

Overseas/ Mainland Market Development Support Scheme (“MDSS”)

Guides and Notes for the Applicant

You are required to:

- read the information and study this Guides and Notes related to the MDSS before submitting your application.
- contact Hong Kong Cyberport Management Company Limited (“HKCMCL”) by email when you have any queries in the application. Email: mdss@cyberport.hk.

1 Application Criteria

1.1 Applicant must be:

- (a) a HKCMCL incubatee, grantee or alumnus from the Cyberport Creative Micro Fund (“CCMF”) and/ or Cyberport Incubation Programme (“CIP”) before the date of MDSS application; and
- (b) a HKCMCL incubatee, grantee or alumnus from CIP and CCMF who have not raised equal to or more than US\$10 million of funding in total, on the date of filing a reimbursable claim.

2 Scope of Market Development Activities for Overseas/ Mainland Markets (“Market Development Activities”)

- 2.1 Delegation mission to Overseas/ Mainland
- 2.2 Marketing exhibition/ conference/ event
- 2.3 Landing service for Overseas/ Mainland market expansion
- 2.4 Online/ offline marketing services for Overseas/ Mainland market expansion

3. Financial Assistance Scope

- 3.1 The financial assistance period lasts for 24 months from the first date of relevant Market Development Activities. The reimbursable percentage is up to 75% of eligible expenses. The total reimbursement claims for each Applicant shall not exceed HK\$200,000.
- 3.2 Applicant shall submit their application at least 7 WORKING DAYS BEFORE the start date of the relevant Market Development Activities.
- 3.3 Applicant shall submit their expense reimbursement claims application within 60 calendar days after completion of the relevant Market Development Activities, or payment date, whichever occurs later. Claim forms submitted outside this period will not be entertained.

3.4 For expenses incurred in foreign currency, reimbursement will be settled in HKD at the Hong Kong Association of Bank's prevailing exchange rate of the date of expense incurred.

3.5 The Applicant shall always obtain quotations from supplier/ service providers for all reimbursement expense claims with the minimum number of quotations specified as follows:

| <u>Scope of Market Development Activities</u> | <u>Reimbursable items</u> ^(Note 1) (please refer to section 4.5 for respective details) | <u>Value of Goods/ Services</u> | <u>Minimum number of quotations</u> ^(Note 2) |
|--|---|---------------------------------|--|
| (a) Delegation mission to Overseas/ Mainland | <ul style="list-style-type: none"> • programme or exhibition fee; • travel and accommodation expense; • solution/ product showcase setup and operation expense; • marketing exhibition in relation to an industry award/ competition; • additional contract staff stationed to support solution/ product showcase dedicated for the Market Development Activities; • telecommunication expense in Overseas/ Mainland. | ≤ HK\$10,000 | No restriction |
| (b) Marketing exhibition/ conference/ event | | | |
| (c) Landing service for Overseas/ Mainland market expansion | <ul style="list-style-type: none"> • legal and professional service; • company registration; • certification; • training courses/ service; | Above HK\$10,000 | 2 |
| (d) Online/ offline marketing services for Overseas/ Mainland market expansion | <ul style="list-style-type: none"> • placement of virtual or online advertisement or marketing service; • live streaming service; • placement of physical or offline advertisements; • video production for corporate/ product branding and its promotion channels offline/ online; • expenses in relation to recruit artist/ talent/ host/ commercial or celebrity endorser or key opinion leader (KOL). | | |

Note 1:

- 1.1 Split order for the same category of reimbursable items for the same location in the same period are prohibited.
- 1.2 Programme/ Exhibition/ Conference fees are exempted from quotations requirement.
- 1.3 In any event, HKCMCL shall always have its absolute discretion to accept or reject any claim submitted by the Applicant despite the approval of such a request. The Applicant shall bear its own risk to absorb all the expenses incurred.

Note 2:

- 2.1 If the Applicant wishes to procure a service from a service provider who is the only solution to the required service, the Applicant may seek prior approval from HKCMCL for not fulfilling the quotation comparison requirement by email [mdss@cyberport.hk]. Direct online marketing services such as direct payment settlement to Google, Facebook, Instagram, LinkedIn and other direct online marketing services companies are exempted from quotations requirement.

- 2.2 For expenses that required minimum two quotations, the quotations comparison should be performed at the same period and served as a direct and apple-to-apple comparison, the quotations should be performed before the payment of any claimed items, and the Applicant shall always select the lowest price offer. Failed to submit a valid second quotation, the corresponding claim item will not be reimbursed.

Please contact HKCMCL by email for any questions that are related to the reimbursable items, or items from the above table.

3.6 Participation in other funding programmes

- (a) Applicant shall make a true, full and accurate disclosure of funding on the market development activities for overseas/ mainland markets from all other publicly and/ or privately funded programmes. Applicant must have not received and will not receive funding granted by other publicly funded organisations/ programmes which provide support to the same market development activities, including refund or rebate in any kinds. Such consideration is on the activity, not on the individuals, shareholders and/or directors of the companies. Examples of publicly funded organisations/ programmes are listed in Schedule A attached.
- (b) Applicant shall, at any time when requested, provide evidence of payments made or received in respect of such publicly and/or privately funded programmes.
- (c) Applicant shall inform HKCMCL immediately if there are any subsequent changes to the above information (and when requested, provide evidence of payments made or received in respect of such programmes after the date of submission).

4. **MDSS Application and Reimbursement Procedures**

4.1 How to prepare your MDSS application

- (a) MDSS application is accepted year-round and eligible applicant is required to submit their application at least 7 WORKING DAYS BEFORE the start date of the relevant Market Development Activities, via the online platform [<https://istartup.hk/en/mdss-application-form>] to submit the MDSS Sign-up Form (ECO.SF.010). Late submission will generally not be accepted.
- (b) All applicants shall observe the following when filling in the Form:
 - (i) fill in the form in English;
 - (ii) fill in Chinese information, whenever available, with traditional/ simplified Chinese characters;
 - (iii) the form shall be signed by the director, shareholder or authorized representative of the company; otherwise, it will be considered as invalid;
 - (iv) provide an annual plan of upcoming Market Development Activities and a list of potential reimbursement expense claim items.
- (c) Applicant is required to submit the Sign-up Form again whenever there is a change of the Market Development Activities, such as activities not been included in previously approved activities, or change of details of the activities. The submission of revised plan is similar to the first application, Applicant is required to submit their application at least 7 WORKING DAYS BEFORE the start date of the relevant Market Development Activities.
- (d) Upon receipt of the Sign-up Form, an acknowledgement will be sent to the Applicant within 7 working days.

- (e) The result of the application will be sent via email within 60 calendar days after satisfactory receipt of all required application information.
- (f) Final decision is subject to HKCMCL's evaluation.

4.2 What's next after your MDSS application is approved

- (a) Applicant shall carry out the Market Development Activity as submitted in the Sign-Up Form. Applicant is encouraged to make sure the lead and resources acquired through MDSS funded activities will facilitate the set up and development of business in relevant locations.
- (b) Applicant is reminded to keep all necessary supportings or proof to facilitate the reimbursement claims after the Market Development Activity.
- (c) Applicant can claim the eligible Market Development Activities after such services incurred and paid and within the financial assistance period as in section 3.1.

4.3 How to file your reimbursement claim

- (a) MDSS Reimbursement is made via a submission of the Expenses and Post-Programme Evaluation Form (ECO.SF.020). The Form will be sent to the Applicant by email.
- (b) Preparing for your reimbursement
 - (i) Applicant shall submit the expense claim application within 60 calendar days after completion or the date of last payment of the relevant Market Development Activities, whichever occurs later. Claim form submit outside this period will not be accepted.
 - (ii) When filing an expense claim, the Applicant shall submit all necessary supporting documents together with the Expense and Post-Programme Evaluation Form (ECO.SF.020). Applicant shall promptly provide all necessary information reasonably requested by HKCMCL in relation to the claim. These documents include, but not limited to, proof of payment, attendance proof, quotations, profile/ job credential of a service provider, if applicable. Please refer to Schedule B for full details.
 - (iii) Only computer-printed expense claim form will be accepted. Handwritten form will generally not be accepted.
 - (iv) For expense incurred in foreign currency, reimbursement will be settled in HKD at the Hong Kong Association of Bank's prevailing exchange rate of the date of expense incurred.

4.4 What happen after your reimbursement claim is filed

- (a) Payment, if eligible, will only be made to the Applicant and not any other person or company, within 40 working days after satisfactory receipt of all required documents.
- (b) HKCMCL shall always have its absolute discretion to accept or reject any claim submitted by the Applicant.

4.5 Details of the reimbursable items, percentage and amount are as follows:

The total reimbursement claims for each Applicant shall not exceed HK\$200,000. The reimbursable percentage is up to 75% of eligible expenses.

(a) Programme and/ or exhibition fee

- (i) eligible programme fee and/ or exhibition fee are charged by the relevant organiser and upon a successful registration to the programme, exhibition, event or conference.
- (ii) maximum number of people to be covered in each activity is 4 persons. The attendees must be the founder/ director/ full time staff of the Applicant, supporting proof should be provided such as business card, employment contract, company shareholding document.

(b) Travel and accommodation expense

- (i) the maximum number of people to be covered in each activity is 4 persons;
- (ii) travel and accommodation expense can be reimbursed as part of the programme/ exhibition fee or as an individual item.
- (iii) travel expense include international/ inter-state transportation for participating in the relevant activity, but exclude car rental expense. Travel expense also include local transportation arranged by the organiser/ co-organiser/ supporting parties of an arranged market development activity.
- (iv) accommodation expenses are for stay in relevant location for participating in the relevant activity. The maximum length of stay for eligible accommodation expense is the duration of the delegation mission, marketing exhibition/ conference/ event with no more than 7 extra calendar days in total, before and after completion of the relevant activity. Accommodation can be hotel, serviced apartment, apartment. Relevant agency fee, stamp duty, tax, legal fee is also reimbursable.
- (v) travel insurance is reimbursable, eligible period of travel insurance will be the duration of delegation mission, marketing exhibition/ conference/ event with no more than 7 extra calendar days of extended stay. An additional up to two calendar days may be considered due to traveling between two different time zones.

(c) Solution/ product showcase setup and operation expense

- (i) eligible expense include:
 - booth or exhibition design/ construction/ installation
 - translation/ interpretation service
 - new creation of a solution/ product for the relevant showcase activity
 - relocation cost of the product to relevant showcase venue
- (ii) ineligible items include:
 - purchase of a capital expenditure item, such as electronic device (eg laptop/ tablet computer), and will be reused after the activity.

- (d) Marketing exhibition in relation to an industry award/ competition;
- (i) eligible expense include:
- application, registration, or enrollment fee;
 - editorial or advertorial marketing fee in relation to the award/ competition.
- (e) Additional contract staff stationed to support solution/ product showcase dedicated for the Market Development Activities
- (i) eligible expense include:
- appointment of helper(s), interpreter(s), photographer(s), videographer(s) in relevant Market Development Activity location, outside Hong Kong. Relevant agency fee, tax, duty is also reimbursable. The eligible period of manpower expense will be same as the duration of relevant Market Development Activity.
 - appointment of additional part-time manpower to station and support solution/ product showcase in local/ Hong Kong exhibition. The eligible period of manpower expense will be same as the duration of relevant activity.
- (ii) ineligible expense include:
- full time or existing manpower expense
- (f) Telecommunication expenses in Overseas/ Mainland
- (i) eligible expense include:
- voice and data telecommunication in relevant location outside Hong Kong, such as roaming or overseas telecommunication service, WIFI charge.
- (g) Legal and professional service for landing service for Overseas/ Mainland market expansion
- (i) eligible expense include:
- legal and professional service for setting up business in the target overseas and/ or mainland market, such as consultancy, company secretary, accounting, auditing, tax planning, translation, interpretation.
 - service expense examples, such as those in relation to company registration, non-disclosure agreement, service contract, intellectual property (IP), trademark, patent, certification, distributorship, etc;
 - relevant agency fee, tax, duty of the above eligible expense.

All of the above professional services will be supported by MDSS for a period of maximum 6 months, start from the date of first approved of the relevant professional services, while must be within the same financial assistance period in clause 3.1.

- (ii) the following expenses are NOT eligible for reimbursement:
- expense in relation to company/ corporate restructure^(Note 3);
 - expense in relation to compensation/ brokerage and agency fees for fund raising activities;
 - expense in relation to immigration services/ investment visa application;
 - trademark or patent annual fee

(Note 3: Expense in relation to company/ corporate restructure for fund raising/ M&A/ IPO activities is eligible.)

The above listed ineligible expenses are not exhaustive. Applicant should consult with HKCMCL if they have any questions.

(h) Certification

(i) eligible expense include:

- Certification cost to facilitate regional expansion in the various benefit scopes, such as, Cybersecurity Certification (ISO/IEC 27001 and ISO/IEC 27002); Secure Sockets Layer (SSL) Certification for Domain URL;
- Certification Services endorsed by Hong Kong Quality Assurance Agency (HKQAA) including General Industry Certifications as following types of certification examples:
 - ❖ Made in Hong Kong Certification
 - ❖ The Hong Kong Safety Mark Certification Scheme
 - ❖ Medical Equipment Certification Scheme
 - ❖ Biodegradable Products Certification Scheme
 - ❖ Eco Products Certification Scheme
 - ❖ Standards from ISO, IEC, BSI, and ASTM, SOC 2
- The eligible types of certifications set out above are not exhaustive. Applicants should consult the following organizations for the updated list of certification services.
 - ❖ HKQAA, <http://www.hkqaa.org/>
 - ❖ Hong Kong Productivity Council, <https://www.hkpc.org/>
 - ❖ Hong Kong Council for Testing and Certification (HKCTC) <https://www.hkctc.gov.hk/>
 - ❖ Hong Kong Standards and Testing Centre - <https://www.stc.group/>

(i) Expenses in relation to training courses as a tool to equip the team of the Applicant to scale up the business and expand business to overseas/ mainland market.

- Enrollment of training courses to be covered in whole financial assistance period under MDSS.
- The trainee must be the founder, a director or a full-time staff of the company. Supporting proof of the trainee should be provided, such as a business card, and MPF contribution/ tax return/ employment contract. Trainees should attain a minimum of 75% attendance rate and obtain a certificate of graduation/ completion of relevant training courses. HKCMCL decision is final whether the training course is relevant to equip the Applicant to scale up.

(j) Online/ Offline Marketing Services for Overseas/ Mainland market expansion

(i) eligible expense include:

- placement of virtual or online advertisement or marketing service, which would reach out to target overseas and/ or mainland markets, such as market agency services, online search engines, social media platforms / channels, APPs, search engine optimisation;
- live streaming services, which would reach out to target overseas and/ or mainland markets, such as multimedia panel, network connection;
- placement of physical or offline advertisement, which would reach out to target overseas and/ or mainland markets, such as market agency services, trade publication, outdoor billboard, digital signage, smart kiosk, print media, television and radio advertisement;

- video production for corporate/ product branding and its promotion channels in offline/ online, which would reach out to target overseas and/ or mainland markets;
- recruitment of artist/ talent/ host/ commercial or celebrity endorser or key opinion leader (KOL).

4.6 Applicant shall always observe the objectives of their Market Development Activities, and all claims submitted to HKCMCL shall be for the purpose of developing their business in overseas/ or mainland markets.

4.7 Applicant should consult with HKCMCL if they have any questions on whether an expense is eligible for reimbursement.

4.8 In addition to the above, the reimbursable items shall be expenses endorsed, spent and paid by the Applicant, relevant proof of payment are required.

4.9 To avoid double benefit, any expenditure or part thereof which is already funded by other financial grants (including but not limited to any government bodies or any other Cyberport programmes) shall not be permitted. The Applicant shall be fully responsible for any intentional duplicated reimbursement claims that may result in termination of the MDSS financial assistance.

5. **Probity Policy for Applicant**

5.1 To ensure openness, fairness and integrity of MDSS, each Applicant shall:-

- (a) observe the Prevention of Bribery Ordinance (Laws of Hong Kong, Cap. 201) and shall advise its employees, agents, subcontractors and other personnel who are in any way involved in its application/ project (the "Personnel") that they shall observe the same and that they are not allowed to offer to or solicit or accept from any person any advantages as defined in the Prevention of Bribery Ordinance in relation to the application/ project;
- (b) when doing business overseas and/ or set up legal entities in foreign locations to support local operations, all applicants are required to comply with anti-bribery laws and regulations in other jurisdictions when conducting business there or where applicable;
- (c) not offer or give or agree to give any person employed by HKCMCL any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any act in relation to the MDSS or for showing or for bearing to show favour or disfavour to any person in relation to the MDSS;
- (d) promptly declare and notify HKCMCL in writing of any potential or actual conflict of interests upon becoming aware of the same. "Conflict of interest" shall include (but are not limited to) any situation where the private interest of an Applicant or its Personnel, conflict or compete, or may be expected to conflict or compete, with the role, duties and/ or impartiality of such Applicant or Personnel under the MDSS (e.g. Any relative of any directors and/ or employees working in HKCMCL);
- (e) Apply the programme prudently, efficiently and solely for the purpose of the project approved under the MDSS;
- (f) Abide by the principles of openness, fairness and competitiveness in the procurement of

any goods/ services in connection with the MDSS; and

- (g) Take all necessary measures (including by way of a code of conduct or contractual provisions) to ensure that its Personnel are aware of and comply with the requirements as set out in this provision.

6 **Amendments**

These Guides and Notes may be amended or supplemented by HKCMCL at any time without prior notice.

7 **Enquiries**

Any enquiries about the MDSS may be directed to email: mdss@cyberport.hk.

Schedule A

Examples of Publicly Funded Organizations/ Programmes, including, but not limited to:

Organisations

- Hong Kong Applied Science and Technology Research Institute (ASTRI)
- Hong Kong Design Centre (HKDC)
- Hong Kong Productivity Council (HKPC)
- Hong Kong Science & Technology Parks Corporation (HKSTP)
- The Government of the Hong Kong Special Administrative Region (HKSAR GOVT)

Programmes

- Dedicated Fund on Branding, Upgrading and Domestic Sales (the BUD Fund)
- Design Incubation Programme (DIP)
- Incu-App Programme
- Incu-Bio Programme
- Incu-Design Programme
- Incu-Tech Programme
- New Technology Training Scheme
- Programmes by the Innovation and Technology Fund (ITF)
- SME Export Marketing Fund

Schedule B

Examples of Supporting Documents for preparing expense reimbursement, the list is not exhaustive, and not limited to the following:

| Activities | Check list |
|--|---|
| <u>Mandatory supporting documents</u> | |
| <p><u>Applicable to all activities</u></p> <ul style="list-style-type: none"> • Delegation mission to overseas/ mainland • Marketing exhibition/ conference/ event • Landing services for overseas/ mainland market expansion • Online/ offline marketing services for overseas/ mainland market expansion | <ul style="list-style-type: none"> • Signed Expense and Post-Programme Evaluation Form (ECO.SF.020) • Receipt or payment proof (bank statement/ cheque copy/ credit card statement/ ATM receipt) • Minimum two quotations for comparison, if applicable • Support proof of deliverable of reimbursable items, such as attendance proof (eg photo)/ proof of flight boarding (eg boarding pass)/ showcase (eg photo)/ proof of accommodation (eg letter of stay), where appropriate • Exchange rate table (for non-HKD payment) on the date of payment/ receipt, the average rate of the payment currency between selling and buying TT will be used. Exchange rate table hyperlink: https://www.hkab.org.hk/ExchangeRateDisplayAction.do, |
| <u>Additional supporting documents for:</u> | |
| <ul style="list-style-type: none"> • Delegation mission to overseas/ mainland • Marketing exhibition/ conference/ event | <ul style="list-style-type: none"> • [programme/ exhibition fee] Invoice issued from the organiser, support proof of relevant participants such as business card, employment contract, company shareholding document. • [travel and accommodation] invoice, itinerary of the air ticket • [solution/ produce showcase] invoice • [additional contract staff]: Full name of manpower, duration of work, number of manpower, job description • [telecommunication expense] invoice or service description • letter of undertaking, where appropriate • declaration of no conflict of interest, where appropriate |
| <ul style="list-style-type: none"> • Landing services for overseas/ mainland market expansion | <ul style="list-style-type: none"> • [legal & professional services] eg service deliverable, profile/ job credential of a services provider • [company registration] • [certificate] eg filed an application; certificate, when available • [training] 75%+ attendance rate; certificate of graduation/ completion; business card and MPF contribution/ tax return/ employment contract • letter of undertaking, where appropriate • declaration of no conflict of interest, where appropriate |
| <ul style="list-style-type: none"> • Online/ offline marketing services for overseas/ mainland market expansion | <ul style="list-style-type: none"> • [online advertisement] eg service report • [live streaming] eg hyperlink of livestream, video, service report • [offline advertisement] eg service report • [video production] eg video file, hyperlink of video, screen capture, profile/ job credential of a services provider • [commercial endorser] eg photo of endorser and the product/ solution • letter of undertaking, where appropriate • declaration of no conflict of interest, where appropriate |