

Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)

Guidance Notes for Applications on Easy BUD

This set of Guidance Notes applies to applications of “Easy BUD” under Type (ii) Project Applications and should be read in conjunction with the *Guide to Application for the Dedicated Fund on Branding, Upgrading and Domestic Sales (the Guide)*. For areas not specifically mentioned in this set of Guidance Notes, the general requirements and arrangements set out in the Guide will continue to apply. “Easy BUD” is implemented on a pilot basis; HKPC and the Government reserve their rights to change any requirements and arrangements of “Easy BUD”, at any time without prior notice.

1. Background

- 1.1 To enable more small and medium enterprises (SMEs) to better capture business opportunities of the post-pandemic recovery, a simplified application track named “Easy BUD” has been launched under the BUD Fund on a pilot basis to facilitate applicants in preparing applications and implementing projects with a funding amount of \$100,000 or below.

2. Funding Amount and Principles

- 2.1 The funding ceiling for each “Easy BUD” application is \$100,000. Funding would be provided on a matching basis, i.e. the Government will provide a maximum of 50% of total approved project cost and the enterprise has to contribute no less than 50% of the total approved project cost in cash (except the audit fee of approved project). The Government will provide full funding support for the audit fee of approved project, capped at \$5,000 per audit which will be counted towards the funding ceiling for each “Easy BUD” application.
- 2.2 The cumulative funding ceiling per enterprise under the BUD Fund is \$7,000,000. During the tenure of the BUD Fund, funding support will be granted to each enterprise for a maximum of 70 approved projects. Funding for “Easy BUD” will be counted towards the cumulative funding ceiling of \$7,000,000. The

number of approved “Easy BUD” projects will also be counted towards the maximum number of approved projects (70) under the BUD Fund.

- 2.3 Each “Easy BUD” project should be completed within 12 months and any further extension of project period is not allowed. Any change request to extend the project period for more than six months (e.g. from two months to nine months) would also not be allowed. Other change requests will be considered according to the prevailing arrangements for the general applications under the BUD Fund.
- 2.4 The applicant must implement the project under “Easy BUD” by itself. Project implementation by the entity of the applicant in the Mainland, or other FTA and/or IPPA market is not allowed.
- 2.5 An application under “Easy BUD” may be rejected if it is made to circumvent any prescribed funding limit under the BUD Fund (including “Easy BUD”).

3. Eligibility Requirements

- 3.1 All non-listed enterprises registered under the Business Registration Ordinance (Cap. 310) with substantive business operations in Hong Kong are eligible to apply. The applicant must provide documentary evidence proving its substantive business operations in Hong Kong at the time of application. Such documentary proof shall include the latest audited accounts, and either the Mandatory Provident Fund records of its employees or sales invoices/contracts. Applicants are also required to declare that they have complied with and will continue to comply with the pre-requisite licensing/qualification/certification requirements of the target Mainland, or FTA and/or IPPA market(s) during the project period.

4. Funding Scope

Funding scope of “Easy BUD” projects is confined to the types of measures set out in paragraph 4.1 to 4.9 directly related to the development of the applicant’s business in the target Mainland, or FTA and/or IPPA markets (target markets). There is no specific budget cap of the individual measures unless otherwise stated in this section below.

- 4.1 Placing advertisements directly related to the project in the target market(s);

- 4.2 Participation in exhibitions in the target market(s): covering rental fees for booth and other form(s) of physical participation, booth design fees and booth construction and set up fees, transportation costs of exhibits (not for sales) as well as advertisement and promotion costs in exhibition, and travelling and accommodation expenditure for participation in the exhibition by the applicant's staff in Hong Kong.
- 4.3 Registration of patents/trademarks/designs/utility models/copyright protection in the target market(s) that would facilitate the sales/provision of the relevant products/services of the applicants in the target market(s): covering only fees payable to the registration authorities and fees of engaging external agents to assist in such registration. Maximum cumulative amount of funding support for patent/trademark/design/utility model registration/copyright protection directly related to the project(s) is \$600,000 per enterprise under the BUD Fund;
- 4.4 Testing and certification services (either being conducted in Hong Kong or the target market(s)) based on which market access for the relevant products or services of the applicants in the target market(s) could be facilitated or the applicant's production capability in the target market(s) could be upgraded: covering only fees for engaging external agents to carry out such testing and certification services;
- 4.5 Development or enhancement of mobile applications (apps) for promoting the applicants' products or services in the target market(s);
- 4.6 Development or enhancement of the applicant's company website, for developing sales in the target market(s). The total cost for enhancement of the existing company website should not exceed \$100,000 per application.
- 4.7 Design and production of promotional materials for distribution/dissemination in the target markets, covering flyers/pamphlets, posters/banners, catalogues/brochures, photos, and videos: covering only fees of engaging external agents to design and produce such materials;
- 4.8 A combination of any of the above; and
- 4.9 External audit fee for one audit (for preparation of final audited accounts of the approved project) not exceeding \$5,000.

5. Assessment Timetable

- 5.1 Under normal circumstances, HKPC, upon consulting the Inter-departmental Committee and the Programme Management Committee (PMC) on the assessments, will complete the processing of a valid “Easy BUD” application and issue result notification to the applicant within 30 clear working days from the date of receipt of a complete application accompanied by all necessary documentation proof and clarifications as requested by HKPC.

6. Funding Arrangement

- 6.1 There will be no initial payment to the applicant under “Easy BUD”. Payment will be made to the applicant on a reimbursement basis when the following report and audited accounts are accepted by the PMC:

- (a) the final report of the project as mentioned in paragraph 6.1 of the Guide; and
- (b) the final audited accounts on the income and expenditure of the project from the project commencement date to the project completion date as mentioned in paragraph 5.6.1 of the Guide.

The actual amount of the final payment will be determined by the PMC having regard to the recognisable total project expenditure on project completion.

7. Application Submission

- 7.1 Each enterprise can submit only one “Easy BUD” application every six months irrespective of whether the application is eventually approved, withdrawn or rejected.
- 7.2 Applicants should submit their applications and the required supporting documents through the e-form system on the website of the BUD Fund (www.bud.hkpc.org).