

Fintech Proof-of-Concept Subsidy Scheme 2022 (the “PoC Scheme”)

Guide and Notes for Applicants

Content

1. Objectives
2. The PoC Scheme – General Principles
3. Applicant Eligibility
4. Qualifying projects (PoC project Eligibility)
5. Application – Timeframe and Requirements
6. Evaluation
7. Notification of Result
8. Project Implementation
9. Subsidy instalments and monitoring
10. Auditing Requirement
11. Changes of Approved PoC Project
12. Termination
13. Handling of Information
14. Accuracy and completeness of applications
15. Probity policy for Applicants
16. Compliance with the laws of Hong Kong and in other jurisdictions
17. Disclaimer
18. Warranties and Indemnity
19. Governing Law
20. Third Party Rights
21. Enquiries

Applicants should:

- Read this Guide and Notes for Applicants (“the Guide”) related to the Fintech Proof-of-Concept Subsidy Scheme 2022 (the “PoC Scheme”) before submitting an application.
- By submitting an application under the PoC Scheme, consider themselves bound by the provisions of the Guide.

1. Objectives

- 1.1 The Financial Services and the Treasury Bureau (FSTB) launches the Fintech Proof-of-Concept Subsidy Scheme 2022 (the “PoC Scheme”) aiming to encourage financial institutions (the “FI(s)”) to partner up with Fintech companies and research institute to conduct Proof-of-Concept projects (the “PoC projects”) on innovative financial service products.

2. The PoC Scheme – General Principles

- 2.1 The PoC Scheme provides early-stage funding support for the pre-commercialisation of leading-edge financial technologies that help the financial services industry. An illustrative list of Fintech activities recognised by the PoC Scheme is at Appendix 1 which is not meant to be exhaustive. Eligibility of applicants will be separately verified and assessed where necessary.
- 2.2 An applicant to the PoC Scheme (the “Applicant”) is required to have a regulated FI defined in paragraph 5.6 as a project sponsor (the “Sponsoring FI”) to be eligible for funding. The Sponsoring FI need not necessarily have direct financial contribution in the PoC project but must exhibit active engagement and commitment to see the project to completion, which includes but is not limited to the Sponsoring FIs’ formal agreement or other forms of documentary evidence to Hong Kong Cyberport Management Company Limited (the “HKCMCL”) satisfaction (the “sponsorship agreement”) A Sponsoring FI may provide additional financial resources for the subsidised PoC project without having to fulfil a specific matching ratio. HKCMCL may reserve the right to request the Applicant and Sponsoring FI to provide evidence on proof of partnership/commitment or a formal signed agreement (if not yet provided) at a later stage

- 2.3 An application can be made by one or more Applicants partnering with one or more Sponsoring FI to put forth solutions that can tackle the pain points faced by the wider Fintech and financial services sectors in Hong Kong.
- 2.4 To be eligible for financial support under the PoC Scheme, the PoC project must not have commenced before submission of the application
- 2.5 Each approved PoC project will be provided with a 100% grant with a maximum approved subsidy of HKD150,000 per project. Deserving PoC projects with greater complexity and broader usage such as those involving cross-sector or cross-border applications (e.g. involving the Guangdong-Hong Kong-Macao Greater Bay Area or Association of Southeast Asian Nations) may receive a grant of up to HKD200,000 per project on a case-by-case basis. The higher subsidy amount of HKD200,000 may also be granted to projects addressing priority fintech areas namely Environment Sustainability and Governance (a.k.a. ESG), Regtech, Pensions, Open Application Programming Interface (Open API), connectivity of Mainland-Hong Kong capital markets, as well as Federated Learning¹. The subsidy will be disbursed by HKCMCL to successful Applicants in two instalments following project approval and acceptance of final reports by HKCMCL. The subsidy will be paid in accordance with paragraph 9 below
- 2.6 For proposed projects having a wider impact on the industry, especially those solutions which address industry-wide bottleneck issues, the subsidy amount may go up to HKD400,000 at the discretion of HKCMCL
- 2.7 An approved PoC project is required to be commenced within one month from the date of approval and be completed in three months from the commencement. Deserving PoC projects with greater complexity and broader usage or wider impact on the industry are allowed to be completed within six months upon commencement. An extension can be granted at the discretion of HKCMCL on a case-by-case basis in accordance with paragraph 11.1. For any approved application, if the Applicant is unable to commence the PoC project within one month after application approval, the subsidy will be cancelled in accordance with paragraph 9.2.4 below.

Rev.2.7 (Effective Date: 26 September 2022)

¹ Federated Learning is a new technology that enables technology firms or service providers to make use of personal / entity's data for provision of services without transferring such data to them, hence protecting privacy and mitigating the risk of data security breaches.

3. Applicant Eligibility

3.1 Eligibility of the Applicant

Applicants applying for funding under the PoC Scheme must fulfil the following requirements:

- (a) Be registered in Hong Kong under the Business Registration Ordinance (Cap. 310) (“BRO”); and
- (b) Be registered and commenced its business in Hong Kong before the submission of their application; and
- (c) Conducting substantive activities in different Fintech scope of services (see Appendix 1) or Fintech research (see Appendix 6 for List of recognised research institutes) in Hong Kong. The list in Appendix 1 and Appendix 6 is not meant to be exhaustive. Eligibility of applicants will be separately verified and assessed where necessary.

3.2 Notwithstanding the requirements in Paragraph 3.1, HKCMCL shall have the final discretion on the eligibility of an Applicant and a Sponsoring FI.

4. Qualifying projects (PoC project Eligibility)

4.1 Under the PoC Scheme, a PoC project is defined as a project which involves the following:

- (a) Development of viable technological ideas/concepts but shall not cover development areas which are deemed too early-stage, for example, basic research, generation of pure scientific and technological knowledge, and the development of research ideas, hypotheses and experimental designs without application; and
- (b) Validation of the commercial merit of the product/solution by seeking reference customers or external funding

4.2 In addition to Paragraph 4.1, qualifying PoC projects must:

- (a) Directly relate to recognised Fintech scope of service;
- (b) Address a practical issue, or a pain point faced by the financial industry (banking, securities, asset management, insurance, and others) with no prior used case in the market;
- (c) Be governed by a sponsorship agreement in writing between the Applicant and the Sponsoring FI; and
- (d) Demonstrate and strong commercial potential

4.3 HKCMCL shall have final discretion on the eligibility of a proposed project under the PoC Scheme.

5. Application – Timeframe and Requirements

5.1 Applications will be accepted from September 26, 2022.

5.2 The Phase 1 of application process will begin from September 26, 2022 and end on November 30, 2022. Completed applications lodged by November 30, 2022 will be processed in one batch. A Phase 2 will begin from December 9, 2022 if the subsidy funding is then still available, and close when the subsidy exhausts, or 11:59pm (Hong Kong time) January 31, 2023, whichever is earlier. Above are the key target dates¹ of each phase of the program. HKCMCL's records of the receipt dates and time shall be final.

5.3 Each application shall cover only one PoC project. An Applicant may submit up to two applications in Phase 1 provided that the two PoC projects are of different and distinct components and/or functions for different FIs' adoptions, and the applications will be considered separately. If the subsidy has not been exhausted after Phase 1, HKCMCL will continue to receive applications through the PoC Scheme application portal. An Applicant who already has a project(s) approved in Phase 1 can also apply in Phase 2 but the aggregate number of applications from an Applicant (including its affiliated entities²) shall not exceed a maximum of three applications in the whole PoC Scheme. Please note that the maximum number of 3 applications per applicant should count any join applications made by the applicant as well.

5.4 Applicants must submit their applications through the PoC Scheme dedicated application portal of HKCMCL with the required documents listed in Appendix 2. HKCMCL reserves the right to seek additional information from the Applicant

¹ The dates listed in this section are subjected to change and we will use the updated schedule announces in our website as primary reference dates.

² An affiliated entity is an organisation that directly or indirectly controls another entity, or is directly or indirectly controlled by another entity, or which is under common control alongside another entity, entities which share same shareholders will be considered as affiliated entity no matter how many shares he/she has owned. In other words, an affiliated entity could be a parent company or a subsidiary company, and the concept of control is considered to imply that one has the ability to alter the direction of management policies. For the avoidance of conflict of interest, affiliated entities shall include but not limited to companies, non-governmental organisations and non-profit organisations.

and/or Sponsoring FI at its discretion. The application would be considered withdrawn if the additional information/clarification requested by HKCMCL is not provided within one month; in the case of such withdrawal, the Applicant may however submit a new application once all the necessary documents and/or requested information are available, provided the relevant deadlines for application have not passed. Unless requested by HKCMCL, supplementary information provided after submission of application will not be accepted and will not form part of the application. Incomplete applications will not be processed and will be considered as volunteering withdrawal from the scheme. Unsuccessful applicant will be notified their status of application within 6 weeks after the end of corresponding phase.

- 5.5 Applicants should declare that they have not received any grants previously and will not be applying for other grants for the same investigative PoC project. Acceptance of prior grants from other government agencies or from FSTB for the same project scope and development activities will render the project ineligible for the PoC Scheme.
- 5.6 A sponsorship agreement must have been signed between the Sponsoring FI and the Applicant by the time of the application. Applicants must submit the said sponsorship agreement as part of the application. A Sponsoring FI must be licensed, regulated, supervised, or registered under the regulatory remit of Hong Kong Monetary Authority (“HKMA”), Securities and Futures Commission (“SFC”), Insurance Authority (“IA”) and Mandatory Provident Fund Schemes Authority (“MPFA”). The sponsorship agreement should set out details of the PoC project, including but not limited to the project scope, project timeline, deliverables and IT support to be provided by Sponsoring FI prior to project commencement.
- 5.7 The Applicant should assign a person as the project coordinator of the application who will act as the main contact point between the Applicant and HKCMCL. In order to ensure the smooth implementation and completion of the project, the project coordinator should be able to fully represent the Applicant and be conversant with the operation and business processes of the Applicant. As such, the project coordinator must be the responsible personnel of the Applicant. Likewise, the Sponsoring FI should assign a person as the business representative and as an IT coordinator who will act as the main contact points between the Sponsoring FI and HKCMCL.

6. Evaluation

6.1 Assessment mechanism

- 6.1.1 Applications are assessed by HKCMCL based on the stated qualifying criteria as set forth in paragraphs 3 and 4, the required information and documents set forth in paragraph 5 and appendix 2 and the assessment criteria stated in paragraph 6.2. Each application is assessed separately. During the assessment process, HKCMCL may seek clarification or supplementary information from the Applicant or Sponsoring FI if it considers necessary. Recommendations by an External Panel (the “Panel”) will be sought before approval is granted by HKCMCL on a case-by-case basis.
- 6.1.2 The Panel is composed of members from relevant government bodies, regulatory bodies and academia.
- 6.1.3 Forms of non-disclosure protection have been established with members of the Panel. Separate non-disclosure agreements with Applicants / Sponsoring FIs will not be signed. Ultimately, the onus is on the Applicant to exercise discretion and caution, and to provide sufficient and necessary information about proprietary know-how/Ips/technology development to allow the Panel to perform the required evaluation.
- 6.1.4 To avoid conflict of interest, members of the Panel will be required to declare their general pecuniary interests on appointment, in addition to the report of conflicts of interest that may arise from any particular application on which they may be asked to advise. Where considered appropriate, the Chairman of the Panel may request the member concerned to refrain from participating in discussion and assessment of the relevant application.

6.2 Assessment Criteria

Each eligible application will be assessed based on individual merits and considered on a case-by-case basis. The assessment criteria and weights are stated in the following:

(a) Potential Impact on the market and financial industry (30%) –

Rev.2.7 (Effective Date: 26 September 2022)

Page **7** of **27**

- Remarkable contribution to revenue growth or cost saving to the business
- Improve business performance and customer experience
- High potential to transform or disrupt the fintech industry

(b) Innovation and Creativity in Fintech (30%) –

- Integration of existing technology in a novel way to improve operation performance
- Creation of new financial sector business opportunities using technology
- Creation of new solution that can deliver innovative financial service

(c) Potential for Commercial Adoption (25%) –

- The proposed project should be able to deploy easily in an actual commercial environment with minimal adaptation
- The proposed project should be able to adopt by different companies in the industry
- It is preferable that the solution can have a high potential to be deployed in a live environment after PoC scheme completion

(d) Functionalities (10%) –

- The solution should improve the ease of use of a fintech solution
- The solution functionalities should align with requirements from Sponsoring FI
- The solution should improve how things are done for their target customers

(e) Reasonableness of the implementation details (5%) –

- The proposal and application supporting document should align with the guidelines defined in this document (e.g., reasonable, and clear project schedule)
- Cover all requirements documented in this document and the “Project proposal writing guideline” downloadable from our website (pocsubsidy.cyberport.hk)

6.3 The level of funding of a PoC project will be assessed and approved on a case-by-case basis.

6.4 HKCMCL reserves the right to disqualify or reject an application on grounds including but not limited to:

- (a) a petition is presented or a proceeding is commenced or an order is made or a resolution is passed for the winding up of the Applicant;

- (b) a false, inaccurate or incomplete statement or representation is contained in the application or a promise or a proposal is made knowingly or recklessly to unduly influence the decision-making process; or
- (c) the Applicant is in default of its obligations under another grant agreement entered into with any other local public funding sources whether or not in relation to the PoC Scheme.

7. Notification of Result

- 7.1 Upon receipt of full information including the necessary supporting documents from the Applicants, Applicants will be informed by HKCMCL of the result by email within six weeks after the end date of the application. HKCMCL's decisions on the application results are final and are not subject to any review or appeal.
- 7.2 Successful Applicants may be required to revise the application to fulfil the conditions for approval set by the Panel and/or HKCMCL, if any. A successful Applicant is also required to enter into a funding agreement (the "Funding Agreement") with HKCMCL. If a successful Applicant refuses to sign the Funding Agreement, the application will be considered withdrawn. Basic information of the approved projects will be posted onto the PoC website with the consent of successful Applicants and Sponsoring FIs.
- 7.3 Applicants who wish to re-apply based on a proposal previously submitted should do so only after they have adequately addressed the issues or concerns highlighted in the notification email³, subject to the applicable deadlines.

8. Project Implementation

- 8.1 An approved PoC project is required to be commenced within one month from the date of approval and be completed within three months from the date of commencement. PoC projects with greater complexity and broader usage are allowed to be completed within six months upon commencement. An extension can be granted at the discretion of HKCMCL on a case-by-case basis in accordance with paragraph 11.1.

³ Normal notification email will only provide approval result with pass or fail approval status. Only marginal fail cases which can be further considered will received a notification email with rejection reason. HKCMCL reserves the rights to adjust the results notification email content or notification approach.

- 8.2 The project activities for which the funding is being applied for, must not have commenced at the time of the application, i.e. before the proposal is received by HKCMCL. However, Applicants can start their projects on the next day following the submission of the application at the earliest.
- 8.3 If the application is successful, funding will be provided upon project approval. However, if the application is not successful, HKCMCL will not disburse any funding to the Applicant regardless of whether any cost has been incurred for the project.
- 8.4 The Applicant may not be granted the full amount of funding requested in accordance with the prevailing funding guidelines, for reasons such as items listed in the cost breakdown are considered not essential to the project, or if the proposed PoC project cost is considered to be unreasonably high. As approval of the application and the amount of grant is not guaranteed, Applicants are advised to secure HKCMCL's approval before commencing their projects. If the Applicants decide to commence their projects before knowing the results of their applications, they cannot make any claims from HKCMCL for any losses, risks and/or costs if their applications are eventually rejected or the applied-for funding is not granted in full. Applicants have the sole responsibility of assessing and bearing their financial risks in relation to their proposed PoC projects and their applications under the PoC Scheme, and HKCMCL gives no warranties whatsoever and disclaims any liabilities.
- 8.5 Successful Applicants⁴ who have signed the funding agreement that commenced their projects before funding agreement signing date will be entitled to receive the initial instalment subject to the fulfilment of the conditions set out in paragraph 9.2 below.
- 8.6 An approved PoC project is required to be carried out strictly in accordance with the sponsorship agreement and the Funding Agreement as approved by HKCMCL. It is the responsibility of the Applicant and Sponsoring FI to monitor the progress of the PoC project and the implementation of the project to ensure proper completion of the project for the purpose of seeking disbursement of the final payment. HKCMCL may also conduct random checks on individual projects as mentioned in paragraph 9.3.

⁴ Successful Applicant should regard their project proposal successful only after signing the funding agreement. Please be reminded that successful applicant is still subjected to all the terms defined in this document "Guides and notes" and the signed "funding agreement".

9. Subsidy instalments and monitoring

9.1 The subsidy will be disbursed by HKCMCL to successful Applicants in two instalments. Each successful PoC project will be funded separately.

9.2 Subsidy award model

9.2.1 Upon project approval, an initial instalment of 50% of the approved amount will be made to the Applicant (within 3 weeks after signing of funding agreement and all required supporting documents are properly submitted) to help kick-start the development. The final instalment will be made to the Applicant within 1 month after completion of the project and acceptance of the following reports by HKCMCL:

- (a) A final report is submitted by the Applicant indicating completion of project, a summary of project expenditures and project deliverables;
- (b) A commercial adoption viability report provides the following details:
 - a. Assessment of chance of commercial adoption of the solution by sponsoring FI with relevant supporting
 - b. Assessment of potential for commercial adoption of the proposed solution by other financial institutions in the future
 - c. If applicable, the target schedule or roadmap for commercialization of the proposed solution
 - d. One or more supporting documents for the above such as:
 - i. Project schedule for the proposed solution with go-live date accepted by FI
 - ii. Letter of intent for commercialization of the solution from FI
 - iii. Email endorsement for the adoption of solution from FI
 - iv. Any other relevant support for commercial adoption of the proposed solution
- (c) A PoC user acceptance report signed by Sponsoring FI and submitted by the Applicant; and
- (d) An audited report by an independent third party submitted by the Applicant upon request by HKCMCL at its discretion (further details in paragraph 10).

- 9.2.2 The initial instalment for an approved project will only be deposited into the designated bank account of the Applicant after the signing of the Funding Agreement and HKCMCL's verification of proof (eg. Bank statement) showing the bank account belongs to the Applicant. If the Applicant fails to provide a designated bank account or evidence showing its due contribution to the designated bank account, the PoC Scheme funding will be disbursed in one lump sum upon project completion and HKCMCL's acceptance of the final reports.
- 9.2.3 The final instalment will be made to the Applicant upon project completion and HKCMCL's acceptance of the final reports [See note on 9.2.5] as stated in paragraph 9.2.1. To expedite the final payment process, all successful Applicants are recommended to submit via the online portal final reports within 30 calendar days after the completion of the PoC project.
- 9.2.4 Late commencement of the approved project, or late submission of the required documents specified in paragraphs 9.2 and 9.3 may lead to withholding, reduction, or cessation of the subsidy for the PoC project. HKCMCL reserves the right to request full refund of the initial instalment.
- 9.2.5 HKCMCL reserves the right to seek clarifications and/or additional information from the Applicant and/or Sponsoring FI regarding the PoC project, and the right to withdraw the subsidy if in any event the successful Applicant is not able to carry out the responsibilities stated in the Guide. Under normal circumstances, the final instalment will be made upon submission of all the required documents/supplementary information and HKCMCL's acceptance of the final reports.

9.3 Monitoring

- 9.3.1 Successful Applicants are required to provide a progress report and related supporting documents 45 calendar days (90 days for greater complexity and broader usage project) after the Applicant has commenced the project via the online portal. The progress report should review the work completed, work in progress, and work remaining to be done on the project. These sections must include:
- (a) Direct reference to milestones or deliverables established in the application related to the project;
 - (b) Timeline for when remaining work will be completed; and

- (c) Any problems encountered or issues that have arisen that might affect completion, direction, requirements, or scope.

9.3.2 The progress report should be endorsed by the Sponsoring FI.

9.3.3 HKCMCL may conduct progress reviews upon acceptance of progress reports, in the form of a field visit, to interview the Applicant and/or the Sponsoring FI for monitoring purposes. Depending on circumstances, HKCMCL may at its discretion elect for a meeting or interview with the Applicant and the Sponsoring FI through online, telephone or other means in lieu of or in addition to a field visit.

9.3.4 Late submission of the progress report may lead to withholding, reduction, or cessation of the subsidy for the PoC project.

10. Auditing Requirement

10.1 To ensure that a PoC project is duly carried out, an audited statement may be required for successful Applicants upon request by HKCMCL at its discretion on a case-by-case basis. The audit fee can be covered in the final instalment subject to a limit of HKD3,000 maximum. Applicant shall absorb any excess fee more than HKD3,000. The required audit report should be conducted by an independent auditor who must be a Certified Public Accountant holding a practicing certificate registered under the Professional Accountants Ordinance (Cap. 50) (the “auditor”). The Applicant shall specify in the engagement letter for the employment of the auditor that the auditor shall strictly follow the requirements stipulated in the latest version of the “Notes for Auditors” issued by HKCMCL in conducting the audit and preparing the auditor’s report for each project. The engagement letter shall also specify that HKCMCL or representatives of HKCMCL or authorized government agencies shall have the right to communicate with the auditor on matters concerning the project deliverables, and the auditor shall provide HKCMCL with access to such project reports and supporting statements for inspection, verification and copying from time to time upon reasonable notice being given by HKCMCL. In conducting the audit, the auditor must comply with the relevant Standards and Statements of Professional Ethics issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants. In the auditor’s report, the auditor is required to express an audit opinion as to whether the Applicant has complied, in all material respects, with the terms and conditions of the Funding Agreement and to make full disclosure of any material non-

compliance. The applicant should submit the audit report within 45 days upon receiving the request from HKCMCL.

10.2 To maintain a high level of integrity of the projects under the PoC Scheme, HKCMCL may conduct random checks on individual PoC projects. Successful Applicants are required to keep a proper and separate set of books and records for each PoC project for 7 years after the completion of the project, and produce such books and records for checking by HKCMCL or representatives of HKCMCL or authorised government agencies upon request.

10.3 If an Applicant fails to comply with any requirements in the Guide and the terms and conditions stipulated in the Funding Agreement, HKCMCL may cease disbursement of all or any part of the subsidy to the Applicant and/or shall have the right to claim for repayment of the disbursed subsidy in full or in part together with all administrative, legal and other costs incurred and interest accrued up to the date of repayment from the Applicant. Under such circumstances, HKCMCL will inform the Applicant of its decision and reasons.

10.4 The Applicant is not entitled to charge any interest or claim any compensation or relief of whatsoever nature against HKCMCL for any payment of subsidy made or in the event of any withholding of payment of subsidy for any reason whatsoever.

11. Changes of Approved PoC Project

11.1 Extension of time

11.1.1 Extension of approved PoC project periods are discouraged and generally not allowed. However, successful Applicants may lodge requests for change in project completion date upon submission of progress report as a result of developmental challenges or external environmental shifts during the course of the project. Such changes need to be strongly justified with valid reasons with sufficient level of details and supplemented with a revised project plan. The Applicant should submit a change request electronically through the PoC Scheme dedicated website. Recommendations by the Panel may be sought before approval is granted by HKCMCL on a case-by-case basis.

11.1.2 Depending on the circumstances of the PoC project, an extension of the project duration shall be granted at the discretion of Cyberport on a case-by-case basis.

11.1.3 HKCMCL shall have the discretion in deciding whether or not to accept any time extension requests.

11.2 Change of project scope

Change of PoC project scope is not allowed. For any change of project scope before project approval, an Applicant should withdraw the application and submit a new application (provided that the applicable deadlines have not expired). After project approval, no change of project scope is allowed.

12. Termination

12.1 HKCMCL may at any time terminate all or any part of the subsidy by giving written notice to the Applicant with immediate effect on the occurrence of any of the following events:

- (a) the Applicant is in breach of any of the terms and conditions of the Funding Agreement;
- (b) the project fails in a material way to progress in accordance with the approved proposal;
- (c) HKCMCL forms the opinion that:
 - i. it is unlikely that the project will be completed in accordance with the approved proposal and other requirements in the Funding Agreement; or
 - ii. the project should be terminated in public interest;
- (d) the Applicant or Sponsoring FI has terminated the PoC project (the Applicant should notify HKCMCL in writing immediately to explain the reasons of termination);
- (e) any material change occurs in the management, ownership or control of the Applicant;
- (f) the Sponsoring FI does not meet the criteria in paragraph 5.6 or any material change occurs in the composition of the Sponsoring FI ;
- (g) the Applicant engages in any conduct prejudicial to HKCMCL or the project; or
- (h) the passing of any resolutions, the initiation of any proceedings, or the making of any order which may result in the winding up or dissolution of the Applicant (other than for the purpose of reconstruction or amalgamation) or if a receiver, provisional liquidator, liquidator or

administrator is appointed in respect of the whole or any part of its assets or if the Applicant makes an assignment for the benefit of or composition with its creditors generally or threatens to do any of these things or any judgement is made against the Applicant or any similar occurrence under any jurisdiction that affects the Applicant.

- 12.2 Any approved project extension or termination should be documented in the progress report and/or final reports which should be submitted duly to HKCMCL. Evaluation of such cases will be made by HKCMCL at its discretion on a case-by-case basis to determine disbursement of final payment. HKCMCL reserves the right to withdraw the subsidy or request full refund of initial payment at its discretion if in any event the successful Applicant is not able to carry out the responsibilities stated in the Guide. Depending on the extent of the requested changes and the impact of the proposed changes on the outcome of the project, recommendations by the Panel may be sought before approval is granted by HKCMCL on a case-by-case basis.

13. Handling of Information

- 13.1 Subject to the provisions below, information provided by the Applicants in their applications and final project reports will be kept by HKCMCL in confidence and all personal data will be handled in accordance with the relevant provisions of the Personal Data (Privacy) Ordinance (Cap. 486). In this regard, HKCMCL shall have the right to disclose, without further reference to the Applicants, whenever it considers appropriate, information and personal data to other Government bureaux/departments, statutory bodies or third parties for the purposes of processing the application, conducting research and survey, compiling statistics, meeting requirements of the law and/or performing their functions, and if the application is approved, monitoring the project, disbursing funding or related purposes. A summary of approved projects will also be posted on the PoC website for reference. Disclosure may also be made where the explicit consent to such disclosure is given by the Applicant and Sponsoring FI. In submitting the application form and signed sponsorship agreement, each Applicant and Sponsoring FI irrevocably and unconditionally authorises HKCMCL to make and consents to HKCMCL making any of the aforesaid disclosure.

- 13.2 By submitting an application, an Applicant is regarded to have agreed to, and to have obtained from the project coordinator, the business representative, the IT coordinator and each individual whose information (including personal data) is provided in the application, his/her consent for the disclosure, use and further disclosure by HKCMCL of the information (including personal data) for the purposes set out above.

14. Accuracy and completeness of applications

It is the responsibility of the Applicant to complete an application form, progress report and the final reports timely and truthfully, and to provide all supporting documents for the application and for the disbursement of the subsidy. Inaccurate and incomplete information will affect the processing of application or disbursement of funding. Any omission or misrepresentation of information may lead to rejection of applications, cancellation of applications approved, and part or full recoupment of funding awarded.

15. Probity policy for Applicants

15.1 To ensure the openness, fairness and integrity of the PoC Scheme, each Applicant shall:

- a) Comply with the Prevention of Bribery Ordinance (Hong Kong Legislation – Cap. 201) and advise its employees, agents, subcontractors and other personnel who are in any way involved in its application/project (the “Personnel”) that they shall comply with the same, and that they are not allowed to offer, solicit or accept from any person any advantages as defined in the Prevention of Bribery Ordinance in relation to the application/project;
- b) Not offer or give or agree to give any person employed by HKCMCL, or any members acting on its behalf, any gift, or favour during the subsidy period or as an inducement or reward for such person’s doing or forbearing to do or for having done or forborne to do any act in relation to the PoC Scheme or for showing or forbearing to show favour or disfavour to any person in relation to the PoC Scheme;
- c) Promptly declare and notify HKCMCL in writing of any potential or actual conflicts of interest upon becoming aware of the same. “Conflicts 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 PoC Scheme (e.g. Any relative of any directors and/or employees working in HKCMCL);
- d) Apply the funding prudently, efficiently and solely for the purpose of the project approved under the PoC Scheme;

- e) Abide by the principles of openness, fairness and competitiveness in the procurement of any goods/services in connection with the PoC Scheme;
- f) 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 under this policy; and
- g) 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.

It is an offence in law to obtain property/pecuniary advantage by deception or assisting persons to obtain property/pecuniary advantage under the PoC Scheme. Any person who does so may be liable to legal proceedings.

16. Compliance with the laws of Hong Kong and in other jurisdictions

Applicants in the PoC Scheme must comply with all local laws and regulations when conducting their business, and also those in other jurisdictions when conducting business there or where applicable.

17. Disclaimer

HKCMCL serves only as an administrator of the PoC Scheme. By assessing or approving an application, HKCMCL does not provide any guarantee or endorsement regarding the Applicant or its project. The Applicant shall be solely responsible for ensuring the suitability of the Applicant itself and the Sponsoring FI for the PoC Scheme. HKCMCL reserves the right to change the eligibility criteria and details of the arrangements as set out above from time to time without prior notice. HKCMCL disclaims any responsibility or liability over any dispute as between the Applicant and the Sponsoring FI.

18. Warranties and Indemnity

18.1 By submitting an application, the Applicant warrants that:

- a) It has provided true, full and accurate information to HKCMCL.
- b) It has complied and will comply with the provisions of the Guide.

- c) It has obtained all relevant consent from the Sponsoring FI in relation to the use and provision of PoC project-related data to HKCMCL.

18.2 The Applicant shall indemnify HKCMCL against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs and all other reasonable professional costs and expenses) suffered or incurred by HKCMCL arising out of or in connection with any breach of the Guide, including but not limited to any breach of the warranties contained in this paragraph 18.

19. Governing Law

The validity, performance and construction of the provisions of the Guide shall be governed by the laws of Hong Kong and be subject to the exclusive jurisdiction of the courts of Hong Kong.

20. Third Party Rights

No third party may enforce any provision of the Guide by virtue of the Contracts (Rights of Third Parties) Ordinance.

21. Enquiries

Contact HKCMCL for any queries about applications.
Email: pocsubsidy@cyberport.hk

Appendix 1 - List of Recognised Fintech Activities

Scope of services	Fintech activities
Asset Management	Robo-Advisor
	Micro-Investing
	Mainland-Hong Kong capital market connectivity
	Pensiontech
Blockchain	Global Trade
	Central Bank Digital Currency (CBDC)
	Trade Finance
	Cross-border Payments
	Digital Identity Protection
	Digital Asset Exchange
	Asset Tokenization
	Digital Asset Custodian Service
AI and Data Analytics	Credit Reference
	Capital Market
	Fraud Detection and Avoidance
	Investment Management
	Financial offer comparison
	Federated Learning ¹
	Open Application Programming Interface
Deposit and Lending	Digital Banking
	Balance Sheet Lending
	Risk Based Lending
	Embedded Lending
	Small-and-Medium Business Finance
Financial Software	Risk Management
	Payments
	Personal Finance
	Accounting
Insurance	Consumer Insurance Management Platforms
	Insurance Data / Intelligence
	Accurate Risk Pricing
	Embedded Digital Insurance
	Auto, Life, Home, Property and Casualty Insurance
	Insurance Infrastructure
Payments and clearing	Digital Payment
	E-Money

Rev.2.7 (Effective Date: 26 September 2022)

¹ Federated Learning is a new technology that enables technology firms or service providers to make use of personal / entity's data for provision of services without transferring such data to them, hence protecting privacy and mitigating the risk of data security breaches.

	Financial Transaction Security
	International Money Transfer
Environmental, Social and Governance (ESG)	Climate Tech
	Sustainable Investment
	ESG Risk Analysis
	ESG Reporting
	Sustainable Lending and Financing
Fintech Platforms	Lending
	Fund Raising
	Financial customer acquisition
	Personal Wealth
RegTech	Regulatory Intelligence
	Tax, Risk, or Record Management Solutions
	KYC and Anti-Money Laundering Solutions
	Transaction Monitoring and Reporting
	Data Protection & Cybersecurity Solution

Remarks:

- The scope of services and fintech activities above is not meant to be exhaustive.
- Eligibility of applicants will be separately verified and assessed where necessary.

Appendix 2 - Documents Required for Application Submission

- Initial Application Submission
 - Copy of Form 1(a)/1(c)/NAR1 of the Business Registration Office of the Applicant
 - Bank statement of one of the major banks for last three months
 - Proof of Business Operation in the past three months
 - A high-level solution overview / pitching deck to help Sponsoring FI(s) to understand your solution
 - If necessary, HKCMCL should require copies of the documentary evidence proving that the Applicant has substantive business operations in Hong Kong such as:
 1. Signed client agreement with the name of client and scope of service
 2. Proof of concept of prior projects
 3. Fundraising record – for FinTech companies that have not yet generated any revenue
 4. Company member of recognised industry organisations and associations (see Appendix 3)
 5. FinTech related vendor or service provider of the licensee under the recognised bodies (see Appendix 4)
 6. FinTech related award or business recognition (see Appendix 5)
 7. Other equivalent proof of FinTech activities
- Proposal Submission
 - Application Form (refer to Project proposal writing guideline document available in PoC Subsidy scheme 2022 website)
 - Project Proposal Signed PoC sponsorship agreement(s) with Sponsoring FI(s)

Appendix 3 - Recognised industry organisations and associations

This is by no means an exhaustive list, but it gives an indication of the type of eligible industry organisations and associations.

- Hong Kong Cyberport Management Company Limited (and related companies in the community)
- Hong Kong Science and Technology Parks Corporation (and related companies in the community)
- FinTech Association of Hong Kong (FTAHK)
- Regtech Association of Hong Kong
- Other associations with similar or equivalent nature

Appendix 4 - Recognised bodies

This is by no means an exhaustive list. Recognised bodies generally refer to the regulators as follows:

- Hong Kong Monetary Authority
- Hong Kong Insurance Authority
- Securities and Future Commission
- Mandatory Provident Fund Schemes Authority

Appendix 5 - Awards or business recognition

This is by no means an exhaustive list, but it gives an indication of relevant awards and business recognition which includes:

- Accenture FinTech Innovation Lab
- Alibaba Jumpstarter
- AppWorks
- Australian FinTech Awards
- Brinc accelerator program
- Canadian FinTech Awards
- Deloitte Technology Fast and Rising Star Program awards
- Dutch FinTech Awards
- EFMA FinTech Awards (US)
- ETnet FinTech Award
- European FinTech 100 Awards
- FinTech Lion Awards (Luxembourg)
- FinTech Breakthrough Awards
- FinTech City FinTech 50
- Global FinTech Hackcelerator
- Helix Blockchain Accelerator
- Hong Kong ICT Award
- IFTA FinTech Award
- InsurTech Innovation Award
- Malaysia FinTech Award
- Red Herring
- RegTech 100
- RegTech Insight Award
- RegTech Global Award
- Singapore FinTech Award
- SparkLabs
- Startup InsurTech Award
- SuperCharger
- Swiss FinTech Awards
- The Benzinga FinTech Awards (US)
- UK Department of International Trade FinTech Award
- UK FinTech Awards
- Other awards, business recognitions or accelerators with similar or equivalent nature

Appendix 6 – List of recognised research institute

This is by no means an exhaustive list, but it gives an indication of the recognized research institute includes:

- Local universities (including all University Grants Committee-funded institutions)
- Self-financing degree-awarding institutions registered under the Post-Secondary Colleges Ordinance (Cap. 320)
- Public research institutes, such as the Hong Kong Applied Science and Technology Research Institute, Hong Kong Productivity Council, Vocational Training Council, etc
- Fintech laboratories established by private entities in Hong Kong

Remarks:

- Eligibility of recognized research institute applicants will be separately verified and assessed where necessary.

Appendix 7 – High Impact Fintech Solutions

This is by no means an exhaustive list, but it gives an indication of Solutions which demonstrate the high and broad impact on the financial industry:

- Cross-border Fintech solutions
- Cross-sector/organization Fintech solutions
- Environment Sustainability and Governance (a.k.a. ESG) Fintech solution
- Central Bank Digital Currency (CBDC) fintech solutions
- Regtech
- Pensions tech
- Fintech OpenAPI
- Mainland Capital Market Integration Fintech
- Federated Learning^{*1}

High impact Fintech solution with unique use case that can impact larger group of financial institute and end customer are very important to financial sector in Hong Kong and Asia. Our key stakeholders express strong interest in having more commercial adoption for these types of fintech solutions this year.

Rev.2.7 (Effective Date: 26 September 2022)

¹ Federated Learning is a new technology that enables technology firms or service providers to make use of personal / entity's data for provision of services without transferring such data to them, hence protecting privacy and mitigating the risk of data security breaches.