

# **Dedicated Fund on Branding, Upgrading and Domestic Sales – Enterprise Support Programme**

## ***Guidance Notes for Applications on “ESP Easy – Simplified Application Track”***

This set of Guidance Notes applies to applications of “ESP Easy – Simplified Application Track” (“ESP Easy”) 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 (Enterprise Support Programme) (The Guide)*. For areas not specifically mentioned in this set of Guidance Notes, the general requirements set out in the Guide will continue to apply. The Programme Management Committee (PMC) reserves its right to change any requirements or to decide how requirements should be implemented at any time without prior notice.

### **1. Background**

- 1.1 To facilitate Hong Kong enterprises to better make use of the Enterprise Support Programme (ESP), the “ESP Easy” was launched in August 2015 alongside with the existing track of application. Details of the “ESP Easy” are set out in this set of Guidance Notes which should be read in conjunction with the Guide.

### **2. Funding Amount and Principles**

- 2.1 The funding ceiling for each “ESP Easy” application is \$200,000 or 50% of the recognisable total project expenditure, whichever is the less. Funding would be granted on a matching basis, i.e. the Government will cover a maximum of 50% of the total approved project cost and the enterprise has to contribute no less than 50% of the total approved project cost in cash.
- 2.2 The cumulative funding ceiling per enterprise under the ESP is \$500,000. During the tenure of the ESP, funding support will be granted to each enterprise for a maximum of three approved projects. Funding for “ESP Easy” will be counted towards the cumulative funding ceiling and the maximum number of approved projects under the ESP.

- 2.3 Each “ESP Easy” projects should be completed within 12 months. Any change request to extend the project period beyond 12 months under the “ESP Easy” would not be approved.
- 2.4 An enterprise can submit only one “ESP Easy” application in each batch.
- 2.5 An application under “ESP Easy” may be rejected if it is made to circumvent any prescribed funding limit under the ESP (including “ESP Easy”).

### **3. Additional Eligibility Requirements**

- 3.1 Applicants of “ESP Easy” must be non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Chapter 310) with substantive business operations in Hong Kong for at least three years at the time of application.

### **4. Funding Scope of “ESP Easy” Projects**

Funding scope of “ESP Easy” projects is confined to the following:

- 4.1 Participation in exhibitions in the Mainland: covering booth rental fees and booth set up fees, as well as transportation costs of materials/goods (not for sale) and travelling and accommodation expenses of personnel directly related to and for the purpose of participation in the exhibitions concerned. Travelling and accommodation expenses would be subject to a funding cap of 20% of the total project expenditure. Funding support would only be given for participation in exhibitions which have a reasonable track record. Applications on participation in exhibitions held for the first time would normally not be considered under “ESP Easy”.
- 4.2 Establishment (or improvement) of the applicant’s own online shop(s) or online shop(s) on third-party e-commerce platform(s), or establishment (or improvement) of the applicant’s company website, for developing domestic sales in the Mainland: covering fees of engaging external agents to carry out the relevant tasks and relevant fees payable to third-party e-commerce platforms for

establishing online shops;

- 4.3 Testing and certification services (either being conducted in Hong Kong or the Mainland) based on which Mainland market access for the relevant products or services of the applicants could be facilitated or the applicant's production capability in the Mainland could be upgraded: covering only fees of engaging external agents to carry out such testing and certification services;
- 4.4 Design and/or production of physical publicity materials for distribution in the Mainland: covering only fees of engaging external agents to design and/or producing such materials;
- 4.5 Registration of patents/trademarks/designs/utility models in the Mainland that would facilitate the domestic sales of the relevant products/services of the applicants in the Mainland: 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 directly related to the project(s) is at \$170,000 per enterprise under the Programme;
- 4.6 Placing advertisements directly related to the project in the Mainland subject to a funding cap of 50% of the total project expenditure;
- 4.7 Development or improvement of mobile applications (apps) for developing domestic sales in the Mainland, subject to a funding cap of 50% of the total project expenditure;
- 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 project) not exceeding \$10,000.

## **5. Funding Arrangement**

- 5.1 There will be **no** initial payment to the applicant under "ESP Easy". Payment will be made to the applicant on a reimbursement basis when the following report and accounts are accepted by the PMC and Government:

- (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 project commencement date to project completion date as mentioned in paragraph 5.5.1 of the Guide.

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

- 5.2 The project duration can start from a date before the project is approved by the PMC and before a funding agreement is signed but after the date of submission of application, subject to PMC's approval of the application. All relevant expenditure incurred as early as after the date of submission of application to the Programme Secretariat can be recognised and funded, provided that the measure was within the project duration and included in the project proposal approved by the PMC. The costs incurred outside the project duration would not be funded.
- 5.3 It is not mandatory for the successful applicant to open and maintain a designated project account for the purpose of processing receipts and payments relating to the approved "ESP Easy" project. The applicant is, however, still required to keep proper and separate books and records for expenses incurred under the project as required in Clause 5.4 of the Guide.

## **6. Application Submission**

- 6.1 Applicants are required to fill in the designated "ESP Easy" application form. The latest version of which can be obtained from the Programme Secretariat or downloaded from the website of the Programme ([www.bud.hkpc.org](http://www.bud.hkpc.org)). Applicants should submit the required supporting documents as listed in Appendix 3 of the application form together with the application form.

BUD(ESP) Programme Secretariat  
July 2016