# 4 Things You Should Know Before Applying For TVP in Hong Kong
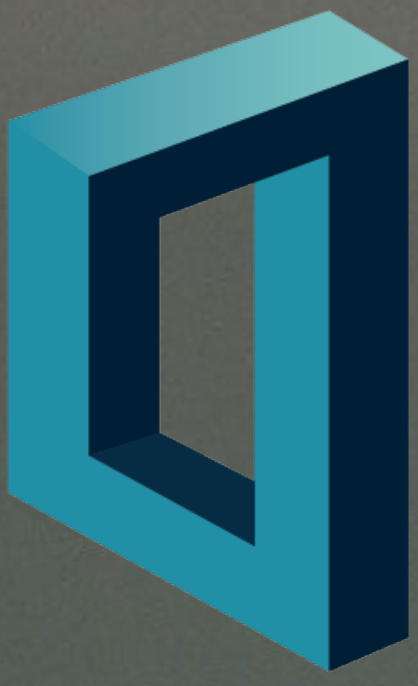
by Jowell Shek @ Ooosh Coworking

# Prepare for **Market Rebound**

This article is written during the coronavirus, hence businesses are going through trying times and productivity is low. Instead of panicking, some are planning ahead for a big bounce back once the market starts to resume.

If you are operating an SME and have thought of upgrading or transforming your business processes via technology adoption, the Technology Voucher Programme (TVP) launched by the Hong Kong government would be a good place to look into.
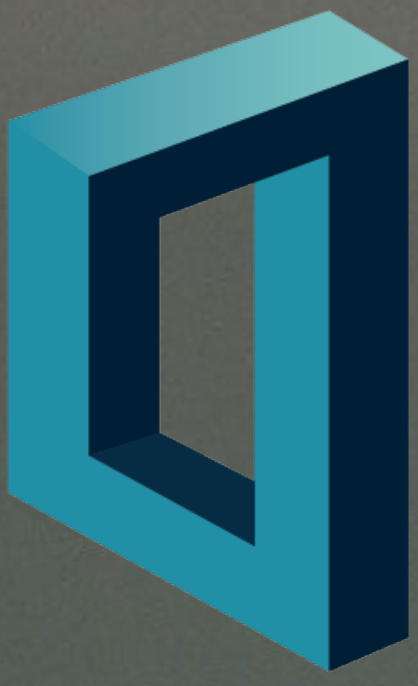
# 1. Eligibility and Application Process

**Q: Am I eligible for the TVP?**

A: You are eligible as long as you are a non-listed company in Hong Kong with substantive business operations at the time of application. Meaning that "shell" business registrations will not be regarded as eligible.

**Q: Can I apply for more than one project?**

**A:** Unfortunately not. You can only apply for one project at a time.

**Q: What is the application process like?**

**A:** After you submit your project application, there will be a preliminary screening. During the preliminary screening, the ITC may seek clarification or supplementary information from you. Afterwards, they will process your application. Note that there is no timing / duration indication on each assessment procedure.
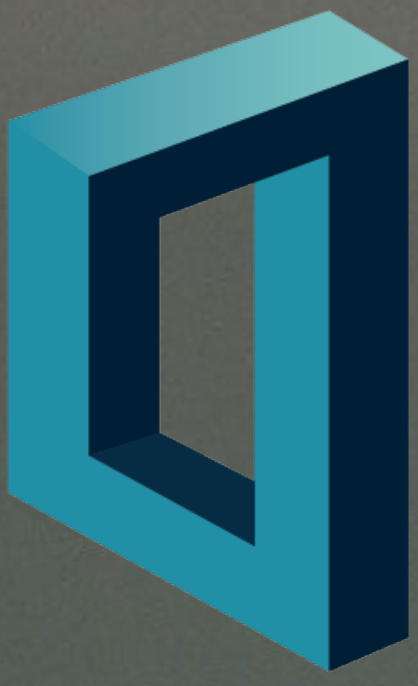
Remember, prior approval must be obtained before the project commences, and you are required to provide a breakdown of the costs to be directly incurred for the purpose of and during the approved period of the proposed project.

**Q: What are the assessment principles?**

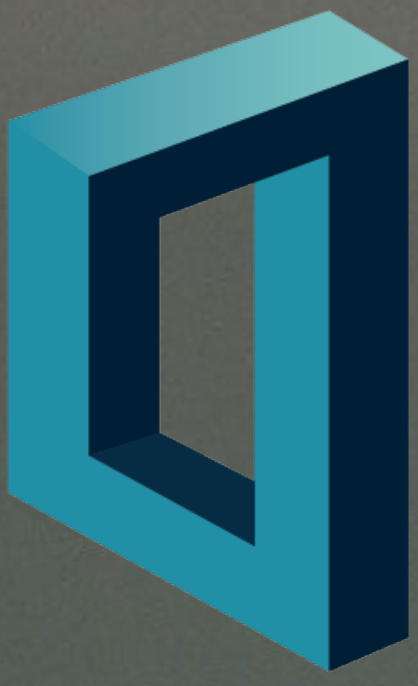**A:** Your project will be assessed according to the following:
- Relevance to business
- Reasonableness of budget
- Reasonableness of implementation details (Require concrete indications of expected impact and outcome from the project)
- Do not engage their blacklisted service providers (Yes. They have a list of those.)

**Q: Any examples of typical funded projects?**

**A:** We got you. You may access a full list of typical projects **here**. (page21 Annex B)

**Q: How do I know whether my application was successful or not?**

**A:** Successful applications will receive a letter and invitation to enter a funding agreement, while unsuccessful applications will be informed with rejection reasons.

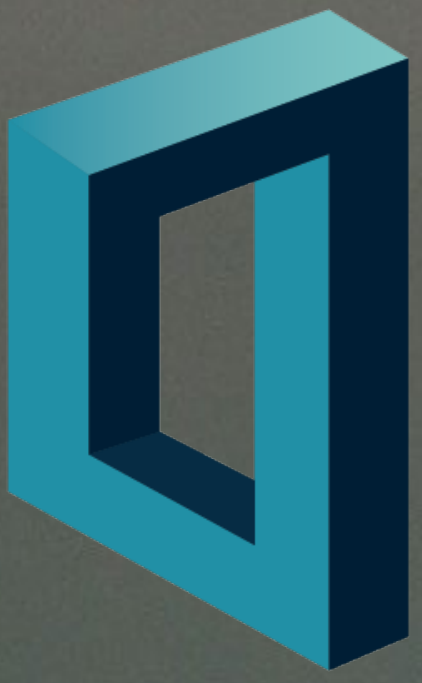**2. What You Will Get**

**Q: How much will be funded?**

**A:** According to the 2020 budget, the maximum funding amount can be expected to be at around $600,000, and around 75% of your project to be funded. 25% of approved funding will be payable upon signing a funding agreement and the balance payment will be disbursed upon receiving and acceptance of a final project report.

**Q: What are the fundable items in my project?**

**A:** Here are a list of items fundable:

- Technology Consultancy
- Purchase, rental or subscription of customised equipment / hardware / software and tech services / solution that form an essential part of the project. (As long as they are not available off the shelf, they are considered customised)
- Off-the-shelf equipment/hardware: these include desktops, notebook, printers, scanners, mobile phones as long as they are essential to the project. However, these should consist of more than 50% of the project cost, or else the committee might not approve the application.
- Software and technological services or solutions that form an essential part of the project.
- Cloud / SaaS solutions (up to 12 months of costs)
- Audit fee, with a maximum funding of $3000. (Note: Your project must be audited by an auditor for funding requests exceeding $50,000)
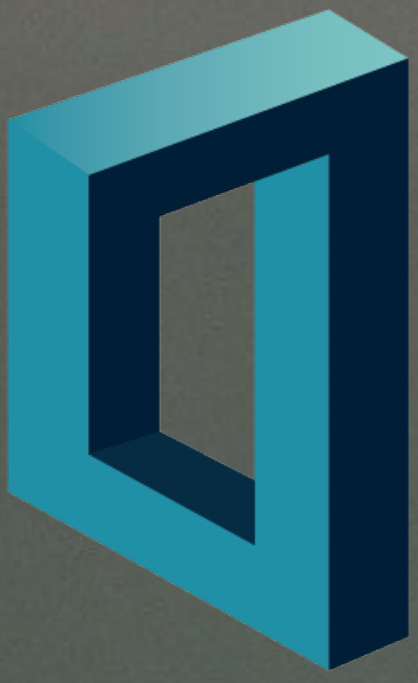
**Q: How about items that are not fundable?**

**A:** Below are a list of items that are not fundable:
- Rental
- Staff salary, allowances and training
- Equipments, hardware, software and services for normal operations
- marketing and branding expenses
- transportation and accommodation
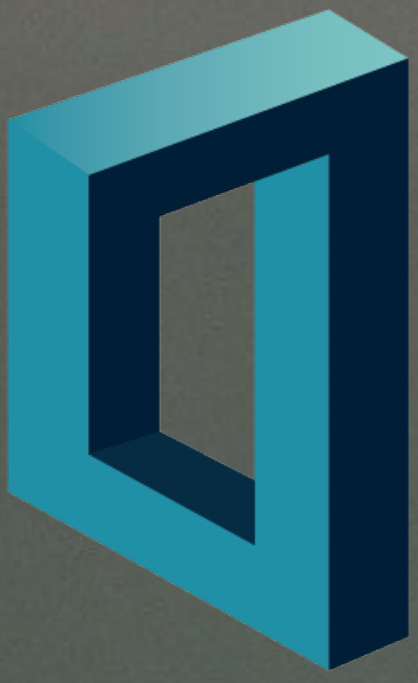- financial expenses (interest payments for loans)

**Q: Is there a funding principle?**

**A:** Yes. The project follows a "Lowest Price Wins Contract":
- For funding less than $50,000 - 2 competitive quotations
- between $50,000 and $300,000 - at least 3 competitive quotations
- between $300,000 to $1,400,000 - at least 5 competitive quotations
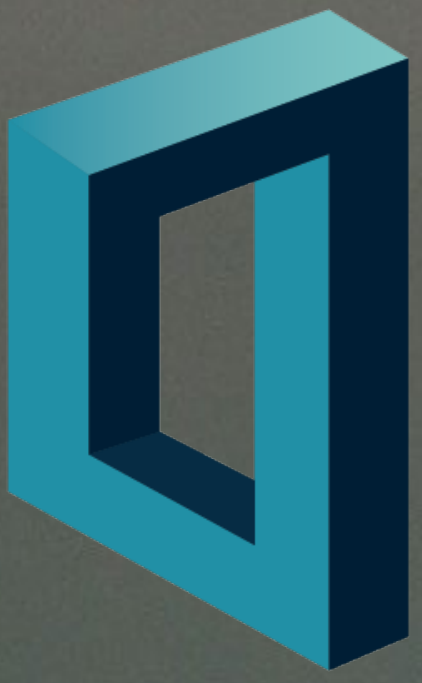- $1,400,00 or above - Open Tender

# 3. Project Completion and Evaluation
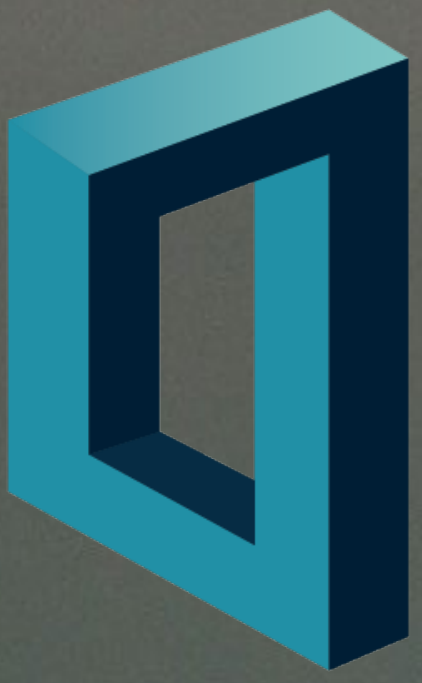
**Q: What is the project duration:**

**A:** 12 months

**Q: What happens upon project completion?**

**A:** When the project completes, you must submit your final project report with expense summary and deliverables within 2 months:

**Expense summary:** Original or copy of invoices and receipts of payments for each expenses item. (Note: Name of payer must be the same as applicant.)

**Deliverables:** You are also to provide evidence of deliverables (report, delivery receipts, photos, app store, website, etc.)
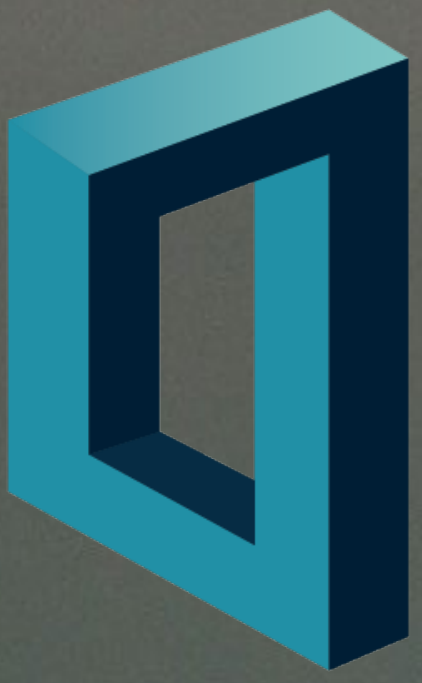
**(Cont'd)**

If funding amount is larger than $50,000, an audited statement of income and expenses from an independent auditor is required. On the other hand, If the funding amount is below $50,000, you should submit an income and expenses statement to declare accuracy.

In addition, you are required to submit a post project evaluation report within 6 months of project completion in terms of how the project has improved productivity, upgraded or transformed your business process.
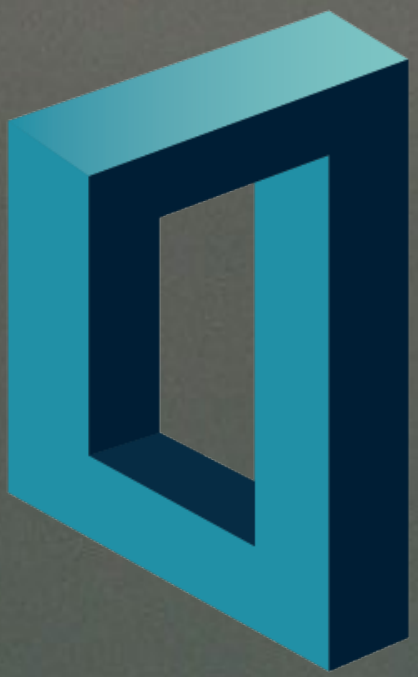
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4. Tips from Ooosh

**We have also previously applied to the TVP and would like to share a few additional tips based on our experience:**

- Once application is approved, avoid making changes at all costs.
- Submit your project completion documents ASAP. Do not wait for 2 months!
- Keep your project simple, but do explain thoroughly.
- If you wish to claim audit fees, you will have to engage 3 or more auditors for competitive quotes. Given that not all auditors have the experience or interest in this service, you can consider not claiming the audit fees and engage your own auditor (they are more likely to take the job sp to retain you as customer)
- The project must be carried out as planned in the funding proposal or fundings might be pulled, otherwise you must inform the ITC for approval (and you would want to avoid that at all cost.)

**For more details of the TVP, do visit the following resources:**

https://www.itf.gov.hk/l-eng/TVP.asp
https://www.itf.gov.hk/l-eng/Forms/TVP-guide-e_2019_12.pdf

## Here to Help

We hope that was a comprehensive guide to those who are looking to apply for the TVP funding. Since we have prior successful experience with TVP application, and we work closely with startups every day, we would be happy to provide you with extra tips, guidance or advice on TVP.
Simply reach out to us via ask@ooo.sh.

We also partner with several high-quality tech vendors - if you are looking for a vendor for tech solutions with TVP, do not hesitate to get connected with us.