



# Latest Enhancement on the BUD Fund

The Government has rolled out further enhancements on the “Dedicated Fund on Branding, Upgrading and Domestic Sale” on the 20 January 2020 to include all economies with which Hong Kong has signed Free Trade Agreements (FTAs)\*, increase funding ceiling, and implement other enhancements to strengthen support to Hong Kong enterprises. The further enhancement was launched on April 2020 for enterprises can flexibly make use of the funding support to explore the new markets and new business opportunities

\* These economies include the Mainland, the ASEAN (i.e. Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam), Australia, Chile, the European Free Trade Association (i.e. Iceland, Liechtenstein, Norway, and Switzerland), Georgia, Macao, and New Zealand.

## Latest Enhancement Overview

	Mainland Programme	FTA Programme (subsuming thereunder the ASEAN Programme)
<b>Cumulative Funding Ceiling per Enterprise</b>	Enterprises can flexibly make use of the total funding of up to \$4 million to undertake projects under the Mainland Programme or the FTA Programme. The funding ceiling for each approved project is \$1,000,000.	
<b>Methods for Disbursement of initial payment</b>	<ul style="list-style-type: none"> <li>Initial Payment Amount is increased from 25% to 75% of total approved Government funding.</li> <li>Opening a separate interest-bearing bank account and applicant’s contributing of funds on a matching basis to the project account is waived.</li> </ul>	
<b>Maximum number of projects per enterprise</b>	Maximum of forty approved projects per enterprise (both Mainland and FTA Programme included).	
<b>Project Commencement Date</b>	All projects (including projects opted for initial payment) can commence one day after the project application is submitted.	
<b>Other Enhancements</b>	<ul style="list-style-type: none"> <li>Increase funding ceiling on proportion of the project expenditure in percentage for measures (including cost for procuring/leasing additional machinery/equipment, direct cost for producing/procuring sample/prototype, and cost for patent/trademark registration).</li> <li>Add new expenditure items that may be funded (including relevant operating cost for setting up a new business entity in the Mainland and procuring/leasing additional machinery/equipment for expanding production capacity).</li> </ul>	

## Eligibility of Applicants and Disbursement of Grant

<b>Eligibility</b>	All non-listed enterprise registered in Hong Kong under the Business Registration ordinance (Chapter 310) with substantive business operations in Hong Kong.	
<b>Disbursement of Grant</b>	<b>With Initial Payment</b>	<b>Without Initial Payment</b>
	<u>Initial Payment Amount</u> : 75% of total approved Government funding <u>Mid-term payment Amount</u> : Not applicable	<u>Initial Payment Amount</u> : Not applicable <u>Mid-term payment Amount</u> : 50% at maximum subject to project progress and actual total allowable project expenditure (Only applicable if the duration of the project is over 18 months)
	<u>Final Payment</u> : Balance of approved Government funding %	<u>Final Payment</u> : Balance of approved Government funding %
<b>Project Duration</b>	Maximum of 24 months (For projects with implementation period exceeding 18 months, applicant’s submission of progress report and annual audited account is required covering the first 12 months.)	



## Scope of Funding (Applicable to FTA and Mainland Programme)

Project Measures	Budgeted expenditure or Proportion of the Project Expenditure in Percentage Cap (per project application)
Relevant operation cost for setting up a new business entity *business registration/operating licence fees, rental/renovation expense, utility expense, and etc.	Not to exceed 20% of the total project expenditure
Recruit additional manpower *including recruitment of additional manpower who directly provide services to customers under the project	Not to exceed 50% of the total project expenditure
Procure additional machinery, equipment or molding *including machinery, equipment or molding for the purpose of increasing production capacity	Not to exceed 70% of the total project expenditure
Produce sample/prototype	Not to exceed 30% of the total project expenditure
Advertisement	Not to exceed 50% of the total project expenditure
Exhibitions / Promotional events (including virtual exhibition) and related transportation, traveling and accommodation expense	Event-related traveling and accommodation expense shall not exceed 20% of the total project expenditure
Design and production of promotional materials	/
Online sales platform / website	Expenses for enhancement of website should not exceed HK\$100,000
Mobile Apps (For promotional purpose)	Not to exceed 50% of the total project expenditure
Testing and certification registration	/
Cost for patent/trademark registration directly related to the project(s)	Maximum cumulative amount HK\$300,00 per Programme
External audit fee for auditing the approved project	Maximum amount HK\$10,000 per audit fully reimbursable

### Notes for Application

Online application service is available from 30 June 2020 onwards. Applications submitted via other means such as by post, by e-mail, or in person would not be accepted after 31 July 2020.

### Application Submission and Assessment

The Programme is open for application all year round. Application assessment is changed from quarterly basis to continual basis.

For BUD Fund Online Application, please visit:



[www.bud.hkpc.org](http://www.bud.hkpc.org) | +852 2788 6088 | [bud\\_sec@hkpc.org](mailto:bud_sec@hkpc.org)

Above information is solely for reference only. All information related to the BUD Fund should be based on the latest published Guide to Application for FTA and Mainland Programme. The Implementer reserves the right at our sole discretion for interpretation and modification on this publication without further notice.