

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 and the Mainland, 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.); - Insurance premium of machinery/equipment; - Maintenance fees for existing machinery/equipment; and - Moulds for existing products.
Other Direct Costs	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.
(i) Direct Cost for Producing/Procuring Sample/Prototype	
(ii) Cost for Advertising	<ul style="list-style-type: none"> - Advertising outside the Mainland and Hong Kong; and - In the case of internet advertising, expenses such as deposit, bonus, slotting fee will not be funded.
(iii) Cost for Travelling and	<ul style="list-style-type: none"> - Travelling and accommodation expenses which are not directly linked to any measure covered by the project, or

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 data-bbox="321 281 537 422">Accommodation between Hong Kong and the Mainland</p> <p data-bbox="250 575 391 611">(iv) Others</p>	<p data-bbox="651 281 1365 348">those arising from general business supervision, liaison, consultation, negotiation, etc.;</p> <ul style="list-style-type: none"> <li data-bbox="613 359 1406 464">- In-town transportation which does not form part of the cross-border transportation of trips from Hong Kong to the Mainland and vice versa; and <li data-bbox="613 470 1406 537">- Travelling and accommodation outside the Mainland and Hong Kong. <ul style="list-style-type: none"> <li data-bbox="613 579 1406 758">- 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 and Hong Kong; <li data-bbox="613 764 1406 831">- Organisation of/participation in other promotional events/activities outside the Mainland and Hong Kong; <li data-bbox="613 837 1406 947">- Shop/product display fees for sales purpose at any virtual/physical location and the related sales commission fees; <li data-bbox="613 953 1406 1020">- Shelves and furniture for general product display at display/sales outlet; <li data-bbox="613 1026 1016 1062">- Gifts, souvenirs, prizes, etc.; <li data-bbox="613 1068 1065 1104">- Entertainment or meal expenses; <li data-bbox="613 1110 1406 1209">- Membership fees of industrial and trade associations, professional bodies or similar organisations (either one-off or recurrent); and <li data-bbox="613 1215 1406 1283">- Unspecified costs, e.g. miscellaneous costs, sundry, contingency expenses, etc.