

Maritime and Aviation Training Fund

Guide to Application for the Professional Training on Smart and Green Logistics Scheme (PTSGLS)

Effective from 8 January 2024

CONTENTS

	PAGE
1. GENERAL	3
1.1 Background	
1.2 Objective of the Scheme	
1.3 Scope of the Scheme	
1.4 Funding Amount and Principles	
2. ELIGIBILITY	8
2.1 Eligibility of Applicant Organisations	
3. APPLICATION	9
3.1 Application Submission	
3.2 Application Processing	
4. ASSESSMENT AND VETTING	11
4.1 Assessment Procedures	
4.2 Assessment Timetable	
4.3 Assessment Criteria	
4.4 Avoidance of Conflict of Interest	
4.5 Notification of Results	
5. FUNDING ARRANGEMENT/FINANCIAL MANAGEMENT	14
5.1 Disbursement of Funds	
5.2 Account and Interest	
5.3 Books and Records	
5.4 Audited Accounts	
5.5 Procurement Procedures	
5.6 Avoidance of Conflict of Interest in Engaging Service Providers, Consultants and Contractors	
5.7 Hiring of Teaching Staff	
5.8 Risk and Title to Equipment	
5.9 Return of Residual Funds	
6. MONITORING MECHANISM	23
7. REPORTING REQUIREMENT	23
7.1 Final Report	
7.2 Resubmissions	
8. ADMINISTRATIVE HIGHLIGHTS	25
8.1 Contractual Requirements	
8.2 Appointment of Course Coordinators	
8.3 Prior Approval Requirements	
8.4 Suspension or Termination of Funding Support	

8.5	Safeguarding National Security	
8.6	Intellectual Property Rights	
8.7	Participation in Publicity and Promotional Activities	
8.8	Acknowledgement of Funding Support	
8.9	Assignment	
8.10	Handling of Information	
8.11	Indemnity	
8.12	Prevention of Bribery	
9.	ENQUIRIES	29
ANNEXES:		
1.	Examples of Acceptable and Unacceptable Cost Items for Calculating the Course Fee	31
2.	Assessment Criteria	33
3.	Review Mechanism for Approved Courses under the Scheme	38
4.	General Guidelines on New Staff Recruitment	40
5.	Quotation Invitation to Supplier and Confirmation Form by Supplier (Regarding Probity, Anti-collusion and Anti Bid-Rigging Requirements)	42

1. GENERAL

1.1 Background

- 1.1.1 The Government of the Hong Kong Special Administrative Region (the Government) has attached great importance to the sustainable development of the logistics industry. Under the Action Plan on Modern Logistics Development promulgated in October 2023, it is the Government’s target to accelerate the high-quality development of logistics industry and develop Hong Kong into a sustainable international smart logistics hub focusing on high-value goods and the e-commerce markets. In supporting the sustainable development of logistics industry, as announced in the 2023-2024 Budget, the Government has injected \$200 million to the Maritime and Aviation Training Fund (MATF)¹ to provide more dedicated funding support to strengthen manpower development and promotional efforts of the logistics industry, in addition to enhancements to other training schemes and initiatives relating to aviation and maritime industries.
- 1.1.2 The logistics industry has been evolving rapidly over the past decades with the booming of e-commerce and the increasing importance of sustainable development. With a view to helping the logistics sector to nurture more professional talents and to encourage in-service practitioners to equip themselves with up-to-date knowledge to support the industry to upgrade and transform itself towards the direction of green and smart, the Government launched the Professional Training on Smart and Green Logistics Scheme (PTSGLS, the Scheme) on 8 January 2024 under the MATF. It aims to subsidise eligible logistics-related organisations, professional bodies and education/training institutes to strengthen the training courses and initiatives on smart and green logistics for in-service practitioners and those who are interested to join the industry.
- 1.1.3 The Scheme is overseen by the Subcommittee on Industry Development (hereafter referred to as “SID”) under the Hong Kong Logistics Development Council ² (hereafter referred to as “LOGSCOUNCIL”).

¹ The Government established the MATF in 2014 to support the manpower development of aviation and maritime industries, so as to enhance Hong Kong’s competitiveness as an international maritime centre as well as an aviation and logistics hub.

² Established in December 2001, the LOGSCOUNCIL is a forum for the Government and industry stakeholders to advise on initiatives to promote the development of the logistics industry in Hong Kong. The LOGSCOUNCIL is chaired by the Secretary for Transport and Logistics, with non-official members who are stakeholders from a wide spectrum with diverse expertise and knowledge from the supply chain sector.

- 1.1.4 The Government has engaged Hong Kong Productivity Council (HKPC) as the implementation partner of the Scheme to provide Secretariat support. This Guide to Application sets out the details of the Scheme.

1.2 Objective of the Scheme

The Scheme provides funding support to subsidise **local** training courses organised by eligible organisations, trade associations, professional bodies and education/training institutes in or related to the logistics sector in Hong Kong with the aim to encourage industry training and development on the following areas –

- **Smart logistics** in terms of the adoption of logistics technology and smart solutions for the sustainable development of modern logistics industry, especially the provision of high-end and high value-added logistics services; and
- **Green logistics** in terms of promotion of awareness and understanding of environmental protection and sustainable development among industry practitioners.

1.3 Scope of the Scheme

- 1.3.1 The Scheme provides funding support to training courses directly related to smart and green logistics and related technologies to be conducted in Hong Kong covering curriculum including but not limited to:
- (a) latest professional, technical knowledge and practical skills in advanced logistics practices on e-logistics, special cargo handling, digitalisation, blockchain, artificial intelligence, big data analytics, robotics and automation technology, cybersecurity, environmental, social and governance (ESG), etc.; and
 - (b) other logistics specific topics that can be identified in standards, manuals or guidelines established by professional bodies, trade associations or other relevant organisations in the logistics industry.
- 1.3.2 All training must be conducted in Hong Kong. Nevertheless, SID may consider granting approval, on a case by case basis, to the funding of certain part of the training module conducted outside Hong Kong.
- 1.3.3 The training courses could be conducted either through online or physical attendance in the form of, including but not limited to, short course, certification programme, seminar, webinar and online

self-learning programme, etc.

- 1.3.4 All training courses should target individuals currently engaged in logistics-related industries and those who are interested to join the industry in Hong Kong.
- 1.3.5 Applicant organisations (hereafter referred to as “applicant organisations”) are required to apply for approval of the training courses (hereafter referred to as “approved courses”) for inclusion in the list of approved course before course commencement.
- 1.3.6 Approved courses have a validity period of 3 years and will subject to review and renewal before expiry of the validity period. Details of the review mechanism are provided in **Annex 3**.
- 1.3.7 Applicant organisations must inform the secretariat of the commencement date of the approved course after obtaining approval, and putting up publicity for open registration at least 4 weeks prior to commencement of the approved course.
- 1.3.8 Applicant organisations should adhere to the principles of fairness and impartiality in student admissions, clearly specifying relevant admission requirements or enrollment restrictions on relevant documentations.
- 1.3.9 Applicant organisations are required to review the information/materials of the approved course on an annual basis and provide the updated information in writing within January of each calendar year.
- 1.3.10 Applicant organisations are required to maintain proper documentation (including but not limited to complete and accurate records of attendance, assessment and payment of course fees) in accordance with paragraph 5.3.3 for the Secretariat’s checking upon request and ensure that the approved courses are conducted in compliance with the proposals accepted. The Secretariat may selectively sit in the courses as an observer.
- 1.3.11 Approved courses shall be non-profit making and shall tie in with the objectives of the Scheme.
- 1.3.12 Approved courses shall be for the benefit of the industry as a whole rather than for individual enterprises and/or organisations. For example, training courses organised by industry associations have to be opened for both member and non-member participants³. Assessment on the

³ The course fee for member and non-member participants may vary. However, any discount provided to member

need, viability and cost-efficiency of proposed training courses would be conducted.

- 1.3.13 Approved courses shall be implemented independently without being combined or implemented in parallel with any other training courses. The applicant organisation shall seek the prior consent from the Secretariat in writing should it intend to combine or implement multiple training courses in parallel.

1.4 Funding Amount and Principles

- 1.4.1 Maximum funding support for each approved course under the Scheme may cover up to 80% of course fees, subject to a cap of HK\$6,500 for each participant who attended the training course for the first time. Any funding and/or sponsorship from other sources on that particular approved course shall be excluded.
- 1.4.2 The actual amount of funding support granted to the applicant organisation may subject to further adjustment based on the actual attendance of participants and the actual cost of the approved course incurred by the applicant organisation.
- 1.4.3 The Scheme will only provide funding support to the course fee of the approved course. The course fee shall be calculated on the basis of total estimated cost of the approved course including cost to be covered by the applicant organisation's contribution. Only expenditure items directly incurred for implementing the training course are acceptable in calculating the course fee. The applicant organisation should provide budget plan with breakdowns of acceptable expenditure items in the application form. Detailed elaborations of the acceptable expenditure items to be covered in calculating the course fee under the Scheme are at **Annex 1**.
- 1.4.4 Expenses for each category shall not exceed the cap as specified in 1.4.3. Prior and written approval shall be sought from the SID for exceeding the limit.
- 1.4.5 Each approved course should be completed within 12 months unless otherwise approved by the SID.
- 1.4.6 Applicant organisations are required to submit their applications at least three months before the commencement of the approved course unless otherwise approved by the SID.

participants should be borne by the applicant organisation itself and be excluded in the amount of funding sought.

- 1.4.7 All items purchased, subscribed or rented or consultancy services procured with funds under the Scheme should be licensed products and should not infringe any third party intellectual property rights.
- 1.4.8 The risk in using all items purchased, subscribed or rented or consultancy services procured with funds under the Scheme will be borne by and remained with the applicant organisation.
- 1.4.9 Unless otherwise expressly approved by the SID in advance, normal business operating costs of the applicant organisation which are not directly related to implementation of the approved course will not be acceptable to be covered in calculating the course fee under the Scheme, including but not limited to the following –
- (a) Rental of premises not directly related to the implementation of the approved course;
 - (b) Renovation expenses;
 - (c) Utility expenses;
 - (d) General office equipment (e.g. computers, projectors and fax machines) and mobile devices (e.g. mobile phones and tablets);
 - (e) Staff related expenses including but not limited to employee's 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;
 - (f) Training costs;
 - (g) Insurance of existing and newly purchased equipment;
 - (h) Recurrent maintenance cost for existing and newly purchased equipment / hardware;
 - (i) Non-course related professional service fees (except for project auditing);
 - (j) Local transportation and accommodation not directly related to course implementation;
 - (k) Overseas transportation and accommodation;
 - (l) Meals and entertainment expenses;
 - (m) Cleaning expenses;
 - (n) Financing expenses (e.g. bank charges, interest payment for loans);
 - (o) Administrative overheads; and
 - (p) Any other fees which are not directly related to the implementation of the approved course.
- 1.4.10 Training courses which have received/would receive other sources of funding support provided by the Government will not be eligible for funding under the Scheme. Applicant organisation have to declare in their applications that the proposed training course have not received such other sources of funding support and are not applying for such funding support at the time of application under the Scheme.

2. ELIGIBILITY

2.1 Eligibility of Applicant Organisations

2.1.1 Eligible applicant organisations under the Scheme should satisfy the following requirement –

- (a) Non-profit-distributing organisations⁴, charitable professional bodies⁵ and non-government organisations in or related to the logistics sector in Hong Kong, such as professional bodies, trade and industry associations, academic and training institutions, research institutes or other industrial support organisations, are eligible to apply. These organisations shall either be statutory organisations or organisations duly established, incorporated and registered under the laws of the Hong Kong Special Administrative Region (HKSAR).
- (b) The applicant organisation must be the organiser of the approved course.

2.1.2 Joint applications submitted by two or more applicant organisations are allowed. All applicant organisations in a joint application should satisfy the requirement stipulated in paragraph 2.1.1.

2.1.3 The applicant organisation must maintain its eligibility as set out in paragraph 2.1 throughout the period of course implementation.

2.1.4 The applicant organisation should obtain prior consent of parties concerned if they are referred to in the application form.

2.1.5 The Secretariat reserves the rights to request additional documentary evidence from the applicant organisation for assessing its eligibility and to determine whether the applicant organisation is eligible to apply for funding support under the Scheme.

2.1.6 The SID reserves at all times the right to determine whether an applicant organisation is eligible to register any approved course under the Scheme.

⁴ Non-profit-distributing organisations refer to organisations which do not distribute profits to their directors, shareholders, employees or any other persons. An applicant organisation has to declare in the Application Form that it has not distributed any profit generated by the applicant organisation in the past to any of its directors, shareholders, employees, or any other persons. The applicant organisation shall provide supplementary information, such as the Articles of Associations, to prove that the organisation is nonprofit-distributing in nature.

⁵ Charitable bodies refer to those exempted from tax under section 88 of the Inland Revenue Ordinance.

3. APPLICATION

3.1 Application Submission

3.1.1 Applications for the Scheme are accepted all the year round.

3.1.2 To apply for the Scheme, the applicant organisation should complete and submit the printed Application Form together with copies of the required supporting documents set out in paragraph 3.1.4.

3.1.3 Applicant organisations should download application documents listed below from the website of the Scheme (ptsgls.hkpc.org). The Application Forms are available in English and Chinese and may be completed in either language. No application fee will be charged.

3.1.4 The following documents are required to be submitted for an application:

- (A) Duly completed and signed application form stating the company / organisation information of the applicant organisation, information on the instructor of the training course, including educational and professional qualifications, past teaching and working experience, information on the proposed training course, including objective, curriculum, schedule, nature of target participants, anticipated number of participants, expenditure items, budget, deliverables, expected benefits to be brought about to the Hong Kong logistics sector, etc.
- (B) Registration and supporting documents of the applicant organisation –
 - (i) Copy of Registration Certificate of the Applicant Organisation;
 - (ii) Copy of the Certificate of Incorporation and Articles of Association;
 - (iii) Curriculum of the proposed training course;
 - (iv) Curriculum vitae of the course instructor; and
 - (v) Other documents as listed in application form.

The original copy of the above documents may be required for verification upon request.

3.1.5 The completed application form together with copies of the required supporting documents set out in paragraph 3.1.4 should be submitted to the Secretariat via email (ptsgls_sec@hkpc.org). Submission of application by other means not prescribed above will not be accepted.

3.1.6 Acknowledgement of receipt will be sent to the applicant organisations upon receipt of the applications by the Secretariat. Applicant organisations

should contact the Secretariat if they for whatever reasons have not received an acknowledgement.

3.2 Application Processing

- 3.2.1 Applications would be processed all year round subject to the submission of the required supporting documents as mentioned in paragraph 3.1.4.
- 3.2.2 Applications would be processed by batches. Applicant organisations should pay attention to the cut-off date⁶ of each batch of applications, which will be announced at the Scheme website (ptsgls.hkpc.org). Any application received by the Secretariat after a particular cut-off date will be processed together with the next batch of applications to be received by the next cut-off date.
- 3.2.3 The Secretariat reserves the right to seek additional information/documentary proof from applicant organisations on their submitted applications where deemed necessary. The application would be considered withdrawn if the information/documentary proof/clarification requested by the Secretariat is not provided within 14 calendar days under normal circumstances. Unless requested by the Secretariat, supplementary information provided after submission of application may not be accepted and may not form part of the application. Incomplete application will not be processed and will be regarded as withdrawn cases.
- 3.2.4 The applicant organisation should appoint a course coordinator who will act as the main contact point between the applicant organisation and the Secretariat after the application is lodged and throughout the implementation period if the course is approved. Change of course coordinator during the period is not permitted unless with the written agreement of the Secretariat.
- 3.2.5 The applicant organisation may write to the Secretariat to withdraw an application at any time before the funding agreement is signed between the applicant organisation and the Secretariat.

⁶ The cut-off date is defined as the last date to receive the application by the Secretariat to be handled in a particular period. An application submitted later than the corresponding cut-off date will be processed together with the next batch of applications to be received by the next cut-off date.

4. ASSESSMENT AND VETTING

4.1 Assessment Procedures

Applications received will be assessed according to the following procedures:

- (A) The Secretariat will examine the applications and verify the information as set out in paragraph 2. The Secretariat may seek clarification or supplementary information from the applicant organisations in the process as necessary.
- (B) The SID of the LOGSCOUNCIL, comprising government officials from the Transport and Logistics Bureau and non-official members who are representatives and professionals from the logistics sector, would further assess all applications (except those withdrawn cases) having regard to the recommendations of the Secretariat. Having considered the recommendations of the Secretariat, the SID would approve or reject the applications. An application that has been rejected may be resubmitted as a new application only if it has been revised substantially or supported by new information that comments made by the SID in previous assessment have been addressed. The new application will be subject to the same assessment procedures as set out in paragraph 4.1.

4.2 Assessment Timetable

The actual processing time will depend on the number of applications received at the time, completeness and clarity of the information provided, etc. The Secretariat will complete the processing of a valid application and notify the applicant organisation after receipt of a completed application accompanied by all necessary documentation proof and clarification as requested by the Secretariat. Applicant organisations are reminded to submit the required documents as detailed in this Guide in a complete manner to the Secretariat. Failure to do so may cause delay in the processing of their applications.

4.3 Assessment Criteria

4.3.1 Applications will be assessed based on individual merits and considered on a case-by-case basis. The assessment criteria of the proposed training course include –

- (A) **Relevance of the proposed course content to the objectives of the Scheme** – the training course must be conducive to the development of modern, smart and green logistics as well as related technologies in Hong Kong and cover **at least one** of the curriculum as listed in **Annex 2**;

- (B) **Effectiveness and distinctiveness of the proposed training course content** – consideration may include whether the proposed training course could demonstrate any distinct, effective approach for knowledge transfer, and whether there are highly similar courses available in the market. The effectiveness of the course implementation plan, such as quantifiable key performance indicators (KPIs) and anticipated number of beneficiaries set for the course, will also be considered. The implementation details should be realistic taking into account factors such as existing gaps or opportunities for growth in skillsets of industry practitioners, the complexity of course implementation and the course duration, etc.;
- (C) **Quality of the teaching staff** – reference will be made to the educational and professional qualifications, teaching and working experience of the teaching staff, as well as past record as known to the SID and the Secretariat if available;
- (D) **Quality and approach in course delivery** – consideration may include the academic credibility and the degree of industry recognition of the certification and professional qualification awarded by the proposed training course, as well as the quality assurance mechanism implemented in the course;
- (E) **Professional and/or academic standing of the applicant organisation** – consideration will be made to the academic credibility and the degree of industry recognition of the applicant organisation, its expertise, capabilities and experience relating to the delivery of logistics-related training courses, as well as past record as known to the SID and the Secretariat if available;
- (F) **Reasonableness of the budget** – assessment with reference to market prices of the expenditure items within the proposed training course in question as known to the SID or the Secretariat will be made. All expenditure items must be essential and directly related to the implementation of the proposed training course.

More detailed elaborations of the assessment criteria of the Scheme are at **Annex 2**.

- 4.3.2 If a course is worthy of support in principle, the amount of funding granted may be adjusted with reference to budget submitted under the application as well as the budget approved by the SID.
- 4.3.3 The SID reserves the right to reject an application on grounds including but not limited to –

- (a) a petition is presented or a proceeding is commenced or an order is made or a resolution is passed for the winding up of the applicant organisation; or
- (b) a false, inaccurate or incomplete statement or representation is contained in the application; or
- (c) the applicant organisation is in default of its obligation(s) under another grant agreement entered into with the Government whether or not in relation to the Scheme.

4.3.4 The SID may review and revise the above assessment criteria from time to time as appropriate. The most updated assessment criteria would be made available at the website of the Scheme (ptsgls.hkpc.org).

4.4 Avoidance of Conflict of Interest

To avoid conflict of interest, after the submission of applications, applicant organisations should avoid approaching any members of the SID to discuss their applications with a view to affecting their impartiality of advice. Members of the SID who are directly or indirectly related to an application will be required to declare his/her interests. Where considered appropriate, the Chairperson of the SID may request members concerned to refrain from participating in the consideration of or discussion on the relevant application. The composition of the SID can be found at the website of the Scheme (ptsgls.hkpc.org).

Employee or the owner, shareholder, management of the applicant organisation or its relatives are not allowed to participate in an approved course provided by the applicant organisation being subsidised under the Scheme. Applicant organisation are required to report cases of conflict of interest, including actions taken, to the Secretariat in writing.

4.5 Notification of Results

4.5.1 Applicant organisations will be informed by the Secretariat of the results of their applications after the SID has made the decision. The Secretariat will inform the applicant organisation the reasons in case an application is rejected. An application that has been rejected may be resubmitted only if it has been revised substantially or it is supported by new information that the comments made in previous assessment have been addressed.

4.5.2 For application approved by the SID, an initial approval-in-principle will be given to the applicant organisation. The applicant organisation may be required to revise the application to fulfil the conditions for approval set by the SID, if any. A funding agreement would need to be signed between the applicant organisation and the Secretariat. The application form approved by the SID (hereafter referred to as “approved application form”) and this Guide will be appended to and form part of the funding agreement

to be signed between the applicant organisation and the Secretariat as referred to in paragraph 8.1.

- 4.5.3 SID's decision on the result of the application shall be final.
- 4.5.4 Approved courses will be published in an approval course list of the Scheme, the name of applicant organisation, course title and contact information will be shown on the Scheme website (ptsgls.hkpc.org) for public information. Successful applicant organisations should also make own arrangements to publicise the course information.
- 4.5.5 Successful applicant organisations must clearly indicate the amount of course fee, but should not indicate the amount or percentage of approved funding amount under the Scheme in their promotional materials.
- 4.5.6 The Secretariat reserves the right to announce to the public the application results, to disclose a list of successful applicant organisations and the amount of subsidy and other information of the approved courses (including but not limited to the list of participants) on various online and offline channels as deemed appropriate.

5. FUNDING ARRANGEMENT/FINANCIAL MANAGEMENT

5.1 Disbursement of Funds

- 5.1.1 The arrangement for the disbursement of funds to applicant organisations can be determined and agreed upon before signing the funding agreement. The applicant organisation can choose to receive funding payment either (i) by one-off payment after course completion or (ii) in two instalments with upfront payment.
- 5.1.2 For (i), funds for the approved course will be disbursed to applicant organisation in full by one-off payment after course completion when all of the following conditions are fulfilled:
 - (a) submission of a final report of the course to the satisfaction of the Secretariat within two months upon the completion of the approved course;
 - (b) production of documentary evidence to the satisfaction of the Secretariat demonstrating the results of eligible participants attended the approved course for the first time in accordance with the approved application as referred to in **Annex 3**;
 - (c) production of documentary evidence to the satisfaction of the Secretariat showing details of the expenditure directly incurred for the implementation of the course in accordance with the approved application; and

- (d) submission of an audited account on the approved course by a qualified external auditor within two months upon the completion of the approved course or the expiry or termination date of funding agreement.

5.1.3 For (ii), funds for the approved course will be disbursed to the applicant organisation in two instalments with an upfront payment and a final payment. The amount of upfront payment will be up to 50% of the approved funding amount. The upfront payment will be disbursed upon signing of the funding agreement, the availability of an interest-bearing bank account maintained under the applicant organisation's name (Clause 5.2.1) and commencement of the course. The remaining balance of the approved funding will be disbursed through final payment upon course completion and fulfilling the conditions under Clause 5.1.2 (a), (b), (c) and (d).

5.1.4 The applicant organisations should submit the required documents specified in Clause 5.1.2 within two months after completion of the approved course. Late submission of the required documents may lead to withholding, reduction or cessation of the funding support for the approved course. Applicant organisation may contact the Secretariat for assistance if they encounter difficulties in submitting the final report and supporting documents.

5.1.5 The SID and the Secretariat reserve the right to seek clarifications from the applicant organisation regarding the approved course.

5.1.6 If the applicant organisation fails to comply with the terms and conditions stipulated in the funding agreement, the Secretariat may withhold disbursement of any part of funding support to the applicant organisation and/or request return of the disbursed funding in full or in part from the applicant organisation. Under such circumstance, the Secretariat will inform the applicant organisation of the decision and its reason.

5.1.7 The applicant organisation is not entitled to charge any interest or claim any compensation or relief of whatsoever nature against the SID or the Secretariat for any payment made on a reimbursement basis or in the event of any withholding of payment for any reason whatsoever.

5.2 Account and Interest

5.2.1 The successful applicant organisation is required to maintain under its name an interest-bearing bank account with a licensed bank registered under the Banking Ordinance (Cap. 155) for the purpose of processing all receipts and payments of the course. All funds (the Government funding under the Scheme disbursed by the Secretariat and the funds contributed by the applicant organisation) should be deposited into the bank account. All payments exclusively applied to the approved course

for which they are paid shall be paid out from the bank account. All funds shall be kept in the bank account by the applicant organisation until such funds are spent (paid) in compliance with the funding agreement or returned to the Secretariat by the applicant organisation in accordance with the funding agreement.

- 5.2.2 The applicant organisation shall ensure that all interest generated from the bank account shall be reflected in the financial statements and audited accounts of the project, and has to be kept in the bank account.
- 5.3.3 Without prejudice to any other rights or remedies which the Secretariat may have, the applicant organisation may be required to compensate the Secretariat for loss of interest income if the funds are not properly handled in accordance with the above requirements.
- 5.3.4 Interest income as stated in the final audited accounts would be used to off-set the final disbursement to the applicant organisation.

5.3 Books and Records

- 5.3.1 The applicant organisation shall keep a proper and separate set of books and records for the approved course. The books and records shall be maintained in such a manner so as to enable the production of statement of income and expenditure (items in the same format as shown in the “Expenditure” section of the approved application form) and balance sheet in respect of each approved course. All transactions relating to the approved course shall be properly and timely recorded in its books of accounts.
- 5.3.2 Accrual basis of accounting shall be adopted for the approved course. Expenditure can only be charged to the designated bank account after the equipment and goods have been received or services delivered. Accordingly, prepayments or deposits will not be recognised as expenditures for charging to the bank account unless and until the equipment and goods have been received or services delivered. Moreover, the expenditure so charged shall be incurred within the approved course duration only. All receipts and expenditure of the approved course, including the subsidy amount approved by the SID, shall be fully and properly recorded in the books and records in accordance with the funding agreement, and all requirements, instructions and correspondences issued by the Secretariat or the SID in respect of the approved course.
- 5.3.3 The applicant organisation is required to maintain, during the continuance of the funding agreement and for a minimum of seven years after the completion of the approved course or the expiry or termination of the funding agreement, full and proper books of

accounts and records of the approved course (including receipts, counterfoils, vouchers, quotations and tendering documents and other supporting documents). In this connection, the Secretariat, the SID, the Government and their authorised representatives shall be allowed to have access to all or any of the books and records for conducting audit, inspection, verification and copying from time to time upon reasonable notice of such books and records at any time when such books and records are kept. When so requested in this connection, the applicant organisation will be obliged to make available all approved course books of accounts and records and explain to the Secretariat, the SID and their authorised representatives any matters relating to the receipt, expenditure or custody of any money derived from the approved course. The SID reserves the right to require the applicant organisation to return any misspent amount together with the interest income accrued to the Government.

5.4 Audited Accounts

- 5.4.1 The successful applicant organisation will be required to submit the final audited accounts of the approved course to the Secretariat from the approved course commencement date to the approved course completion date or the expiry or termination date of funding agreement (together with the final report as set out under paragraph 6.1.2) not later than two months upon approved course completion or the expiry or termination of the funding agreement, whichever is earlier.

The audited accounts shall contain all receipts and receivables including the funds granted by the Government under the Scheme and payments for the approved course, contribution by the sponsors (if any), income and payments for the approved course. The audited accounts shall also comprise Statement of Income and Expenditure, a Balance Sheet, Notes to the Accounts and the Auditors' Report. The accounts shall be properly prepared from and in agreement with the books and records of the approved course.

Late submission of the audited accounts may lead to suspension or termination of the funding support for the approved course.

Any record of mishandling of public funds or lack of discipline in financial management or any breach of the funding agreement by an applicant organisation will be taken into account by the SID and the Secretariat in considering future applications from the same applicant organisation. Any such record may prejudice that applicant organisation's future applications under the Scheme.

- 5.4.2 Auditing requirements

To ensure that the funds have been solely and properly applied to the approved courses and expended/received in accordance with the “Expenditure” section of the approved application form, the required accounts shall be audited by an independent auditor who must be either Certified Public Accountants or Public Accountants registered under the Professional Accountants Ordinance (Cap. 50) (the Auditors).

The applicant organisation shall specify in the engagement letter for the employment of the Auditors that they shall strictly follow the requirements stipulated in the latest version of the “Notes for Auditors of Funded Organisations” issued by the Secretariat in conducting audits and preparing auditors’ report for each approved course. The engagement letter shall also specify that the Secretariat, the SID and their authorised representatives shall have the right to communicate with the Auditors on matters concerning the accounts and the supporting statements. In conducting the audits, the Auditors should comply with the relevant Standards and Statements of Professional Ethics issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants. In the audited accounts, the Auditors are required to express an audit opinion as to whether the applicant organisation and the accountants of the approved course have complied, in all material respects, with all the requirements set out in the Notes and to make full disclosure of any material non-compliance.

5.5 Procurement Procedures

5.5.1 The applicant organisation shall exercise the utmost prudence in procuring equipment, goods or services (including auditing) for the approved course and must adhere to the following procedures unless the Government agrees otherwise⁷ –

- (a) For every procurement or lease of equipment, goods or services in relation to or for the purposes of the approved course, the aggregate value of which does not exceed HK\$5,000, the applicant organisation is not required to provide written quotation, but the selection of the suppliers/service providers/consultants/contractors must be endorsed by the course coordinator in writing;
- (b) For every procurement or lease of equipment, goods or services in relation to or for the purposes of the approved course, the aggregate value of which exceeds HK\$5,000 but does not exceed HK\$50,000, the applicant organisation shall invite at least two suppliers/service providers/consultants/contractors or lessors for

⁷ Suppliers, service providers, contractors or lessors from Hong Kong selected within the project should have a valid business registration.

written quotations and accept the lowest conforming bid;

- (c) For every procurement or lease of equipment, goods or services in relation to or for the purposes of the approved course, the aggregate value of which exceeds HK\$50,000 but does not exceed HK\$300,000, the applicant organisation shall invite at least three suppliers/service providers/consultants/contractors or lessors for written quotations and accept the lowest conforming bid;
- (d) For every procurement or lease of equipment, goods or services in relation to or for the purposes of the approved course, the aggregate value of which exceeds HK\$300,000 but does not exceed HK\$1.36 million, the applicant organisation shall invite at least five suppliers/service providers/consultants/contractors or lessors for written quotations and accept the lowest conforming bid; and
- (e) For every procurement or lease of equipment, goods or services in relation to or for the purposes of the approved course, the aggregate value of which exceeds HK\$1.36 million, the applicant organisation shall use open and competitive tender procedures. Channels which are easily accessible by the general public shall be used to publicise the tender notices.

Unless prior written approval from the Government is obtained, the applicant organisation or any person authorised by the applicant organisation to call for or in any way involved in the quotation or tender exercise shall not participate in the bid itself.

5.5.2 For (a) to (e) above, the lowest conforming bid meeting the technical requirements should be accepted unless justifications are endorsed by the SID. For (b), (c) and (d) above, if less than the required number of suppliers/service providers/consultants/contractors or lessors could be identified from the market, it should be recorded on the procurement document and full justifications must be given to and endorsed by the SID.

5.5.3 The applicant organisation shall be vigilant against fraud and any anti-competitive conduct by bidders. The applicant organisation shall ensure that each bidder has signed a probity and non-collusive quotation / tendering certificate as part of their quotation submission to the applicant organisation⁸. Please refer to **Annex 5** for the model

⁸ The Independent Commission Against Corruption (“ICAC”) has published a booklet “Strengthening Integrity and Accountability Government Funding Schemes Grantee’s Guidebook” providing applicant organisation with a practical set of guidelines in utilising the funds. Softcopy of the Guidebook is available on ICAC’s website (<http://www.icac.org.hk>). Applicant organisations are also advised to make reference to the best practices in the

clauses and provisions to be included in the probity and non-collusive quotation / tendering certificate.

- 5.5.4 The successful applicant organisation is required to adhere to the principles of openness, fairness, value for money and avoid any conflict of interest in the procurements of all equipment, other goods and services of any value in relation to or for the purposes of the Approved course. The successful applicant organisation should ensure that such procurements are made on an open, arm's length and competitive basis, in accordance with prudent commercial principles and only from suppliers or service providers who are not Restricted Person⁹ as well as from any supplier or service provider who are not the Associate, Associated Person of the sponsored organisations or individuals of the approved course, unless prior approval has been granted by the SID. Where any supplier or service provider is in any way, directly or indirectly, interested in a proposed contract with the successful applicant organisation for the procurement of goods or services in relation to or for the purpose of the approved course, the successful applicant organisation shall fully disclose the nature of such interest to the SID, as well as propose the course of action to be taken to mitigate such conflict for SID's approval prior to entry into the proposed contract. The SID may make further enquiries and/or give such directions in relation to the procurement as it deems fit (including a direction ordering the successful applicant organisation to abstain from procuring from that supplier/service provider) and the successful applicant organisation shall answer such enquiries and abide by such directions.
- 5.5.5 The Secretariat reserves the right to withhold disbursement of any percentage of the funding support if the applicant organisation fails to comply with the procurement guidelines when procuring equipment/service for the approved course.
- 5.5.6 Upon request of the Secretariat, the applicant organisation shall provide the contact information of the service provider(s) for processing of application.

ICAC's Guidebook and contact the Corruption Prevention Advisory Service of ICAC (Tel: 2526 6363) for any questions concerning the Guidebook or the booklet or if they need any advice to prevent corruption. The Competition Commission ("CC") also published two brochures – "Getting the most from your tender" and "Fighting Bid-rigging" – which are designed to assist applicant organisation in ensuring open and effective competition by preventing and detecting possible bid-rigging cartels. Softcopy of the brochures is available on the CC's website (https://www.compcomm.hk/en/media/reports_publications/other_publications.html). Applicant organisations are advised to contact the CC (Tel: 3462 2118) for any questions concerning the brochure.

⁹ Restricted Person means: (a) the Applicant organisation, its Associates or Associated Persons; (b) any shareholder or Director of the Applicant organisation, or their Associates, Associated Persons or close friends; or (c) any current employee of the Applicant organisation, its Associates or Associated Persons; or his/her Associates, Associated Persons or close friends.

5.6 Avoidance of Conflict of Interest in Engaging Service Providers, Consultants and Contractors

In engaging service provider(s)/consultant(s)/contractor(s) for implementing the courses approved under the Scheme, the applicant organisation should not engage a service provider/consultant/contractor of the owners, shareholders, management of which are the owners, shareholders, management of the applicant organisation or their relatives.

5.7 Hiring of Teaching Staff

5.7.1 In recruiting teaching staff for the approved course, the applicant organisation shall abide by the principles of openness, fairness and competitiveness, and shall follow the General Guidelines on Staff Recruitment at **Annex 4**.

5.7.2 In relation to or for the purpose of the approved course, the Applicant organisation shall not hire (with or without remuneration) any person who is:

- (i) the Associate, Associated Person¹⁰ or close friend of the shareholder(s) of the Applicant organisation;

¹⁰ a “person” shall mean any person or body of persons whether incorporated or unincorporated;

“associate” of a person means:

- (a) a relative or partner of that person; or
- (b) a company one or more of whose directors is in common with one or more of the directors of that person;

“associated person” of a person means:

- (a) any person who has control, directly or indirectly, over that person;
- (b) any person who is controlled, directly or indirectly, by that person; or
- (c) any person who is controlled by, or has control over, the first-mentioned person in (a) and (b);

a person having “control” over another person means the power of that person to secure:

- (a) by means of the holding of shares or interests or the possession of voting power in or in relation to the second-mentioned person or any other person; or
- (b) by virtue of powers conferred by any constitution, memorandum or articles of association, partnership, agreement or arrangement (whether legally enforceable or not) affecting that second-mentioned person or any other person; or
- (c) by virtue of holding office as director in that second-mentioned person or any other person,

that the affairs of that second-mentioned person are conducted in accordance with the wishes of the first-mentioned person;

“director” means any person occupying the position of a director by whatever name called and includes without limitation a de facto or shadow director. In the context of HKPC, it means a member of HKPC appointed under section 9 of the Hong Kong Productivity Council Ordinance (Cap. 1116);

“relative” means the spouse, parent, child, brother or sister of the relevant person, and, in deducing such a relationship, an adopted child shall be deemed to be a child both of the natural parent and the adopting parent and a step child to be a child of both the natural parent and the step parent.

- (ii) the Associate, Associated Person⁷ or close friend of the Director(s) of the Applicant organisation;
- (iii) the Associate, Associated Person⁷ or close friend of current employee(s) of the Applicant organisation;
- (iv) the shareholder(s), the Director(s) or current employee(s) of any supplier(s) or service provider(s) of the Applicant organisation; and
- (v) the Associate and Associated Person⁷ of any supplier(s) or service provider(s) of the Applicant organisation.

unless prior approval has been granted by the SID.

5.7.3 If the applicant organisation intends to hire any of such persons as specified in subparagraphs (i) to (v) above to work for the approved course, it shall fully disclose the nature of such interest and propose the course of action to be taken to mitigate the conflict arising from such hire, together with full justification in writing. The SID may make further enquiries and/or give such directions in relation to the hire as it deems fit (including a direction ordering the applicant organisation to abstain from hiring that person) and the applicant organisation shall answer such enquiries and abide by such directions.

5.7.4 Any staff member of the applicant organisation taking part in a recruitment exercise (e.g. as a recruitment panel member) shall be required to declare any conflict of interest and refrain from participating in the selection process if a candidate under consideration is his family member, relative or close personal friend. Please note that failure to avoid or properly handle conflict of interest situations may give rise to criticism of favouritism, abuse of authority and even allegations of corruption. The SID reserves the right to recall the grant in full should any irregularities or criminal elements are discovered after the disbursement of grant to an applicant organisation. Refer to **Annex 4** for more details on the guidelines for staff hiring.

5.8 Risk and Title to Equipment

The full legal and equitable title and interest in any piece of the equipment funded under the Scheme shall vest with the applicant organisation. The risk in the equipment (e.g. loss, damages, liabilities, etc.) shall be also borne by and remain with the applicant organisation.

5.9 Return of Residual Funds

Upon the expiry or termination of the funding agreement or the completion of the approved course, whichever is earlier, the applicant organisation shall return

to the Secretariat any residual funds¹¹ within one month after approval of the final audited accounts of the approved course by the SID, and provide any accounting thereof.

The Secretariat or the Government may initiate legal action for suitable remedies in case of delay in the return of residual funds to the Secretariat.

6. MONITORING MECHANISM

The applicant organisation should set out in the application form the key performance indicators for assessing the effectiveness of the approved course and also state specifically how to evaluate the effectiveness of the approved course. The focus of both the key performance indicators and the methodology should be on the outcome and impact of the approved course, and these should be measured quantifiably as far as possible. The methodology to measure the key performance indicators may include the number of participants attending the approved course, satisfaction survey to the participants and relevant stakeholder, etc.

Any record of mishandling of public funds or lack of discipline in financial management, unsatisfactory performance in the implementation of approved course, non-compliance with the terms and conditions set out in the Funding Agreement or breach of any laws of the HKSAR will be taken into account by the SID and Government in considering future applications from the same applicant organisation. Any such record may prejudice that applicant organisation's future applications under the Scheme.

7. REPORTING REQUIREMENT

7.1 Final Report

7.1.1 Within two months after completion of the approved course, the successful applicant organisation shall submit to the Secretariat a Final Report to facilitate evaluation of the approved course. The final report shall contain the following information:

- (a) quantifiable results such as number of participants of the approved course, results of in-class assessment and/or certification examinations etc.;
- (b) feedback from participants of the approved course;
- (c) overall assessment on the effectiveness of the approved course; and
- (d) recommendations on improvements for future training courses.

¹¹ Residual funds means the unspent balance of the Government's funding disbursed for the project as defined in the funding agreement signed between the applicant organisation and the Secretariat.

- 7.1.2 The Secretariat will review the final report and assess the effectiveness of the approved course by comparing the results against its original objectives and targets as set out in the approved application form. The applicant organisation should immediately provide clarification and supplementary information on the contents of the Final Report upon request of the Secretariat.
- 7.1.3 The Secretariat may conduct on-site checking, including random, surprise and routine inspections, to verify the progress and results for individual approved course. The Secretariat and the Government have the right to request access to any information related to the approved course. In this connection, the applicant organisation shall cooperate with the Secretariat for the proper arrangement of on-site checking and make available all documents and explain to the Secretariat for any matters relating to the progress and results of the approved course. The Secretariat may also require the applicant organisation to attend meetings to examine the progress of the approved course.
- 7.1.4 All final reports will be submitted to the SID for consideration and endorsement. Late submission of the final reports may lead to suspension or termination of the funding support for the approved course.
- 7.1.5 If the applicant organisation completes the approved course without fully meeting the proposed targets/ objectives, the SID and the Government reserves the right to reduce the approved funding by an amount that is based on the progress already made in implementing the approved course, completion of the quantifiable milestones and/ or other factors deemed relevant.

7.2 Resubmissions

In case the final report is rejected by the SID, the applicant organisation should resubmit the revised final report within one month after the relevant notification by the Secretariat.

8. ADMINISTRATIVE HIGHLIGHTS

8.1 Contractual Requirements

- 8.1.1 The applicant organisation is required to sign a funding agreement on the approved course with the Secretariat and to comply with all the terms and conditions of the agreement, this Guide and the instructions and correspondences issued by the Secretariat or the SID from time to time in respect of the approved course or the Scheme. The SID reserves the right to consider lapsing the approval decision in case the applicant organisation fails to sign the funding agreement with the Secretariat for a prolonged period of time without reasonable justifications deemed acceptable by the Secretariat.
- 8.1.2 A training course submitted by the applicant organisation can only commence after it is approved by the SID and after the funding agreement is signed. All relevant expenditure incurred within the approved course duration and expenditure items included in the application form approved by the SID may be recognised and funded. The costs incurred outside the approved course duration or prior to the approval granted by the SID would not be funded.

8.2 Appointment of Course Coordinators

The successful applicant organisation will be required to appoint a course coordinator who will be responsible for overseeing the implementation of the approved course, monitoring the proper use of funds in accordance with the approved budget, terms and conditions of funding and funding agreement, exercising economy and prudence in the use of funds, liaising with the Secretariat, arranging of the on-site checking conducted by the Secretariat and attending meetings on the approved course as necessary.

8.3 Prior Approval Requirements

An approved course has to be carried out strictly in accordance with the funding agreement. Any variation, modification, amendment or addition to the approved course or the funding agreement, including but not limited to change of approved course duration, curriculum, budget, implementation plan, deliverables or replacement of the project coordinator, shall require prior written approval by the Secretariat and the SID. Reasons with supporting documents for the changes must be provided.

8.4 Suspension or Termination of Funding Support

- 8.4.1 Any applicant organisation who knowingly or wilfully makes a false statement, misrepresents or conceals any information in order to obtain

funding under the Scheme by deception commits a criminal offence and is liable on conviction to imprisonment.

8.4.2 The SID reserves the right to suspend or terminate funding support for an approved course. Circumstances which warrant suspension or termination of funding support may include but not limited to a lack of satisfactory progress or a slim chance of completion of an approved course, failure to submit final reports or audited accounts within the stipulated deadlines or produce documentary evidence to the satisfaction of the Secretariat showing such payment, non-acceptance of those forms/reports/accounts by the SID, a breach of the terms and conditions of the funding agreement, or if the SID sees fit to terminate the approved course in public interest. The applicant organisation may have to return all/part of the funding disbursed in respect of these approved courses together with all administrative, legal and other related costs and payments (regardless of whether the applicant organisation has already spent the funds or not) to the Government via the Secretariat.

8.4.3 Once an approved course is suspended or terminated, the applicant organisation will not be entitled to the receipt of funding under the Scheme and any cost incurred in the approved course will be solely borne by the applicant organisation.

8.5 Safeguarding National Security

By submitting an application to the Scheme, the applicant organisation shall acknowledge and undertake to comply with the following:

- (a) notwithstanding anything to the contrary in the agreement signed between the applicant organisation and the Secretariat in respect of the approved course, the Government reserves the right to disqualify an application on the grounds that the applicant organisation has engaged, is engaging, or is reasonably believed to have engaged or be engaging in acts or activities that are likely to cause or constitute the occurrence of offences endangering national security or otherwise the exclusion is necessary in the interest of national security, or is necessary to protect the public interest of Hong Kong, public morals, public order or public safety.
- (b) the Government may immediately terminate the funding agreement upon the occurrence of any of the following events:
 - (i) the applicant organisation has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;

- (ii) the continued provision of funding support to the applicant organisation or the continued implementation of the approved course is contrary to the interest of national security; or
- (iii) the Government reasonably believes that any of the events mentioned above is about to occur.

8.6 Intellectual Property Rights

Applicant organisation will hold all the intellectual property rights arising from the results of the approved courses approved under the Scheme.

8.7 Participation in Publicity and Promotional Activities

Successful applicant organisations will be required to share the experience gained in implementing the courses approved under the Scheme with other enterprises and/ or organisations. They will need to participate in the publicity and promotional activities of the Scheme when being invited by the Secretariat or the Government to share their experience gained in the approved courses. These activities may include seminars, workshops, conferences, exhibitions, etc., as well as site visits to the applicant organisations as arranged by the Secretariat or the Government. The applicant organisation shall allow and facilitate the Secretariat or Government or any authorised person (including ICAC) to enter at all reasonable time into and upon any premises of or controlled by the applicant organisation for the purpose of conducting these activities. The applicant organisation will also need to contribute inputs/materials for publication via printed/electronic channels to share their experience when being requested by the Secretariat or the Government. The applicant organisations cannot charge fees on the Secretariat or the Government for participating in these activities or contributing such inputs/materials for publication. The Secretariat may also publicise the details of approved course for public information.

8.8 Acknowledgement of Funding Support

Applicant organisations are allowed to publicise their implementation of the approved courses funded under the Scheme and the results on their own initiatives through publications, seminars, workshops, conferences, exhibitions, site visits, etc. with prior notice to the Secretariat. Acknowledgement of funding support shall be included in any publications and publicity/media events related an approved course funded under the Scheme. Such acknowledgement shall be made by displaying (i) the logo of MATF, (ii) the new Government logo and (iii) the logo of LOGSCOUNCIL on all materials for publicity and/or promotional purposes, including but not limited to advertisements, promotional leaflets, brochures, event backdrops, event banners, etc. for the approved course organised by the Applicant Organisation, and the logos shall be displayed in accordance with the specifications prescribed by and to the satisfaction of the Government. Upon approval of the application, the Secretariat will provide the soft copy of the three logos to the Applicant Organisation by e-mail.

8.9 Assignment

Unless prior written approval from the SID is obtained, the applicant organisation shall not assign, transfer, sub-contract or otherwise dispose of any or all of its interests, rights, benefits or obligations under the funding agreement. Residual funds shall be returned to the Government via the Secretariat upon assignment, transfer, disposal or termination of the approved course.

8.10 Handling of Information

The Secretariat and the SID are committed to ensuring that all personal data submitted under various applications are handled in accordance with the relevant provisions of the Personal Data (Privacy) Ordinance (Cap. 486) (“PDPO”). In this regard, the personal data provided in relation to applications made under the Scheme will be used by the Government, the Secretariat, the SID or their authorised agents for activities relating to:

- (A) the processing and authentication of applications for funding support, payment of funding under the Scheme and any refund thereof; and
- (B) compilation of statistics and research.

The personal data that the applicant organisations provided in their applications will be kept in confidence provided that such obligations and restrictions shall not apply to any disclosure which is necessary for the purposes mentioned in the paragraph above, or any disclosure which is authorised or required by law, or any disclosure which is given by the applicant organisation /data subject.

If necessary, the Secretariat will contact other Government departments and relevant parties to verify the personal data provided in the applications with those held by them for the purposes mentioned in the paragraph above.

Applicant organisations /data subjects whose personal data are collected by the Secretariat may request access to them under the PDPO. A charge will be made to cover the cost of photocopying the data supplied. In addition, if the data subject considers that the data supplied to the Secretariat is inaccurate, a request for correction of the personal data may be made in writing after a data access request has been made. Requests for access to personal data submitted under various applications under the Scheme can be made in writing to the Secretariat by returning the completed Data Access Request Form (No. OPS003 issued by the Privacy Commissioner).

8.11 Indemnity

The applicant organisation shall indemnify and keep each of the Secretariat, the SID and/or the Government, their employees and authorised persons fully and effectively indemnified against (i) all actions, claims (whether or not successful,

compromised, settled, withdrawn or discontinued) and demands threatened, brought or established against the Secretariat, the SID and/or the Government and (ii) all costs (including all legal fees and other awards, costs, payments, charges and expenses), losses, damages and liabilities suffered or incurred by the Government, which in any case arise directly or indirectly in connection with, out of in relation to a breach of the duty of confidence under general law, the use of any personal data in contravention of the PDPO, any breach of the funding agreement by the applicant organisation, the willful, misconduct, default, unauthorised act or willful, omission of the applicant organisation, or any allegation or claim that the use, operation or possession of the results or the exercise of any rights granted under the funding agreement infringes any intellectual property rights of any persons.

8.12 Prevention of Bribery

- 8.12.1 The applicant organisation shall observe the Prevention of Bribery Ordinance (Cap. 201) (“PBO”) and shall procure that its team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the approved course shall not offer to or solicit or accept from any person any money, gifts or advantages (as defined in the PBO) in relation to the approved course.
- 8.12.2 The offer of an advantage to or any member of the SID with a view to influencing the approval of an application is an offence under the PBO. Any such offer by the team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the approved course will render the application null and void. The SID may also cancel the application approved and hold the applicant organisation liable for any loss or damage which the Government and/or the SID may sustain.
- 8.12.3 The applicant organisation is also advised to observe the guidelines set out in the “Best Practice Checklist – Strengthening Integrity and Accountability – Grantee’s Guidebook” compiled by the Independent Commission Against Corruption (ICAC) in order to execute the Funding Agreement in an ethical and accountable manner which meets the public expectation.
- 8.12.4 ICAC may conduct corruption prevention reviews for applicant organisations of the Scheme.

9. ENQUIRIES

Enquiries regarding the Scheme can be addressed to HKPC, the Secretariat of the Professional Training on Smart and Green Logistics Scheme:

Address: HKPC Building, 78 Tat Chee Avenue
Kowloon, Hong Kong
Telephone: (852) 2788 6077
Fax: (852) 3187 4535
E-mail: ptsgls_sec@hkpc.org
Website: ptsgls.hkpc.org

**Secretariat of the Professional Training on Smart and Green Logistics Scheme
January 2024**

Examples of Acceptable and Unacceptable Cost Items for Calculating the Course Fee

1. Acceptable Cost Items

For the course fee budget, only costs directly incurred for the implementation of the approved course may be covered in calculating the course fee funded by the Scheme. Typical acceptable cost items may include -

(i) Manpower

- Salary of the teaching staff directly involved in the approved course (including employer's contributions to the Mandatory Provident Fund)¹².

(ii) Equipment

- Cost of procurement and/or rental of additional equipment for implementing the approved course.
- Applicant organisation should first make use of existing equipment.
- For additional equipment, the applicant organisation should consider to rent if it is more economical than to purchase.

(iii) Other Direct Costs

All other costs directly incurred for the approved course with the exception of administrative overheads and other unacceptable cost items set out under Clause 1.4.9 may be acceptable.

Acceptable direct costs may include -

- (i) Cost of venue rental for implementing the training course;
- (ii) Production and promotion cost in association with the training course (such as design, printing and production of promotional graphics, pamphlets, posters, multimedia videos, websites, placement of online/offline advertisement, etc.);
- (iii) Cost of teaching material for implementing the training course;
- (iv) Cost of postage and stationery for implementing the training course;
- (v) Cost of certificates and souvenirs; unless prior written approval from the SID is obtained, any souvenirs given out in connection with the project shall not be in the form of money or things convertible into money (e.g. gift cheques issued by banks);
- (vi) Cost of consumables for implementing the training course;
- (vii) External audit fees for implementing the training course, which shall be capped at HK\$10,000 for each course;

¹² Monthly time sharing record should be maintained for manpower charged on a pro-rata/ hourly basis

- (viii) Bank charges (only on audit confirmation);
- (ix) Insurances for implementing the project, including but not limited to third-party liability insurance, employee compensation insurance, fire insurance, vehicle insurance, etc; and
- (x) Trademark registration fees – trademark registration fees directly relating to the training course of not more than HK\$10,000.

2. Typical unacceptable costs items

Unless otherwise expressly approved by the SID in advance, normal business operating costs of the applicant organisation which are not directly related to implementation of the approved course will not be acceptable to be covered in calculating the course fee under the Scheme, including but not limited to the following –

- (a) Rental of premises not directly related to course implementation;
- (b) Renovation expenses;
- (c) Utility expenses;
- (d) General office equipment (e.g. computers, projectors and fax machines) and mobile devices (e.g. mobile phones and tablets);
- (e) Staff salary and other related expenses including but not limited to employee's contributions 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;
- (f) Training costs;
- (g) Insurance of existing and newly purchased equipment;
- (h) Recurrent maintenance cost for existing and newly purchased equipment / hardware;
- (i) Non-course related professional service fees (except for auditing);
- (j) Local transportation and accommodation not directly related to implementation of training course;
- (k) Overseas transportation and accommodation;
- (l) Meals and entertainment expenses;
- (m) Cleaning expenses;
- (n) Financing expenses (e.g. bank charges, interest payment for loans);
- (o) Administrative overheads; and
- (p) Any other fees which are not directly related to the implementation of the approved course.

Assessment Criteria

The following criteria will be considered in assessing the application:

A. Relevance of the proposed course content to the objectives of the Scheme

The curriculum of the proposed training courses shall be relevant to modern, smart and green logistics, and related technologies.

The curriculum, as sufficiently presented in its course outline, teaching materials or supplementary information, etc., containing any of the following elements may be considered relevant to the logistics industry –

- (a) latest professional, technical knowledge and practical skills in advanced logistics practices on e-logistics, special cargo handling, digitalisation, blockchain, artificial intelligence, big data analytics, robotics and automation technology, cybersecurity, environmental, social and governance (ESG), etc.; and
- (b) other logistics specific topics that can be identified in standards, manuals or guidelines established by professional bodies, trade associations or other relevant organisations in the logistics industry.

Examples of relevant curriculum include but not limited to the following –

- **Smart Logistics:** including e-logistics on managing the physical flows of orders that processed on an online platform, smart operations with advance technology applications; special cargo handling such as dangerous goods, cold chain cargoes, sustainability and logistics project management, etc.
- **Digitalisation:** including the latest digital knowledge and practical skill to operate the relevant applications (such as on freight management, transportation management, warehouse management), and customer service management systems, and to communicate with external systems digitally (such as block chain and API), etc.
- **AI / Big Data Analytics:** including the latest AI / Big Data Analytics knowledge and practical skill to construct and make use of data-driven models to optimise the logistics operations (such as order processing, routing, transportation, fleet and warehouse management) and improve the ability of using AI modelling to predict future trends, etc.
- **Robotics / Automation Technology:** including the latest robotics / automation technology knowledge and practical skill to control and maintain automatic systems (such as automatic storage and retrieval system, automatic

sorting system, automatic guided vehicle, and goods to man system), and to design and implement robotics / automation projects, etc.

- **Cybersecurity:** including the latest cybersecurity knowledge and skills for the protection of handling, storage, and sharing of proprietary information created from big data, AI, automation, etc., to set proper procedures in place and deploy the right technologies to help identify, block or remediate any malicious attacks, etc.
- **Environmental, Social and Governance (ESG):** including the latest knowledge and skills in the ESG for logistics industry such as ESG strategy, green logistics and technology, opportunities and technology applications of ESG, etc.

B. Effectiveness and distinctiveness of the proposed training course content

Consideration may include whether the proposed training course could demonstrate any distinct, effective approach for knowledge transfer. The effectiveness of the course implementation plan, such as quantifiable key performance indicators (KPIs) and anticipated number of beneficiaries set for the course, will also be considered. The implementation details should be realistic taking into account factors such as existing gaps or opportunities for growth in skillsets of industry practitioners, the complexity of course implementation and the course duration, etc.

Points of consideration may include but not limited to the following –

- (a) introduction of fresh and innovative ideas to the proposed training course, including but not limited to unique course content, engaging activities, application of creative educational technologies, etc.;
- (b) practicality of the proposed training course;
- (c) optimal target and anticipated number of participants of the proposed training course;
- (d) previous performance and track record of the applicant organisation under the Scheme/ other Government funding schemes as known to the SID and the Secretariat (if available); and
- (e) proposed training courses that share significant degree of similarity in terms of their concept, activities, target beneficiaries and other relevant factors may not be considered fundable under the Scheme.

C. Quality of the teaching staff

Reference will be made to the educational and professional qualifications, teaching and working experience of the teaching staff, as well as past record as known to the SID and the Secretariat if available.

Points of consideration may include but not limited to the following –

- affiliation of the teaching staff with accredited training centers or professional/trade bodies in the logistics industry.
- educational and professional qualifications of the teaching staff by the government and the logistics industry.
- teaching staff as incumbent industry practitioners with reasonable working/teaching experience; and
- teaching staff with previous track record as industry practitioners with sound and credible past working/teaching experience.

D. Quality and approach in course delivery

Consideration may include the academic credibility and the degree of industry recognition of the certification and professional qualification awarded by the proposed training course, as well as the quality assurance mechanism implemented in the course.

Points of consideration may include but not limited to the following –

- recognition by the Government;
- recognition by professional or trade bodies (associations / societies / institutes, etc.) in the logistics industry;
- sufficient demonstration by the applicant organisations on the reputation and receptiveness of their courses in the logistics industry. For example, applicant organisations may demonstrate its present and past partnership and collaborations with industry associations and organisations or their corporate members;
- the quality assurance mechanism may be demonstrated by the accreditation from relevant professional or trade bodies in the logistics industry or the Government, such as approved training programmes by LOGSCOUNCIL;
- applicant organisations are encouraged to seek common education accreditation, such as recognition under the Qualifications Framework accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), or other common quality assurance accreditation or certifications, such as ISO 9000; and
- applicant organisations may also develop its own quality assurance mechanism to meet its training objective with sufficient demonstration in its application for consideration. Quality assurance approaches may include robust mechanism for programme development with periodic review, appointment criteria for course instructor, systemic collection of feedback from participants, staff or instructors, etc. which provides performance indicators and seeks to identify areas for improvement.

E. Professional and/or academic standing of the applicant organisation

Consideration will be made to the academic credibility and the degree of industry recognition of the applicant organisation, its expertise, capabilities and experience

relating to the delivery of logistics-related training courses, as well as past record as known to the SID and the Secretariat if available.

The professional or academic standing of the applicant organisations should be recognised by the logistics industry. The following list of companies / organisations / institutions, as well as the those accredited, certified, associated or recognised by them, may serve as supporting party in demonstrating the professional and/or academic standing of the applicant organisations –

- Government;
- statutory or advisory bodies and their subsidiaries, such as LOGSCOUNCIL, Hong Kong Productivity Council, etc.;
- University Grants Committee (UGC)-funded and Government established universities and their continuing and professional education arms;
- Vocational Training Council and its member institutes;
- professional or trade bodies or accredited training centres of these professional or trade bodies; and
- logistics industry practitioners.

Applicant organisations fall outside the above list are required to provide further information regarding their companies/organisations/institutions, including but not limited to establishment year, teaching staff portfolio, past participants, partnering organisations, course list, etc., for assessment.

F. Reasonableness of the budget

Assessment with reference to market prices of the expenditure items within the proposed training course in question as known to the SID or the Secretariat will be made. All expenditure items must be essential and directly related to the implementation of the proposed training course.

Points of consideration may include but not limited to the following –

- Reasonableness of the overall financial estimates for the proposed training course;
- Availability of evidence regarding market prices of the expenditure items within the proposed training course;
- Justification for the necessity of the expenditure items within the proposed training course;
- Cost-effectiveness of the training course and cost-saving strategies;
- Availability and adequacy of contingency funds, for instance provisions for unforeseen expenses or emergencies; and
- Previous performance and track record of the applicant organisation under the Scheme/ other Government funding schemes as known to the SID and the Secretariat (if available).

Other relevant factors may also be taken into consideration by the Secretariat and the SID during application assessment.

Annex 3

Review Mechanism for Approved Courses under the Scheme

1. Applicant organisations are required to review the information/ materials of the approved course on an annual basis and provide the updated information in writing within January of each year.
2. All approved courses have a validity period of 3 years and will be subject to a review before expiry of the validity period. Before the expiry of the validity period, every approved courses will be subject to a review through which the Secretariat would examine whether the approval should be renewed for another three years.
3. The assessment to be conducted during the periodic review will cover but not limited to the following –
 - Updated information of each course;
 - Course schedule and attendance record/rate;
 - Professional qualification/recognition obtained by the applicant organisation;
 - Feedback provided by the course attendees;
 - Onsite inspection, online inspection (for online-course) or surprise visit will be arranged; and
 - Any other information/action as deemed necessary.
4. Detailed arrangements about the periodic review will be sent to each applicant organisation when their approved course is due for the periodic review. The Secretariat may take appropriate actions if any irregularities of approved course are identified during the periodic review.
5. The Secretariat will implement the administrative and control measures on an ongoing basis, for example, cross-checking with applicant organisations to verify the validity of reimbursement claims, annual updating of course information and conducting inspection and surprise visit, etc.
6. To enable the Secretariat to implement the Periodic Review and other on-going enhanced administrative and control measures, the applicant organisations are required to keep full and complete records and documents of an approved course for seven years as stated in paragraph 5.3.3. These records include but not limited to –
 - Enrollment record of approved courses;
 - Student attendance record;
 - Assessment on each attendee;
 - Promotion/publicity materials for each approved course;
 - Quality assurance mechanism for each approved course;
 - Course materials for each approved course; and
 - Instructor’s qualification for each approved course.

The following information and documentary evidence may be requested by the

Secretariat for verification purpose, including but not limited to –

- latest Registration Certificate of the applicant organisations;
- personal identification information of course participants (e.g. name, gender, HKID no., Curriculum Vitae, etc.);
- course materials of approved courses (e.g. latest course curriculum, course materials for students, manual for teaching staff, etc.);
- attendance record of course participants (e.g. attendance sheets, course completion survey, etc.);
- payment record of course participants (e.g. invoices, receipts, bank transaction record, etc.);
- in-class assessment results of course participants (e.g. results of examinations, marked assignments, in-class quizzes, etc.);
- promotional materials of approved courses (e.g. pamphlets, brochures, eDM, links to websites, screenshots of online search engine and social media advertisements, etc.);
- information on the teaching staff of approved courses (e.g. curriculum vitae, proof of qualification, latest appointment criteria, etc.); and
- quality assurance mechanism of approved courses (e.g. internal guidelines and review schedule, course evaluation standards, etc.).

General Guidelines on New Staff Recruitment

1. Introduction

This guideline deal with the adoption of a system of new staff recruitment where staff is employed to carry out the courses under the Scheme. They serve as a ready reference for the applicant organisation who is allocated with any grant from the Scheme. The main issues are openness, fairness and competitiveness in staff recruitment.

2. Staff Recruitment

Personnel outside the applicant organisation may be recruited to help with the implementation of the courses under the Scheme as stipulated in the application by adopting a credible recruitment procedure. To ensure fairness, staff shall be recruited through an open and competitive system. A gist of the recruitment procedures is given below for reference.

3. Conflict of Interest

Any staff member taking part in a recruitment exercise (e.g. as a recruitment panel member) shall be required to declare any conflict of interest and refrain from participating in the selection process if a candidate under consideration is his family member, relative or close personal friend. Please note that failure to avoid or properly handle conflict of interest situations may give rise to criticism of favouritism, abuse of authority and even allegations of corruption. The SID reserves the right to recall the grant in full should any irregularities or criminal elements are discovered after the disbursement of grant to an applicant organisation.

4. Reference Material

The Independent Commission Against Corruption (ICAC) has published a booklet “Staff Administration” providing organisations with information on good practices on staff recruitment procedures. Copies of the booklet are available free from the “Corruption Prevention Advisory Service” of ICAC (tel. 2526 6363). The applicant organisations are advised to obtain this booklet for reference.

New Staff Recruitment Procedures

1. Job vacancies shall be widely advertised in local newspapers and/ or other channels.
2. The advertisement shall set out clearly the job descriptions and requirements, and other essential information such as the application deadline and the contact point for enquiries.
3. All applications received shall be systematically recorded.
4. Shortlisting for interview shall be based on specified criteria.
5. If practicable, a recruitment panel shall be formed to conduct selection interviews and skill tests as necessary.
6. A standard assessment form shall be devised to record assessment by individual panel members.
7. Assessment of candidates and recommendations of panel members shall be properly documented.
8. Approving authority for the staff appointment shall be defined clearly.

Quotation Invitation to Supplier and Confirmation Form by Supplier
(Regarding Probity, Anti-collusion and Anti Bid-Rigging Requirements)

(Name of Procurer, i.e., Applicant Organisation of the
Professional Training on Smart and Green Logistics Scheme)
at:

(Address of Procurer)

(Date)

To: _____
(Name of Supplier)
(Fax no: _____)

Dear Sirs / Madams,

Invitation for the
quotation/tender of : _____
(Description of Goods/Services Required)

In relation to the captioned quotation/tender, you are reminded that Supplier must abide by the following requirements:

PROBITY

- (1) By submitting a quotation/tender, the Supplier represents and warrants that it shall not, and shall procure that his directors, employees, agents and sub-contractors shall not, offer, solicit or accept an advantage as defined in the Prevention of Bribery Ordinance (Cap. 201), in connection with the quotation/tender and execution of the contract.
- (2) Failure to so procure or any act of offering, soliciting or accepting advantage referred to in (1) above committed by the Supplier or by a director, employee, agent or sub-contractor of the Supplier shall, without affecting the Supplier's liability for such failure and act, result in his quotation/tender being invalidated.
- (3) The Procurer shall report all suspected instances of corruption to the Independent Commission Against Corruption.

ANTI-COLLUSION AND ANTI BID-RIGGING

- (1) By submitting a quotation/tender, the Supplier represents and warrants that in relation to the invitation of quotation/tender:
 - (i) it will make reference to the Guidelines of Independent Commission Against Corruption and Competition Commission;
 - (ii) it has not communicated and will not communicate to any person other than the Procurer the amount of any quotation/tender price;
 - (iii) it has not fixed and will not fix the amount of any quotation/tender price by

- arrangement with any person;
- (iv) it has not made and will not make any arrangement with any person as to whether it or that other person will or will not submit a quotation/tender;
 - (v) it has not otherwise colluded and will not otherwise collude with any person in any manner whatsoever in the quotation/tender process; and
 - (vi) it will notify and seek prior approval from the Procurer of all subcontracting arrangements after awarding the contract.
- (2) In the event that the Supplier is in breach of any of the representations and/or warranties in Clause (1) above, the Procurer shall be entitled to, without compensation to any person or liability on the part of the Procurer:
- (i) reject the quotation/tender;
 - (ii) if the Procurer has accepted the quotation/tender, withdraw its acceptance of the quotation/tender; and
 - (iii) if the Procurer has entered into the contract with the Supplier, terminate the contract.
- (3) The Supplier shall indemnify and keep indemnified the Procurer against all losses, damages, costs or expenses arising out of or in relation to any breach of any of the representations and/or warranties in Clause (1) above.
- (4) A breach by a Supplier of any of the representations and/or warranties in Clause (1) may prejudice its future standing as a supplier or service provider of the Procurer.
- (5) Clause (1) shall not apply to agreements, arrangements, communications, understandings, promises or undertakings with:
- (i) the Procurer;
 - (ii) a joint venture partner, where joint venture arrangements relevant to the bid exist and which are notified to the Procurer;
 - (iii) consultants or sub-contractors, provided that the communications are held in strict confidence and limited to the information required to facilitate that particular consultancy arrangement or sub-contract;
 - (iv) professional advisers, provided that the communications are held in strict confidence and limited to the information required for the adviser to render their professional advice in relation to the Tender;
 - (v) insurers or brokers for the purpose of obtaining an insurance quote, provided that the communications are held in strict confidence and limited to the information required to facilitate that particular insurance arrangement; and
 - (vi) banks for the purpose of obtaining financing for the Contract, provided that the communications are held in strict confidence and limited to the information required to facilitate that financing.

For the avoidance of doubt, the making of a bid by a bidder to the Procurer in public during an auction will not by itself be regarded as a breach of the representation and warranty in Clause (1) above.

- (6) The rights of the Procurer under Clauses (2) to (4) above are in addition to and without prejudice to any other rights or remedies available to it against the Supplier.
- (7) Bid-rigging is inherently anti-competitive and is considered serious anti-competitive conduct under the Competition Ordinance (Cap.619). Supplier who engages in bid-rigging conduct may be liable for the imposition of pecuniary penalties and other sanctions under the Competition Ordinance. The Procurer may, at its discretion, report all suspected instances of bid-rigging to

Guide to Application for the Professional Training on Smart and Green Logistics Scheme

the Competition Commission and provide the Competition Commission with any relevant information, including but not limited to information on the Supplier's quotation/tender and personal information.

Please complete and return the attached confirmation for your quotation/tender. However, you are reminded that by submitting a quotation/tender, irrespectively of whether the attached confirmation is completed/returned, the Supplier represents and warrants that it has agreed to abide by the probity, anti-collusion and anti bid-rigging requirements as set out above.

Yours faithfully,

(Company Chop and Name of Procurer)

Confirmation Form

(Date)

To: _____
(Name of Procurer)
(Fax no: _____)

Dear Sirs / Madams,

Quotation/Tender : _____
of (Description of Goods/Services Required by the
Procurer)

Re. the captioned quotation/tender.

I / We agree to abide by the probity, anti-collusion and anti bid-rigging requirements as set out in your invitation.

Yours faithfully,

(Signature)

Name : _____

Position : _____

Company Name : _____

Company Chop : _____
