Distance Business Programme
Funding Applications - Dos and Don'ts

17 July 2020

Dos   Don'ts

Latest developments

1) Additional provision of $1 billion ($1.5 billion in total) for the D-Biz Programme

2) As of 16 July 2020 at 18:00, close to 16 000 applications have been received

3) Processed 4 400 applications so far. 3 901 have been approved with a total funding amount of about $160 million

4) May need to cease accepting applications earlier, taking into account the progress of funding approval and the amount approved

5) All assessment criteria remain unchanged

Assessment Criteria

Applications will be assessed based on individual merits and considered on a case-by-case basis -

(a) **Relevance of the proposed project to the applicant's business** - the project should enable enterprises to continue their business and services during the epidemic (fit-for-purpose);

(b) **Reasonableness of the budget** - assessment with reference to market prices of the technologies in question as known to the Vetting Committee and the Secretariat will be made. Individual items of expenditure must also be essential and directly related to the implementation of the project;

(c) **Reasonableness of the implementation details** - consideration may include whether concrete project deliverables and outcomes have been set. The implementation details should also be realistic taking into account factors such as the complexity of the IT solution and the project duration;

(d) **Capability of Service Provider(s)** - Each Service Provider will be considered on a case-by-case basis having regard to the Service Provider's technical capabilities and experience relating to the IT solution categories; and
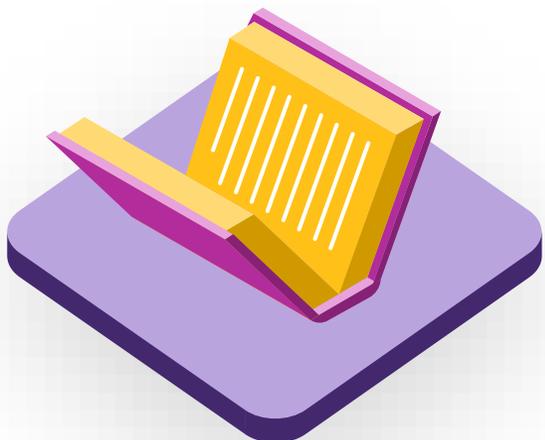
(e) **Adverse record of Service Provider(s)**

Assessment criteria

(a) Relevance of the proposed project to the applicant's business

An education centre applying for funding to set up an online fashion store?

A music school applying for funding to set up online course on aromatherapy ?
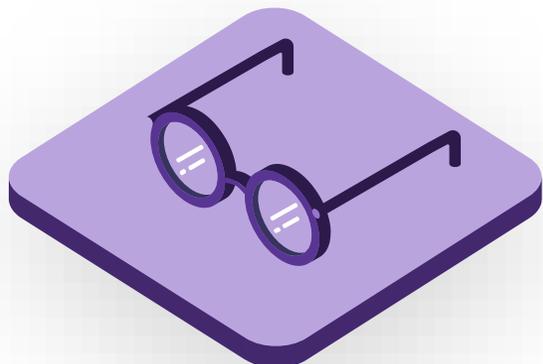
Assessment criteria

(b) Reasonableness of the budget

An accounting firm with only one employee applying funding to install an eLearning platform?

A retail and wholesale enterprise applying funding to subscribe an online shop solution and mobile app management system, as well as to purchase a photocopying machine?

A solution merely for advertising on social media?

Assessment criteria

(c) Reasonableness of the implementation details

A company applying funding to develop a custom-built video conference system?

A food processing company applying funding for purchasing smart glasses for remote quality control?

Assessment criteria
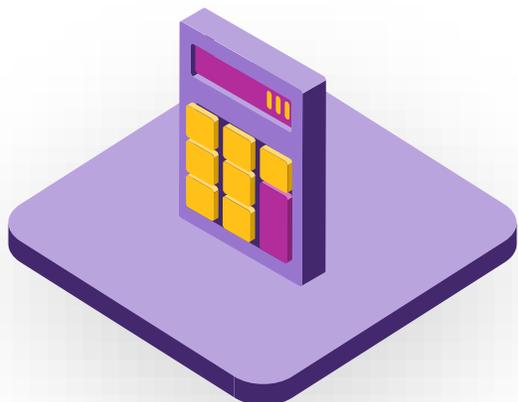
(d) Capability of Service Provider(s)

Provide relevant job references according to "Guidance Notes to Service Providers" for the Secretariat's consideration

1. For system integrator / non-subscription based solution / platform provider：

   two job references during the last 18 months

2. For subscription based solution / platform provider：

   at least two active customers who have subscribed to the solution/platform for at least six months

Assessment criteria

(e) Adverse record of Service Provider(s)

Example : breach of terms and conditions of other government funded projects by the service provider

FAQs

1. **Can I apply for D-Biz funding to develop an online business that is not related to my current business?**

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

    Case Sharing

    Rejected

    An art school applied for funding for establishing an online cosmetic course, which included subscription to a virtual meeting platform and the purchase of hardware. The application was rejected as such course is not relevant to the core business of the applicant enterprise.

FAQs

2. Can I apply for D-Biz funding to purchase hardware?

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

Approved for Partial Funding Support

Case Sharing

Case 1   An enterprise applied for funding to setup Remote Desktop Control. The application was in line with D-Biz objective to continue its business during the epidemic. As such, the application was approved for partial funding covering subscription of remote connectivity software and office software for remote access of documents by employees, but not anti-virus software and notebook computers not directly related to the Remote Desktop Control solution.

Case 2   A distributor proposed to adopt virtual meeting and conference tool for communication with overseas manufacturer. The funding sought was around $90,000, of which less than 1% is for software and the rest are for hardware components. To ensure proper use of public monies, all software costs but only basic camera and a speaker for video conference were approved.

FAQs

3. Can D-Biz funding be used for digital advertising?

D-Biz funding can be used for promoting the online portal set up under Categories 1 to 3, such as for promoting online store set up with D-Biz funding. Digital advertising per se does not belong to any of the 12 categories of IT solutions under the D-Biz Programme. Hence, a proposal which contains purely digital advertisements will not be approved for funding.

Case Sharing

A retail store applied for funding to promote its products. However, since the proposal only includes digital advertisement without any IT solutions, the application was not approved.

Rejected

FAQs

4. **My company already has an online store, can I apply for D-Biz funding to build another online store on another platform?**

No. The D-Biz aims to support enterprises to continue their business and services during the epidemic, and primarily provides funding support for enterprises to extend their existing offline business online. If the applicant enterprise already had an online store, it would not be eligible for applying for funding for setting up an online store.

Case Sharing

A fashion company which already had an online store applied for funding to establish an online store with the same function and to carry out the same marketing strategy, and hence the application was not approved.

Rejected

FAQs

5. **If I am a service provider in one of the IT solution categories, can I apply for funding for the same IT category?**

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

   ## Case Sharing

   A VR service provider applied for funding to develop a VR website for its own company. As the applicant cannot be the service provider for its own application, the application was rejected.

   Rejected

FAQs

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

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

Case Sharing

A car wash business applied for funding for developing an online store, online ordering system and a mobile application. During the assessment, online information revealed the company already had an online store and a mobile application which supported online ordering and could be used for Android and iOS systems, and hence the application was rejected.
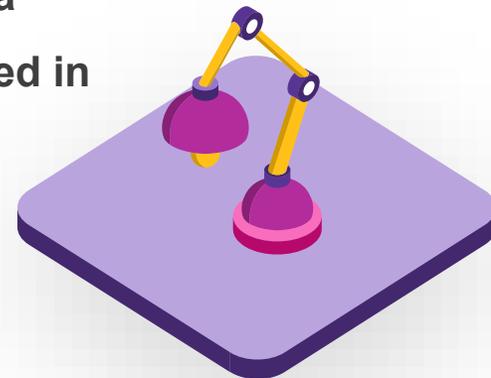
Rejected

FAQs

7. **After the funding application is approved, can I use another service provider(s) to carry out my project? In this case, do I need to provide two quotations again?**

Upon the approval of a funding application, if the approved funding amount is lower than the funding amount sought, the applicant enterprise can choose to engage a replacement service provider to carry out the project. If the project involves non-subscription based service(s), the applicant enterprise needs to submit two quotations, while one quotation is required if a subscription-based service(s) or platform(s) is involved. The quotations will be assessed in accordance with the criteria stipulated in the Guidance Notes for Funding Applications.

An applicant enterprise cannot change the service provider after signing the Funding Agreement.

FAQs

8. **If I want to build an online enterprise resource planning (ERP) system, but the quoted price is almost $300,000, can I split the quotation and submit three IT solutions?**

   No, the IT solutions should not be interdependent with each other.

   ## Case Sharing

   A cake shop applied for funding for setting up an ERP system, but the quoted price was almost $300,000. Hence, the applicant enterprise repeated the solution two times in the application form as if there were three solutions. The application was rejected.

   Rejected

FAQs

9. **I am a Service Provider. Can I apply for funding for solution(s) of the category(ies) <u>different</u> from my business?**

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

<u>Case Sharing</u>

To maintain contact with its employees and clients during the epidemic, a mobile app developer applied for funding for subscribing to a virtual meeting platform. As the proposal met the objective and assessment criteria of the D-Biz Programme, the funding application was approved.

Approved for Full Funding Support

FAQs

10. Can I apply for funding to build a custom-built online store?

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

Approved for Full Funding Support

Case Sharing

Case 1 A pharmaceutical company proposed an off-the-shelf e-commerce system to promote and sell its products through digital and social media. The funding sought is within a reasonable market price range. The application was approved.

Case 2 A trading company proposed a custom-built e-tendering system to allow its employees to process relevant documents and approval process remotely during the epidemic. As the e-tendering system shall cater for the uniqueness of the applicant's procurement procedures, a custom-built solution was justified. The funding sought is within a reasonable price range in the market. Therefore, the application was approved in full.

FAQs

11. **Can an applicant choose a service provider that is not on the Reference List?**

Yes. In general, whether or not an applicant chooses a service provider on the Reference List will not affect the result of the funding application unless the service provider fails to pass the eligibility assessment.

After receiving the application, if the service provider is not on the Reference List, the Secretariat will request the service provider to submit relevant documents to assess its capability in accordance with the Guidance Notes for IT Service Providers.

FAQs

12. **If an applicant needs to resubmit a quotation or replace a service provider after receiving the application result, will the approved funding amount be reduced?**

The approved funding amount will not be reduced.
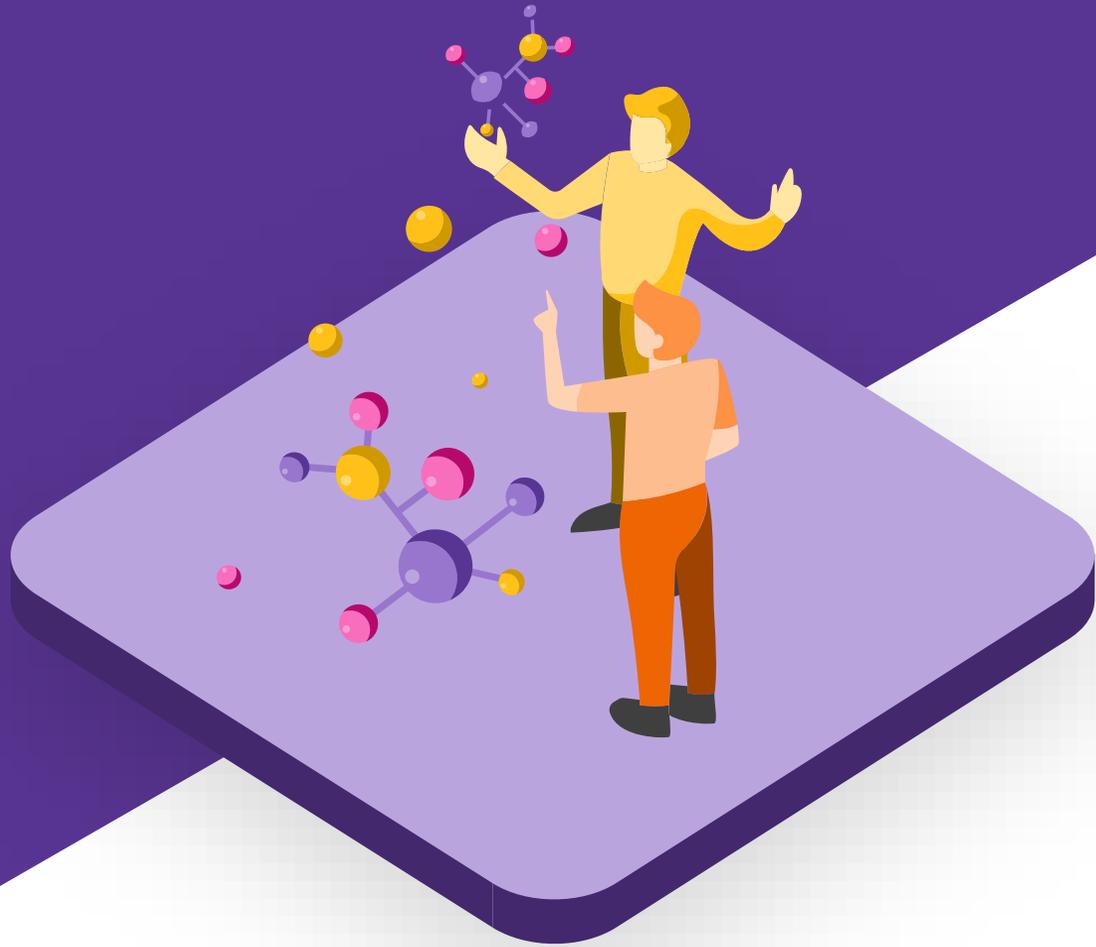
FAQs

13. Do all projects need to be audited?

The audit requirement applies to projects with approved funding amount of $30,000 or above. Prior to disbursement of the remaining 70% of the funding, applicants need to submit the audited statement of income and expenditure covering the whole project period prepared by an independent auditor for verification by the Secretariat after the project is completed.
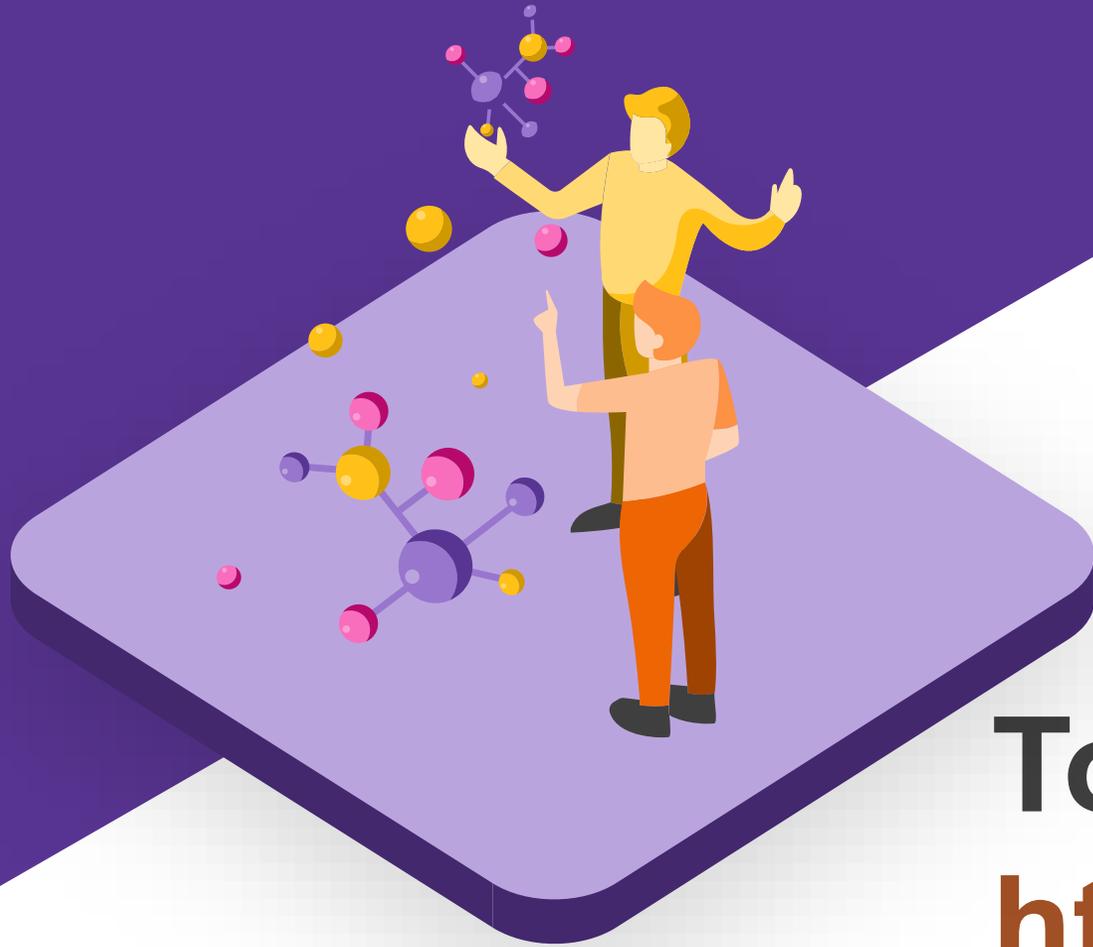
Summary of Dos and Don'ts

1) Application should be related to the existing business and in line with objectives of the Distance Business Programme

2) Project budget, content and implementation should be reasonable

3) Updating or upgrading of existing equipment/ platforms will not be funded

4) Solutions should not be interdependent with each other

5) Economical and readily available subscription based solutions should be adopted

6) Ordinary IT equipment will not be funded

Q&A

To apply, go to:
http://u.hkpc.org/dbiz