



# **Construction Innovation and Technology Fund**

Guide to Application<sup>1</sup>

April 2025 Issue

<sup>&</sup>lt;sup>1</sup> Applicable to Funding Applications Submitted on or after 1 May 2025 unless otherwise specified.

#### **Objective**

The Construction Innovation and Technology Fund (CITF) aims to encourage wider adoption of innovative construction methods and technology in the construction industry ("**Technology Adoption**"), and to build up the capacity of industry practitioners (ranging from skilled workers to professionals) and tertiary students in construction-related disciplines through developing an innovative culture and cultivating an innovative mindset to embrace new technology for the continuous improvement of the construction industry ("**Manpower Development**").

#### **Funding Scope**

2. The CITF provides support to projects and activities in the construction industry which have not benefited under any other Government funding schemes. It funds projects and activities which are in line with the following strategic directions in driving the development of the construction industry, namely:

- **Technology adoption** encouraging the adoption of innovative construction methods and technology in the construction industry to promote productivity, uplift built quality, improve site safety and enhance environmental performance; and
- **Manpower development** enhancing the capacity of practitioners to harness technology for continuous improvement in the construction industry.

3. In general, the CITF will not fund the maintenance cost, office overheads, materials cost, consumables, spare parts, solutions, services and other administrative expenses incurred in the project.

4. Details of the funding arrangement, funding mode and required documents are provided at the <u>Application Framework</u> attached as <u>Appendix I</u> to this Guide.

#### (1) <u>Technology Adoption</u>

5. Technology adoption covers the use of advanced construction technologies (ACT), building information modelling (BIM), modular integrated construction (MiC), prefabricated steel rebar (STB) and industrialised processing – robotic welding in the design and construction process of a works project.

#### (a) Advanced Construction Technologies (ACT)

- 6. ACT covers the following key themes:
  - automation and robotics;
  - advanced tools and equipment;
  - digitalisation;
  - sensors and Internet of Things (IoT);
  - advanced construction materials; and
  - other ACTs.

7. There are three funding streams under ACT, namely (i) general adoption (procurement) and rental; (ii) ACT pioneering application in Hong Kong; and (iii) industrialised process – robotic welding.

#### (i) General Adoption (Procurement) and Rental

8. In general, funding is provided on a 70% matching basis to support procurement and rental of advanced technologies for application in local projects. Actual fund grant will be based on the lowest quotation price obtained from the prescribed procurement procedures, capped at the Approved Product Price published on the CITF website (applicable to funding applications submitted on or after 1 August 2023) multiplied by the relevant matching ratios (see below). Each applicant is subject to a combined per-company cap of HK\$7.5 million shared between ACT and BIM, of which HK\$1.5 million is designated solely for procurement or rental of Smart Site Safety System (4S) products for private works sites (see elaboration in the section "CITF support to 4S" below). Applicants are allowed to submit multiple applications so long as the per-company cap has not been exhausted. A higher matching ratio of 80% is allowed for locally-developed innovations or products to support local innovations. A 50% matching ratio will apply for applications on "traditional plants incorporated with built-in innovative elements inseparable from the plants the cost of which does not account for a substantial portion of the cost of the plants" received from 27 February 2023 onwards, subject to the assessment based on individual merits. As the CITF seeks to facilitate expanded/ extended use of innovations and technologies as far as practicable, priority has been accorded to buying the products outright. To this end, applicants intending to receive funding support for rental use are subject to a maximum cumulative rental period of 12 months and a per-company rental sub-cap of HK\$1 million<sup>2</sup>, out of the per-company cap HK\$7.5 million.

<sup>&</sup>lt;sup>2</sup> The 12-month maximum rental period and HK\$1M per company sub-cap apply to funding applications submitted on or after 1 September 2023. For funding applications submitted before 1 September 2023, the fund ceiling for rental shall be HK\$600,000 per applicant and HK\$300,000 per technology with a maximum rental period of 6 months.

9. Per-technology caps have also been put in place to encourage applicants to adopt multiple technologies. The CITF has imposed two technology caps, HK\$1.5 million and HK\$2 million respectively for general technology products and construction safety-related technology products<sup>3</sup> to encourage the industry to apply innovative technologies to enhance construction safety. All 4S products are classified as construction safety-related technology products. In other words, applicants can be granted up to HK\$2 million for procuring a 4S product. Details of the funding mode and application requirements are detailed in the <u>Application Framework</u> at <u>Appendix I</u> to this Guide.

10. As for funding support for rental use, a per-technology cap of HK\$1 million (see footnote<sup>3</sup>) is also introduced for funding applications under ACT, including both general products and construction safety-related products.

# CITF support to 4S

11. Among the combined per-company cap of HK\$7.5 million for each applicant, HK\$1.5 million is designated solely for procurement or rental of  $4S^4$  products for private works sites. When this HK\$1.5 million funding is depleted, applicants could continue to apply for CITF for procuring 4S products using their remaining funding balance within the combined per-company cap of HK\$6 million.

12. The CITF also supports the following ancillary costs arising from adoption of 4S on site:

- 1. Additional network upgrading cost to facilitate internet connection for 4S products (e.g. additional gateways/ transmitters/ receivers and subscription of mobile network (e.g. 4G/ 5G) to enable the necessary internet coverage for 4S adoption areas) induced by adoption of CITF-funded 4S products;
- 2. Additional manpower cost for supporting implementation of 4S on site; and
- 3. Cost of technical support required for operation, maintenance and troubleshooting of the CITF-funded 4S products provided by the 4S product vendor(s) after the bundled initial maintenance period.

13. While funding for 4S ancillary costs is provided on a 70% matching basis, the funding provided is capped at 50% of the total CITF subsidy for the 4S products procured using CITF funding. The funding for additional manpower is also subject a

<sup>&</sup>lt;sup>3</sup> Construction safety-related products refer to those products / technologies primarily enhancing construction safety. The list of pre-approved products which are primarily enhancing construction safety is available on the CITF website.

<sup>&</sup>lt;sup>4</sup> This additional HK\$1.5 million is available for funding applications submitted on or after 1 April 2023. Please refer to the Pre-approved Technologies List on the CITF website for pre-approved products classified as 4S. Since 1 April 2023, the CITF only supports 4S adoption in private works sites as 4S adoption in public works sites has become mandatory with the relevant cost covered by Government funding since 27 February 2023.

cap of HK\$20,000 per month per construction site. These funding caps are imposed to keep the ancillary costs for 4S adoption in an appropriate proportion to the subsidy for procuring the 4S products. The CITF subsidy for 4S ancillary costs shall also be subject to the per-applicant funding cap of HK\$7.5M, but should not be counted towards the per-technology funding cap of HK\$2M which is for the procurement/ rental cost of the technology products.

14. For the avoidance of doubt, the following are NOT supported under the funding scope for 4S adoption:

- (a) Subsequent training required for the CITF-funded 4S products after the initial training;
- (b) Software refinement cost for design fault/ deficiencies (e.g. missing or insufficient functions of software, hardware incompatibility for which the applicant and product vendor should be responsible);
- (c) Hardware upgrade or enhancement cost (the original intent is to support the necessary work to restore the normal functioning of the 4S product with technical issues that are out of the applicant's capability to fix but not upgrading or enhancement);
- (d) Mere telephone or on-line advisory or verbal support (unless it is bundled with the maintenance package without separate charge and the package is found to be cost-effective to serve its purpose);
- (e) Mere digital data storage such as cloud hosting service or local server capacity storage expansion;
- (f) Technical support and maintenance exceeding the project period of the contract under application or exceeding the 3-year maximum period of CITF subsidy for maintenance cost.

# CITF support to Robotics

15. To boost the adoption of robotics, from 1 July to 30 September 2025, applicants applying for funding support on procurement and rental of robotics shall be entitled to a maximum co-fund ratio of 70%, supported rental period up to 24 months and a higher per-technology fund ceiling of HK\$3M. The funding granted for the procurement and rental of robotics will count towards the combined funding ceiling of HK\$7,500,000 for ACT and BIM. After the abovementioned time period, the CITF shall support the adoption of robotics through procurement and rental according to the prevailing funding framework, with a maximum funding ceiling of HK\$2,000,000.

16. From 1 July 2025, the CITF supports the ancillary costs arising from adoption of robotics through procurement including additional manpower or training and

maintenance service provided by the manufacturer or authorized vendor of the funded robot. The CITF only supports the ancillary costs incurred from adopting robotics through procurement.

# (ii) ACT Pioneering Applications in Hong Kong

17. The CITF supports ACT Pioneering Applications in Hong Kong by subsidising the cost of bringing in, for adoption in Hong Kong, **emerging technologies** which have good potential for wider benefits of the local construction industry.

18. Eligible applications shall involve either a **proven technology outside Hong Kong** which is newly adopted for on-site application in Hong Kong (e.g. 3D printing), or modification, combination or enhancement of technologies already exist in Hong Kong but put to a **new functional use** (e.g. to modify/enhance existing plant/equipment for on-site use in conjunction with AI/sensor technology to enhance site safety). The applicant has the flexibility to adopt the technology under application in more than one project with a view to enabling more thorough trial of the technology under different scenarios.

19. The CITF supports the overall costs incidental to introducing/modifying the technology(ies) concerned for experiential use in Hong Kong, including the costs involved in machine procurement and delivery, hardware and software modification and adaptation for a new functional use in Hong Kong's built environment, related material, manpower development and training, etc. The subsidy is provided on a 70% matching ratio<sup>5</sup> generally, subject to a per-application cap of HK\$10M<sup>6</sup>. The CITF subsidy under this stream will not count towards the ACT and BIM per-technology/ per-company caps as mentioned in paragraph 8 and 9 above. Applicants are required to share the results of technology adoption with other industry stakeholders in accordance with the approved terms and conditions.

20. Applications will be evaluated against its (i) **innovation** (i.e. whether the technology/functional use is new to Hong Kong); and (ii) **replicability** (i.e. whether the technology/functional use could be extended for industry-wide application for the benefit of the industry at large).

21. Lead applicants (e.g. contractors, consultants, subcontractors or trade associations) may collaborate with key partners from local tertiary institutions (e.g. universities), local research institutes (e.g. Logistics and Supply Chain MultiTech R&D

<sup>&</sup>lt;sup>5</sup> A lower matching ratio may be granted having regard to the circumstances of individual applications.

<sup>&</sup>lt;sup>6</sup> A higher cap will be considered on a case-by-case basis if the merits of an individual application so justify (e.g. substantial benefits to the industry at large, etc.).

Centre, Nano and Advanced Materials Institute, etc.) and/or quasi-governmental organisations with research capabilities (e.g. Cyberport, Hong Kong Science and Technology Park, Hong Kong Productivity Council, etc.) to put up applications.

22. During application, applicants shall submit an initial idea of the proposal for preliminary screening. Application with technologies considered bona fide innovative and conducive to the long term development of the local construction industry will be invited to submit a detailed proposal for presentation to the Construction Industry Council (CIC).

23. In submitting an application, the applicant shall propose to undertake a certain form of benefit/experience sharing<sup>7</sup> with other industry stakeholders for the CIC's consideration, which will then be incorporated in the conditions of approval upon approval of the application. Other conditions of approval, e.g. submission of reports on the project at a regular interval, may also be imposed.

24. To encourage transfer, realisation or commercialisation of technologies to the industry for application and further development, the CITF encourages applicants to adopt **open, transparent and non-exhaustive rights** of use with other industry stakeholders with assignment and license. Where non-exclusive assignment or licensing is not practicable, exclusive licensing may be justified on exceptional grounds. Yet, the underlying principle for assignment or licensing fees should be charged on a reasonable and equitable basis.

# (iii) Industrialised Process – Robotic Welding

25. Applicants can also apply up to  $HK\$800,000^8$  (on per-company basis) for prefabricated components manufactured by off-site robotic welding in Hong Kong. The CITF shall only fund the processing fee but not the material costs or other incidental costs. Applied funding will be weighed against the reference price of the welding products provided by the supplier.

# (b) Building Information Modelling (BIM)

26. The CITF supports eligible applicants to procure necessary BIM software and hardware for experiential use and/or adoption in local projects, and to provide BIM training for their staff, subject to the combined per-company cap of HK\$7.5 million for

<sup>&</sup>lt;sup>7</sup> Possible options of benefit/experience sharing include:

<sup>(</sup>i) sharing or transfer of intellectual property (IP) rights with other industry stakeholders, e.g. solutions providers, training institutes, universities, R&D centers, etc.;

<sup>(</sup>ii) allowing open, transparent and non-exhaustive rights of use of the funded technology; or

<sup>(</sup>iii) other IP/benefit sharing arrangement as required by the CIC having regard to the merits of the individual case.

<sup>&</sup>lt;sup>8</sup> The funding ceiling is independent of the HK\$7,500,000 funding ceiling for BIM and ACT.

BIM and ACT<sup>9</sup> to encourage applicants to undertake BIM training for its employees to boost up BIM manpower for the industry and widely adopt BIM technology.

#### (i) BIM Adoption and Experiential Use

27. For applications submitted on or after 1 June 2025, each eligible applicant shall be subject to a HK\$1.5M funding ceiling on BIM adoption including experiential use and the updated HK\$10,000 per computer cap shall apply. Beneficiaries experienced in BIM and equipped with BIM software or hardware under the CITF are expected to continue adopting BIM with less reliance on the CITF to enable it to help new applicants or beneficiaries with less experience in BIM adoption. Subject to relevant caps, funding is provided to support procurement of BIM software and hardware on a 70% matching basis<sup>10</sup>. Applicants shall submit their applications with at least one construction project with genuine needs of BIM use. Applicants without an eligible project at the time of application can also apply the CITF for BIM experiential use, subject to a per-company cap of HK\$0.2M.

#### (ii) BIM Training

28. The CITF supports three modes of BIM training, namely (I) Classroom-bound Mode, (II) BIM Project-based Coaching and (III) BIM Viewer Collaborative Training. Each applicant is entitled to a HK\$6,000,000 funding ceiling on BIM training to equip their staff with the required BIM capability. The funding granted will be deducted from the combined funding ceiling of HK\$7,500,000 for ACT and BIM.

(I) BIM Training – Classroom-bound Mode Training

Under the perpetual ceiling of HK\$15,000 per person, funding is provided to subsidise applicants to arrange their employees to attend BIM training provided by external course providers on a reimbursement basis, subject to a cap of HK\$3,000 or 70% of the course fee per course, whichever is higher.

#### Additional Subsidy on Course Fee for Certification of CIC-Certified BIM Coordinators (CCBC) and CIC-Certified BIM Managers (CCBM)

To boost the supply of Certified BIM Coordinators (CCBC) and CIC-Certified

<sup>&</sup>lt;sup>9</sup> BIM-related funding applications received before 1 September 2023 shall be subject to the HK\$1.5M per-company cap of which there is a sub-cap of HK\$1.2M for BIM adoption and experiential use. Such per-company cap on BIM will be lifted starting from 1 September 2023 and applicants can use up to HK\$6M for BIM adoption and/or BIM training. The HK\$0.2M per-company cap for BIM experiential use remains unchanged.

<sup>&</sup>lt;sup>10</sup> Actual fund grant will be based on the lowest quotation price obtained from the prescribed procurement procedures, capped at the **Approved Product Price** published on the CITF website multiplied by the relevant matching ratios (please refer to paragraph 8).

BIM Managers (CCBM), incentive is provided for practitioners pursuing more advanced study in BIM. An additional subsidy of 15% of the relevant training fee will be provided to eligible applicants upon their employees' successful accreditation as CIC-Certified BIM Coordinators (CCBC) and CIC-Certified BIM Managers (CCBM). This additional 15% subsidy will be counted towards the overall HK\$1.5M per-applicant funding ceiling for BIM but excluded from the accumulative per-person ceiling. Subsidy can be disbursed in two phrases. Detailed funding scope is provided below:

- 70% matching fund on course fee upon successful completion of CCBC/ CCBM training (subject to the employee's accumulative per-person ceiling of HK\$15,000);
- 15% matching fund on course fee upon successful accreditation as CCBC or CCBM certification within 1 year from the course completion date (NOT count towards the employee's accumulative per-person ceiling of HK\$15,000)

The arrangement on the additional subsidy applies to cover participants who had completed the CITF-funded CCBC and CCBM courses on or after 1 January 2022, but not yet obtained the CCBC or CCBM qualification on 1 January 2023, the launch date of this new initiative. Applicants may submit the disbursement requests separately for the 70% of course fee upon training participants' successful course completion and the 15% of course fee upon their successful obtainment of CCBC/ CCBM certification.

# Classroom-bound BIM Training Participant Requirements

Hong Kong permanent residency of participating employee is generally required for the grant of subsidy for BIM training. Eligible applicants wishing to enroll non-Hong Kong permanent residents for Classroom-bound BIM training are also entitled to the CITF funding on their joint written declaration with the training participant(s) on compliance with the following conditions -

- The participating employee shall be a holder of Hong Kong Identity Card with the legal rights to reside in Hong Kong for the purpose of employment; and
- The participating employee will be working for the applicant of the

concerned approved funding application for at least **one year** upon completion of the approved BIM training in at least **one local construction project with genuine needs to use BIM** in participant's job including:

- Participating employee's job duty shall involve the use of BIM (e.g. view project or building drawing/ submission, involved in BIM coordination/ design/ management/execution of construction projects); and
- substantial working hours of participating employee shall be spent in the office in Hong Kong as reasonably conferred from the supporting documents enclosed with the disbursement request.

The written declaration jointly signed by the funding applicant and the participating employee(s) shall be submitted to the CITF Secretariat together with the disbursement requests and supporting documents (e.g. job descriptions, employment terms, etc).

The applicant shall, upon the request by the CITF Secretariat, provide proof and allow inspections by the CITF Secretariat for checking compliance with the CITF terms at any time within 1 year from the completion date of the approved BIM training. The inspections may include but not limited to interviews with the participating employee, checking of personal identity card and employment contract of the employee, and the proof of project details, use of BIM in the project(s) and employee's involvement in the project(s) such as project organisation chart and other valid proof.

The applicant has to refund the CIC if any of the abovementioned requirements are not complied with. The applicant is advised to inform the training participants the relevant requirements and make necessary provisions in the employment contracts as appropriate.

(II) BIM Training – BIM Project-based Coaching

Funding is provided to subsidise applicants to hire BIM professionals or consultants to provide project-based coaching on a 70% matching basis, up to a cap of HK\$200,000 per applicant.

Applicants shall submit their applications with at least one construction

project with genuine needs of BIM use.

Applicants shall demonstrate the on-going engagement of the BIM professional/ training instructor on training provision during the project period, such as providing evidence on appropriate number of coaching hours and milestone attainment in the BIM coaching work supported by periodic payments throughout the project period, so as to demonstrate that the BIM professional/ training instructor is engaged for coaching the project team rather than carrying out the BIM work for the project direct.

(III) BIM Training – BIM Viewer Collaborative Training

Funding is provided to subsidise applicants to engage in-house BIM trainers<sup>11</sup> to provide BIM Viewer training for its employees on a 70% matching basis, and at a maximum of HK\$8,000<sup>12</sup> for trainer and administration costs and HK\$5,000<sup>13</sup> for venue cost per session per class. To be eligible for the funding support, each session shall consist of at least 4 hours and enroll between 12 to 20 attendees.

# (c) Modular Integrated Construction (MiC)

29. To promote wider adoption of MiC, various funding initiatives targeting different stages of MiC projects are provided under the CITF. For projects with tender invitation date on or after 1 July 2021, only buildings of six storeys or higher and of permanent nature are eligible for application. MiC projects undertaken by the Architectural Services Department (ArchSD) and the Hong Kong Housing Authority (HKHA) with tender closing date on or after 1 October 2023 will not be supported under the CITF. Applicants, unless specified otherwise, shall submit together with their application the consent from the Buildings Department (BD) to commence superstructure works of the MiC building or compliance with the consent requirements imposed by the BD for MiC modules production or equivalent documents as proof of the validity of the MiC project. Applicants shall also submit the proof of MiC project tender closing and award date and contracting parties with the funding applications.

(i) Support to Additional Costs of General Consultant

<sup>&</sup>lt;sup>11</sup> The BIM trainers shall have successfully completed the CIC-accredited BIM Manager and/or the CIC-accredited BIM Co-ordinator courses. For quality control, the CIC will carry out suitable assessment to ascertain the competence of the trainers, the training outcomes, capacity and training capability of the training venues, etc.

<sup>&</sup>lt;sup>12</sup> A fixed lump-sum subsidy of HK\$4,000 shall apply for a 4-hour BIM Viewer Collaborative Training by in-house

instructors adopting the CIC's BIM Viewer Teaching and Learning Kit for not less than 12 numbers of trainees including the administration fee.

<sup>&</sup>lt;sup>13</sup> Applicants will not be eligible for venue subsidy if in-house venue is available / feasible.

For contracts awarded before 1 October 2023, to compensate the additional costs arising from the implementation of a project adopting MiC, lead consultant of the project (i.e. the applicant) is subsidised up to a total of HK\$4,000,000<sup>14</sup> or 15% of the consultancy fee<sup>15</sup> specified in the contract per project, whichever is the lesser.

For contracts awarded on or after 1 October 2023, the lead consultant of the project (i.e. the applicant) is subsidised up to a total of HK\$7,500,000 or 15% of the consultancy fee<sup>15</sup> specified in the contract per project, whichever is the lesser. To encourage innovative design, smart approaches and best practices such as open book target cost contract, advanced payment to suppliers in the construction contracts etc., an additional subsidy of up to HK\$1,000,000 is provided on individual merits of each application.

To encourage the whole project design team of different disciplines to collaborate and contribute to the MiC project, the CITF subsidy aims at incentivizing all the consultants involved in the MiC project. The applicant shall submit an agreement with all other consultants engaged in the MiC project with respect to the sharing of funding grant for the funding application.

The applicant shall provide proof such as BD's consent to commence superstructure works of the MiC building and commencement of MiC modules installation on site for reimbursement purpose.

(ii) Specialist MiC Consultant

For contracts awarded before 1 October 2023, funding is provided to subsidise the applicant, in its capacity of project lead consultants, to employ MiC Specialist Consultants on a 70% matching basis, subject to a cap of HK\$2.5 million per project. Contracts awarded on or after 1 October 2023 will not be subsidized. The applicant shall submit the relevant funding application within 12 months from the contract award date. Otherwise, the funding application would be deemed ineligible.

#### (iii) MiC Specific Construction Plant

For contracts awarded before 1 October 2023, funding is provided to subsidise applicant contractors and sub-contractors to procure or hire MiC lifting plant, gear or equipment on a 70% matching basis, subject to a cap of HK\$2.5 million per

<sup>&</sup>lt;sup>14</sup> The additional subsidy to general consultant and the subsidy on engaging specialist MiC consultant are not mutually exclusive.

<sup>&</sup>lt;sup>15</sup> Consultancy fee agreed and accepted between the project client and project consultant.

project. For funding applications submitted on or after 1 September 2021, applicant shall submit a safety audit report on logistics and lifting operation in the MiC project for final reimbursement purpose. Please refer to the CITF Portal for details on the scope of the safety audit.

For contracts awarded on or after 1 October 2023, applicants can receive the subsidy for procuring or hiring MiC lifting plant, gear or equipment for MiC buildings of 6 to 15 storeys and those of 16 storeys or above up to HK\$2,500,000 and HK\$3,500,000 per project respectively on the same 70% matching basis. To promote additional safety measures for safe heavy lifting such as hiring of safety specialist for MiC-specific safety plan, safety audit and training, an additional subsidy of up to HK\$1,000,000 per project is provided on individual merits of each application.

(iv) MiC Modules

For projects awarded before 1 October 2023, funding of up to HK\$5 million is provided to subsidise applicant contractors and sub-contractors, to procure MiC modules on a 70% matching basis per project. For projects awarded on or after 1 October 2023, the funding support is adjusted to HK\$4 million per project.

 (v) Admission to Building Department's List of Pre-accepted Modular Integrated Construction (MiC) Systems
 (only applicable to submission to the Buildings Department (BD) before 1 October 2023)

Applicants, either Authorized Person (AP) and Registered Structural Engineer (RSE) firms, architectural or engineering consultant firms, will be subsidised the cost incidental to the application for in-principle acceptance of MiC systems to the BD's Lists of Pre-accepted MiC Systems (the Lists) at a maximum of HK\$1 million per application. The MiC systems, designed for construction of buildings of six storeys and above in Hong Kong, shall be manufactured by manufacturers not yet on the Lists<sup>16</sup>. The applicant shall provide the BD's letter of In-Principle Acceptance when submitting the funding application.

Three tiers of funding subsidy are implemented to cater for different MiC scale and complexity as follows:

<sup>&</sup>lt;sup>16</sup> The MiC Systems must have been admitted to the BD's List of Pre-accepted MiC Systems on or after 15 May 2020. The manufacturer of the MiC system under the CITF application shall be the manufacturer named in BD's letter of In-Principle Acceptance and a genuine MiC modules manufacturer with appropriate production capability to be substantiated by the applicant. BD's letter of In-Principle Acceptance shall be submitted with the CITF application.

- 1<sup>st</sup> tier: MiC systems for buildings of 6-10 storeys entitling to HK\$400,000;
- 2<sup>nd</sup> tier: MiC systems for buildings of 11-29 storeys entitling to HK\$600,000;
- 3<sup>rd</sup> tier: MiC systems for buildings of 30 storeys or above entitling to HK\$800,000; and
- An extra subsidy of HK\$200,000 to each tier for more complex MiC design (e.g. MiC modules also contribute to the overall stability of the building against wind load apart from cores/shear walls, etc.)

An eligible project for 29 (i) shall:

- involve a building with six storeys or more;
- occupy at least 60% of Gross Floor Area of EACH typical floor for MiC adoption;
- occupy at least 5,000m<sup>2</sup> of Gross Floor Area for MiC adoption; and
- have MiC modules installation commenced on site after 1 July 2020.

For 29 (ii), (iii) and (iv), a project with tender invitation date on or after 1 July 2021shall be a permanent MiC building project with six storeys or more.

**Retrospective** approval for hire of specialist MiC consultant, procurement or rental of MiC specific construction plant and modules is allowed. Applicants can engage the specialist MiC consultant and the supplier of MiC lifting plant or modules before submitting the application but which shall be submitted within 12 months from committing the relevant expenditure.

# (d) Multi-trade integrated Mechanical, Electrical and Plumbing (MiMEP)

30. MiMEP refers to the integration of multi-trade building services components into a single volumetric assembly of prefabricated modules, manufactured offsite, then transported to the site for connection of modules to complete various trades of building services installations to minimise on-site works. MiMEP can integrate with structural elements, architectural builders' works and finishes (ABWF) to form an advanced assembly, such as false ceiling unit and plant room unit to enhance the productivity.

# (i) Support to Project Consultants

Funding is provided to encourage project consultants to carry out MiMEP design at the project beginning. Project consultants will be subsidised for producing a complete MiMEP BIM model up to LOD-G 200 level and incorporating therein contractors' intended MiMEP arrangement in on a 70% matching basis, subject Page 14 of 34 to a cap of HK\$500,000 per project. Details are as follows –

Items	Subsidy	
Produce a complete BIM model on	60% of the approved subsidy, i.e. up to	
MiMEP works for tendering	HK\$300,000	
After the award of contract, update in	40% of the approved subsidy, i.e. up to	
collaboration with MEP Sub-	HK\$200,000	
contractor the BIM model with		
contractor's intended MiMEP		
arrangement and hand it over to the		
MEP Sub-contractor for development		
of MiMEP prefabrication plan.		

# (ii) Support to MEP Sub-contractor

Subsidy will be provided to the MEP Sub-contractor nominated by the Main Contractor for design and build of MiMEP modules.

#### Project Design

In respect of project design, the CITF mainly provides 70% matching fund for MEP Sub-contractors in two aspects – the first one is to develop the BIM model up to LOD-G 400 level and the second one is to produce a complete prefabrication plan for MiMEP through in-house resources or hiring of a Specialist MiMEP Consultant, subject to a cap of HK\$500,000 per project. Details are as follows

Items	Subsidy	
Take over the LOD-G 200 level BIM	40% of the approved subsidy, i.e. up to	
model on MEP works from the Project	HK\$200,000	
Consultant to develop the MiMEP		
prefabrication plan		
Develop a complete MiMEP	60% of the approved subsidy, i.e. up to	
prefabrication plan which includes	HK\$300,000	
prefabrication drawings generated		
from BIM model of LOD-G 400 and		
detailed method statements for on-site		
installation.		

#### Project Construction

Under project construction aspect, 70% matching fund is provided to subsidise MEP Sub-contractor for rental of offsite MiMEP specific workshops for prefabrication and additional costs incurred in the delivery and installation of MiMEP modules, such as extra supporting frames, hoisting and protection requirements, subject to a cap of HK\$2.5 million per project.

The CITF will not subsidise in-house workshops or workshops that are not specifically used for prefabrication of MiMEP modules (e.g. used for general storage only or production of non-MiMEP modules), the costs of the MEP equipment/ components of the MiMEP modules as well as the costs of lifting plant that has already received or will receive CITF subsidy.

#### (iii) Other Requirements

All MiMEP proposals with merits meeting the CITF objectives will be considered subject to the applicant's justification with respect to the proposal's level of innovation, extent and degree of fulfilment of the CITF objectives and cost-effectiveness.

In general, applicant can only submit ONE MiMEP application for one construction project. If the MiMEP design and build work of the construction project is contracted out through separate contracts, applicant can also file MiMEP application if the MiMEP part specified in the contract meets the abovementioned eligibility requirements. Applicants may apply for the CITF on MiC and MiMEP for the same project provided that its MiC and MiMEP modules are not referring to the same modules.

The CITF shall not subsidise under MiMEP the prevailing practices in Hong Kong that elevators, escalators, chillers, generator sets, AHU's, switch boards and the like are mostly prefabricated offsite for delivery to site in modules.

Retrospective approval for hiring Specialist MiMEP Consultant and rental of offsite MiMEP specific workshops is allowed. Applicant can engage the Specialist MiMEP Consultant or offsite MiMEP specific workshops before submitting the application but which shall be submitted within 12 months from

committing the relevant expenditure.

# (e) Prefabricated Steel Rebar (STB)

31. Prefabricated rebars produced by local steel prefabrication yards<sup>17</sup> are considered as pre-approved products of which the procurement is supported under the CITF. Applicants will be provided cash rebate of HK\$300 per tonne, subject to a cap of HK\$5 million per project. The weight of straight rebars without processing (cutting and/or bending) in each delivery shall not exceed 25% of the total weight. For applications submitted on or after 1 June 2025, projects undertaken by the Hong Kong Housing Authority (HKHA) will not be subsidised.

# (2) <u>Manpower Development</u>

32. To enhance the capability of practitioners to harness technology for the continuous improvement of our construction industry, the CITF will support existing practitioners and prospective built professionals to take part in courses and events on advanced construction technologies. Supportable programmes can be broadly cateogrised into four types - Local Collaborative Courses, International Conferences in Hong Kong, Non-local Enrichment Courses / Study Tours for Students and Non-local Training / Visits for Practitioners.

33. In view of the epidemic, Local Collaborative Courses and International Conferences delivered/ conducted online are supported under the CITF. Costs directly incurred for delivery of online programmes can be funded by the CITF on an accountable basis, examples of which include IT support, virtual platform set up and website domain registration fee.

34. To allow a reasonable time for vetting, applicant shall submit the application together with itemised budget and complete supporting documents to the CITF Secretariat at least <u>90</u> calendar days before event date. Urgent applications would be considered on individual merits. Major modifications to the approved application, including but not limited to event dates, mode of programmes and target beneficiaries require prior written approval of the CITF Secretariat. Applicants shall provide the revised applications for the consideration and approval at least <u>30</u> calendar days before event date.

35. In general, the CITF will not finance Manpower Development Programmes

<sup>&</sup>lt;sup>17</sup> The prefabrication yards shall be admitted on the "**List of Approved Steel Reinforcing Bar Prefabrication Yards**" administered by the Civil Engineering and Development Department.

with enrolment exclusively open for the employees, members, fellows or students of the applicants. Further to open enrolment, applicants shall also ensure the intended programmes are made well-aware to target beneficiaries via multi-pronged marketing channels. The CITF Secretariat may also help upload the event information on the CITF website to gather wider attention. To allow sufficient time for target beneficiaries to respond to the invitation, applicants shall reserve at least <u>30</u> days for open enrolment. In respect of Local Collaborative Courses organized by academia, a minimum of <u>10%</u> of the training quota shall be reserved for practitioners. If there served quota is not utilized <u>14</u> days ahead of the event, applicants may release the quota for students.

36. Insofar additional manpower is required in organising Local Collaborative Courses and International Conferences, applicants shall adopt open recruitment as far as practicable. Job postings, in particular for full-time jobs, shall be advertised in wellrecognised channels or applicant's own website. Whereas the merits of open recruitment are not justified in individual circumstances or the open recruitment yields no positive responses after a reasonable period of time, applicants might turn to internal recruitment and shall ensure the recruitment process is undertaken in a fair and transparent manner. The period of open recruitment shall be made reference to the schedule of the intended programmes, nature of the programmes and remuneration package. Applicants are obliged to declare conflicts of interests prior to selection process where applicable. Personal data collected from candidates shall be handled and disposed pursuant to Cap. 486 Personal Data (Privacy) Ordinance in handling and disposal of personal data in connection with the recruitment.

37. Applicants are encouraged to tap on existing resources to arrange the intended programmes. Applicants for International Conferences and other non-local programmes shall only be entitled to rental of software, hardware and equipment whereas procurement is allowed for organizing Local Collaborative Courses in circumstances that rental is not available, feasible or cost effective. If more than 50% of the applied funding is spent on procurement, applicants shall elaborate on how the procured items will be utilized upon completion/conclusion of the programme. The subsequent use of the items shall serve to enhance knowledge sharing among target beneficiaries of the CITF but not the sole benefits of the employees, members, fellows or students of applicants. Procurement may not be subsidised if applicants are unable to justify the cost-effectiveness. On the other hand, applications will be considered favourably if applicants undertake to re-run the course or other programmes using the procured items.

38. Where expenses on meal, accommodation and transportation are essential for conducting the intended programmes, applicants should take into account the practical needs and cost-effectiveness with regard to the nature, content and format of the visit/ courses. Procurement of cross-border transportation tickets, reservation of

accommodation and arrangement of transport shall comply with the quotation requirements detailed in the <u>Application Framework</u> at <u>Appendix I</u> to this Guide<sup>18</sup>. Insofar cross-border transportation is required, only return tickets in economy class between Hong Kong and the destination country/ city are reimbursable. Extra costs arising from upgrading the standard air passage entitlement (such as travelling on business class) will have to be borne by individual applicants. Whereas cross-border travel and accommodation for students will be fully reimbursable, practitioners participating in non-local training / visits will have to finance at least 50% of their own costs. The cross-border transportation and accommodation arranged for support staff can be subsidised in full so long as the staff to participant ratio is not higher than 1:10.

39. Students can choose to participate in one or multiple non-local enrichment courses/ study tours within the limit of their individual ceiling of HK\$100,000. Students may also make alternative arrangement for accommodation (such as sharing a twin room with another member of the delegation) in order to make savings on the provision for other non-local programmes. Only actual and reimbursable expenses incurred by a student will be deducted from his / her individual ceiling.

40. For Non-local Training / Visits for Practitioners, it is necessary for the fund applicants to request the participants to declare in the event enrolment form that whether they had or would receive any government funding / subsidy and report to the Secretariat. Participants who have received or will receive government funding / subsidy will not be eligible for the CITF in respect of the same programme.

41. Funding for Non-local training programmes for either practitioners or students will be supported on a **pro-rata basis in proportion to the relevance of the programme serving the CITF objectives** at the ratio of the duration of relevant activities of training purpose to the total programme duration i.e. days of relevant programme / days of all programme. A minimum unit of 0.5 day for assessment will be adopted. Applicant is entitled to include one-day before or after the approved training / visit programme as buffer in their budget.

Procurement or rental of product(s) or service(s), unless specified otherwise, will have to be supported by written quotation(s) as per the below requirements -

Aggregate Value of Procurement or Rental	No. of Required Written Quotations	
Value not exceeding HK\$50,000	At least one quotation	
• Value over HK\$50,000 but not exceeding HK\$200,000	ut not exceeding HK\$200,000 At least two quotations	
• Value over HK\$200,000	At least three quotations	

• Applicants shall provide full justifications if failing to submit the required quotations or accept the lowest conforming offer.

<sup>&</sup>lt;sup>18</sup> To facilitate early applications before the programme commencement, quotation(s) are not required to be submitted at the application stage. However, applicants must provide quotation(s) that comply with the procurement procedures mentioned in General Remarks of Application Framework which are extracted below -

42. As a gesture of good will and appreciation to the speakers, honorarium shall be supported on reimbursement basis, subject to the cap of an hourly rate of HK\$800 per speaker for all types of local programmes. For calculating the funding support on honorarium, only the actual duration that the speakers/ trainers delivered the training in the programme will be considered.

# <u>Eligibility</u>

43. An application must satisfy the following requirements unless an exception has been granted:

#### (a) Applications on Technology Adoption

- 44. Applicants for Technology Adoption must be:
  - (i) levy-paying contractors which have paid levy for construction works under the Construction Industry Council Ordinance (Cap. 587) to the CIC in the 24 months preceding the time of application; or
  - (ii) specialist trade contractors and subcontractors which are registered with the CIC and hold a valid registration at the time of application; or
  - (iii) consultants on any one of the following lists maintained by Government and professional bodies:
    - The Engineering and Associated Consultants Selection Board;
    - The Architectural and Associated Consultants Selection Board;
    - The Band 3 Architectural Consultants and the list of Registered Practices maintained by the Hong Kong Institute of Architects;
    - The Band 3 Architectural Consultants maintained by the Association of Architectural Practices Ltd;
    - Member companies of the Association of Consultant Quantity Surveyors;
    - Member companies of the Hong Kong Institute of Surveyors;
    - Member companies of the Association of Consulting Engineers of Hong Kong;
    - Member companies of the Association of Registered Engineering Consultants; or

(iv) Other players, including material suppliers<sup>19</sup>, in the construction process may be considered on a case-by-case basis.

45. Applicants for Technology Adoption are required to have one or more awarded or on-going construction contract(s) to implement the adoption of the technology except for applications in relation to experiential use of BIM technology, BIM Training – Classroom-bound mode and BIM Viewer Collaborative Training.

#### (b) Applications on Manpower Development

46. Applicants for Manpower Development must be:

- (i) local Hong Kong higher education institutions; or
- (ii) professional institutions (such as the Hong Kong Institute of Architects, the Hong Kong Institution of Engineers and the Hong Kong Institute of Surveyors); or
- (iii) trade associations;
- (iv) unions; or
- (v) Quasi-governmental or statutory organisations (for organizing local collaborative courses only).

47. Applications on Manpower Development must target at one or more of the following groups of beneficiaries:

- (i) full-time undergraduates, post-graduates, students of sub-degree programmes and academic staff in construction-related disciplines of local Hong Kong higher education institutions;
- (ii) construction professionals holding membership of professional class or above of construction-related professional bodies<sup>20</sup>;
- (iii) technicians and site supervisory personnel<sup>21</sup>; or
- (iv) Registered Skilled Workers holding a valid construction workers registration card issued under the Construction Workers Registration Ordinance (Cap. 583).

48. Where the activity under an application on Manpower Development is to be held outside Hong Kong, the participants must be Hong Kong permanent residents.

<sup>&</sup>lt;sup>19</sup> Eligibility of material suppliers: a) the production process and processing facilities of the material supplier should be wholly or substantially locally-based; and b) the innovative or new technology adopted by the material supplier should be able to add value to the construction process conducive to improve productivity, build quality, safety and environmental performance for local construction projects through automation, industrialisation or digitisation technologies.

<sup>&</sup>lt;sup>20</sup> Including The Hong Kong Institution of Engineers, The Hong Kong Institute of Architects, The Hong Kong Institute of Surveyors, and The Hong Kong Institute of Construction Managers, or an overseas professional body having reciprocal recognition agreement with an above-mentioned local professional body.

<sup>&</sup>lt;sup>21</sup> Practitioners below professional class of the construction-related professional bodies but above workers level in general will fall within the definition of technicians and site supervisory personnel.

This requirement is not applicable to the project to be held in Hong Kong and therefore expatriates may join. The target beneficiaries for the different Manpower Development categories are detailed in the <u>Application Framework</u> at <u>Appendix I to this Guide</u>.

49. Each application shall have only ONE Applicant. The applicant is required to list out in its application all other parties (if any) that it will collaborate with in carrying out the project and each party's respective role and contribution.

# **Application Procedures**

50. Applications shall be submitted through the CITF Application Portal via the CITF Website (<u>https://www.citf.cic.hk/</u>) where applicants are required to register an account. No application fee will be charged. The CITF Application Portal User Guide is at <u>Appendix II to this Guide</u>.

51. The application form is available in English and Chinese. The applicant may choose to complete the application form in either language. A sample is provided at <u>Appendix III to this Guide</u>.

52. The applicant may be requested to provide supplementary information (including documents) from time to time to facilitate the application vetting process. Applicants shall provide all necessary information within **three (3) months** from the date of application. Where the applicant fails to provide the requested information within the abovementioned period, its application will be rejected due to insufficient information. The applicant will then need to re-submit a new application together with the requested supplementary information if it wishes to pursue the application after being rejected.

53. The application form and all documents submitted by applicants will be retained by the CIC for record and audit purposes and will not be returned to the applicant. Applicants should make copies of these documents for their own record.

# **Processing of Applications**

54. Applications will be processed on a first-come-first-served basis according to the time and date of receipt of a duly completed and valid application by the CIC.

55. Under normal circumstances, the CIC will complete the processing of a valid application for pre-approved items (including Prefabricated Steel Rebar (STB)) within 30 calendar days and other items within 60 calendar days from the date of receipt of

the duly completed application accompanied by all necessary documentation. Applicants are reminded to ensure that their applications are submitted to the CIC together with supporting documents as detailed in this Guide to Application and <u>Appendix I Application Framework</u>.

# Vetting and Assessment of Applications

56. Upon assessing the application, the CIC may seek clarification or supplementary information (including documents) from the applicant. Where an applicant fails to provide any such information required within a reasonable time, its application will be declined without notice.

57. Applications submitted by applicants not fulfilling the eligibility will normally not be considered, unless the CIC considers that an exception to the Eligibility Requirements (whether in whole or in part and whether subject to conditions or otherwise) might be granted for such an application.

58. The applicant may be required to attend assessment panel meetings to present its application and answer questions from the CIC.

59. The CIC has the discretion to approve or reject an application for any project or any part thereof. Where an application is approved wholly or in part, the CIC shall at its absolute discretion determine the amount of funding to be granted.

# **Notification of Results**

60. The applicant will be informed of its application result as below:

- (i) If an application is rejected, the applicant will be notified in writing.
- (ii) If an application is approved, the applicant will receive a Notification of Approval together with any terms and conditions that may be imposed by the CIC.

#### **Disbursement of Funding**

#### a. General Arrangement

61. Approved funds will be disbursed on a reimbursement basis. For applications made under technology adoption, reimbursement will generally be made

in two instalments. In respect for funding applications under STB, BIM Training and Admission to BD's List of Pre-accepted MiC Systems, approved funds will be disbursed in one single lump sum. For additional costs incurred by Project Consultant in implementing the MiC Project, the funding will be disbursed in two instalments where the first 80% of approved funding upon provision of the proof for commencement of MiC modules installation on site and the remaining 20% of approved funding upon provision of the proof for completion of MiC modules assembly on site as per the Application Framework. Disbursement arrangement for these four exceptional cases is provided in paragraph 68 below.

62. The first instalment i.e. 80% of the approved funding will be paid upon provision of documentary proof of payments while the remaining instalment of 20% will be paid 12 months after the date of First Disbursement Request and upon Successful Applicant's satisfactory submission of the required information or documents listed in paragraphs 61 to 76 and 83 to the CITF Secretariat. For subcontractor applicants who cannot provide work contract details in application stage, a valid works order or equivalent proof shall be provided for submission of first disbursement request.

63. For funding applications for 4S products by rental companies of tower cranes and construction mobile plants, the installation of the 4S items on the qualified plants for the eligible contracts using CITF shall be completed by 28 February 2025. For cases which the installation of 4S is completed beyond the requisite timeframe and without reasonable justification agreed by the CIC, the final instalment (i.e. 20% of the fund grant) will not be disbursed. Eligible rental companies of construction mobile plants and tower cranes shall submit the proof of a valid private construction work contract (or work order) and the proof of a minimum adoption period in private construction work sites of the funded-4S product of not less than 3 months (i.e. the specified minimum duration per paragraph 83 of this Guide to Application) with the second (final) instalment disbursement request. The minimum adoption period could be fulfilled by adoption of the same funded 4S items in different private works projects.

64. The Successful Applicant must submit the First Disbursement Request Form with the required supporting documents including purchase order(s), invoice(s), delivery note(s), payment receipt(s) and bank transfer record(s) which correspond with the approved quotation and photos/ videos demonstrating the serial no.<sup>22</sup>/ license no./ the screenshots for software/ electronic platforms without license no., and installation of the equipment/ technology item on-site via the Application Portal within 12 months from the date of Notification of Approval in general. All supporting documents must bear the authorised signature or company chop and contain sufficient information for

<sup>&</sup>lt;sup>22</sup> For 4S products installed on construction mobile plants and tower cranes owned by rental companies, the serial no. of the relevant mobile plants and tower cranes shall also be submitted other than that of the 4S product.

proper tracing. For example, invoice number is specified on the payment receipt.

65. For Approved Projects for Manpower Development, the Final Audited Financial Report duly certified by auditors and the Final Disbursement Request must be submitted within 12 months upon the completion of the Approved Project. For Technology Adoption, the Final Disbursement Request and the Final Audited Financial Report duly certified by auditors (if required) must be submitted within 12 months from the date of First Disbursement Request consisting of the followings<sup>23</sup> via the Application Portal. The CITF Secretariat may conduct interviews on applicants for selected applicants have the responsibility to facilitate the detailed survey and to attend seminars to share their cases upon the CITF Secretariat's request.

	Final Disbursement Request Submission				
Ma	anpower Development Applications	Technology Adoption Applications			
a)	A duly completed Final	a) A duly completed Final Disbursement	nt		
	Disbursement Request form to be	Request form to be created and			
	created and submitted in the	submitted in the Application Portal			
	Application Portal including	including the information or			
	information or documents listed in	documents listed therein such as a			
	therein such as a report on evaluation	report on evaluation survey <sup>24</sup> , photos	5		
	results, participants' feedback,	or video featuring onsite adoption in			
	training materials for sharing in	the approved construction project(s).	,		
	public domain (if applicable). Please	Please refer to Important Notes –			
	refer to the <u>Important Notes –</u>	Technology Adoption.			
	Manpower Development.	b) Final Audited Financial Report (if			
b)	Final Audited Financial Report	applicable)			
		c) Proof of technology adoption in			
		construction works for not less than			
		3-month (e.g. work order(s) of one of	r		
		more on-going or completed			
		construction works).			
		d) Eligible rental companies of tower			
		cranes and construction mobile plant	S		

 $<sup>^{23}</sup>$  The supporting information and documents e.g. the evaluation survey in the Final Disbursement Request form can be submitted within 12 months from the first disbursement request upon completion of the adoption period of at least 3 months.

<sup>&</sup>lt;sup>24</sup> Not applicable to rental companies of construction mobile plants and tower cranes

shall submit the proof of a minimum
adoption period in private work
projects of the funded-4S product of
not less than 3 months. The minimum
adoption period could be fulfilled by
adoption of the same funded 4S items
in different private works projects.

66. In addition to the soft copy submitted via the Application Portal, the **original**<sup>25</sup> copy of the supporting documents for **BOTH** First Disbursement Request and Final Disbursement Request shall be submitted to the CITF Secretariat as the below correspondence –

38/F, COS Centre, 56 Tsun Yip Street, Kwun Tong, Kowloon, Hong Kong

67. The Successful Applicant is required to submit Audited Financial Report duly certified by auditors and complying with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagement other than Audits or Reviews of Historical Financial Information" for every approved manpower development applications or where the fund grant for the application under Technology Adoption (per Submission ID) exceeds HK\$500,000. Funding applications made under the categories of STB, Admission to BD's List of Pre-accepted MiC Systems and Support to Additional Costs incurred by consultants in implementing MiC projects are NOT bound by this audit requirement.

68. The reimbursable audit fee shall follow the below funding threshold –

Funding Grant	Cap on Audit Fee
Below HK\$1 million	HK\$5,000
Between HK\$1 million and HK\$5 million	HK\$10,000
More than HK\$5 million	HK\$20,000

69. For manpower development programmes in general, the CITF shall fully support the approved reimbursable expenses subject to the fund ceiling unless otherwise specified. If applicants intend to cover non-reimbursable expenses in the approved budget with their self-generated income e.g. sponsorship and registration fees, applicants shall contribute to at least 30% of the approved reimbursable expenses using the income so as to ensure that the funding grant will be used in a cost-effective manner. In other words, the applicants have to generate income exceeding 30% of the approved

<sup>&</sup>lt;sup>25</sup> The originals required in general include invoice(s), receipt(s), delivery note(s), Audited Financial Report, invoice and receipt for the audited financial report. For Manpower Development programmes, invoice(s) is/ are not required to be submitted given that an Audited Financial Report is provided.

reimbursable expenses to finance the non-reimbursable expenses. The apportionment of the income over the reimbursable and non-reimbursable items with details shall be provided in the Audited Financial Report.

70. The disbursement arrangement for STB, BIM Training and Admission to BD's List of Pre-accepted MiC Systems is provided below –

Category	Submission Schedule	Required Document
STB       Quarterly         BIM Training       Within ONE month upon course completion, in general		<ul> <li>i. Purchase order</li> <li>ii. Invoices*</li> <li>iii. Delivery notes</li> <li>iv. Payment receipts*</li> <li>v. Summary of STB delivered under the application (in excel file format provided in the Application Portal)</li> <li>vi. Bank transfer record</li> <li>i. Purchase order/ enrolment record</li> <li>ii. Full name list of ALL trainees with declaration signed by the training participants (where applicable) and the authorized person of the applicant with company stamp</li> <li>iii. Completion certificate of each trainee</li> <li>iv. Invoice* (where applicable)</li> <li>v. Payment receipts*</li> <li>vi. Bank transfer record/ payment record signed by all the participant(s) who paid for the applicant with personal particulars of the participant(s) (where applicable)</li> <li>vii. Audited Financial Report* and the relevant invoice* and receipt*</li> </ul>
Admission to	Within ONE month	<ul><li>(where applicable)</li><li>i. Proof of admission to the BD's List</li></ul>
BD's List of Pre- accepted MiC Systems	upon successful admission	of Pre-accepted MiC Systems
Additional costs incurred by Project Consultant in	Upon commencement of MiC modules installation on site	<ul> <li>i. Proof of commencement of MiC modules installation on site for first 80% of approved funding</li> <li>ii. Proof of completion of MiC modules</li> </ul>

implementing the MiC Projectfor first 80% of approved funding and upon completion of MiC modules assembly on site for the remaining 20% of approved funding	assembly on site for the remaining 20% of approved funding
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\*Original copy is required.

71. Unless specified in paragraph 62 above, other requirements in connection with the disbursement requests shall be applicable for STB, BIM Training and Admission to BD's List of Pre-accepted MiC Systems.

72. The CITF Secretariat reserves the right to withhold any disbursement of Funding to the Successful Applicant if there is any delay in submission of the required documents or if, in the CITF Secretariat's opinion the required documents submitted do not comply with its requirements.

# b. Earlier Funding Disbursement Arrangement

73. Successful Applicants may apply for earlier funding disbursement for funding applications under the categories of Advanced Construction Technology (ACT) and Building Information Modelling (BIM) adoption if the following criteria are fulfilled:

- (i) Product delivery time (either pledged or actual) takes longer than 2 months; and
- (ii) Payment to vendor in one single bank transaction exceeds HK\$100,000

74. Where Successful Applicant opts for earlier funding disbursement, reimbursements could be made every time it makes payment (payment sum exceeding HK\$100,000) to the vendor before product delivery upon the Successful Applicant's submission of document proof to the CIC. The reimbursement will be kept at a rate of 70% of the actual amount the Successful Applicant has paid for procuring the technology before product delivery, subject to a cap of 80% of the approved fund grant. Upon product delivery, Successful Applicant could apply for reimbursing the remainder (if any) of 80% of the approved fund grant (i.e. the first instalment).

75. Similar to applications without opting for earlier funding disbursement, the final instalment of 20% will be paid upon Successful Applicant initiating the final disbursement request 12 months after the date of the first disbursement request and the

satisfactory submission of the required documents in the Final Disbursement Request.

76. An example of the earlier funding disbursement arrangement is illustrated below for reference. For details about funding disbursement procedures and arrangements, please refer to relevant sections of this CITF "Guide to Application".

Example:

Product price: HK\$1,000,000 & Approved funding: HK\$700,000

TimingofApplicant'sPaymentVendor	Applicant's Payment	Funding Disbursemen t by the CIC	Cumulative Funding Disbursemen t by the CIC	Remarks
1 <sup>st</sup> deposit (before delivery)	HK\$500,00 0	HK\$350,000	HK\$350,000	Funding Disbursement = 70% of Applicant's Payment with cumulative disbursed amount capped at 80% of approved fund grant (i.e. HK\$560,000 in this case)
2 <sup>nd</sup> deposit (before delivery)	HK\$200,00 0	HK\$140,000	HK\$490,000	Funding Disbursement = 70% of Applicant's Payment with cumulative disbursed amount capped at 80% of approved fund grant (i.e. HK\$560,000 in this case)
3 <sup>rd</sup> deposit (before delivery)	HK\$50,000	Nil	HK\$490,000	Not eligible for earlier funding disbursement as this single bank transaction is < HK\$100,000

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TimingofApplicant'sPaymentVendor	Applicant's Payment	Funding Disbursemen t by the CIC	Cumulative Funding Disbursemen t by the CIC	Remarks
Final (upon delivery)	HK\$250,00 0	HK\$70,000	HK\$560,000	Cumulative Funding Disbursement = 80% of approved funding (cap for first instalment)
N/A	N/A	HK\$140,000	HK\$700,000	Final instalment after 12 months = Remaining 20% of approved fund grant
Total	HK\$1,000, 000	N/A	HK\$700,000	N/A

77. Approved funding will be released by the CIC to the Successful Applicant within 30 calendar days upon receipt of the required supporting documents such as original invoices and payment receipts etc.

78. The Successful Applicant opting for earlier disbursements are required to undertake to:

- (i) Submit the product delivery note to the CIC within 1 month upon product delivery; and
- (ii) Refund to CIC of the disbursed sum in case of delivery failure of the approved products.

79. The Successful Applicants who do NOT opt for earlier disbursements will have their disbursement request processed under the normal procedures as detailed in paragraphs 59 to 70 above.

# **Amendment and Withdrawal of Applications**

#### (a) Amendments and Project Variation

80. An approved project is required to be carried out strictly in accordance with the Agreement. Any modification to the approved project, including but not limited Page 30 of 34

to changes of commencement or completion dates, key project staff, key equipment, scope, methodology, deliverables or budget, will require prior written approval of the CIC.

81. For any modification to the approved project, the Successful Applicant must update the details of the approved project on the CITF Portal within 14 calendar days upon the occurrence of such modification. The CIC reserves the right not to reimburse or make payment or otherwise compensate for the approved project where the Successful Applicant has failed to provide such update within the required timeframe.

82. The funding will not be increased in the event that the actual expenditure exceeds the original estimate. If the actual expenditure is less than the original estimate, the CITF Secretariat has the sole discretion to reduce the final funding amount.

83. The Successful Applicant's failure to comply with the application proposal or the agreement will entitle the CIC to abstain from releasing the funding to the Successful Applicant.

# (b) Withdrawal of Application

84. The applicant may withdraw its application by notifying the CIC in writing. All funding already disbursed to the applicant must be returned to the CIC with interest accrued within 30 calendar days from the date of such written notice. Interest shall accrue from the date of disbursement by the CIC of the funding up to the date of actual refund in full by the Successful Applicant, at the best lending rate quoted by the Hong Kong and Shanghai Banking Corporation. Such interest shall accrue on a daily basis and in a year of 365 days.

# **Project Adoption**

85. Except applications on BIM experiential use, the equipment, software and hardware procured in the Approved Project shall be adopted in at least one construction project for <u>consecutive three months</u>. The Successful Applicant who cannot fulfil the required project adoption period shall provide justifications and demonstrate onsite project adoption for a reasonable period to the satisfaction of the CITF Secretariat. The successful applicant may be required to adopt the subsidised equipment, software or hardware in various projects for an accumulated period. Where the Successful Applicant intends to adopt the subsidised equipment, software in a construction project other than the one stated in the funding application, the CITF Secretariat shall be informed in writing via the Application Portal within <u>seven days</u> upon the change of construction project. For subcontractor applicants who cannot provide work contract details in application stage, following documents shall be submitted in support of their application - (i) shall be submitted with the funding application and document (ii) below with the disbursement request:

(i) For funding application:

Completed works orders (or equivalent proof) within the 12-month period preceding the date of application. Such references shall include samples of completed works orders signed off by a works contractor who is a registered subcontractor or levy paying contractor, with clear identification of the work site; and

(ii) For funding disbursement:
 A valid works order (whether completed or not) for first instalment and proof of participation in construction works for not less than minimum 3-month technology adoption period (e.g. work order(s) of one or more on-going or completed construction works) for final instalment.

# **Record Keeping**

86. The Successful Applicant must properly and timely record all expenditures in respect of the Approved Project and properly keep all required documents including receipts and other documents as may be necessary to substantiate the incurrence of expenditures. All financial statements (where applicable), books and records of the Approved Projects must be kept for at least <u>seven years</u> after either the completion date of the Approved Project or the termination date of the Agreement, whichever is later, and allow for inspection by the CITF Secretariat.

# Transfer and Disposal of Equipment

87. The Successful Applicant is forbidden to transfer, sell or lease, with a view to making profits, the equipment, hardware or software procured under the Approved Project within <u>three years</u> of its procurement (counting from the product delivery date). The Successful Applicant is required to declare on the proper use of the equipment, hardware or software by the end of the 36-month periods from the date of First Disbursement Request. Disposal records, if applicable, shall be retained for at least seven years for inspection by the CITF Secretariat.

# **Personal Data Collection**

88. All personal data provided by an applicant in connection with an application will be handled in accordance with relevant provisions of the Personal Data (Privacy)

Ordinance (Cap. 486). Personal data provided in an application and its supporting documents will be used by the Development Bureau (DEVB), the CIC or its authorised agents/ persons solely and exclusively for:

- (i) The processing and authentication of applications, payment of funding support, and any refund and related administrative measures required thereof; and
- (ii) Statistical analysis relating to the operation and review of the CITF.

89. Personal data provided in an application will be kept in confidence. However, such data may be disclosed to other departments of the HKSAR Government, or to third parties in Hong Kong or elsewhere, if such disclosure is authorised or required by law.

90. If necessary, the CIC will contact departments of the HKSAR Government and other relevant parties or organisations (such as the organisers/coorganisers/operators/service providers of the promotion activities/platforms, trustees of Mandatory Provident Funds, and proprietors/partners/shareholders/employees of the applicant) to verify the truth of personal data provided in an application.

# **Double Funding**

91. To avoid double funding/subsidy, a project or any part thereof which will receive or has received public money from any other Government funding scheme(s) will not be eligible to apply for the CITF.

92. The applicant will only be eligible to the CITF funding for costs net of other non-Government financial support (whether in the form of equity or loan financing, grant or sponsorship or any other form) which has been granted for the same project or any part thereof.

#### **<u>Timely and Truthful Declaration</u>**

93. It is the responsibility of an applicant to complete an application form truthfully and to provide all supporting documents timely. Inaccurate and incomplete information may affect the processing of the application by the CIC. Any misrepresentation or omission of information may lead to rejection of the application and/or full recovery by the CIC of any funding support which has been awarded. It is an offence in law to obtain property/pecuniary advantage by deception or assisting persons to obtain property/pecuniary advantage. Any person who does so may be liable to legal proceedings.

94. The applicant is required to declare in its application whether it has applied or is applying for other Government funding for the project which is the subject of its application or any part thereof.

#### **Prevention of Bribery**

95. The applicant shall observe the Prevention of Bribery Ordinance (Cap. 201) (POBO) and shall procure that its directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the promotion activity shall not offer to or solicit or accept from any person any money, gifts or advantages (as defined in the POBO) in relation to the activity.

96. The offer of an advantage to any person of DEVB and/or the CIC with a view to influencing the approval of an application is an offence under the POBO. Any such offer by the directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the activity of the applicant enterprise will render the application null and void. DEVB and/or the CIC may also cancel the application approved and hold the applicant enterprise liable for any loss or damage, which the Government may sustain.

#### **<u>Right of Final Decision</u>**

97. DEVB and/or the CIC reserve at all times the absolute right to determine whether an enterprise has met the eligibility criteria, whether an activity has met the funding conditions, whether a particular expenditure item is eligible for funding and whether an application has met the various conditions, requirements and criteria for funding support set out in this Guide to Application. Decisions granted by DEVB and/or the CIC are not subject to appeal.