

**Guide to Application for
the New Industrialisation Acceleration Scheme**

Effective from December 2025

CONTENT

1. BACKGROUND AND OBJECTIVE.....	2
2. ELIGIBILITY	2
3. FUNDING PRINCIPLES AND AMOUNT	3
4. FUNDING SCOPE	4
5. APPLICATION.....	6
6. ASSESSMENT AND VETTING	7
7. ASSESSMENT CRITERIA	8
8. NOTIFICATION OF RESULT AND FUNDING AGREEMENT	9
9. PROJECT IMPLEMENTATION	10
10. REPORTING REQUIREMENTS	11
11. FUNDING DISBURSEMENT	12
12. AUDITING REQUIREMENTS	14
13. PROCUREMENT PROCEDURES	15
14. AVOIDANCE OF CONFLICT OF INTEREST	17
15. RISK AND TITLE TO MACHINERY/SOFTWARE/EQUIPMENT/APPARATUS..	17
16. POST PROJECT EVALUATION	17
17. PARTICIPATION IN PUBLICITY AND PROMOTIONAL ACTIVITIES.....	18
18. ACKNOWLEDGEMENT OF FUNDING SUPPORT AND DISCLAIMER.....	18
19. HANDLING OF INFORMATION.....	18
20. COMPLIANCE WITH HONG KONG LAW AND PREVENTION OF BRIBERY ..	19
21. IMPORTANT NOTES.....	20
22. RELATED SUPPORT MEASURES.....	20
23. ENQUIRIES	20

1. BACKGROUND AND OBJECTIVE

- 1.1 With the rapid development of innovation and technology (I&T) in recent years, Hong Kong has to formulate industry development strategies that suit our own development needs according to local conditions for the development of new technologies, new products, new procedures and new models, thereby generating new quality productive forces and contributing to Hong Kong's economy.
- 1.2 In December 2022, the Innovation, Technology and Industry Bureau (ITIB) promulgated the "Hong Kong Innovation and Technology Development Blueprint". The Blueprint sets out four broad development directions, one of which is "to enhance the I&T ecosystem and promote 'new industrialisation' in Hong Kong". With advanced technology as the foundation, the Government should also promote the development of "new industrialisation" to contribute to Hong Kong's economy. The Government should focus on promoting the development of technology industries with an edge and of strategic importance from a strategic and forward-looking perspective, and implement specific facilitation policies to support the development of such industries in Hong Kong. The Blueprint identified life and health technology, artificial intelligence (AI) and data science, and advanced manufacturing and new energy technologies as industries of strategic importance.
- 1.3 In order to enhance the competitiveness of Hong Kong in attracting strategic enterprises, the Government launched the New Industrialisation Acceleration Scheme (NIAS) in September 2024 to provide financial assistance to companies in industries of strategic importance in setting up new smart production facilities in Hong Kong.

2. ELIGIBILITY

- 2.1 Entities applying for funding under the NIAS must fulfill the following requirements –
 - (a) be incorporated in Hong Kong under the Companies Ordinance (Cap. 622) or the predecessor Ordinance (as defined in Cap. 622) (i.e. predecessor Companies Ordinance (Cap. 32));
 - (b) not a government subvented organisation or subsidiary of subvented organisations¹;
 - (c) commit an investment of no less than HK\$100 million of funding that is within the approved funding scope in the setting up of new smart production facilities in Hong Kong in the three designated technology areas, namely, life and health technology, AI and data science, and

¹ A government subvented organisation means an organisation that receives grant from the government on a recurrent basis. The grant contributes towards the organisation's operational expenses, in exchange of its services to the public. The recurrent grant may account for the bulk of the organisation's income or may just be a token contribution/sponsorship forming a small percentage of the organisation's total income.

advanced manufacturing and new energy technologies; and

- (d) the smart production facilities proposed in (c) above shall involve high-end and advanced technology, i.e. the integrated and intelligent use of smart technologies such as Internet of Things (IoT), real-time data acquisition, application of data analytics and advanced human-machine interfaces, AI/machine learning/deep learning, automation and robotics, sustainable technology, sensors and actuators in the production process.

- 2.2 The smart production facilities must be set up in Hong Kong.
- 2.3 The Innovation and Technology Commission (ITC) reserves at all times the right to determine whether an entity is eligible to apply for funding under the NIAS.

3. FUNDING PRINCIPLES AND AMOUNT

- 3.1 On project level: funding will be provided on a 1 (Government) : 2 (enterprise) matching basis. For each project, (a) the minimum total project cost is HK\$150 million; (b) the enterprise has to contribute no less than HK\$100 million; and (c) the Government will cover a maximum of one-third of the total approved project cost or HK\$200 million, whichever is lower. In other words, the applicant has to contribute no less than two-thirds of the total approved project cost in cash.
- 3.2 On enterprise level: while each enterprise may submit more than one application, each will be considered on its merit and the maximum total funding to be provided for each enterprise under the NIAS will not exceed HK\$200 million. For examples, if the enterprise submits only one application and would like to receive the maximum funding amount of HK\$200 million, it has to invest no less than HK\$400 million in that project; if the enterprise submits two applications and would like to receive the maximum funding amount of HK\$200 million, it has to invest no less than HK\$200 million per project and the Government will provide a maximum of HK\$100 million per project.
- 3.3 Expenditure items under an approved NIAS project shall not have received and shall not receive funding support from other Government funding schemes as well as those administered by public bodies such as but not limited to the Hong Kong Science and Technology Parks Corporation.
- 3.4 Each approved project shall normally be completed within 36 months. Applicants shall seek prior approval from the ITC for any modification in the project completion date. However, prior approval from the ITC is not required for early project completion or project extension of no more than six months. The applicant shall give prior written notification to the ITC instead, and record the change in the progress and/or final report(s). Requests for project extension for more than six months will be considered on a case-by-case basis. Applicants shall provide full justifications on the reasonableness of the proposed extension for the ITC's consideration. The ITC reserves the right to withhold disbursement of any part of funding support to the applicant and/or require return of the funds

disbursed in full or in part from the applicant should there be extension for more than six months in the project completion date without the ITC's prior approval.

4. FUNDING SCOPE

- 4.1 The funding under the NIAS may only be used to cover expenses directly related to the establishment of the new smart production facilities in Hong Kong, including the costs of procurement, set-up, installation and commissioning of the machinery/software and equipment/apparatus/experimental and testing equipment, etc., as well as fees for engaging technical consultant(s) for the design and setting up of the production facilities concerned, relevant testing and staff training, patent registration fee, external audit fee, as well as legal service fee related to the legal charge on the funded smart production facilities (see paragraphs 4.6 and 15.2 below).
- 4.2 Funding will also be provided for the specialised facilities and associated auxiliary equipment that are necessary for the operation of the smart production facilities, for example, the costs of procurement, installation and commissioning of clean rooms, anti-seismic structure for microelectronics factory, specified storage facilities, including but not limited to the related fitting-out costs. Funding for renovation and construction costs that are directly related to and essential to the establishment of the specialised facilities and associated auxiliary equipment essential to the operation of the smart production facilities, as opposed to general building works, may also be considered on a case-by-case basis at the sole discretion of the ITC.
- 4.3 Costs of engaging technical consultancy service (from the same technical consultant(s) to be engaged for the design and setting up of the production facilities) to assist the applicant in preparing the NIAS application before project approval may be included in the application for funding. Applicant should be mindful to observe the required procurement procedures set out in paragraph 13 for such costs.
- 4.4 Delivery costs relating to the purchase of the machinery/equipment/apparatus/experimental and testing equipment may be funded. Warranty costs included in and inseparable from the purchase price may also be funded. Costs of insurance, extended warranty and maintenance have to be borne by the applicant.
- 4.5 Normal business operating expenses of the applicant including but not limited to the following may not be funded under the NIAS –
 - (a) Rental or purchase cost of premises;
 - (b) General office and administration expenses, e.g. utility expenses, stationery;
 - (c) Office equipment/hardware and software;

- (d) Direct costs incurred for the manufacturing of products, e.g. raw materials, consumables;
- (e) Marketing, branding and advertising expenses;
- (f) Staff remuneration including but not limited to salary, contribution to the Mandatory Provident Fund, contract gratuities, annual salary adjustment and general fringe benefits like medical benefits;
- (g) Entertainment expenses;
- (h) Financing expenses (e.g. interest payment for loans for purchase of the machinery/software/equipment/apparatus/experimental and testing equipment of the smart production facilities funded under the NIAS);
- (i) Machinery/software and equipment/apparatus/experimental and testing equipment as well as facilities that are not associated with the smart production facilities under the project;
- (j) Renovation and construction cost of premises that are not associated with the installation and commissioning of the machinery/software and equipment/apparatus/experimental and testing equipment or specialised facilities and associated auxiliary equipment and that are not necessary for the operation of the smart production facilities; and
- (k) Renovation and construction cost for repair or modification of premises that would otherwise not be incurred in a fully functioning industrial premises.

4.6 Expenditure items that are subject to budget caps are highlighted below –

- (a) External audit fee is capped at HK\$20,000 per audit and a maximum of three audits will be funded per project;
- (b) Legal service fee related to the legal charge on the funded production facilities is capped at HK\$20,000; and
- (c) Patent registration fee is capped at HK\$250,000.

The New Industrialisation Vetting Committee (the Committee) may determine other budget caps in the course of vetting as appropriate. Both the budgeted expenditure at the application stage and the actual expenditure of the relevant expenditure items are subject to the budget caps. Those actual expenditures expended beyond the budget caps will not be taken into account in calculating the amount of government disbursement to the applicant.

5. APPLICATION

- 5.1 The NIAS is open for application throughout the year.
- 5.2 An applicant is required to register itself and the relevant personnel with the Innovation and Technology Commission Funding Administrative System (ITCFAS) at <https://itcfas.itf.gov.hk/itcfas/> prior to submitting the application electronically. The Application Form is available in Chinese and English and may be completed in either language. No application fee will be charged.
- 5.3 Applicants shall submit their applications through the ITCFAS with the documents listed in paragraph 5.5 below. Applicants may contact the ITC for assistance if they encounter difficulties in submitting applications through the ITCFAS.
- 5.4 For applications submitted, the ITC reserves the right to seek additional document/information where necessary. The application will be considered withdrawn if the document/information/clarification requested by the ITC is not provided within one month. Incomplete applications will not be processed and will be returned to the applicant. Unless requested by the ITC, supplementary document/information provided after submission of application will not be accepted and will not form part of the application.
- 5.5 The following documents are required to be submitted:
 - (a) Duly completed Application Form; and
 - (b) Supporting documents of the applicant –
 - (i) Copy of Certificate of Incorporation;
 - (ii) Copy of Business Registration Certificate;
 - (iii) Copy of the latest Annual Return of the Companies Registry (Form NAR1) for companies established for over one year (or the Incorporation Form (Form NNC1) for a newly established company);
 - (iv) Copy of the valid Hong Kong Identity Card or passport of the person signing the application form for and on behalf of the applicant;
 - (v) Copy of documentary proof of the annual turnover of the applicant (e.g. audited financial statements including balance sheet and profit-and-loss statement in the previous year) or documentary proof to show the financial capability of the applicant (for applicants established for less than one year);
 - (vi) Copy of rental/land lease document before the time of signing the funding agreement;

- (vii) Promotional pamphlets/publications introducing the applicant's business and product(s) (if applicable); and
- (viii) Other supporting/supplementary documents listed in the application form and "Checklist of Documents Required for Submission of Applications".

The original of the above documents may be required for verification upon request. The applicant should also refer to the "Checklist of Documents Required for Submission of Applications" in the Innovation and Technology Fund (ITF) website (<https://www.itf.gov.hk/en/funding-programmes/promoting-new-industrialisation/nias/index.html>) for further information on the required documents as well as other supplementary documents required for effectively presenting the merits of the project proposal.

6. ASSESSMENT AND VETTING

- 6.1 Upon receipt of an application, the ITC will check its eligibility. For eligible applications, the ITC will conduct an initial assessment, while ineligible applications will be returned to the applicant. The ITC may seek clarification or supplementary document/information from the applicant if necessary. External experts may also be engaged and consulted on the technical aspects of the applications. The actual processing time will depend on various factors such as the amount of applications received at the time, complexity of individual applications, comprehensiveness and clarity of the information provided. The funding recommendations of individual applications will be submitted to the Committee for consideration.
- 6.2 The Committee comprises members from the trade, I&T and other professional service sectors, academia and relevant government departments and public bodies, and its composition can be found at <https://www.itf.gov.hk/en/funding-programmes/promoting-new-industrialisation/new-industrialisation-support-scheme/nifs/ni-vetting-committee/index.html>. Applications supported by the Committee will be submitted to the Commissioner for Innovation and Technology (CIT) for funding approval. Applicants must not approach members of the Committee to avoid affecting their impartiality of advice. Applicants may request the ITC not to engage a particular member in the assessment of their own applications with full justifications, such as avoiding potential conflict of interest.
- 6.3 To avoid conflict of interest, members of the Committee will be required to declare their personal interests, including pecuniary interests, on appointment and annually thereafter, in addition to the report of conflict of interest that may arise from any particular application on which they are asked to advise. Where considered appropriate, the member concerned will be requested to recuse from the discussion of the relevant application.

7. ASSESSMENT CRITERIA

7.1 Applications would be vetted based on their individual merits. The major vetting criteria and weightings include –

- (a) Setting Up of New Smart Production Facility and Adoption of Smart Technologies (15%) - the project shall involve actual set up of a production facility in Hong Kong; and the entire production facility or a significant portion of the production facility shall fulfil the “smart manufacturing” criteria, i.e. the integrated and intelligent use of “smart” technologies such as IoT, real-time data acquisition, application of data analytics and advanced human-machine interfaces, AI/machine learning/deep learning, automation and robotics, sustainable technology, sensors and actuators in the production process;
- (b) Reasonableness of Budget and Business Viability (20%) - the project shall have a reasonable budget with itemised cost breakdown and detailed justifications of costs and expenses as well as the business viability of the proposal. Favourable consideration will be given to projects where a higher percentage of project budget is dedicated to the procurement, installation and commissioning of the machinery/equipment/apparatus/experimental and testing equipment of the production facilities under the proposal;
- (c) Implementation Viability (15%) - the implementation plan of the project must be realistic and reasonable taking into account factors such as the complexity of the production facilities in question. Concrete project deliverables and outcomes shall be provided;
- (d) Technical, Financial and Management Capabilities (15%) - the technical, financial and management capabilities and business background of the applicant as well as any adverse record/performance, including the performance in completed/on-going ITF project(s), of the applicant as known to the Committee or the ITC will be considered. For applicant with any other on-going ITF project(s)/application(s), its capability to handle multiple projects will also be considered; and
- (e) Social and/or Economic Benefits (35%) - the smart production facilities manufacturing products proposed under the project shall be strategic in nature with the applicant demonstrating that the project shall generate substantial social benefits and/or economic value-added for Hong Kong. The applicant shall also demonstrate that the product proposed is competitive in the local/regional market. Favourable consideration would be given to projects that could create high skilled employment and proposals that would benefit the development of other complementary industries in Hong Kong.

7.2 The ITC may review and revise the above vetting criteria from time to time as appropriate.

7.3 The ITC reserves the right to reject an applicant's application at its sole discretion. The reasons for rejection will include but not limited to the following:

- (a) a petition is presented or a proceeding is commenced or an order is made or a resolution is passed for the winding up of the applicant; or
- (b) a false, inaccurate or incomplete statement or representation is contained in the application; or
- (c) the applicant is in default of its obligation(s) under any other funding agreement entered into with the ITC or other Government bureaux/departments on behalf of the Government or with any other local public bodies; or
- (d) any director, accounting or financial officer or senior management of the applicant has been convicted of any offence involving fraud or dishonesty or has been considered by any regulatory body as not being a fit and proper person under any legislation governing financial institutions or securities, banking or other financial activities.

8. NOTIFICATION OF RESULT AND FUNDING AGREEMENT

- 8.1 Applicants will be informed of the result in writing. Successful applicants may be required to revise the project proposal in the application form to fulfil the condition(s) for approval set by the Committee and/or the ITC, if any. The project proposal approved by CIT will be appended to and form part of the funding agreement to be signed between the applicant and the Government. Similar to other projects funded under the ITF, basic information of the approved projects will be posted onto the ITF website.
- 8.2 Unsuccessful applicants will be informed of the reason(s) of rejection. An application that has been rejected may be re-submitted only if it has been revised taking into account the reason(s) of the previous rejection, and the re-submitted application will be treated as a new application and be subject to the assessment criteria and procedures prevailing at the time of re-submission. Re-submitted applications which have not been duly revised will not be processed and will be returned to the applicant.
- 8.3 A successful applicant is required to enter into a funding agreement with the Government and to comply with all the terms and conditions of the agreement, and any instructions and correspondences issued by the Government from time to time in respect of the project. The Government reserves the right to consider revoking the approval decision if the applicant fails to sign the agreement with the Government for a prolonged period of time without justifications acceptable to the Government. An applicant may write to the ITC to withdraw an application at any time before the funding agreement is signed. All project implementation work shall only commence after the funding agreement is signed.

8.4 Certain aspects of the terms and conditions of the funding agreement are outlined in this Guide which are not conclusive, final and binding on the ITC. The final terms and conditions for funding a project of the successful applicant are contained in the funding agreement to be signed by the ITC on behalf of the Government and the successful applicant.

9. PROJECT IMPLEMENTATION

9.1 An approved NIAS project is required to be carried out strictly in accordance with the funding agreement and project proposal as approved by CIT. It is the applicant's responsibility to monitor the implementation of the project and ensure the proper use of funds in accordance with the approved budget. It is also the responsibility of the applicant to ensure proper completion of the project for the purpose of seeking reimbursement.

9.2 While approved projects are expected to be carried out strictly in accordance with the funding agreement and the approved project proposal, applicants are allowed to lodge change requests as a result of unexpected circumstances. Requests for changes to approved project proposals, including change of the project commencement or completion date, any machinery/software/equipment/apparatus/experimental and testing equipment costing HK\$500,000 or above per item, location of production facility within Hong Kong, project co-ordinator (see paragraph 9.6 below) and/or budget (see paragraph 9.3 below), will require prior written approval by the ITC (except for early project completion or project extension for no more than six months). Depending on the extent of the requested changes and the impact of the proposed changes on the outcome of the project, recommendations by the Committee may be sought before approval (if any) is granted by the ITC. Reasons with supporting documents for the changes must be provided. Any request for increase in the total amount of ITF funding for the project will not be entertained.

9.3 For expenditure items subject to budget caps as mentioned in paragraph 4.6, any actual expenditure incurred beyond the budget caps will not be funded. Other than those items, deviation of expenditure for any individual item not exceeding 30% of the original approved budget of the relevant category of expenditure and not exceeding HK\$500,000 does not require prior approval from the ITC. Such deviation shall however be explained in writing in the progress and/or final report(s). For deviation of expenditure for any individual item exceeding HK\$500,000 or 30% of the original approved budget of the relevant category of expenditure, the applicant needs to provide strong justifications for seeking prior approval from the ITC through a change request, otherwise the expenditure will not be funded by the ITC. No prior approval from the ITC is required if the applicant increases its own contribution to the approved project. Under all circumstances, the total amount of funding approved will not be increased.

9.4 Change request, if any, shall be submitted electronically through the ITCFAS.

- 9.5 Funding will not be provided for items not included in the approved project proposal, nor for expenditures incurred outside the project period except for payments to technical consultant(s) for preparing the NIAS application as allowed in paragraph 4.3 above.
- 9.6 The applicant will be required to appoint a project co-ordinator who will be responsible for overseeing the implementation of the project, monitoring the proper use of funds, liaising with the ITC, arranging on-site checking by the ITC, etc. In order to ensure the smooth implementation and completion of the project, the project co-ordinator shall be able to fully represent the applicant. As such, the project co-ordinator must be a responsible personnel of the applicant. The applicant must inform the ITC immediately if there is a change in the project co-ordinator.

10. REPORTING REQUIREMENTS

- 10.1 The applicant shall submit the final report and final audited accounts within six months after project completion through the ITCFAS. The final report shall include a summary of the work completed and deliverables achieved under the project as well as a statement of income and expenditure against the deliverables and budget of the project as set out in the approved project proposal appended to the funding agreement. The applicant shall also declare at the time of submission of the report that none of the events as set out in paragraphs 11.4 (a), (e), (f), (g) or (j) has occurred. The final report shall be signed by the project co-ordinator and endorsed by the senior management of the applicant.
- 10.2 If the project duration is over 12 months, the applicant has to submit a progress report and audited accounts for the first 12 months of the project duration within two months after the first 12-month period through the ITCFAS to facilitate the ITC to monitor the progress of the project and disburse interim payment(s) (see paragraph 11.1 below). If the project duration is over 24 months, the applicant has to submit two progress reports and audited accounts for the first 12 months and 13-24 months of the project duration respectively, each within two months after the end of the respective twelve months' period through the ITCFAS. The progress report(s) shall include a summary of the project progress against the project implementation plan as set out in the approved project proposal appended to the funding agreement as well as a statement of income and expenditure for the reporting period. It shall also include any work completed and deliverables achieved during the reporting period. The applicant shall also declare at the time of submission of the report(s) that none of the events as set out in paragraphs 11.4 (a), (e), (f) (g) or (j) has occurred. The progress report(s) shall be signed by the project co-ordinator and endorsed by the senior management of the applicant.
- 10.3 If the project duration is approved to be extended beyond 36 months and is more than 42 months, additional progress report(s) and audited accounts will be required, but no extra funding will be provided. The applicant has to submit the additional progress report and audited accounts for the first 36 months of the project within two months after the first 36-month period through the ITCFAS.

- 10.4 The ITC will review the project progress and results. The applicant shall promptly provide clarification and additional information on the contents of the progress/final reports upon request of the Committee and/or the ITC. The ITC will conduct on-site checking to verify the project progress/results for individual projects. The ITC has the right to request access to any information related to the project.
- 10.5 All progress and final reports will be submitted to the Committee for consideration before approval by the ITC. Late submission of report and/or audited accounts may lead to withholding and/or termination of the funding support for the project. Applicants may contact the ITC for assistance if they encounter difficulties in submitting the report(s) and accounts through the ITCFAS.
- 10.6 In case a progress/the final report is rejected by the Committee and/or the ITC, the applicant shall re-submit the progress/final report within one month after the relevant notification by the ITC.
- 10.7 Any record of mishandling of public funds or lack of discipline in financial management by an applicant will be taken into account by the Committee and the ITC in considering future applications from the same applicant or project team.
- 10.8 The successful applicant shall grant or in case it is not empowered to do so, shall at its own cost and expense procure that there will be granted, in favour of the Government, its authorised users, assigns and successors-in-title an unconditional, irrevocable, non-exclusive, sub-licensable, perpetual, royalty-free and worldwide licence to use (including doing any of the acts restricted by copyright set out in sections 22 to 29 of the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong)) the project reports (including but not limited to any progress report, final report) and all related documents or materials submitted by the successful applicants under this paragraph 10 for any purposes whatsoever (including, without limitation, project evaluation, contract management, record keeping, resolution of any dispute arising from the application and all other purposes incidental thereto).

11. FUNDING DISBURSEMENT

- 11.1 Funding will be disbursed on a reimbursement basis. If the project duration is over 12 months, the ITC will disburse the first round of interim funding upon the Committee's and the ITC's acceptance of the first progress report and audited accounts of the project covering the first 12 months of project duration submitted by the applicant. The actual amount of the interim payment will be determined by the Committee and the ITC having regard to the progress and actual recognisable expenditure of the project against the approved project schedule and budget, but in any event not exceeding 50% of the approved funding amount.
- 11.2 If the project duration is over 24 months, the ITC will disburse the second round of interim funding upon the Committee's and the ITC's acceptance of the second progress report and audited accounts of the project covering the 13 to 24 months

of project duration submitted by the applicant. The actual amount of the interim payments for the first 24 months will be determined by the Committee and the ITC having regard to the progress and actual recognisable expenditure of the project against the approved project schedule and budget, but in any event the total interim payment shall not exceed 60% of the approved funding amount.

- 11.3 The final NIAS fund will be disbursed after project completion and upon the Committee's and the ITC's acceptance of the final project report and final audited accounts submitted by the applicant and upon the creation of a legal charge over the production facility (see paragraph 15.2 below regarding legal charge). The actual amount of the final NIAS fund will be determined by the Committee and the ITC having regard to the actual total recognisable project expenditure on project completion against the approved budget.
- 11.4 The ITC reserves the right to withhold disbursement of/terminate any part of funding support by giving written notice to the applicant and/or request return of the funds disbursed in full or in part from the applicant together with all administrative, legal and other costs incurred and interest accrued up to the date of repayment by the applicant on the occurrence of any of the following events –
 - (a) the applicant fails to comply with the terms and conditions stipulated in the funding agreement;
 - (b) the project fails in a material way to progress in accordance with the approved project proposal, or it is unlikely that the project will be completed in accordance with the approved project proposal;
 - (c) the ITC considers it necessary to terminate the project for the sake of public interest;
 - (d) the applicant terminates the project (in the event that the project is terminated by the applicant for whatever reasons, the applicant shall notify the ITC in writing immediately to explain the reasons of termination);
 - (e) any material change occurs in the management, ownership or control of the applicant;
 - (f) the applicant engages in any conduct prejudicial to the project;
 - (g) the applicant has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
 - (h) the continued engagement of the applicant or the continued performance of the funding agreement is contrary to the interest of national security;
 - (i) the Government reasonably believes that any of the events mentioned in paragraph (f) to (h) above is about to occur; or

- (j) the passing of any resolutions, the initiation of any proceedings, or the making of any order which may result in the winding up or dissolution of the applicant (other than for the purpose of reconstruction or amalgamation) or if a receiver, provisional liquidator, liquidator or administrator is appointed in respect of the whole or any part of its assets or if the applicant makes an assignment for the benefit of or a composition with its creditors generally or threatens to do any of these things or any judgement is made against the applicant or any similar occurrence under any jurisdiction that affects the applicant.
- 11.5 The applicant is required to maintain under its name a separate interest-bearing bank account (project account) with a licensed bank registered under the Banking Ordinance (Cap. 155) solely and exclusively for the purpose of processing all receipts and payments of the project.

12. AUDITING REQUIREMENTS

- 12.1 To ensure that the project funds have been solely and properly applied to the project and expended in accordance with the approved budget, the applicant is required to submit audited accounts audited by an independent auditor who must be a Certified Public Accountant holding a practising certificate registered under the Professional Accountants Ordinance (Cap. 50) (the Auditor).
- 12.2 The applicant shall specify in the engagement letter for the employment of the Auditor that the Auditor shall strictly follow the requirements stipulated in the latest version of the “Notes for Auditors of Recipient Organisations” (the Notes) issued by the ITC in conducting audits and preparing auditor’s reports for the project. The engagement letter shall also specify that the ITC or authorised representatives of the Government² shall have the right to communicate with the Auditor on matters concerning the project accounts and the supporting statements, and the Auditor shall provide the Government with access to such project accounts and supporting statements for inspection, verification and copying from time to time upon reasonable notice being given by the Government. In conducting the audits, the Auditor must comply with the relevant Standards and Statements of Professional Ethics issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants. In the audited accounts, the Auditor is required to express an audit opinion as to whether the applicant and the accountants of the project have complied, in all material respects, with all the requirements set out in the Notes and to make full disclosure of any material non-compliance.
- 12.3 Successful applicants are required to keep a proper and separate set of books and records including a full list of machinery/software/equipment/apparatus and other assets of the production facility purchased for each NIAS project for 7 years after the completion or termination of the project, and produce such books and records for checking by the ITC or authorised representatives of the Government² upon

² For the sake of clarity, the Audit Commission is part of the Government.

request. All transactions relating to the project, including the grant by the Government and contribution by the applicant, shall be properly and timely recorded in its books of accounts. The Government reserves the right to require the applicant to return any mis-spent amount together with the interest income accrued to the Government.

13. PROCUREMENT PROCEDURES

- 13.1 The applicant shall make reference to the guidelines of the Independent Commission Against Corruption (ICAC)³ and Competition Commission (CC)⁴ in preparing the quotation/tender invitation document. In particular, the applicant shall (i) ensure that a probity clause, an anti-collusion and anti-bid-rigging clause are included in the quotation/tender invitation document; and (ii) request each bidder/tenderer to sign a probity and non-collusive quotation/tendering certificate as part of their quotation or tender submission to the applicant.
- 13.2 The applicant shall ensure that the utmost financial prudence is exercised in the procurement of equipment, goods or services for the purpose of the project, and must adhere to the following procedures unless the Government agrees otherwise -
 - (a) for every procurement of equipment, goods or services (including the hiring of technical consultancy service) the aggregate value of which does not exceed HK\$50,000, written quotations of price from at least two suppliers or service providers shall be invited and obtained. The procurement contract shall be awarded to the supplier or service provider submitting the lowest conforming quotation;
 - (b) for every procurement of equipment, goods or services (including the hiring of technical consultancy service) the aggregate value of which exceeds HK\$50,000 but does not exceed HK\$1,350,000⁵, written quotations of price from at least five suppliers or service providers shall be invited and obtained. The procurement contract shall be awarded to the supplier or service

³ The ICAC has published a booklet "Strengthening Integrity and Accountability – Government Funding Schemes Grantee's Guidebook" providing applicants with a practical set of guidelines in utilising the funds, including sample probity clauses and anti-collusion clauses. Softcopy of the Guidebook is available on ICAC's website (http://www.icac.org.hk/filemanager/en/Content_1031/GranteeBPC.pdf). Applicants are advised to make reference to the best practices in the Guidebook in utilising government funds and contact the Corruption Prevention Advisory Service of ICAC (Tel: 2526 6363) for any questions concerning the Guidebook or if they need any corruption prevention advice.

⁴ The CC has published the "Getting the most from your tender" brochure providing enterprises with a practical set of guidelines in ensuring an open and effective tendering process by preventing and detecting possible bid-rigging cartels. Softcopy of the brochure is available on CC's website (https://www.comppcomm.hk/en/media/reports_publications/files/Competition%20Com_E_PamphletPart%202.pdf). Applicants are advised to contact the CC (Tel: 3462 2118) for any questions concerning the brochure. CC has also published model non-collusion clauses and model non-collusive tendering certificate for reference, which is available at https://www.comppcomm.hk/en/media/press/files/Model_Non_Collusion_Clauses_and_Non_Collusive_Tendering_Certificate_Eng.pdf

⁵ With effect from 1 January 2026, the upper quotation limit of procurement for equipment, goods and services has been revised from HK\$1,360,000 to HK\$1,350,000. It applies to applications first submitted through the ITCFAS on or after this date. For applications submitted through the ITCFAS before the date, the upper quotation limit of HK\$1,360,000 prevails.

provider submitting the lowest conforming quotation;

- (c) for every procurement of equipment, goods or services (including the hiring of technical consultancy service) the aggregate value of which is more than HK\$1,350,000⁵, there shall be open tendering. The procurement contract shall be awarded to the supplier or service provider submitting the lowest conforming bid, or the one with the highest combined technical and price score in case non-prices aspects are evaluated; and
- (d) the applicant may make minor purchases of equipment, goods or services to meet immediate needs, provided that the total value of the purchase does not exceed HK\$5,000 each and such purchases are essential and the rates obtained are reasonable.

If there is any deviation from the above procedures for procurement of equipment, goods or services for the purpose of the project, full justifications must be provided and prior approval from the ITC must be obtained.

- 13.3 Unless prior written approval from the Government is obtained, the applicant or any person authorised by the applicant to call for or in any way involved in the quotation or tender exercise, or any consultant/service provider/supplier the owners, shareholders or management of which are the owners, shareholders or management of the applicant or their relatives, shall not participate in the bid itself.
- 13.4 The applicant should also note that if hiring of technical consultancy service for the preparation of the NIAS application is required before it is submitted, the applicant is required to observe the same guidelines as set out in paragraph 13 herein.
- 13.5 If the machinery/software/equipment/apparatus/experimental and testing equipment procured with funds under the NIAS contains any works or materials of which the Intellectual Property Rights belong to a third party, the successful applicant shall have obtained from the third party Intellectual Property Rights owners the grant of all necessary clearances and licences for itself and its authorised users to use (including but not limited to doing any of the acts restricted by copyright set out in sections 22 to 29 of the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong)) such works or materials in the manner and for any of the purposes contemplated under the Project. The successful applicant shall ensure that the use, operation, custody or possession of such equipment does not and will not infringe any Intellectual Property Rights or any other rights of any person. Under no circumstances will the Government be held liable for any infringement of Intellectual Property Rights caused by or relating to the application for funding support or the implementation of the approved projects. For the purposes of this Guide, "Intellectual Property Rights" means patents, trade marks, service marks, trade names, design rights, copyright, domain names, database rights, rights in know-how, new inventions, designs, processes, and other intellectual property rights whether now known or created in future (of whatever nature and wherever arising) and in each case whether registered or unregistered and including applications for the grant of any such rights.

14. AVOIDANCE OF CONFLICT OF INTEREST

14.1 In engaging service provider(s)/supplier(s)/consultant(s) for implementing the project, the applicant shall not engage a service provider/supplier/consultant the owners, shareholders or management of which are the owners, shareholders or management of the applicant or their relatives. In addition, service providers/suppliers/consultants may not provide loans to applicants for carrying out NIAS projects. The applicants are not permitted to receive such loans. Any person/staff authorised by the applicant to handle or in any way to be involved in the quotation or tender exercise shall declare that they have no actual or potential personal, commercial, financial or professional conflict of interest, otherwise, they shall not participate in the procurement process.

15. RISK AND TITLE TO MACHINERY/SOFTWARE/EQUIPMENT/APPARATUS

15.1 Subject to the legal charge as further mentioned below, the title and interest in machinery/software/equipment/apparatus and other assets of the production facility purchased with funds under the NIAS shall be vested with the applicant.

15.2 To ensure that the funded projects can bring substantive economic benefits to Hong Kong for a reasonable period, unless with prior written approval from the Government, the production facility funded under the NIAS shall not be transferred to other parties or to any place outside Hong Kong within five years after project completion. The applicant shall promptly make the production facility available for inspection by the ITC or authorised representatives of the Government² upon request. The funding agreement to be signed by the applicant with the Government shall set out the above restriction and that the Government has the right to recoup the funding disbursed in whole or in part in case of non-compliance. As one of the conditions for the final payment of the NIAS fund, the applicant is required to create a legal charge in respect of the relevant production facilities in favour of the Government and the Government is to register such a charge with the Companies Registry.

15.3 The risk in the machinery/software/equipment/apparatus and other assets of the production facility will be borne by and remain with the applicant.

16. POST PROJECT EVALUATION

16.1 The applicant will be required to submit a post-project evaluation report to the ITC six months after the ITC approved the final report and audited accounts on the benefits that the funded production facility can bring to the applicant and the wider economy, such as the business turnover after the commissioning of the production facility, as well as the number and types of new jobs created. The applicant will also undertake to participate in further tracking surveys conducted by the ITC.

17. PARTICIPATION IN PUBLICITY AND PROMOTIONAL ACTIVITIES

17.1 Successful applicants will be required to share their experiences in implementing the projects approved under the NIAS with other enterprises. They will need to participate in publicity and promotional activities of the NIAS upon invitation by the ITC. These activities may include, without limitation, seminars, workshops, conferences, exhibitions as well as site visits to successful applicants as arranged by the ITC. Successful applicants may also need to contribute inputs/materials for publication via printed/electronic channels to share their experiences. They shall not charge fees on the ITC for participating in these activities or contributing such inputs/materials for publication.

18. ACKNOWLEDGEMENT OF FUNDING SUPPORT AND DISCLAIMER

18.1 Acknowledgement of funding support under the NIAS must appear on all equipment, facilities, publicity/media events as well as in publications related to a project funded under the NIAS. The following disclaimer shall also be included in any publications and publicity/media events related to a project funded under the NIAS:

“Any opinions, findings, conclusions or recommendations expressed in this material/event (or by members of the project team) do not reflect the views of the Government of the Hong Kong Special Administrative Region, the Innovation and Technology Commission or the New Industrialisation Vetting Committee.”

19. HANDLING OF INFORMATION

19.1 Subject to the provisions in paragraphs 19.2 and 19.3 below, information provided by the applicants in their applications and project reports will be kept by the ITC in confidence and all personal data will be handled in accordance with the relevant provisions of the Personal Data (Privacy) Ordinance (Cap. 486).

19.2 The Government shall have the right to disclose, without further reference to the applicants, whenever it considers appropriate, Discloseable Information⁶ to other Government bureaux/departments and other parties for the purposes of processing the application, conducting research and survey, compiling statistics, meeting requirements of the law, and if the application is approved, monitoring the project, disbursing funding or related purposes, or if explicit consent to such disclosure is given by the applicant. In submitting the application form, each applicant irrevocably and unconditionally authorises the Government to make and consents

⁶ “Discloseable Information” means any information on the application and the project including, but not limited to, information provided by the applicant in, and in connection with, its application under the NIAS, the name and address of and other information on the applicant, including past application(s), other project(s) it is undertaking/proposes to or will undertake, details of the application and the project, the project cost and the NIAS funding, the progress and final reports, information provided by the applicant to the Government, and information on the applicant’s service provider(s) and supplier(s).

to the Government making any of the aforesaid disclosure.

- 19.3 Basic information of approved projects will also be posted on the ITF website for reference.
- 19.4 By submitting an application, an applicant is regarded to have agreed to, and to have obtained from the project co-ordinator and the service provider(s)/supplier(s) and each individual whose information (including personal data) is provided in the application his/her consent for, the disclosure, use and further disclosure by the Government of the information (including personal data) for the purposes set out above.

20. COMPLIANCE WITH HONG KONG LAW AND PREVENTION OF BRIBERY

- 20.1 The applicant and if the application is successful, the funded project shall comply with all applicable laws and regulations (including, but not limited to, the Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region and the Safeguarding National Security Ordinance).
- 20.2 The applicant shall observe the Prevention of Bribery Ordinance (Cap. 201) (“PBO”) and shall prohibit its project team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the project from offering, soliciting or accepting from any person any advantages, including without limitation money, gifts, loans. (as defined in the PBO) in the conduct of or in relation to the project. The applicant shall also caution its project team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the project against soliciting or accepting any hospitality, entertainment or inducements which would impair their impartiality in relation to the project. The applicant shall take all necessary measures (including by way of a code of conduct, internal guidelines or contractual provisions where appropriate) to ensure that its project team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the project are aware of the aforesaid prohibition and will not solicit or accept any advantages or hospitality which would impair their impartiality, etc. in the conduct of or in relation to the project. If the applicant, its project team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the project commit an offence under the PBO in relation to an NIAS project, the ITC shall be entitled to terminate the project, cancel the funding approved, stop the disbursement of funds, recover the funds disbursed as a debt due from the applicant, and shall hold the applicant liable for any loss or damages the Government may have suffered.

21. IMPORTANT NOTES

21.1 It is the responsibility of the applicant to complete the application form in a timely and truthful manner, and to provide all supporting documents for the application. Inaccurate or incomplete information will affect the processing of the application or disbursement of funding. Any omission or misrepresentation of information may lead to rejection or cancellation of approval of applications, and/or partial or full recoupment of the funds disbursed. It is an offence in law to obtain property/pecuniary advantage by deception or assist persons in obtaining property/pecuniary advantage by deception under the NIAS. Any person who does so may be subject to legal proceedings.

22. RELATED SUPPORT MEASURES

22.1 To encourage enterprises with projects approved under the NIAS to carry out or increase their scale of research and development in Hong Kong, a separate stream under the Research Talent Hub (i.e. RTH-NIAS) has been established. In addition to the quotas of engaging four research talents under the existing RTH, funding will also be provided, where appropriate, on a matching basis for these enterprises to engage additional research talents, as well as technical personnel required for setting up or operating smart production facilities. More details are available at the RTH-NIAS webpage (<https://www.itf.gov.hk/en/funding-programmes/nurturing-talent/research-talent-hub/research-talent-hub-for-nias/index.html>).

22.2 Besides, a separate category under the Technology Talent Admission Scheme (i.e. TechTAS-NIAS) has also been established to allow enterprises under the NIAS to employ non-local technical personnel who possess the required skills/know-how and relevant experience in setting up and operating new production facilities to work in Hong Kong. The enterprises concerned may apply for up to five TechTAS-NIAS quotas, which will be valid for two years. More details are available at the TechTAS-NIAS webpage (https://www.itc.gov.hk/en/fund_app/techtas-nias/index.html).

23. ENQUIRIES

23.1 Enquiries regarding the NIAS should be addressed to:

Address: NIAS Secretariat
Innovation and Technology Commission
11/F, North Tower
Tseung Kwan O Government Offices
30 Tong Yin Street
Tseung Kwan O, Sai Kung
New Territories

Tel: (852) 3543 5904
Fax: (852) 3543 5908
E-mail: nias@itc.gov.hk
Website: <https://www.itf.gov.hk/en/funding-programmes/promoting-new-industrialisation/nias/index.html>

Innovation and Technology Commission
December 2025