

Pilot Subsidy Scheme for Third-party Logistics Service Providers Frequently Asked Questions (FAQs)

I. Eligibility

Q1: Can both Applicant Enterprises and their related enterprises owned by same shareholders submit applications?

Ans.: Related enterprises, i.e. enterprises registered as different businesses under the Business Registration Ordinance (Cap. 310) but having common shareholders (up to the ultimate level of natural persons if the enterprises are held by companies) whose equity interest is 30% or more in each of the enterprises and having the same business nature, would be treated as one single Applicant Enterprise for the purpose of calculating the cumulative funding amount (i.e. subject to the cumulative funding ceiling of HK\$1 million). Other relevant factors (such as business nature, shareholding structure and evidence of separation of business etc.) will also be taken into account as appropriate in determining whether Applicant Enterprises would be treated as one single Applicant Enterprise and be subject to the cumulative funding ceiling of HK\$1 million. The Management Committee and the Secretariat would assess applications based on individual circumstances of each application (such as business operation, office information, etc.) and project implementation details. The Management Committee and the Secretariat reserves the rights to request additional documentary evidence from the Applicant Enterprise for assessing its eligibility and to determine whether the Applicant Enterprise is eligible to apply for subsidy under the Pilot Scheme.

Q2: What documents do the Applicant Enterprises have to provide to prove that their businesses are related to either inbound or outbound goods?

Ans.: Applicant Enterprises may provide commercial contracts, invoices, receipts, quotation documents, freight forwarding documents, bank records, etc. as proof. Please refer to Guide to Application and Application Form for details.

Q3: Can Applicant Enterprises apply for the Pilot Scheme if they have already received other sources of funding support provided by the Government?

Ans.: Projects which have received/would receive other sources of funding support provided by the Government would not be eligible for subsidy under the Pilot Scheme. Applicant Enterprises have to declare in their applications that the proposed project have not received such other sources of funding support and are not applying for such funding support at the time of application under the Pilot Scheme.

II. X-Ray machines/Explosive Trace Detection equipment (ETD)

Q4: Which kind of documentary proof is required for applying subsidy for Explosive Trace Detection (ETD) equipment ordered during the period between 30 October 2018 and 30 June 2021?

Ans.: Applicant Enterprises should provide purchase agreement, invoices/receipts, proof of deposit (if any) to prove that such ETD equipment was ordered during the qualifying period. The model of such ETD equipment and the licensing for RACSFs must have the acceptance of the Civil Aviation Department (CAD) at the time when full funding is sought. The Applicant Enterprises would also need to demonstrate that the licensing for RACSFs would be obtained and the RACSFs would be in operation on or before 30 June 2021, subject to the subsequent successful submission of notification of change of RACSF Security Programme to the CAD.

III. Subsidy Amount and Principle

Q5: Does the Pilot Scheme cover development of new features or upgrading of existing system in use?

Ans.: Projects on system development or upgrading would be eligible for funding support under the Pilot Scheme if they are stand-alone projects with separate and well-defined deliverables, the commencement and completion dates of the remaining part of the project can be clearly identified, and the budget for the remaining part can be separately provided and justified. The Management Committee and the Secretariat would assess applications based on individual merits of each application.

Q6: Do Applicant Enterprises need to comply with the procurement procedures when engaging auditors for project auditing? When should Applicant Enterprises submit written price quotations for project auditing services?

Ans.: Applicant Enterprises should ensure that all procurement for goods and services (including project auditing) are carried out in an open, fair and competitive manner and the appointment of reasonable qualified Service Providers. In general, for every procurement of equipment or other goods or services for the purposes of or in relation to the project, applicant Enterprises should obtain written price quotations with detailed description including breakdown of cost items, project duration, scope of work and deliverables from at least two Service Providers. The procurement contract should be awarded to the Service Provider submitting the lowest conforming price quotation. Notwithstanding to the above, the Applicant Enterprise may award the procurement contract to higher bidder or highest overall scorer based on technical or other project specific considerations. Justifications must be provided to the satisfaction of the Management Committee and the Secretariat under such circumstances.

Notwithstanding the above, Applicant Enterprises may first provide a reasonable estimated budget for project auditing at the time of application and submit the quotations afterwards. Please note that the actual amount of subsidy for project auditing will be determined based on the actual costs incurred by the Applicant Enterprises or the maximum audit fee (HK\$10,000) to be counted towards the total project cost, whichever is the lower.

Q7: How long will the application process take? When will Applicant Enterprises receive funding payments for approved applications?

Ans.: 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 Enterprise after receipt of a complete application accompanied by all necessary documentation proof and clarification as requested by the Secretariat. Applicant Enterprises are reminded to submit the required documents as detailed in the Guide in a complete manner to the Secretariat. Failure to do so may cause delay in the processing of their applications.

An initial payment of 75% of the approved funding amount is payable to a designated bank account of the Applicant Enterprise after signing of the funding agreement. The final payment will be made to the Applicant Enterprise upon satisfactory project completion and acceptance of the final report by the Management Committee and the Secretariat.

IV. Eligibility of Service Providers

Q8: Can Service Providers be companies registered outside Hong Kong?

Ans.: Service providers should be companies registered in Hong Kong under normal circumstances. If the equipment or solution must be sourced directly from overseas service providers under exceptional circumstances (i.e. such equipment or solution not available from service providers in Hong Kong), justifications must be provided to the satisfaction of the Management Committee and the Secretariat and prior approval must be sought.

V. Project Monitoring and Change Request

Q9: Do Applicant Enterprises need to submit progress report? And when should the progress report be submitted?

Ans.: Only projects with duration over 18 months require the submission of progress report until project completion or the expiry or termination of the relevant funding agreements to the Secretariat. Each progress report should cover the first 12 months and should be submitted within one month after the relevant 12-month period. Progress reports could be exempted for projects for purchased X-ray Machines and ETD equipment, yet submission of final reports and final audited accounts would still be required. Templates of progress and final reports could be downloaded from the website of the Pilot Scheme.

Q10: Can Applicant Enterprises make any adjustment to or appoint new project coordinators for an approved project?

Ans.: An approved project has to be carried out strictly in accordance with the funding agreement. Any modification, amendment or addition to the project or the funding agreement, including but not limited to change of project duration, project scope, budget,

implementation plan, deliverables or replacement of the project coordinator, shall require prior written approval by the Secretariat and the Management Committee. Reasons with supporting documents for the changes must be provided by sending an email of change request to the Secretariat (tplsp_sec@hkpc.org). The Secretariat will follow up with the requests accordingly.