

LCQ8: Simplifying procedure for enterprises to apply for various funding schemes

Following is a question by the Hon Sunny Tan and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (April 27):

Question:

Currently, the Government has put in place a number of funding schemes in support of the commercial and industrial sectors as well as micro-, small- and medium-sized enterprises (MSMEs). However, some members of the sectors have relayed to me for a number of times that the application procedure of such funding schemes and the relevant procurement requirements have failed to keep up with the times (for example, applying for different funding schemes entails the repeated filling in of the company addresses and the information as set out on the business registration certificates), and therefore such funding schemes are unable to provide timely relief for MSMEs. Some enterprises have even discarded the idea of applying for funding due to the cumbersome procedure. In this connection, will the Government inform this Council:

(1) whether it will consider simplifying the application procedure and procurement requirements of the various funding schemes, and requiring that the vetting and approval of applications involving funding amounts of less than \$100,000 must be completed within three weeks;

(2) whether it will make use of innovative technologies to streamline the process of applying for the various funding schemes; if so, of the details; and

(3) given that the Office of the Government Chief Information Officer is working with the Hong Kong Monetary Authority to develop the business version of the "iAM Smart" digital authentication platform, whether the Government has drawn up a timetable for launching the platform and whether it will, before the launch of the platform, instruct the relevant government departments to study how to use the platform to simplify the procedure for enterprises to apply for the various funding schemes?

Reply:

President,

Having consulted the Innovation and Technology Bureau, our consolidated reply is as follows:

The Government strives to provide comprehensive support to Hong Kong enterprises, including assisting them in developing brands, exploring markets, enhancing technological level and competitiveness. Having regard to the economic situation and needs of the trade, the Government reviews the various funding schemes from time to time, with a view to launching timely enhancement measures and streamlining application procedures with the use of innovative technology. Details are summarised below:

(1) the SME Export Marketing Fund has introduced several measures to facilitate enterprises in submitting applications, including providing online application service, simplifying the application form, and relaxing the requirements for submitting supporting documents by applicant enterprises;

(2) the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) has in the past two years introduced various new measures including accepting online submission of applications and project reports; waiving the requirements of opening and maintaining a separate interest-bearing bank account by a grantee and depositing into the account the matching fund before receiving the initial payment; allowing an enterprise to commence its project after application submission but prior to the announcement of approval result (yet funding will be provided only when the application is eventually approved); relaxing the budget cap of individual expenditure items; and expanding item coverage eligible for funding, etc.;

(3) enhanced the application process and experience under the BUD Fund through design thinking, by providing enterprises with lucid information on the website through the use of tools such as graphic illustration of the process, checklist of required documents, reference cases and progress tracking, and assisted enterprises in developing project plans, with a view to encouraging their utilisation of Government funding. These functions have been well received by applicant enterprises since their launch in June 2021;

(4) funding schemes under the Innovation and Technology Fund have established electronic channels. Enterprise, organisation and individual applicants could submit applications and reports, and change requests, etc. through the Innovation and Technology Commission Funding Administrative System, without having to submit documents in paper form in person, so as to speed up the approval process; and

(5) the SME ReachOut, launched in January 2020, helps small and medium enterprises identify suitable funding schemes and answer questions relating to applications. So far over 11 000 enquiries have been handled via phone, email or in-person, and around 150 events have been held to promote Government funding schemes through seminars and visits to chambers of commerce, etc.

Procurement requirements for funded projects have been drawn up for Government funding schemes to ensure that procurements are conducted by enterprises in a competitive, open, equitable and economic manner in accordance with prudent commercial principles, with a view to safeguarding the proper use of public funds. For instance, for certain funding schemes,

applicant enterprises should ensure that a probity clause and an anti-collusion and anti-bid-rigging clause are included in the quotation/tender invitation document. The relevant requirements seek to ensure that applicant enterprises would adhere to the principles of openness, fairness and value for money in the procurements in relation to or for the purposes of the project.

The Government will continue to review the operation of various funding schemes from time to time, proactively explore the feasibility of further streamlining application procedures, approval process and procurement requirements, and provide more appropriate support to enterprises having regard to the various Government digitisation measures. Performance pledges have been set for the application processing time of certain funding schemes. However, as the operation of individual funding schemes varies, it may not be suitable to set a unified processing time for applications of a specific funding amount.

The Office of the Government Chief Information Officer (OGCIO) and the Hong Kong Monetary Authority (HKMA) have completed the first phase of Proof-of-Concept (PoC) trials and research on the business version of the "iAM Smart" platform in the second quarter of 2021, and are currently exploring the feasibility of devising a sustainable development proposal through a public-private partnership approach based on the PoC results. To this end, the OGCIO and the HKMA will explore with stakeholders various issues in respect of digital authentication of business identities, including the industry players' acceptance of the proposed solution, the application coverage, the governance framework of the platform and the detailed implementation plan. A trial run of sandbox will also be conducted for assessing the system security, the protection of users' privacy and the compatibility with relevant platforms in other jurisdictions, etc. with a view to working out the feasibility of the proposed solution's sustainable development, as well as to performing the corresponding legal and regulatory consultation. The implementation timetable, scope and the bureaux and departments to be involved will be decided then.