

Foreign Costs Guidelines

On an exceptional basis, Canada's Ocean Supercluster ("OSC") may authorize expenditures incurred outside of Canada as **Funded Eligible Project Costs**¹ if, in the opinion of OSC, they are necessary for the success of the project and could not otherwise be undertaken in Canada.

Approval is required in advance of any Project Costs incurred outside of Canada in order for the costs to be considered **Funded Eligible Project Costs** except for the following:

OSC approval is not required for:

- Costs related to obtaining IP rights in foreign countries;
- Travel to another country in pursuit of networking opportunities that can lead to numerous benefits for OSC and its ecosystem, including travel by project members;
- Travel and other costs related to attending conferences or training outside of Canada required for the success of a specific OSC project, and/or for the benefit of the Supercluster ecosystem in Canada; and
- Equipment, materials or supplies that are procured from suppliers outside of Canada and shipped to Canada. **NOTE** - The labour component for a custom fabrication is **not exempt** and requires OSC approval.
- Costs related to specialized software required in the execution of the project.

OSC should be consulted when it is not clear whether an expense is a foreign cost.

A project can still incur foreign costs if a project member does not intend to pursue funding or reimbursement of these costs from the OSC (e.g. does not want to claim the costs incurred outside of Canada as **Funded Eligible Project Costs**). In this situation, the project member may claim the costs as **Unfunded Eligible Costs**², provided the costs do not exceed 0.5% of the project member's cash and in-kind contributions to the project.

- For context, an industry member may wish to claim costs incurred outside of Canada as **Unfunded Eligible Costs** as these costs count towards the industry member's cash contribution to the project. This means that an industry member could obtain a higher reimbursement rate than 50% on other **Funded Eligible Project Costs** to match against their cash disbursement on the **Unfunded Eligible Costs**.

Where it is expected that the costs incurred outside of Canada claimed as **Unfunded Eligible Costs** exceed 0.5% of the project member's cash and in-kind contributions to the project, then OSC approval is required in advance of the costs being incurred.

Obtaining Approval

1. To obtain approval for foreign costs, the project lead must sign an attestation that the foreign costs proposed are necessary for the success of the Project. In addition, Canadian based options must have been evaluated, with the conclusion of the evaluation being that no parties with the abilities to deliver the required products or services to support the Project were found. The Project Lead must sign this attestation so that OSC can consult with other federal departments in confidence regarding the request.
2. The attestation must be submitted concurrently with the foreign cost template, a summary document that captures the key elements of the foreign cost request (i.e. total funding, description of costs, benefits to ecosystem, etc.)
3. These two documents are necessary for OSC to complete the necessary due diligence prior to providing approval for foreign costs.

1 - Funded Eligible Project Costs – costs that are eligible for OSC co-investment by way of reimbursement to the Industry Member.

2 - Unfunded Eligible Costs – costs that are not eligible for OSC co-investment but do count towards total industry contribution.