



HONG KONG

# BUD Grant Fact Sheet

Dedicated Fund On Branding,  
Upgrading and Domestic  
Sales (BUD Grant)

Connect with us



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# About Us

Singapore Corporate Services Pte. Ltd. ("SCS") is a Singapore-based CPA firm with over 20 years of combined experience. We believe in delivering value through a financial, data-driven, and compliance-focused approach. SCS offers a full suite of professional services ranging from Audit and Assurance, Accounting and Outsourcing, Corporate Secretarial, Corporate and individual tax, Business Valuation, and Advisory services.

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# Introduction

## BUD GRANT

The objective of the Programme is to provide funding support for individual non-listed Hong Kong enterprises to undertake projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland, FTA\* and/or IPPA\* markets, so as to enhance their competitiveness and facilitate their business development in these markets.

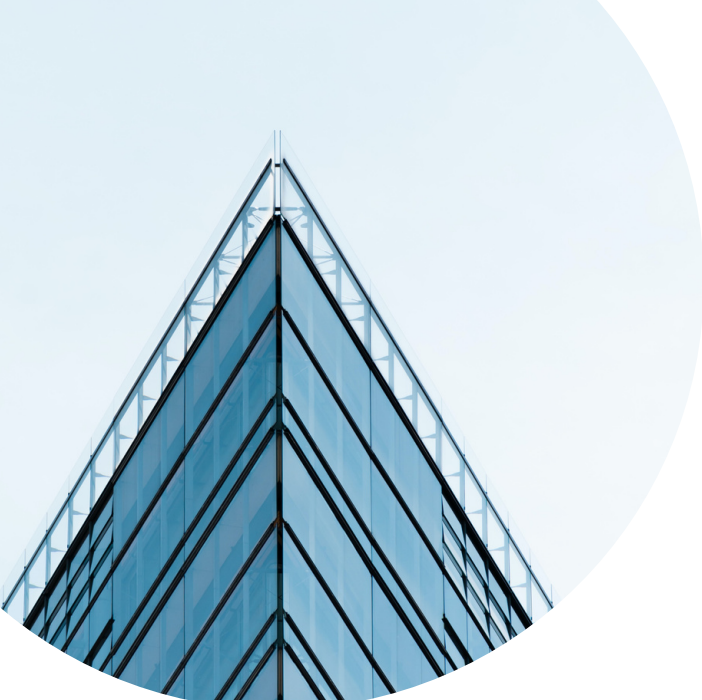
## FUNDING PRINCIPLES

Funding would be provided on a matching basis, i.e. the Government will cover a maximum of 50% of the total approved project cost and the enterprise has to contribute no less than 50% of the total approved project cost in cash (except the audit fee of the approved project). The Government will provide full funding support for the audit fee of the approved project, capped at HK\$10,000 per audit which will be counted towards the cumulative funding ceiling per enterprise. The total cumulative funding ceiling per enterprise under the Mainland and the FTA and IPPA Programmes is HK\$6,000,000 (including audit fee), while the funding ceiling for each approved project is HK\$1,000,000 (including audit fee).

## FTA AND IPPA MARKET

The geographical coverage of the funding support includes the economies other than Mainland with which Hong Kong has signed Free Trade Agreements (FTAs) and/or Investment Promotion and Protection Agreements (IPPAs) (the FTA and IPPA Programme).

Countries that are listed as FTA and IPPA market are the member states of the Association of Southeast Asian Nations (ASEAN)(i.e. Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam), Australia, Austria, Belgo-Luxembourg Economic Union, Canada, Chile, Denmark, the four member states of the European Free Trade Association (i.e. Iceland, Liechtenstein, Norway, and Switzerland), Finland, France, Georgia, Germany, Italy, Japan, Republic of Korea, Kuwait, Macao, Mexico, the Netherlands, New Zealand, Sweden, the United Arab Emirates and the United Kingdom



## FUND IMPLEMENTER

The Hong Kong Productivity Council (HKPC) is a multi-disciplinary organization established by statute in 1967, to promote productivity excellence through the relentless drive for world-class advanced technologies and innovative service offerings to support Hong Kong enterprises. The Council offers comprehensive innovative solutions for Hong Kong industries and enterprises, enabling them to achieve resources and product utilization, effectiveness and cost reduction, and enhance competitiveness in both local and overseas marketplace.

## ELIGIBILITY CRITERIA

- Non-listed Hong Kong enterprise
- At least 50% of Local Shareholdings
- Has substantive operation in Hong Kong
- Project period must not exceed 24 months

# Scope



The Programme covers three areas, namely

- (i) branding;
- (ii) upgrading and restructuring;
- (iii) promoting sales. Some examples that fall within the scope of these areas are as follows:

## **BRANDING**

- Brand Strategy and Positioning – corporate brand visioning, product and service planning;
- Brand Building, Design and Communication – brand identity and personality development, rebranding;
- Brand Management – brand assessment, brand protection; and
- Brand Tracking – brand equity research and brand sustainability study.

## **UPGRADING & RESTRUCTURING**

- Business Model Upgrading & Restructuring – from Original Equipment Manufacturing (OEM) to Original Design Manufacturing (ODM) and/or Own Branding & Manufacturing (OBM);
- Product Innovation and Repositioning – product strategy, new product development;
- Material Management – supply chain planning and execution;
- Technology Upgrading – manufacturing technology upgrading, process and business automation;
- Management Upgrading – world-class management system, business process engineering, quality improvement; and
- Logistics Management – warehouse management, fleet management and distribution management.

## **PROMOTING SALES**

- Sales Start-Up Planning – visioning process and strategy formulation;
- Sales Business Operation Management – operation transformation;
- Sales Channel Management – marketing strategy and research, sales and distribution development;
- Sales Team Formation and Management – staff development, and performance management.

# Eligible Expenditure

Project Activities	Budgeted Expenditure or Proportion of the Project Expenditure in Percentage Cap (per project application)	Expenditure Items that may be funded (summary)	Expenditure Items that may NOT be funded (summary)
Relevant operating costs for setting up a new business entity	Not to exceed 20% of the total project expenditure	Business registration/ operating license fees, rental/renovation expenses during project period, utility expenses	Daily, routine and general operation expenses of the applicant's existing business entity in Hong Kong, Mainland, FTA and/or IPPA markets
Recruiting additional manpower	Not to exceed 50% of the total project expenditure	Salary of the additional manpower directly recruited by the applicant for implementing the project and the related incidental costs to be incurred within the project period	Salary of existing employees
Procure/lease additional machinery/equipment	Not to exceed 70% of the total project expenditure	Cost of procuring or leasing additional machinery/ equipment specifically and essentially for implementing the project as well as related incidental costs to be incurred within project period.	Machinery/ equipment for general use or of normal operating nature; insurance premium of machinery/ equipment; maintenance fees for existing machinery/ equipment; and molds for existing products
Produce/Procure sample /prototype	Not to exceed 30% of the total project expenditure	Direct cost for producing/procuring sample/ prototype for development/ demonstration purpose under the project	Valuable materials for the production of sample/ prototype which may be reused for sales purpose, e.g. diamond and gold for the production of jewelry samples/ prototypes

# Eligible Expenditure

Project Activities	Budgeted Expenditure or Proportion of the Project Expenditure in Percentage Cap (per project application)	Expenditure Items that may be funded (summary)	Expenditure Items that will NOT be funded (summary)
Place project- related advertisement	Not to exceed 50% of the total project expenditure	Advertising costs directly related to the project, including expenses incurred by placing advertisements as well as the related incidental costs; sponsorship; engagement of spokesperson/ambassador/Key Opinion Leader (KOL) and the related costs	Advertising outside the Mainland, FTA and/or IPPA markets and Hong Kong and, in the case of internet advertising, expenses such as deposit, bonus, and slotting fee will not be funded
Exhibitions/promotional events (including virtual exhibitions)	-	Cost for participating in exhibitions/trade fairs/roadshows in Mainland, FTA and/or IPPA economies or Hong Kong Including virtual exhibitions organised by Government related organisations or reputable exhibition organisers with good track records and the related incidental costs	Participation in exhibitions/trade fairs/roadshows outside Mainland, FTA and/or IPPA economies and Hong Kong Including participation in virtual exhibitions organized by Government related organizations or reputable exhibition organizers with good track records; and other promotional events/activities
Travelling and accommodations between Hong Kong and Mainland/FTA/IPPA economics	Not to exceed 20% of the total project expenditure	Travelling and accommodation expenses which are directly linked to the measure covered by the project. Travelling expenses should form part of the cross-border transportation of trips from Hong Kong to China, FTA/IPPA economies and vice versa	Travelling and accommodation expenses which are not directly linked to any measure covered by the project, or those arising from general business supervision, liaison, consultation, negotiation, etc.

# Eligible Expenditure

Project Activities	Budgeted Expenditure or Proportion of the Project Expenditure in Percentage Cap (per project application)	Expenditure Items that may be funded (summary)	Expenditure Items that will NOT be funded (summary)
Design and establish online sales platform	-	Cost of designing and establishing an online sales platform	-
Establish/enhance company website	Not to exceed HK \$100,000 per application	Expenses for development or enhancement of company website	-
Develop/enhance mobile applications (Apps)	Not to exceed 50% of the total project expenditure	Development or improvement of mobile applications (Apps) for deployment on mobile devices (for promotional purposes only)	-
Design and produce promotional materials	-	Cost for producing promotional materials (e.g. flyers, pamphlets, posters, etc.) or other relevant expenses	-
Testing/certification registration	-	Cost for testing/certification/registration in Hong Kong, Mainland, FTA and IPPA economies	-
Patent/trademark registration	Maximum cumulative funding amount HK \$600,000 per enterprise	Cost for patent/trademark/design/utility model registration/copyright protection directly related to the project(s)	-

# Eligible Expenditure

Project Activities	Budgeted Expenditure or Proportion of the Project Expenditure in Percentage Cap (per project application)	Expenditure Items that may be funded (summary)	Expenditure Items that will NOT be funded (summary)
External audit fee for approved projects	Maximum amount HK\$ 10,000 per audit, fully reimbursable, counted towards the enterprise's cumulative funding ceiling	External audit fee for approved project	-
Other direct project expenses	-	<ul style="list-style-type: none"> <li>• Cost for organising/participating in other promotional events/activities (e.g. product launching ceremony) in the Mainland/FTA and IPPA economies or Hong Kong</li> <li>• Cost for procuring/licensing of brands or technology directly related to the project(s)</li> <li>• Cost for the procurement of project- related consumables (which should be specified in the application)</li> <li>• Fee to engage other consultant/ implementation agent</li> </ul>	<ul style="list-style-type: none"> <li>• Organization of/participation in other promotional events/activities outside the Mainland, FTA and/or IPPA economies and Hong Kong</li> <li>• Shop/product display fees for sales purpose at any virtual/physical location and the related sales commission fees</li> <li>• Shelves and furniture for general product display at display/sales outlet</li> <li>• Gifts, souvenirs, prizes, etc.</li> <li>• Entertainment or meal expenses</li> <li>• Membership fees of industrial and trade associations, professional bodies or similar organizations (either one-off or recurrent)</li> <li>• Unspecified costs, e.g. miscellaneous cost, sundry, contingency expenses</li> </ul>





# Process of Getting Grant

## Applicant Enterprise

## Fund Implemented



# Critical Information

## Fund Application

- The content of the Holistic Business Plan is covered by the Application Form. The applicant only needs to complete the corresponding section of the Application Form and does not need to submit a separate Holistic Business Plan.

## Funding Arrangement

- Applicants can choose whether to receive an initial payment for their approved projects
- If the applicant opts to receive initial payment, The enterprise must open a separate bank account for processing all receipts and payments of the project, and related statements of income and expenditure must be audited by the third party.
- Mid-term payment will be made to the applicant on a reimbursement basis only if the duration of the project is over 18 months and the applicant opts not to receive initial payment.
- Mid-term/Final payment will be made to the applicant when the progress/final report and audited accounts are accepted by the PMC and the Government.

## Progress / Final Reports

- Projects with a duration of over 18 months and up to 24 months require one progress report and annual audited accounts for the first 12- month period.
- Upon project completion, all applicants will be required to submit a final report of the project and the final audited accounts from the project commencement date to the project completion date

## Processing Period

- The program is open for application all year round. Applications are processed on a continual basis instead of in batches on a quarterly basis.
- The actual processing time will depend on the number of applications received at the time, the complexity of individual applications, completeness, and clarity of the information provided.
- Under normal circumstances, HKPC, upon consulting Inter-departmental Government Committee and PMC on the assessments, will complete the processing of a valid application within 60 clear working days from the date of receipt of a complete application accompanied by all necessary documentation proof and clarifications as requested by HKPC.

# Planning

## WHAT TO CONSIDER IN DRAFTING YOUR PROPOSAL

### BUSINESS OVERVIEW

- What is your purpose for business existence?
- What are your principal activities / critical products or services?
- Which are the existing geographical markets that you served?
- Who are your target customers?
- Does your business own any intellectual property (e.g., trademark, license, etc.)?
- What are the key achievements / successful milestone since the commencement of business?
- What are your future growth plans for business within the next 3- 5 years?
- How is your financial performance for the past few years?

### MARKET EXANSION PROJECT

- What is your target overseas market?
- What is the rationale for selecting your target overseas market? Are they being supported by strategic analysis of business?
- What is the ultimate aim of your market expansion? Does that align with your future growth plans?
- What are the principal activities intended to carry out at your target oversea market?
- Does the business model in the oversea market similar to your existing operation?
- What are your approaches /sales channels to tap into the target oversea market (e.g., set up subsidiary / licensing, etc.)?
- How do you estimate, in both quantitative and qualitative manner, the business impact resulting from the market expansion?



# Planning

## WHAT TO CONSIDER IN DRAFTING YOUR PROPOSAL (CONT)

### PROJECT BUDGET

- What expenditure items/resources are required to implement the market expansion project?
- Are these expenditure items specific to the concrete actions planned for developing in the target overseas market?
- What is the reasonable cost estimate for these expenditure items? Are they supported by quotations/proposals obtained from vendors?
- Does the budget of the proposed project comply with the funding rules on budget caps? (See Eligible Expenditure)
- What is the funding arrangement that would best fit your cash flow requirements?

### PROJECT TIMELINE

- What is the expected duration required to complete the project?
- What are the project milestones being determined over the project period?
- What are the expected deliverables to facilitate progress monitoring and evaluation of project outcomes?

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### PREPARE (DOCUMENTS REQUIRED TO SUBMIT)

- Copy of the ACRA Business Profile (for Applicant Company and its Related Companies, if applicable)
- Copy of business proposal (refer to the table beside, for example, content)
- Copy of endorsed audited financial statements for the past three financial years (unaudited financial statements or management accounts for the year-to-date. For applicants established less than one year)
- Copy of quotations/proposals obtained from vendors, or
- Copy of employment letter/job description and designation (for Salary Cost supported under Overseas Business Development Pillars)

# Useful Links

- 1. Guide to Application for the Dedicated Fund on Branding, Upgrading, and Domestic Sales (FTA and IPPA Programme)**  
[https://fta.bud.hkpc.org/sites/default/files/download/FTA\\_IPPA- Guide-to-Application-EN\\_202206.pdf](https://fta.bud.hkpc.org/sites/default/files/download/FTA_IPPA- Guide-to-Application-EN_202206.pdf)
- 2. BUD Fund - FTA and IPPA Programme | Introduction**  
<https://fta.bud.hkpc.org/en/>
- 3. BUD Fund - FTA and IPPA Programme | Application**  
<https://fta.bud.hkpc.org/en/content/application/>
- 4. BUD Fund | Enquiries**  
<https://fta.bud.hkpc.org/en/content/enquiries/>
- 5. BUD | Online e-form Application**  
<https://apply.bud.hkpc.org/index.php?lang=en>
- 6. BUD | User Guide**  
<https://apply.bud.hkpc.org/files/en/BUD%20-%20User%20Guide.pdf>
- 7. The BUD Fund | Scope of Funding**  
[https://www.bud.hkpc.org/application\\_tips/files/v15/Scope-of-Funding-Summary-EN.pdf?v=20](https://www.bud.hkpc.org/application_tips/files/v15/Scope-of-Funding-Summary-EN.pdf?v=20)
- 8. The BUD Fund | Document and License Page**  
<https://apply.bud.hkpc.org/files/en/Document%20&%20License%20Page.pdf>

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