

**Guide to Application for
the Re-industrialisation Funding Scheme**

Effective from August 2022

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1. BACKGROUND AND OBJECTIVE

- 1.1 Hong Kong has long been a service-oriented economy. With the rapid development of innovation and technology (I&T) in recent years, more development opportunities are opened up for high-end manufacturing industries. Hong Kong has world-class universities and outstanding research and development (R&D) talents. With a free and open economy, a sound legal system and a robust intellectual property protection regime, Hong Kong is an ideal place for industrialists, especially those engaging in high value-added and high-tech production, to set up their production lines.
- 1.2 The Government has been actively promoting “re-industrialisation” in recent years to develop advanced manufacturing industries that are based on new technologies and smart production, so as to identify new growth points for Hong Kong’s economic development. To this end, the Government has been providing infrastructural, financial, technological and talent support.
- 1.3 To add impetus to “re-industrialisation”, the Government announced in the 2018 Policy Address and the 2019-20 Budget the plan to inject \$2 billion into the Innovation and Technology Fund (ITF) for launching a new Re-industrialisation Funding Scheme (RFS) to subsidise manufacturers to set up new smart production lines in Hong Kong. The Legislative Council approved the funding proposal on 15 May 2020.

2. ELIGIBILITY

- 2.1 All companies incorporated in Hong Kong under the Companies Ordinance (Cap. 622) are eligible to apply for funding under the RFS for setting up new smart production lines in Hong Kong. The production lines can be set up in or outside the industrial estates of the Hong Kong Science and Technology Parks Corporation.
- 2.2 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 RFS.

3. FUNDING PRINCIPLES AND AMOUNT

- 3.1 Funding will be provided on a 1 (government) : 2 (company) matching basis, with the Government covering a maximum of one-third of the total approved project cost or \$15 million per project, 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 Expenditure items under an approved RFS 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.

- 3.3 There is no limit on the total number of projects that may be approved in respect of a company, but each company can only apply for funding for a new project after completion of the previously approved project under the RFS and the ITC's acceptance of the concerned final project report.
- 3.4 Each approved project should normally be completed within 24 months. Applicants should 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 for no more than six months. The applicant should 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 should provide full justifications on the reasonableness of the proposed extension for the ITC's assessment. The ITC reserves the right to withhold disbursement of any part of funding support to the applicant and/or request 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 prior approval.

4. FUNDING SCOPE

- 4.1 The funding under the RFS can only be used to cover expenses directly related to the establishment of the new production line in Hong Kong, including the costs of procurement, installation and commissioning of the machinery/equipment/apparatus, fees for engaging technical consultant(s) for the design and setting up of the production line 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 production line (see paragraph 15.2).
- 4.2 Costs of engaging technical consultancy service (from the same technical consultant(s) to be engaged for the design and setting up of the production line) to assist the applicant in preparing the RFS application before project approval may be included in the application for funding.
- 4.3 Delivery costs relating to the purchase of the machinery/equipment/apparatus and warranty costs included in and inseparable from the purchase price may be funded. Costs of insurance, extended warranty and maintenance have to be borne by the applicant.
- 4.4 Normal business operating expenses of the applicant including but not limited to the following cannot be funded under the RFS –
 - (a) Rental of premises;
 - (b) Renovation of premises including but not limited to setting up of a clean

room for the production line funded under the RFS and dangerous goods storage facilities;

- (c) General office and administration expenses, e.g. utility expenses, stationery;
- (d) Office equipment/hardware and software;
- (e) Direct costs incurred for the manufacturing of products, e.g. raw materials, consumables;
- (f) Marketing, branding and advertising expenses;
- (g) 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;
- (h) Entertainment expenses; and
- (i) Financing expenses (e.g. interest payment for loans for purchase of the machinery/equipment/apparatus of the production line funded under the RFS, etc.).

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

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

The RFS 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 RFS is open for application throughout the year.

5.2 An applicant is required to register its entity 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 English and Chinese and may be completed in either language. No application fee will be charged.

- 5.3 Applicants should 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 would 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. The applicant may however submit a new application once all the necessary documents and/or requested information are available. 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 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);
 - (iii) Copy of the valid Hong Kong Identity Card or passport of the person signing the application form for and on behalf of the applicant;
 - (iv) Copy of documentary proof of the annual turnover of the applicant in the previous year (not applicable to applicants established for less than one year); and
 - (v) Promotional pamphlets/publications introducing the applicant's business and product(s).

The original of the above documents may be required for verification upon request.

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 the amount of applications received at the time, complexity of individual applications, comprehensiveness and clarity of the information provided, etc. After initial assessment, the ITC will submit its funding recommendations of individual applications to the Committee for consideration.
- 6.2 The Committee, chaired by a non-official, 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/facilitating-technology/rfs/rfs-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 All applications would be vetted based on their individual merits. The major vetting criteria and weightings include -
 - (a) Setting Up of New Production Line and Adoption of Smart Technologies (35%) - the project should involve actual set up of a production line in Hong Kong; and the entire production line or a significant portion of the production line should fulfil the “smart manufacturing” criteria, i.e. the integrated and intelligent use of “smart” technologies such as Internet of Things, real-time data, application of data analytics and advanced human-machine interfaces, artificial intelligence/machine learning/deep learning, automation and robotics, sensors and actuators, etc. in the production process;
 - (b) Financial Considerations (20%) - the project should have a reasonable budget with itemised cost breakdown and detailed justifications of costs

and expenses;

- (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 line in question. Concrete project deliverables and outcomes should 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 of the applicant as known to the Committee or the ITC will also be considered; and
- (e) Economic Benefits (15%) - the project should generate economic value-added for Hong Kong and/or create high-skilled employment. Favourable consideration would be given to production lines manufacturing products which are strategic in nature and the production would help enhance the stability of supply of such 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 application at its sole discretion. The reasons for rejection will include but not be 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 departments 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 the 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 subjected 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 deemed acceptable by 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 should 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 RFS 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/equipment/apparatus costing \$500,000 or above per item, location of production line 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 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 4.5, 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 \$500,000 does not require prior approval from the ITC. Such deviation should however be explained in writing in the progress and/or final report(s). For deviation of expenditure for any individual item exceeding \$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 The applicant should submit a change request 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 RFS application.
- 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 should 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 should submit the final report and final audited accounts within three months after project completion through the ITCFAS. The final report should 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 should also declare at the time of submission of the report that none of the events as set out in paragraphs 11.3 (a), (e), (f) or (g) has occurred. The final report should 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 (see paragraph 11.2 below). The progress report should 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 should also include any work completed and deliverables achieved during the reporting period. The applicant should also declare at the time of submission of the report that none of the events as set out in paragraphs 11.3 (a), (e), (f) or (g) has occurred. The progress report should 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 24 months, additional progress report(s) and audited accounts will be required but no extra funding will be provided.
- 10.4 The ITC will review the project progress and results. The applicant should 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 should 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.

11. FUNDING DISBURSEMENT

- 11.1 Funding will be disbursed on a reimbursement basis 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 line (see paragraph 15.2 below regarding legal

charge). The actual amount of the final RFS 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.

- 11.2 If the project duration is over 12 months, the ITC will disburse interim funding upon the Committee's and the ITC's acceptance of the 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.
- 11.3 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 should 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; or
 - (g) 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.

- 11.4 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 practicing 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 Government¹ 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 for each RFS 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 Government¹ upon 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.

¹ For the sake of clarity, the Audit Commission is part of the Government.

13. PROCUREMENT PROCEDURES

- 13.1 The applicant shall make reference to the guidelines of the Independent Commission Against Corruption (ICAC)² and Competition Commission (CC)³ in preparing the quotation/tender invitation document. In particular, the applicant should (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 should 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\$1,400,000, written quotations of price from at least five suppliers or service providers shall be invited and obtained. The procurement contract should be awarded to the supplier or service 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\$1,400,000, there shall be open tendering. The procurement contract should be awarded to the supplier or service

² 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 utilizing 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.

³ 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.compcomm.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.compcomm.hk/en/media/press/files/Model_Non_Collusion_Clauses_and_Non_Collusive_Tendering_Certificate_Eng.pdf

provider submitting the lowest conforming bid, or the one with the highest technical 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 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 RFS application is required before it is submitted, the applicant is required to observe the same guidelines as set out in Section 13 therein.
- 13.5 All machinery/equipment/apparatus procured with funds under the RFS should be licensed and should not infringe any third party intellectual property rights.

14. AVOIDANCE OF CONFLICT OF INTEREST

- 14.1 In engaging service provider(s)/supplier(s)/consultant(s) for implementing the project, the applicant should 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 RFS 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 should declare that they have no actual or potential personal, commercial, financial or professional conflict of interest, otherwise, they should not participate in the procurement process.

15. RISK AND TITLE TO MACHINERY/EQUIPMENT/APPARATUS

- 15.1 Subject to the legal charge as further mentioned below, the title and interest in machinery/equipment/apparatus and other assets of the production line purchased with funds under the RFS 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 line funded under the RFS cannot be transferred to other parties or to any place outside Hong Kong within five years after project completion if the relevant RFS funding amount is \$5 million or above, or within three years after project completion if the relevant RFS funding amount is below \$5 million. The applicant shall make the production line available for inspection by the ITC or authorised representatives of the Government¹ upon request. The funding agreement to be signed by the applicant with the Government would 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 RFS fund, the Government will also create a legal charge in respect of the relevant production line and register such a charge with the Companies Registry.
- 15.3 The risk in using the machinery/equipment/apparatus and other assets of the production line 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 project completion on the benefits that the funded production line can bring to the applicant and the wider economy, such as the business turnover after the commissioning of the production line, 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 RFS with other enterprises. They will need to participate in publicity and promotional activities of the RFS upon invitation by the ITC. These activities may include seminars, workshops, conferences, exhibitions, etc., 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 cannot 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 RFS must appear on all equipment, facilities, publicity/media events as well as in publications related to a project funded under the RFS. The following disclaimer should also be included in any publications and publicity/media events related to a project

funded under the RFS:

“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 Vetting Committee of the Re-industrialisation Funding Scheme.”

19. HANDLING OF INFORMATION

- 19.1 Subject to the provisions 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). In this regard, the Government shall have the right to disclose, without further reference to the applicants, whenever it considers appropriate, Discloseable Information⁴ 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 to the Government making any of the aforesaid disclosure.
- 19.2 Basic information of approved projects will also be posted on the ITF website for reference.
- 19.3 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 legislation (including the Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region).

⁴ “Discloseable Information” means any information on the application and the project including without limitation information provided by the applicant in, and in connection with, its application under the RFS, 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 RFS 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).

20.2 The applicant shall observe the Prevention of Bribery Ordinance (Cap. 201) (“PBO”) and shall not, and shall procure that its project team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the project shall not, offer to or solicit or accept from any person any advantages, including money, gifts, loans, etc. (as defined in the PBO) 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 a RFS 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 RFS. Any person who does so may be subject to legal proceedings.

22. ENQUIRIES

22.1 Enquiries regarding the RFS can be addressed to:

Address: RFS Secretariat
Innovation and Technology Commission
Unit 1275, 12/F
Kowloonbay International Trade & Exhibition Centre
1 Trademart Drive
Kowloon Bay
Kowloon
Hong Kong
Tel: (852) 3655 5678
Fax: (852) 2199 7004
E-mail: rfs-enquiry@itc.gov.hk
Website: <https://www.itf.gov.hk/en/funding-programmes/facilitating-technology/rfs/index.html>

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