General's Office consider necessary. The Minister for Higher Education and Science and the Auditor General's Office shall have access to review the Foundation's books, accounts and activities in general at all times.

(2) The Auditor General's Office may at all times conduct an audit and a review of the accounts at the place where the accounts are kept, or where the required material is otherwise stored.

12. (Repealed)

Part 5

Penalties, etc.

13.-(1) Unless a more severe penalty is prescribed under other legislation, a fine or imprisonment of up to four months shall be imposed on persons who

- 1) fail to meet their duties under this Act;
- 2) give incorrect or misleading information to the Auditor General's Office, the Minister for Higher Education and Science or other public authorities on matters concerning the Foundation;
- 3) are guilty of gross or frequently repeated negligence or carelessness that may entail losses for the Foundation.

(2) Under sections 152-152e of the Criminal Code, the chairman, the members of the board of directors and employees of the Foundation are obliged to keep confidential from unauthorized persons all information they obtain in connection with their activities.

13a.-(1) The Minister for Higher Education and Science may authorise a government authority established under the auspices of the Ministry, or, after consultation with the relevant minister, other government authorities, to exercise the powers vested in the Minister pursuant to this Act.

(2) The Minister for Higher Education and Science may lay down regulations on access to appeal decisions made in accordance with authorisation pursuant to subsection (1), including that it shall not be possible to appeal the decisions.

(3) The Minister for Higher Education and Science may lay down more detailed regulations on the exercise of powers which another government authority, after consultation with the relevant minister, becomes authorised to exercise under subsection (1).

Part 6

Entry into force

14.-(1) The Minister for Higher Education and Science shall determine the date for entry into force of this Act after consultation with the Minister of Finance.¹⁾

Act. no. 1091 of 29 December 1997 amending the Act on the Danish National Research Foundation (Possibility for partial grant-making from the Foundation's capital and amending the Foundation's grant-making practice) contains the following provisions on entry into force:²⁾

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2.

- (1) This Act shall enter into force on 1 January 1998.
- (2) (Transitional provision omitted)

3.

- (1)-(4) (Transitional provisions omitted).

Act. no. 404 of 28 May 2003 amending the Act on the Danish National Research Foundation (Possibility for grant-making from all of the Foundation's capital) contains the following provisions on entry into force:³¹

2.

- (1) This Act shall enter into force on 1 July 2003, cf. however subsection (2).
- (2) However, section 1, nos. 3, 4 and 7, shall not enter into force until 1 January 2004.⁴¹
- (3) (Transitional provision omitted)
- (4) (Audit provision omitted)

Act. no. 553 of 17 June 2008 amending the Act on the Danish National Research Foundation (Capital base, grant-making options, organisation, etc.) contains the following provision on entry into force:⁵¹

2.

- (1) This Act shall enter into force on the day after notification in the Danish Law Gazette.⁶¹
- (2) Notwithstanding section 1(4) of the Act on the Danish National Research Foundation, in the version given in section 1, no. 2, of this Act, in 2009 the Danish National Research Foundation may grant a maximum of DKK 275 million.

Act no. 729 of 25 June 2010 amending the Act on the Research Advisory System etc. and the Act on the Danish National Research Foundation (Strengthening the Danish Council for Research Policy,

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decommissioning the Coordination Committee, specifying the purposes, responsibilities and distribution of tasks for the research councils, etc.) contains the following provision on entry into force:⁷¹

3.

(1) This Act shall enter into force on 1 January 2011.

(2)-(3) (Omitted)

Act no. 310 of 29 March 2014 amending the Act on the Research Advisory System etc. and various other acts and repealing the Act on the Advanced Technology Foundation (Amendments consequential following the Act on Innovation Fund Denmark) contains the following provision on entry into force:⁸¹

12.

(1) This Act shall enter into force on 1 April 2014.

(2)-(3) (Omitted)

The Ministry of Higher Education and Science, 10 April 2014

Sofie Carsten Nielsen

/ Charlotte Elverdam

Official notes

⁷¹ This Act entered into force on 15 October 1991, cf. Executive Order no. 669 of 3 October 1991.

⁷² The amendment concerns section 2(1) and (2), sections 2a(5), (7) and (12), and section 13(1).

⁷³ The amendment concerns section 1(2) and (3), section 4(1) and (6), and section 7(1) and (2).

⁷⁴ Concerns section 2(1), nos. 2 and 3, and section 5.

⁷⁵ The amendment concerns section 1(2)-(4), section 2(1), section 4(6), second and third clause, section 9(1), first and second clause, section 9(2), section 13(1), and section 13a.

⁷⁶ The Act was announced in the Danish Law Gazette on 18 June 2008.

⁷⁷ The amendment concerns section 5, first clause.

⁸¹ The amendment concerns section 2(1), nos. 2 and 3, and section 5, first clause.

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