

## LCQ7: New Industrialisation and Technology Training Programme

Following is a question by the Hon Shang Hailong and a written reply by the Acting Secretary for Innovation, Technology and Industry, Ms Lillian Cheong, in the Legislative Council today (November 6):

Question:

It has been reported that between August 2022 and August 2024, a course provider, after successfully registering a number of courses supported by the New Industrialisation and Technology Training Programme (NITTP), allegedly obtained by fraud training grants using false trainee information, and was eventually granted a total of \$1.89 million under NITTP. In this connection, will the Government inform this Council:

(1) of the respective numbers of cases of fraud or abuse of training grants reported by members of the public and organisations, and those discovered through investigations initiated by the Innovation and Technology Commission (ITC) and the Vocational Training Council (VTC), the Secretariat of NITTP, in each year since the launch of NITTP in 2018;

(2) whether ITC and VTC currently have any task force or department responsible for preventing and investigating cases of fraud and abuse of training grants; if so, of the relevant staffing establishment, and the measures in place to prevent the recurrence of fraud and abuse; and

(3) as the Government has earlier indicated that its target is to roll out the business version of "iAM Smart" progressively from the end of 2026 onwards, whether it will, on the premise that personal privacy is protected, verify the information (e.g. tax returns) of NITTP applicants or organisations in the system, so as to assist the relevant departments in vetting and approving NITTP applications as well as eradicating fraud or abuse?

Reply:

President,

To nurture local innovation and technology talents, the Innovation and Technology Commission (ITC) launched the New Industrialisation and Technology Training Programme (NITTP) under the Innovation and Technology Fund in August 2018, which subsidises, on a 2 (Government):1 (enterprise) matching basis, local enterprises for training their staff in advanced technologies, especially those related to "new industrialisation". Since the launch of the NITTP, the ITC has all along appointed the Vocational Training Council (VTC) as the Secretariat. Currently, the Secretariat has an establishment of 14 staff. My reply to the various parts of the question is as follows:

(1) According to the information provided by the VTC, a total of 15 complaints related to the NITTP have been received in the past five years (i.e. from August 2018 to October 2024), covering issues on the quality of course providers/training courses, the administrative arrangements of the NITTP, as well as cases involving unscrupulous practices and false information. The VTC has referred eight cases with initial evidence suggesting of suspected illegal activities (including unscrupulous practices, identity thefts or submission of false information) to law enforcement agencies for follow-up. The VTC has immediately suspended the processing of these cases and stopped all relevant disbursements of training grants.

(2) According to the latest Guidance Notes for Training Grant Applications (Training Grant Guide), employees nominated by companies applying for training grants must be under full-time employment of the company with the necessary background/experience relevant to the advanced technology concerned. The nominated trainee should hold a bachelor degree/higher diploma/diploma or above qualification (Qualification Framework level 3 or above) with at least one year of work experience relevant to the advanced technology of the subject nominated course. The NITTP also requires the applicant company to provide, among other things, a copy of the Hong Kong Identity Card of the relevant employees, records of Mandatory Provident Fund contribution of past three months, documentary proof of academic qualifications and proof of full-time work experience to the NITTP Secretariat before the commencement of training course. After completion of training course, the company should submit to the VTC all supporting documents required for disbursement of training grant, including confirmation of training completion and payment, as well as trainees' survey. The VTC will verify the relevant supporting documents submitted by the company after completion of training course, and will only disburse training grant upon confirming that the documents submitted by the company are complete and the trainees have met the attendance requirement of the relevant courses.

Separately, according to the Guidance Notes for Public Course and Tailor-made Course Applications and Training Grant Guide of the NITTP, the VTC may conduct surprise visits on any registered training courses without prior notice to the course providers to ensure that the training courses are conducted in compliance with the requirements of the relevant guidelines. In accordance with established procedures, the VTC will conduct independent surprise class visits on training courses organised by different course providers under the NITTP every month according to the relevant mechanisms. The surprise class inspection aims to assist in verifying that the registered courses are conducted in accordance with the approved course proposals. In this regard, surprise inspection personnel will confirm the identity of the trainer, check the course content and monitor the course duration. The manpower establishment provided by the VTC includes surprise inspection personnel. Since the VTC personnel involved are also responsible for other administrative duties, there is no breakdown on the number of personnel dedicated to carrying out surprise inspections.

At the same time, the ITC and the VTC have formulated guidelines for on-

site visits to companies applying training grant under the NITTP, covering the circumstances under which on-site visits shall be conducted, the criteria for inspections during on-site visits, the points-to-note for inclusion in the visit reports, as well as follow-up actions required in case of non-compliances found during the visit. The VTC will identify applicant companies of which on-site visits would be conducted on a risk-based approach.

The ITC, together with the VTC, will continue to closely monitor the operation and effectiveness of the NITTP, review the application, registration and approval mechanisms of the NITTP in a timely manner and make amendments as and when necessary.

(3) The Digital Corporate Identity (CorpID) Platform provides various functions, including corporate identity authentication, digital signing, pre-filling of forms and storage of digital licences and permits. Same as the personal digital identity authentication application "iAM Smart", the CorpID Platform itself does not store data of other government systems (such as tax returns). When a corporation applies for or uses the CorpID for online services, the Platform will verify the information provided by the corporation (such as the name of the organisation, owners and directors, and the Unique Business Identifier) against the information registered with the relevant departments and check its status. If a department wishes to access the applicant corporation's data stored in other government systems, it may do so through the Consented Data Exchange Gateway in compliance with existing laws and regulations.