

# ***Technology Voucher Programme (TVP)***

## ***Guidance Notes for Applications***

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# *Technology Voucher Programme (TVP)*

## *Guidance Notes for Applications*

This Guidance Notes provides an overview on application for funding and implementation of projects under the TVP.

### *Objective of TVP*

2. To enhance competitiveness of local enterprises, the TVP aims to subsidise local enterprises<sup>1</sup> on the use of technological services and solutions to improve productivity, or upgrade or transform their business processes. The programme is implemented for an initial period of three years from November 2016 with HK\$500 million from the Innovation and Technology Fund (“ITF”).

### *Eligibility*

3. Enterprises applying for grant under TVP must fulfill the following requirements –

- (a) **Registered in Hong Kong** under the Business Registration Ordinance (Cap. 310) (“BRO”); and
- (b) with **substantive business operation** in Hong Kong which is related to the project under application at the time of application. An enterprise holding a “shell” business registration or having most of its main business operation outside Hong Kong will **not** be regarded as having substantive business operation in Hong Kong<sup>2</sup>.

4. As the Programme Secretariat, the Innovation and Technology Commission (ITC) reserves at all times the right to determine whether an enterprise is eligible to apply for a TVP grant.

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<sup>1</sup> Initially, only local small and medium enterprises are eligible under the TVP but since 28 February 2018, it has been expanded to all local enterprises except listed enterprises. Subsidiaries of listed enterprises are also eligible if they themselves are not listed.

<sup>2</sup> The applicant enterprise must provide documentary evidence proving its substantive business operations in Hong Kong, please refer to **Annex A** for details.

## *Funding Scope*

5. TVP supports projects in the form of technological services and solutions which could improve productivity, or upgrade or transform the business processes of the applicant enterprise. A list of typical technological services and/or solutions covered by TVP is at **Annex B**. Applicant enterprises are welcome to propose other technological services and solutions which could achieve the objectives of TVP. We shall consider the merits of such applications on a case-by-case basis. For funding support under the TVP, prior approval must be obtained before project commencement. The project deliverables should be used in a way that would have direct impact on the applicant enterprise's business operation in Hong Kong.

6. In the application, the applicant enterprise is required to provide a breakdown of the costs to be directly incurred for the purpose of, and during the approved period of the proposed project that the applicant enterprise estimates. Funding could cover-

- (a) **Technology Consultancy** – for the purpose of a TVP project, “consultant” refers to the company/institution providing external consultancy to the applicant enterprise for recommending technological services/solutions to be adopted in the project. To encourage proper consideration of the local setting in the formulation of technological solutions for the applicant enterprises, the consultant must be a **local university or research institution**, or a **company registered in Hong Kong** under the BRO at the time of application. The applicant enterprise should provide the expected deliverables from the engagement of the consultant, as well as breakdown of the payment to this consultant including manpower cost and any other related cost for the purpose of the project.
- (b) Purchase, rental or subscription of **customised** equipment/hardware, software and technological services or solutions that form an essential part of the project.
- (c) Purchase, rental or subscription of **off-the-shelf/readily available** equipment/hardware, software and technological services or solutions that **form an essential part of the project**. Subscription-based technological services or solutions (e.g. cloud-based services) may be permitted for funding support for up to 12 months irrespective of the completion of other project deliverables, provided the cost to be incurred only covers the

project duration. In general, the costs of such equipment/hardware/software/services or solutions should constitute **no more than 50% of the project cost**. Otherwise, the TVP Committee (please refer to paragraph 26 below) would be consulted to decide whether to approve higher cost of such equipment/hardware, software and technological services or solutions. Unless exceptionally justified, applications involving merely procurement of off-the-shelf/readily available items are generally not supported under the TVP.

- (d) Project auditing (please refer to paragraph 39(d) below) for projects with approved funding exceeding \$50,000. The maximum audit fee to be counted towards the total project cost is \$3,000.

7. The procurement of equipment/hardware/software/other assets or consultancy services is subject to the following rules:

- (a) The title and interest in new equipment/hardware/software and other assets purchased with funds under the TVP shall vest with the applicant enterprise;
- (b) Unless prior written approval from ITC is obtained, the applicant enterprise is required to keep all equipment/hardware/software/other assets funded under the TVP for at least one year after project completion or termination of the project, and shall make such equipment/hardware/software/other assets available for inspection by ITC or representatives of the Government<sup>3</sup>/Government's authorised agencies upon request. The applicant enterprise shall **not** transfer, sell or dispose of the equipment/hardware/software/ other assets within the period as specified above without prior approval;
- (c) All items purchased, procured or leased with funds under the TVP should be licensed products and would not infringe any third party intellectual property rights; and
- (d) The risk in using the equipment/hardware/software/other assets or consultancy services will be borne by and remain with the applicant enterprise.

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<sup>3</sup> For clarity sake, the Audit Commission is part of the Government.

8. Normal business operating costs including the following will **not** be funded under the TVP<sup>4</sup> –

- (a) rental of premises;
- (b) staff salary and other related expenses including but not limited to contribution to the Mandatory Provident Fund, contract gratuities, annual salary adjustment, general fringe benefits (e.g. medical), and allowances (e.g. expenses on housing, travelling, overtime), general training and development;
- (c) general office equipment/hardware, software and technological services or solutions for normal business operation<sup>5</sup>;
- (d) maintenance, warranty and insurance of existing and newly purchased equipment;
- (e) non-technology related professional service fees;
- (f) marketing and branding expenses;
- (g) transportation and accommodation;
- (h) financing expenses (e.g. interest payment for loans); and
- (i) administrative overheads.

### *Procurement Procedures*

9. Applicant enterprises should ensure that all procurement for goods and services (including technology consultancy and project auditing) are carried out in an open, fair and competitive manner and the appointment of reasonable qualified suppliers or service providers. In general, applicant enterprises should adhere to the following procurement procedures –

- (a) for every procurement of equipment or other goods or services for the purposes of or in relation to the project, the aggregate value of which does not exceed HK\$50,000, the applicant enterprise itself (versus its agents or

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<sup>4</sup> This list of normal business operating costs not funded under the TVP is not exhaustive and is subject to review and revision from time to time.

<sup>5</sup> Examples include PCs, laptops, printers, scanners, photocopiers, fax machines, tablets, mobile phones, USB flash drives, anti-virus and office suites for the purpose of normal business operation.

sub-contractors) shall obtain written price quotations from at least two suppliers or service providers. The procurement contract should, unless otherwise justified by the applicant enterprise and agreed by ITC, be awarded to the supplier or service provider submitting the lowest conforming price quotation;

- (b) for every procurement of the equipment or other goods or services for the purposes of or in relation to the project, the aggregate value of which exceeds HK\$50,000 but does not exceed HK\$300,000, the applicant enterprise itself (versus its agents or sub-contractors) shall obtain written price quotations from at least three suppliers or service providers. The procurement contract should, unless otherwise justified by the applicant enterprise and agreed by ITC, be awarded to the supplier or service provider submitting the lowest conforming price quotation;
- (c) for every procurement of the equipment or other goods or services for the purposes of or in relation to the project, the aggregate value of which exceeds HK\$300,000 but does not exceed HK\$1,400,000, the applicant enterprise itself (versus its agents or sub-contractors) shall obtain written price quotations from at least five suppliers or service providers. The procurement contract should, unless otherwise justified by the applicant enterprise and agreed by ITC, be awarded to the supplier or service provider submitting the lowest conforming price quotation; and
- (d) for every procurement of the equipment or other goods or services for the purposes of or in relation to the project, the aggregate value of which is more than HK\$1,400,000, the applicant enterprise shall follow an open procurement process. Channels which are easily accessible by the general public shall be used to publicise the tender notices. The procurement contract should be awarded to the supplier or service provider in accordance with the terms of the tender.

10. Full justifications must be provided if the minimum number of quotations for purchase as stipulated in paragraph 9(a)-(c) cannot be obtained. The applicant enterprise should submit the requisite number of quotations at the time of application as evidence of proper quotations. Where necessary, an applicant enterprise may be requested by ITC to obtain additional quotations or references to support the cost of equipment, other goods and services.

11. Unless prior written approval from ITC is obtained, the applicant enterprise, or any person/staff authorised by the applicant enterprise to call for or in any way involved in the quotation or tender exercise, or any consultants/service providers/suppliers, the owners, shareholders, management of which are the owners, shareholders, management of the applicant enterprise or their relatives shall **not** offer a quotation or make a bid itself.

12. The applicant enterprise shall ensure that a probity clause and a non-collusion clause<sup>6</sup> are included in the quotation/tender invitation document and that each bidder/tenderer has signed a probity and non-collusive quotation/tendering certificate as part of their quotation or tender submission to the applicant enterprise<sup>7</sup>. Please refer to the TVP dedicated website (<https://tvp.itf.gov.hk>) for the model clauses and provisions to be included in the quotation/tender invitation document and the probity and non-collusive quotation/tendering certificate.

13. In the selection of consultancy service providers, the applicant enterprise should take into account the company's technical capability and track record on similar projects.

14. The applicant enterprise shall provide the full justifications of shortlisted or awarded supplier(s) or service provider(s), including but not limited to the company profile, year founded, number of staff, core business, area of specialty and job references upon the request of ITC. ITC reserves the right to eliminate any supplier(s) or service provider(s) and request the applicant enterprise to exercise

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<sup>6</sup> The Independent Commission Against Corruption (ICAC) has published a booklet "Strengthening Integrity and Accountability – Government Funding Schemes Grantee's Guidebook" providing applicant enterprises/grantees with a practical set of guidelines in utilising the funds. Softcopy of the Guidebook is available on ICAC's website ([http://www.icac.org.hk/filemanager/en/Content\\_1031/GranteeBPC.pdf](http://www.icac.org.hk/filemanager/en/Content_1031/GranteeBPC.pdf)). The Competition Commission ("CC") has also published a booklet which provides guidance relating to Model Non-Collusion Clauses and Non-Collusive Tendering Certificate (available on CC's website: [https://www.compcomm.hk/en/media/press/files/Model\\_Non\\_Collusion\\_Clauses\\_and\\_Non\\_Collusive\\_Tendering\\_Certificate\\_Eng.pdf](https://www.compcomm.hk/en/media/press/files/Model_Non_Collusion_Clauses_and_Non_Collusive_Tendering_Certificate_Eng.pdf)). Applicant enterprises are advised to make reference to the best practices in the ICAC's Guidebook and CC's booklet and contact the Corruption Prevention Advisory Service of ICAC (Tel: 2526 6363) or CC (Tel: 3462 2118) for any questions concerning the Guidebook or the booklet or if they need any advice to prevent corruption or anti-competitive practices.

<sup>7</sup> The applicant enterprise may also consider including non-collusion clauses in its formal contract with the successful bidder/tenderer. For further information, please refer to CC's Model Non-Collusion Clauses and Non-Collusive Tendering Certificate (in particular, Appendix 1 and Appendix 2).

the procurement process again should there be any doubts regarding their technical capability and/or track record on similar projects or if ITC considers that the procurement for any goods or services are not carried out in an open, fair and competitive manner.

### *Avoidance of Conflict of Interest*

15. Applicant enterprises should engage consultants, service providers and suppliers of its choice. To avoid conflict of interests, in engaging consultant/service provider/supplier for implementing the project, applicant enterprises must **not** engage a consultant/service provider/supplier, the owners, shareholders, management of which are the owners, shareholders, management of the applicant enterprise or their relatives. Applicant enterprises or any person/staff authorised by the applicant enterprises to handle or in any way involved in the quotation or tender exercise should declare that they have no actual or potential conflict of interest; and should **not** participate in the procurement process if otherwise. In addition, consultants/service providers/suppliers may **not** provide loans to applicant enterprises for carrying out TVP projects. Applicant enterprises are required to report cases of conflict of interest, including actions taken, to ITC in writing.

### *Handling of Cash Payment*

16. Subject to paragraph 17, the applicant enterprise shall purchase, procure or lease the equipment, other goods or services for the project through non-cash methods such as credit card, cheque, bank transfer.

17. The applicant enterprise may procure equipment, other goods or services for the project in cash to meet immediate needs, provided that the total value of any single transaction of the equipment, goods or services or all of the above for the purposes of or in relation to the project shall **not** exceed HK\$5,000 each and the transaction shall be reasonably necessary for the discharge of the obligations and duties owed by the applicant enterprise under the funding agreement, and that the procurement price is reasonable. The applicant enterprise has to certify in writing all these requirements.

18. Any single transaction by the applicant enterprise with a total value exceeding HK\$5,000 shall **not** be made in cash without the prior written approval of ITC.

## *Funding Amount and Project Duration*

19. Funding up to **\$200,000** for each eligible enterprise will be provided on a **2:1 matching basis**. The applicant enterprise must contribute **no less than one third** of the total approved project cost in **cash**. In other words, funding on **no more than two-thirds** of the total approved project cost will be provided to an applicant enterprise on a reimbursement basis based on the actual project cost. Contribution by the applicant enterprise in **kind** will **not** be accepted as project cost. Expenditure items under an approved TVP project (including the parts contributed by the applicant enterprise and the Government) shall **not** receive funding support from other local public funding sources.

20. If applicant enterprises have previously received a TVP grant, the total cumulative grant amount must **not exceed** the prevailing cumulative grant ceiling, i.e. **HK\$200,000**. Generally speaking, related enterprises, i.e. enterprises registered as different business under the BRO but having the same individual(s) holding 30% or more ownership in such enterprises (up to the ultimate level of natural person(s) if the enterprises are held by corporate shareholder(s)), would be treated as one single enterprise for the purpose of calculating the cumulative funding amount (i.e. subject to the cumulative funding ceiling of \$200,000). Applicant enterprises are required to indicate in the application as to whether any of their related enterprises have applied for or received funding support under TVP at the time of application.

21. Subject to the cumulative funding ceiling of \$200,000, **up to three projects** from an enterprise may be approved. To ensure proper focus on project implementation, an enterprise is **not** allowed to undertake more than one TVP project at the same time in parallel. A new application may only be submitted by an enterprise **after** completion of an earlier approved project and submission of the final project report (please refer to paragraph 39(a) below).

22. Each project should normally be completed **within 12 months**. Applicant enterprises should seek prior approval from ITC for any modifications in the project completion date. Request for project extension without increase in the approved funding amount will be considered on a case-by-case basis. Applicant enterprises should provide full justifications for ITC's assessment on the reasonableness for the proposed changes. ITC reserves the right to withhold disbursement of any part of funding support to the applicant enterprise and/or withdraw approval of funding in

full or in part from the applicant enterprise should there be any changes in the project completion date without prior approval.

### *Application Procedures*

23. TVP is open for application throughout the year subject to the availability of fund under TVP.

24. Applicant enterprises should submit their applications through the TVP dedicated website (<https://tvp.itf.gov.hk>) with the documents listed in **Annex C**. In case of difficulties, applicant enterprises may contact ITC for assistance in submitting applications through the TVP website.

25. For applications submitted, ITC reserves the right to seek additional information where necessary. Unless requested by ITC, supplementary information provided after submission of application will **not** be accepted and will **not** form part of the application. Incomplete application will **not** be processed and may be returned to the applicant enterprise. In this connection, the applicant enterprise should assign a person as the project coordinator of the application who will act as the main contact point between the applicant enterprise and ITC. In order to ensure the smooth implementation and completion of the project, the project coordinator should be able to fully represent the applicant enterprise and be conversant with the operation and business processes of the applicant enterprise. As such, the project coordinator must be a responsible personnel of the applicant enterprise.

### *Assessment of Application*

26. Upon receipt of an application, ITC will check its eligibility and conduct a preliminary screening. ITC may also seek clarification or supplementary information from the applicant enterprise if necessary. Eligible applications will be considered by the TVP Committee (the Committee) while ineligible applications will be returned to the applicant enterprise. The Committee is composed of members from the business sector, technology sector, professional services sector and relevant Government departments and its composition can be found under <https://tvp.itf.gov.hk>. Applications supported by the Committee will be submitted to the Commissioner for Innovation and Technology (CIT) for approval of funding.

27. Applicant enterprises must **not** approach members of the Committee to avoid affecting their impartiality of advice.

28. To avoid conflict of interest, members of the Committee will be requested to declare their general pecuniary interests on appointment and annually thereafter, in addition to the report of conflicts of interest that may arise from any particular application on which they may be asked to advise. Where considered appropriate, the Chairman of the Committee may request the member concerned to refrain from participating in discussion and assessment of the relevant application.

### *Assessment Criteria*

29. Each eligible application will be assessed based on individual merits and considered on a case-by-case basis. The assessment criteria of TVP projects include –

- (a) **relevance of the proposed project to the applicant enterprise's business** – the project should have good prospects of enhancing its competitiveness through improving productivity, business development/expansion, cost reduction or efficiency enhancement, upgrading/improving/transforming business processes;
- (b) **reasonableness of the budget** – assessment with reference to market prices of the technologies in question as known to the Committee or ITC will be made. Individual items of expenditure must also be essential and directly related to the implementation of the project;
- (c) **reasonableness of the implementation details** – consideration may include whether concrete and quantifiable project deliverables and outcomes have been set. The implementation details should also be realistic taking into account factors such as the complexity of the technology and the project duration; and
- (d) **adverse record of consultants and/or service provider(s)** as known to the Committee and ITC if available.

30. If a project is worthy of support in principle, the level of funding may be adjusted with reference to the costs of the project approved by the Committee.

31. ITC reserves the right to reject an application on grounds including but not limited to –

- (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 enterprise; or
- (b) a false, inaccurate or incomplete statement or representation is contained in the application or a promise or a proposal is made knowingly or recklessly; or
- (c) the applicant enterprise is in default of its obligation(s) under another grant agreement entered into with any other local public funding sources whether or not in relation to TVP.

### *Notification of Result*

32. Applicant enterprises will be informed of the result in writing. The actual processing time will be subject to the amount of applications received at the time, complexity of individual applications, comprehensiveness and clarity of the information provided, etc. Successful applicant enterprises may be required to revise the application to fulfill the conditions for approval set by the Committee and/or ITC, if any. A successful applicant enterprise is required to enter into a funding agreement with the Government upon successful application of grant to comply with the terms and conditions of TVP. Similar to other ITF projects, basic information of the approved projects will be posted onto the ITF website.

33. Unsuccessful applicant enterprises will be informed of the reason(s) for the rejection. A rejected application could only be resubmitted if it has been revised taking into account the reason(s) for the earlier rejection, and the resubmitted application will be treated as a new application subject to the same assessment procedures.

### *Project Implementation*

34. An approved TVP project is required to be carried out strictly in accordance with the funding agreement and application as approved by CIT. It is the applicant enterprise's responsibility to monitor the work of the service provider(s) and the implementation of the project to ensure the proper use of funds by supplier(s)/service provider(s) in accordance with the approved budget; and to

resolve any disputes with its supplier(s)/service provider(s). Applicant enterprises should agree with the supplier(s)/service provider(s) on the detailed service scope and project budget prior to project commencement, and set out the information in the application. It is the responsibility of the applicant enterprise to ensure the proper completion of the project for the purpose of seeking reimbursement. ITC will also conduct random checks on individual projects as mentioned in paragraph 43.

### *Changes to Approved Project*

35. Funding will **not** be provided on items not included in the approved proposal, as well as expenditures incurred outside the project period. Expenditure on individual items exceeding the permitted deviation of expenditure for the item in the approved budget as mentioned in paragraph 37 will **not** be borne by ITC unless prior approval from ITC has been granted.

36. While approved projects are expected to be carried out strictly in accordance with the applications and funding agreements, in case applicant enterprises need to make changes to their application because of unexpected circumstances, any requests for changes to the approved projects, including change of the project commencement or completion dates, consultant or service providers, equipment, and/or budget, will require prior approval by ITC. Depending on the extent of the requested change and the impact of the proposed changes on the outcome of the project, recommendations by the Committee may be sought before approval by ITC.

37. Where the deviation of expenditure for any individual item does **not exceed 30%** of the original approved budget of the item and does **not** result in any increase in the total approved project cost and the total amount of ITF funding requested under TVP, prior approval from ITC is **not** required. Such virement should however be explained in writing in the final project report. For deviation of expenditure exceeding 30%, prior approval from ITC is required and strong justification needs to be provided. No prior written approval from ITC is required if the applicant enterprise increases its own contribution to the approved project. Under all circumstances, the total amount of funding approved or the total approved project cost will **not** be increased.

38. Any request for change in project scope (i.e. the approved technological solution(s)), or increase in the total approved project cost or the total amount of ITF funding for the project will **not** be entertained. For other changes to the project, the applicant enterprise should submit a change request electronically through the TVP dedicated website. ITC's **prior** approval must be obtained before adopting the proposed changes.

### *Disbursement of Funding*

39. There will be **no** advance payment to the applicant enterprise under TVP. Funding on no more than two-thirds of the actual cost of a project (up to the ceiling approved by CIT) will be provided to an applicant enterprise on a reimbursement basis. In this connection, **within 2 months** after completion of the TVP project, the applicant enterprise should submit the following electronically through the TVP dedicated website to ITC for reimbursement of the approved funding:

- (a) a final project report indicating completion of project, a summary of project expenditures and project deliverables;
- (b) evidence of deliverables (e.g. consultancy report(s), delivery receipt(s), photos, etc.);
- (c) original<sup>8</sup> or copy of invoice(s) and corresponding receipt(s) certified by the applicant enterprise in relation to the payment for each expenditure item. The name of the payer on the invoice(s) and receipt(s) must be the **same** as the name of the applicant enterprise;
- (d) if the approved funding **exceeds \$50,000**, an audited statement of expenditure for the project from an independent auditor is required to be submitted to ITC; and
- (e) if the approved funding is HK\$50,000 or below, applicant enterprises are required to prepare and submit a final statement of expenditure and declare that the final statement of expenditure is accurate and all spending is made in compliance with the requirements as set out in the funding agreement. Applicant enterprises may refer to the format of the audited statement of expenditure at Annex of the Notes for Auditors (mentioned in paragraph 42 below) when preparing the final statement of expenditure.

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<sup>8</sup> Original receipt(s) can be submitted by mail or in person.

ITC reserves the right to conduct detailed checks on the final statement of expenditure.

40. Late submission of the required documents as specified in paragraph 39 may lead to withholding, reduction or cessation of the funding support for the project. In case of difficulties, applicant enterprises may contact ITC for assistance in submitting the final report and supporting documents through the TVP website.

41. ITC reserves the right to seek clarifications from the applicant enterprise regarding the project and/or the service provider(s). Under normal circumstances, reimbursement will be made upon submission of all the required documents/supplementary information and ITC's acceptance of the final project report.

### *Auditing Requirement*

42. To ensure that the project funds have been solely and properly applied to the project and expended in accordance with the approved budget, an audited statement of expenditure shall be required for projects under paragraph 39(d) above. The required account shall be 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"). The applicant enterprise 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" (the "Notes") issued by ITC in conducting audits and preparing auditors' report for each project. The engagement letter shall also specify that ITC or representatives of the Government/Government's authorised agencies 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 statement of expenditure, the auditor is required to express an audit opinion as to whether the applicant enterprise 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.

43. To maintain a high level of integrity of the projects under TVP, ITC will conduct random checks on individual TVP projects. The successful applicant enterprise is required to keep a proper and separate set of books and records for each TVP project for **7 years** after the completion of the project, and produce such records for checking by ITC or representatives of the Government/Government's authorised agencies upon request.

44. If the applicant enterprise fails to comply with any requirements in the Guidance Notes and the terms and conditions stipulated in the funding agreement, ITC may cease future disbursement of any part of funding support to the applicant enterprise and/or shall have the right to claim for repayment of the disbursed funding in full or in part together with all administrative, legal and other costs and interest incurred or accrued up to the date of repayment from the applicant enterprise. Under such circumstances, ITC will inform the applicant enterprise of its decision and reasons.

45. The applicant enterprise is **not** entitled to charge any interest or claim any compensation or relief or whatsoever nature against the Government for any payment made or in the event of any withholding of payment for any reason whatsoever.

### *Termination*

46. ITC may at any time terminate all or any part of the funding support by giving written notice to the applicant enterprise with immediate effect on the occurrence of any of the following events:

- (a) the applicant enterprise is in breach of any of the terms and conditions in the funding agreement;
- (b) the project fails in a material way to progress in accordance with the approved proposal;
- (c) ITC shall form the opinion that:
  - (i) it is unlikely that the project will be completed in accordance with the approved proposal and other requirements in the funding agreement;  
or
  - (ii) the project should be terminated in public interest;

- (d) the applicant enterprise terminates the project;
- (e) any material change shall occur in the management, ownership or control of the applicant enterprise;
- (f) any material change shall occur in the composition of the consultant or service providers referred to in the application;
- (g) the applicant enterprise engages in any conduct prejudicial to the project;  
or
- (h) 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 enterprise (otherwise 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 enterprise makes an assignment for the benefit of or composition with its creditors generally or threatens to do any of these things or any judgement is made against the applicant enterprise or any similar occurrence under any jurisdiction that affects the applicant enterprise.

47. In the event the project is terminated by the applicant enterprise for whatever reasons, the applicant enterprise should notify ITC in writing immediately to explain the reasons for the termination.

### *Handling of Information*

48. Subject to the provisions below, information provided by the applicant enterprises in their applications and final project reports will be kept by 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 applicant enterprises, whenever it considers appropriate, Discloseable Information<sup>9</sup>

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<sup>9</sup> "Discloseable Information" means any information on the application and the project including without limitation, information provided by the applicant enterprise in, and in connection with, its application under the TVP, the name and address of and other information on the applicant enterprise including past applications, other projects it is undertaking/proposes to or will undertake, details of the application and the project, the project cost and the TVP funding, the final project report, information provided by the applicant enterprise to the Government and information on the applicant enterprise's consultants, service providers and suppliers.

to other Government bureaux/departments, statutory bodies or third parties for the purposes of processing the application, conducting research and survey, compiling statistics, meeting requirements of the law and/or performing their functions, 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 enterprise. In submitting the application form, each applicant enterprise irrevocably and unconditionally authorises the Government to make and consents to the Government making any of the aforesaid disclosure.

49. By submitting an application, an applicant enterprise is regarded to have agreed to, and to have obtained from the project coordinator and the consultant/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.

50. A summary of approved projects will also be posted on the ITF website for reference.

### *Important Notes*

51. It is the responsibility of the applicant enterprise to complete an application form and the final project report timely and truthfully, and to provide all supporting documents for the application and for the reimbursement of funding approved. Inaccurate and incomplete information will affect the processing of application or disbursement of funding. Any omission or misrepresentation of information may lead to rejection of applications, cancellation of applications approved, and part or full recoument of grants awarded. It is an offence in law to obtain property/pecuniary advantage by deception or assisting persons to obtain property/pecuniary advantage under TVP. Any person who does so may be liable to legal proceedings.

### *Prevention of Bribery*

52. The applicant enterprise shall observe the Prevention of Bribery Ordinance (Cap. 201) ("PBO") 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, loan, etc. (as defined in the PBO) in the conduct of or in relation to the project. If the applicant enterprise, 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 TVP project, the ITC shall be entitled to terminate the project, cancel the funding approved, recoup the grant awarded, and shall hold the applicant enterprise liable for any loss or damages the Government may thereby sustain.

### *Post Project Evaluation*

53. The applicant enterprise is required to submit a post-project evaluation report through the TVP dedicated website in one year after project completion on the extent of the project in achieving business objectives to improve productivity, or upgrade or transform their business processes so as to enhance its competitiveness.

### *Assignment*

54. Unless prior written approval from ITC is obtained, the applicant enterprise shall **not** assign, transfer, sub-contract or otherwise dispose of any or all of its interests, rights, benefits or obligations under the funding agreement.

55. The applicant enterprise shall seek the approval of ITC before engaging services of independent service providers of its own to assist it with its duties under the funding agreement, provided that the applicant enterprise shall –

- (a) **not** be relieved from any of its obligation and duties under the agreement by engaging any such independent service providers and shall remain liable to ITC for the performance of such obligations and duties;
- (b) remain liable for any act or omission of any such independent service providers as if such act or omission were its own; and
- (c) secure binding obligations from all such independent service providers so as to ensure that the obligations under the agreement could be complied.

February 2018

**Supplementary Notes on Eligibility**

1. For the purpose of TVP, “enterprise” refers to a legal entity which is engaged in any form of business.

2. When considering whether the applicant enterprise has substantive business operations in Hong Kong, ITC makes reference to various factors, such as:

- nature of the business operation in Hong Kong
- size/extent/percentage of the business operation in Hong Kong
- investment amount in Hong Kong
- number of employees in Hong Kong
- information of customers/clients
- year of establishment
- whether profits are assessable in Hong Kong and information/ assessment issued by relevant financial and professional organisations

3. To facilitate ITC’s assessment of whether the applicant enterprise has substantive business operations in Hong Kong at the time of making the application, the applicant enterprise may be required to submit the following supporting documents –

<b>Data of the Applicant Enterprise</b>	<b>Examples of Document</b>
Business operations	Commercial contracts, invoices, receipts, bank records, records of purchase/sales of goods, office tenancy, water/electricity bills
Financial information	Audited account, financial report, monthly bank statements, profits tax returns and taxation assessment issued by the Inland Revenue Department
Information of employees	Mandatory Provident Fund records or approved retirement plan records, salary payment records, employees' compensation insurance records

**List of Typical Technological Services and/or Solutions  
covered by TVP**

<b>(l) Productivity / Business Process</b>
<b>(a) Appointment scheduling and queue management system</b> An appointment scheduling and queue management system allows the customers to book and change appointments. The system sends customised notifications to the staff and the customers of confirmations, reminders and pending appointments. The system should have an interface to integrate with any existing Customer Relationship Management (CRM) systems. Its queue management may allow the customers to leave the store while waiting for service, thereby eliminating physical queues. The system may send SMS notifications to inform customers of their queue number, estimated waiting time and when their waiting time is over. It generates reports that track the efficiency of queue management.
<b>(b) Augmented reality (AR) technologies system</b> AR is a live direct or indirect view of a physical, real-world environment whose elements are supplemented by computer-generated sensory inputs such as sound, video, graphics or GPS data. Information about the environment and its objects is overlaid on the real world, which allows users to manipulate them interactively. AR technology can enhance the current perception of reality and has a wide range of potential applications such as digital marketing, education and gaming.
<b>(c) Big data and cloud-based analytics solution</b> Big data and cloud-based analytics technology offer new opportunities for business intelligence analytics. The unprecedented volume, velocity and variety of data available and accessible over the Internet, e.g. business demand trends, climate information, road traffic condition, mass transportation demands, science and researches, etc., have enabled businesses and research institutes to develop advanced decision-making capabilities. The solution can provide a scalable and portable computing environment to give useful insights into phenomena and collective behaviours, providing the basis for informed decisions and intuitive services.
<b>(d) Building information modeling (BIM) system</b> BIM is a digital representation of physical and functional characteristics of a facility. It shares knowledge, resource and information about a facility forming a reliable basis for decisions during its life-cycle from conception to demolition. A BIM solution can provide software tools for automating different processes in design, construction and operations.

<b>(l) Productivity / Business Process</b>	
<b>(e) Clinic management system</b>	Clinic management system automates day-to-day administration and management of tasks in clinics. It streamlines clinic management processes such as in-patient record management, appointment bookings, medical billing and payment and drug inventory management.
<b>(f) Cyber security solution</b>	In recent years, there is an increasing trend in the frequency and varieties of information security threats and cyber attacks. At the same time, cyber threats continue to grow in scale and sophistication. Cyber security solutions can provide organisations the means to defend against cyber attacks and malicious activities over the Internet as well as disaster recovery solutions so as to minimise the risk of loss and threats to their information systems.
<b>(g) Document management and mobile access system</b>	A document management and mobile access system synchronises digital documents across multiple sites for sharing among company employees. Local data is backed up and stored in the storage system, enabling disaster recovery, archiving and rapid access as needed. Additionally, data access can be optimised for each remote site with a central point of management. The system enables scanning, storage, retrieval, sharing, tracking, revision and distribution of documents. It reduces the need for manual handling of documents. For cloud-based solutions, data should be encrypted end-to-end.
<b>(h) Electronic inventory management system</b>	An electronic inventory management system automates inventory management processes, monitors stock availability and streamlines tracking of transaction data. The system generates inventory reports and sends notifications on stock movements and status. The system's interface should allow integration with any existing accounting management and point-of-sales (POS) system.
<b>(i) Electronic procurement management system</b>	An electronic procurement management system is an all-in-one procurement system that automates procurement processes for Business-to-Business buyers and suppliers. The system enables seamless electronic execution of supply delivery, ordering, goods receipt and invoice generation. The system may have an Application Programming Interface (API) that integrates with any existing accounting and inventory management system.
<b>(j) Enterprise resource planning (ERP) solution</b>	An ERP solution is a suite of business management applications for an organisation to collect, store, manage and interpret data from various business processes or

## (l) Productivity / Business Process

activities such as accounting and finance, inventory management, marketing and sales management, manufacturing and production planning etc. It usually consists of a centralised database management system to maintain and track business resources. The solution can facilitate information flow and the decision making processes between all business functions and relevant stakeholders. Typical ERP solutions cover the following systems-

- (i) **CRM** system - allows a company to interact with current and potential customers, and provides a centralised record of all client details and contact history. It provides customer support, case management and knowledge base. The system may provide dashboard/reports to allow sales teams to view, analyse and manage sales activities, objectives, leads generated, leads follow-up efficiently. The system may have an interface that integrates with the company's accounting software and email systems.
- (ii) **customers and membership analysis and management system** - allows an organisation to manage membership for different applications or activities. It usually consists of a member database which consolidates and maintains membership information. The database also helps analyse members' information to enhance customer relationship. It can also streamline the process of issuing renewal reminders, payment processing as well as organising events and activities. Some systems may also provide interfaces for accessing the membership information through websites or mobile applications.
- (iii) **human resources management** system - automates staff roster scheduling and generates attendance and overtime reports, enabling companies to eliminate manual processes and effectively allocate manpower resources. The system's API should integrate with the company's existing employee record and payroll system.

## (k) Fleet management system

A fleet management system uses telematics and GPS tracking technology to provide the company a complete overview of its fleet's real-time location and operating condition. The system allows companies to tailor the fleet journey, manage cost control, improve fleet utilisation and improve productivity.

## (l) Location based services (LBS)

A LBS is a software-level service that manipulates location data. It includes services to identify the location of a person or object, and it may be applied in social networking, entertainment, security etc. Many outdoor and indoor location systems are available, using GPS, GSM localisation, and local-range technologies such as Bluetooth low energy, Radio Frequency Identification (RFID), etc.

**(l) Productivity / Business Process**

**(m) Logistics management system**

Logistics management is the part of supply chain management that plans, implements, and controls the efficient forwarding, reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption. Logistics management system often leverages RFID and other advanced IT technologies such as barcode and network communications, so as to enable seamless integration with the information requirements for the various parties involved in the supply chain. These systems can improve and optimise the operation and management of the supplier while supporting and improving regulatory supervision, and enhance customer service by allowing the tracking of goods and services involved.

**(n) POS system**

A POS system may include and integrate basic functions, including product checkout, payment transaction, receipt issue, stock control or other higher-end functions such as customer database, inventory management, sales trend and profit analysis etc., through the use of customised hardware and software.

**(o) Quick response management (QRM) system**

Quick Response (QR) is both a management paradigm and methodology that allows supply systems to react quickly to changes and improves their performance. It is particularly relevant to the Fast Moving Consumer Goods and Fashion industries. QR works by compressing the time between product or service design concept and arrival on the shelf. It takes advantage of recent technologies such as POS tracking and Electronic Data Interchange to constantly update estimates of true consumer demand, and then places intelligent re-orders for goods with their suppliers.

**(p) Real-time manufacturing tracking system**

Real-Time manufacturing tracking system can provide effective information flow to achieve optimal production management among the involved enterprises. Employees and different manufacturing resources such as machines and materials are usually equipped with RFID devices to allow real-time data communication. Manufacturing information processing methods are also established to calculate and track the real-time manufacturing information such as manufacturing progress, inventory etc. to support real-time production management.

**(q) Solutions to facilitate compliance with manufacturing standards**

For many manufacturing industries, there are technical, legal and corporate requirements, regulations and practices, with which manufacturers must comply in order to produce and market their products. Some typical examples of such standards include those originating from the US Food and Drug Administration, US

**(I) Productivity / Business Process**

Environmental Protection Agency etc. Examples included clean-room technologies for pharmaceutical industry.

**(II) Testing and Certification<sup>10</sup>**

**(a) Energy management system (ISO 50001)**

**(b) Environmental management system (ISO 14001)**

**(c) Information security management system (ISO/IEC 27001)**

**(III) Environmental Protection**

**(a) Energy management system**

Energy management systems are commonly used by individual commercial entities to monitor, measure, and control their electrical building loads. It can provide metering, submetering, and monitoring functions that allow facility and building managers to gather data that allows them to make more informed decisions about energy activities across their sites.

**(b) Waste management technologies**

Waste management technologies can be adopted to reduce waste generation and enhance the recycling operation. Examples include -

- (i) **glass imploder** - converts glass bottles into cullets at the collection points in order to save storage space prior to delivery for the next recycling process; and
- (ii) **automatic plastics sorting system** - uses sensors to sort out the target plastic wastes from the mixed plastic wastes.

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<sup>10</sup> For applications relating to testing and certification services, they may only be considered for funding support if the applicant enterprises engage technological services and solutions in the process of fulfilling the testing/certification requirements. Items (II)(a)-(c) are examples of certification, where enterprises are more likely to use technological services and solutions in their management systems in the process of fulfilling the certification requirements.

**Documents Required for Submission of Application through TVP website**

- (a) A **certified copy** <sup>Note</sup> of **Form 1(a)/1(c)** of the Business Registration Office or Annual Return of the Companies Registry (**Form NAR1**) of the applicant enterprise
- (b) Copy of the documentary evidence proving that the applicant enterprise has **substantive business operations** in Hong Kong which is **related to the project** under application at the time of application. For example, invoices/receipts or commercial contracts issued within three months before submitting application, the latest audited account, profits tax returns and taxation assessment issued by the Inland Revenue Department
- (c) A copy of the valid **Hong Kong Identity Card** or **passport** of the person signing the application form for and on behalf of the applicant enterprise
- (d) Copy(ies) of all the **issued quotation/tender invitation document(s)** which should have included the **probity clause and non-collusion clause** and all **signed probity and non-collusive quotation/tendering certificate(s)** as stipulated in paragraph 12 of the Guidance Notes
- (e) **Certified copy(ies)** <sup>Note</sup> of the **quotation(s)** submitted by the bidder(s) showing their **detailed contact information** (including address, telephone number and/or email address). Please indicate which quotation is to be chosen by the applicant enterprise and how the item(s) listed in individual quotation(s) correspond to the expenditure item(s) listed in Part B(I) of the application form.

Applicant enterprises are also required to attach the relevant documents under the following circumstances:

- (a) If the applicant enterprise intends to engage a technology consultant: a copy of the valid **Business Registration Certificate** of the consultant
- (b) If there are individuals **holding 30% or more of ownership** in the applicant enterprise: copy(ies) of the valid **Hong Kong Identity Card** or **passport** of all relevant individual(s)

- (c) If the applicant enterprise is held by **corporate shareholder(s)**: **certified copy(ies)** <sup>Note</sup> of Annual Return of the Companies Registry (**Form NAR1**) or relevant documents of the corporate shareholder(s) showing the ultimate level of natural person(s) as shareholder(s) of the applicant enterprise
- (d) If the requested **funding exceeds \$50,000**: an audited statement of expenditure for the project from an independent auditor is required and the audit fee is reimbursable. If the applicant enterprises wishes to cover the audit fee in the project expenses, please attach **certified copy(ies)** <sup>Note</sup> of the **quotation(s)** for audit fee and copy(ies) of the **issued quotation invitation document(s)** which should have included the probity clause and non-collusion clause and the **signed probity and non-collusive quotation certificate(s)**. External audit fee not included in Part B of the application will **not** be reimbursed.

*Note: An authorised person from the applicant enterprise shall sign on the copy of the document and affix a company chop to certify that the copy is true.*