

Distance Business Programme (D-Biz)

Funding Application – Frequently Asked Questions

Enhancement Measures

1. When can I submit the second application?

After an enterprise has replied to the Secretariat regarding the result of the first application, it can submit the second application starting from 9 a.m. on 31 August 2020.

2. Can I withdraw my application before receiving the result of the first application, so as to submit my second application with the same IT solution category(ies)?

Yes. An enterprise will need to withdraw the entire first application, and the quota of the first application will be deemed as used.

3. If I withdraw my first application which has yet to be approved and submit the second application, can my second application enjoy fast-track processing?

No. All applications will be processed in accordance with the order they reach the Secretariat.

4. What should I do if I have received or replied to the Secretariat regarding the result of the first application, but wishes to submit the second application with the same IT solution category(ies)?

The enterprise should reject all or the relevant IT solution(s) approved in the first application, and submit the second application under such IT solution category(ies).

5. What is the maximum approved funding amount for the second application?

Each enterprise may receive a total funding of up to \$300,000 under the D-Biz Programme. The maximum approved funding amount for the second application is \$300,000 less the approved funding amount for the first application accepted by the enterprise. For example, if an enterprise has accepted the approved funding amount of \$100,000 under the first application, the maximum approved funding amount for the second application would be \$200,000.

6. The funding period for subscription-based IT solutions is extended from 6 months to 12 months, and such arrangement is applicable to all applicants. When will I know the result?

The Secretariat is reviewing the approved funding amount for applications with subscription-based IT solutions, and will inform the applicants as soon as possible. Starting from 9 a.m. on 31 August 2020, enterprises can also check the adjusted funding amount on the Programme website by entering their application number, email address, Business Registration Number and a one-time password.

7. Do I need to submit two audit reports for the two applications?

No. If the total approved funding amount for the two applications exceeds \$30,000, one audited statement of income and expenditure covering the project period from an independent auditor is required to be submitted to the Secretariat after the completion of the project. The funding ceiling of the audit fee is \$3,000.

Funding scope

8. Can I apply for D-Biz funding to develop a new online service which is not related to my existing business?

No. The D-Biz aims to support enterprises to continue their business and services during the epidemic. Application for D-Biz funding for starting new business not related to existing business does not meet the objective of the D-Biz, and hence will not be approved.

9. Can I apply for D-Biz funding for purchasing hardware?

Yes, provided that the hardware to be purchased with D-Biz funding forms an essential part of the solution and is directly related to the solution, such as camera and speaker purchased for virtual meeting and conference tools. The hardware should be economical and reasonable in price and quantity. Ordinary office telecommunication or IT equipment such as computers, tablet computers and mobile phones will not be approved for funding.

10. Can I apply for D-Biz funding for digital advertising?

D-Biz funding can be used for promoting the online portal set up under Categories 1 to 3, such as for promoting online store set up with D-Biz funding. Digital advertising per se does not belong to any of the 12 categories of IT solutions of the D-Biz, and hence will not be approved for funding.

11. I have an online store. Can I apply for D-Biz funding to set up another online store?

No. The D-Biz aims to support enterprises to continue their business and services during the epidemic, and primarily provides funding support for enterprises to extend their existing brick-and-mortar business online. If the applicant enterprise already had an online store, an application for funding for setting up another online store will not be approved.

12. Can I apply for the D-Biz funding to update my existing online system?

The D-Biz aims to support enterprises to continue their business and services during the epidemic. Therefore, if the applicant enterprise already had such online system, and failed to explain the difference in functions of the existing system and the system in the application, the application will not be approved for funding having regard to the principles of proper use of public monies.

That is, mere touch-up or update of the layout design of an existing online store is not eligible for funding, enterprises can apply for D-Biz funding to add new functions such as customer service support (e.g. Chatbot) or digital payment channel(s) to an existing online store.

13. Can I apply for the D-Biz funding for a custom-built solution?

Applications under the D-Biz will be assessed based on their individual circumstances and the assessment criteria. Given the principle of proper use of public monies and that the D-Biz is an emergency plan rolled out under the Anti-epidemic Fund for funding projects to be completed within six months, and there are many economical and more convenient subscription-based solutions available in the market, most of the custom-built solutions will unlikely be approved under the D-Biz unless the applicant enterprise can provide sufficient information and justifications.

14. Will the D-Biz funding cover normal business operating costs?

No. Normal business operating costs include but not limited to the following:

- Rental of premises;
- Staff salary and other related expenses of the applicant enterprise including but not limited to contribution to the Mandatory Provident Fund, contract gratuities, annual salary adjustment, general fringe benefits (e.g. medical), and allowances (e.g. expenses on housing, travelling, overtime), general training and development;
- Insurance of existing and newly purchased equipment;
- Recurrent maintenance cost for existing and newly purchased equipment / hardware;
- Non-technology related professional service fees (except for project auditing);
- Transportation and accommodation;
- Financing expenses (e.g. interest payment for loans);
- Administrative overheads; and
- Any other fees which are not directly related to the implementation of the solutions.

15. Will project audit fee be covered by the D-Biz funding?

Project auditing is mandatory for projects with approved funding exceeding HK\$30,000, and the maximum audit fee to be counted towards the total project cost is HK\$3,000.

16. Can I apply for funding for subscription of non-local IT solutions?

In general, there is no restriction on the source of IT solutions under the D-Biz. Enterprises can choose to adopt local or non-local IT solution(s) in accordance with their own needs.

Assessment criteria

17. Under what assessment criteria will my application be assessed?

To ensure proper use of public money, applications will be assessed carefully based on individual merits and considered on a case-by-case basis by the Secretariat and the Distance Business Programme Vetting Committee. Assessment criteria include:

- (1) **Relevance of the proposed project to the applicant's business;**
- (2) **Reasonableness of the budget;**
- (3) **Reasonableness of the implementation details;**
- (4) **Technical capability and experience of Service Provider(s), and**
- (5) **Adverse record of Service Provider(s).**

18. How to construe the “relevance of the proposed project to the applicant's business”?

The proposed project should aim to assist enterprises to continue their business and services during the epidemic. Such business should conform with (1) the business nature in the valid Business Registration Certificate, (2) the description of existing business in the application form submitted, and (3) the substantive business of applicant enterprise as per the research findings of the Secretariat.

19. How to construe the “reasonableness of the budget”?

The Secretariat and the Distance Business Programme Vetting Committee will assess funding applications by making reference to the market price of the IT solution(s) to their knowledge. Individual item(s) of expenditure must be essential, directly related to the implementation of the project and in line with the economic principles, that the expected benefits of the project can be achieved economically.

20. How to construe the “reasonableness of the implementation details”?

Considerations can include whether concrete project deliverables and outcomes have been set. Also, the implementation details should be realistic taking into account factors such as the complexity of the IT solution and the project duration; and allow the applicant enterprises to continue their business and services as soon as possible with more convenient means.

21. How to construe the “technical capability and experience of Service Provider(s)”?

Service provider will be considered in accordance with the technical capability and experience relating to the IT solution(s) in question under the Guidance Notes for IT Service Providers. Applicant enterprise shall provide the SP Reference Number / SP Supplementary Number / SP Submission Number of all the Service Providers which have provided quotations for the application, or when the Service Provider is not on the IT Service Providers Reference List, the respective case references in accordance with the Guidance Notes for IT Service Providers:

- For system integrator / non-subscription based solution / platform provider, a set of two job references completed during the last 18 months shall be provided. Each job reference should include (i) a complete set of client contract or purchase order from the client showing scope of work and deliverables, and (ii) proof of project completion (e.g. final acceptance document, final payment, etc.).
- For subscription based solution / platform provider, a set of contracts or purchase orders for at least two active customers who have subscribed to the solution/platform for at least six months shall be provided.

22. How to construe the “adverse record of Service Provider(s)”?

The Secretariat and the Distance Business Programme Vetting Committee will make reference to the adverse record of Service Provider(s) to their / the Government’s knowledge, including records of conviction or non-compliance and records of violation of the terms and conditions of other government funding schemes.

Eligibility

23. What is meaning for “having substantive business operation in Hong Kong”?

We will consider different factors, such as, nature of the business operations in Hong Kong, size/extent/percentage of the business operation in Hong Kong, number of employees in Hong Kong, information of customers/clients, year of establishment, etc.

Applicants must provide evidence proving that they have substantive business operations in Hong Kong which is related to the project under application at the time of application. For example, invoices / receipts or commercial contracts issued within three months before submitting application, the latest audited account, profits tax returns and taxation assessment issued by the Inland Revenue Department, etc.

24. Can a subsidiary company of a listed company apply for funding?

Listed company and its subsidiary company are separate legal entities. Therefore, a subsidiary company can apply for funding as long as it fulfills other eligibility requirements, even though its parent company is publicly listed in Hong Kong or overseas.

25. I am a Service Provider running a business within the 12 categories of IT solutions of the D-Biz, can I apply for funding for solution(s) of the same category?

No. The applicant enterprise may be requested by the Government or the Secretariat to provide information on its business nature for verification purpose.

26. My company provides IT solutions within the 12 categories of IT solutions of the D-Biz, can I apply for funding for IT solution(s) in another category(ies) for my own company’s use at the same time?

Yes. The category of the IT solution(s) offered by the IT Service Provider should be different from that of the IT solution(s) in its funding application.

Submitting applications

27. Is funding granted on a first come, first served basis?

After receiving the application, the Secretariat will process the application immediately to ensure that it can be vetted promptly, with a view to supporting enterprises to continue their business and services during the epidemic through adoption of IT solutions.

The processing time of individual application will depend on various factors including whether the information submitted by the applicant is complete and in order, and the technical considerations of the project in the application.

28. If more than one service providers are involved in one IT solution, how to submit quotations?

Applicants can engage a system integrator to provide the services.

29. Can I split one quotation into different solutions, so as not to exceed the funding cap of each solution?

No. The solutions proposed should not be interdependent with each other.

30. Can I select service providers not on the IT Service Providers Reference List?

Yes. In general, whether or not the applicant enterprises engage service providers on the Reference List will not affect the funding application outcome, unless such service provider failed the eligibility assessment.

Upon receiving an application, the Secretariat would request that service provider to submit relevant documents if it is not on the Reference List, and assess its eligibility in accordance with the Guidance Notes for IT Service Providers.

31. What should I do if the service provider selected by me has already submitted their application but yet to be enrolled on the Reference List?

Please provide the “SP Submission number” or “SP supplementary number” (IC-xxxxxxx) if the service provider selected by you informed you that it has already submitted an application to enrol on the Reference List.

32. Do I need a company bank account to apply for funding?

To facilitate the fund disbursement by bank transfer, applicant is advised to provide a company bank account. Applicant may also provide a personal bank account of one of the company directors to receive the funds, provided that a consent letter signed by ALL directors of the company should be submitted to the Secretariat.

33. If I cannot upload the document to the system after several attempts, what should I do?

You may try to rename the file in English or compress the file before another attempt. For enquiry, please contact the Programme Secretariat by phone on 2788 5070 during business hours (9am to 6pm, Mondays to Fridays (except public holidays)) or via email at dbiz@hkpc.org.

Result notification and Fund disbursement

34. Will I know the application result within 10 days after submitting the application?

Due to the overwhelming response of the Programme, the Secretariat is actively increasing its manpower to process the applications. We appreciate your patience in waiting for the results.

35. How to know the application result?

The Secretariat will notify the applicant of the application result by email. Applicants can email to secretariat (dbizapp@hkpc.org) to enquire about the application status. Please indicate your application reference and Business Registration Number in your email.

36. Will the funding amount be reduced significantly due to overwhelming number of applications?

If the project is endorsed in principle, the funding amount may be adjusted. Generally, the funding amount received by applicants will be within a reasonable price range available in the market, and the funding amount should be enough for applicant enterprises (the majority of which are small and medium enterprises) to implement a more economical and readily available IT solution to achieve the same effect.

37. What should I do if the approved funding amount is less than the proposed funding amount I applied for?

After receiving the result notification, the applicant enterprise can choose to implement the IT solution(s) approved in the result notification with the approved funding, so as to achieve the objective of distance business. Alternatively, the applicant enterprise can choose to top up the amount to implement the IT solution(s) as described in the funding application if so wished.

38. If the funding amount approved is lower than the amount I applied for, can I engage another service provider to carry out the project? In this case, do I need to submit two quotations again?

The applicant enterprise can choose to engage a replacement service provider to carry out the project. If the project involves non-subscription based service(s), applicant enterprise needs to submit two quotations, while one quotation is required if the project involves subscription based service(s) or platform(s). The quotations will be assessed in accordance with the standard prescribed in the Guidance Notes for Funding Applications. Please note that applicant enterprises **cannot** change the service provider after signing the Funding Agreement.

39. If I resubmit quotations or change service provider after receiving the application outcome, will the approved funding amount be reduced?

The approved funding amount will remain unchanged.

40. Can I lodge an appeal if my funding application was rejected?

Given that this is a time-limited emergency plan rolled out under the epidemic, there is no appeal mechanism. The Secretariat will explain the reason(s) for rejecting a funding application in the result notification for reference by applicant enterprises.

41. Can I receive / keep part of the funding for incomplete project?

You cannot receive / keep any part of the funding if you cannot complete the project. The Government or the Secretariat may cease disbursement of any part of funding support to the applicant and / or shall have the right to claim for repayment of the disbursed funding in full or in part together with all administrative, legal and other costs incurred and interest accrued up to the date of repayment from the applicant.

42. Can I procure goods and services for the project in cash?

Cash can only be used for procurement of items below HK\$5,000 to meet immediate needs. Transactions above HK\$5,000 should be made through non-cash methods such as credit card, cheque, bank transfer, etc. The transaction shall be reasonably necessary for the discharge of the obligations and duties owed by the applicant under the funding agreement, and that the procurement price is reasonable. The applicant has to certify in writing the fulfilment of all these requirements.

43. How long do I need to keep the equipment / hardware / software / other assets purchased for the project (collectively “assets”)?

Unless prior written approval from the Secretariat is obtained, the applicant is required to keep all equipment / hardware / software / other assets funded under the D-Biz Programme for at least one year after project completion or termination of the project (collectively “assets”), and shall make such assets available for inspection by the Secretariat or representatives of the Government / Government’s authorised agencies upon request. The applicant shall not transfer, sell or dispose of the assets within the period specified above without prior approval.

44. Is project auditing mandatory for all projects?

Project auditing is mandatory for projects with approved funding exceeding HK\$30,000. Prior to disbursement of the remaining 70% of the funding, an applicant enterprise is required to submit an audited statement of income and expenditure covering the whole project period from an independent auditor for the Secretariat’s vetting to the satisfaction of the Secretariat.

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