

Expenditure Items that will not be funded under the Programme

A list of expenditure items which will not be funded under the Programme (i.e. unallowable costs) is set out below. The list is by no means exhaustive. It is subject to review and revision from time to time. Its latest update would be available at the website of the Programme (www.bud.hkpc.org).

Expenditure Item	Details/Examples
- Normal Operating Expenses of the Applicant	Daily, routine and general operation expenses of the applicant's existing business entity in Hong Kong/ Mainland or FTA economies, including salary of existing employees, direct costs incurred for the production/manufacturing of products for sales purpose ¹ , rental/renovation expenses, utility expenses, business registration or operating licence fees, office stationery, transportation costs of products ² , payment of tax, premiums for product liability insurance, bank charges, capital financing costs of mortgages, interest loans or overdrafts, credit assurance fee for transactions, legal fees associated with legal actions such as those against trademark infringement, incurred/committed fees for procuring/licensing of brands or technology, etc.
Cost for Procuring/Leasing Additional Machinery/Equipment	<ul style="list-style-type: none"> - Machinery/equipment for general use or of normal operating nature (e.g. computer hardware/software for general operational use, cameras, projectors, microphones, point-of-sales systems, cash registers, etc.); - Machinery/equipment solely for the purpose of increasing the production capacity of the applicant (e.g. procurement of extra units of the existing machinery/equipment, increasing server nos. for IT companies); - Insurance premium of machinery/equipment; - Maintenance fees for existing machinery/equipment; and - Molds for existing products.
Other Direct Costs	
(i) Direct Cost for Producing/ Procuring Sample/Prototype	Valuable materials for the production of sample/prototype which may be re-used for sales purpose, e.g. diamond and gold for the production of jewelry samples/prototypes.
(ii) Cost for Advertising	- Advertising outside the Mainland/FTA economies and Hong Kong.

¹ Except for the procurement/leasing of additional machinery/equipment for upgrading and restructuring purpose.

² Except for the transportation costs of exhibits for participating in the exhibitions/trade fairs/roadshows.

Expenditure Item	Details/Examples
<p>(iii) Cost for Travelling and Accommodation between Hong Kong and the Mainland/ FTA economies</p> <p>(iv) Others</p>	<ul style="list-style-type: none"> - In the case of internet advertising, expenses such as deposit, bonus, slotting fee will not be funded. - Travelling and accommodation expenses which are not directly linked to any measure covered by the project, or those arising from general business supervision, liaison, consultation, negotiation, etc.; and - In-town transportation which does not form part of the cross-border transportation of trips from Hong Kong to Mainland/FTA economies and vice versa. - Travelling and accommodation outside the Mainland/FTA economies and Hong Kong - Participation in exhibitions/trade fairs/roadshows, including virtual exhibitions organised by Government-related organisations or reputable exhibition organisers with good track records, outside the Mainland/FTA economies and Hong Kong; - Participation in exhibitions/trade fairs/roadshows, including virtual exhibitions organised by Government-related organisations or reputable exhibition organisers with good track records, outside Shop/product display fees for sales purpose at any virtual/physical location and the related sales commission fees; - Shelves and furniture for general product display at display/sales outlet; - Gifts, souvenirs, prizes, etc.; - Entertainment or meal expenses; - Membership fees of industrial and trade associations, professional bodies or similar organisations (either one-off or recurrent); and - Unspecified costs, e.g. miscellaneous costs, sundry, contingency expenses, etc.