



**TECHNOLOGY START-UP SUPPORT
SCHEME FOR UNIVERSITIES
(TSSSU大學科技初創企業資助計劃)
(CITYU GUIDELINES)**

OBJECTIVE

- a funding scheme hosted by Innovation and Technology Commission (ITC) to encourage students, professors and alumni of six local universities to start up **technology businesses** and commercialize their **R&D results**



Innovation and Technology Commission
The Government of the Hong Kong Special Administrative Region



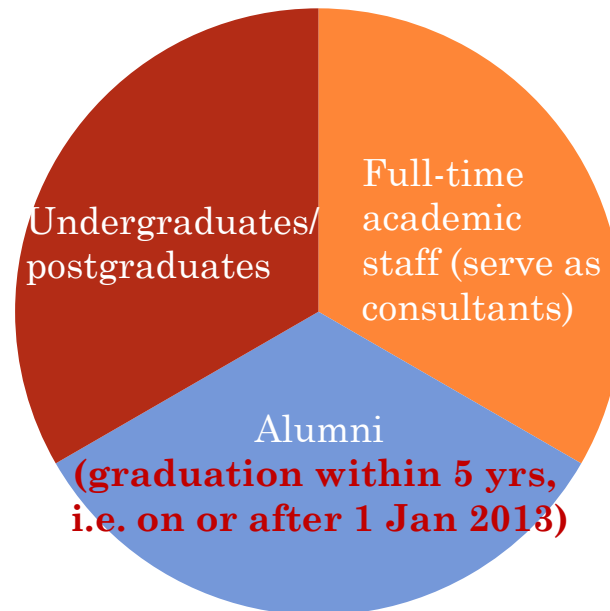
香港特別行政區政府
創新科技署



ELIGIBILITY



- companies registered under Companies Ordinance **within 2 years** (i.e. 1 February 2016 to 31 January 2018) by any mix of the CityU members below:



- * One of the CityU members will be appointed as **person-in-charge** who should hold a senior position in the start-up and cannot join other concurrently active teams funded by TSSSU

- ITC allows applicant start-ups to be registered after they are selected by CityU for TSSSU funding but before CityU forwards the funding recommendations to ITC for approval



ELIGIBILITY (CONT'D)



- Each applicant start-up should comprise more than 1 member
- Upon request, applicant start-up should disclose:
 - identity of shareholders
 - amount of respective shares holding
 - shareholders' involvement in related projects supported by TSSSU in the past 5 years

(general rule: corporate shareholders should not be mature companies in the same industry involving in R&D of similar deliverables, products or services)
- Existing TSSSU funding recipients are required to submit application for 2nd or 3rd year funding



FUNDING AMOUNT

- capped at \$1.2m/year per start-up for not more than 3 years
- each university has \$4m/year for supporting technology start-ups



FUNDING PERIOD



- 1 April 2018 * to 31 March 2019
*subject to confirmation by ITC

All expenses should be incurred during the funding period and on accrual basis.



SCOPE OF FUNDING

Basic principles :

- be **reasonable, proportionate** and **proper**
- expenses already funded by Government, Government subvented body, CityU or third parties will not be funded (**NO double payment**)
- be incurred mainly in Hong Kong (up to **50%** can be incurred in the Mainland/other countries)



SCOPE OF FUNDING (CONT'D)

Three main categories of expenses:

- Manpower
- Equipment
- Other Direct Costs:
essential items for setting up and operating the technology start-ups (e.g. consumables for R&D, license fee, marketing campaigns, legal or accounting services, furniture, rental of necessary premises, etc.)



UNALLOWABLE EXPENSES



- rental expenses that are irrelevant to operation
- manpower expenditures on bonus, gratuities, annual salary adjustment, fringe benefits & allowances, training, overtime pay, etc.
- expenses on mass production activities
- cost of forming associations
- investment
- loan repayment
- **travelling expenses** (except for out-of-town travelling expenses relating to exhibition participation or other reasonable and relevant activities - business and first class fares are not reimbursable)



UNALLOWABLE EXPENSES (CONT'D)



- entertainment expenses
- offering gifts (e.g. cash coupons)
- equipment/consumables provided by team members/shareholders
- matching fund for other government funding schemes
- fees arising from general services (e.g. office administrative services) provided by universities (license fee due to host university is reimbursable)
- expenses unnecessary or irrelevant to the operations of the start-ups



REIMBURSEMENT ARRANGEMENTS

- quarterly reimbursement basis

*start-ups should have enough cash / capital
for operation*



ASSESSMENT

Selection Panel comprising CityU & external assessors. Selection criteria include:

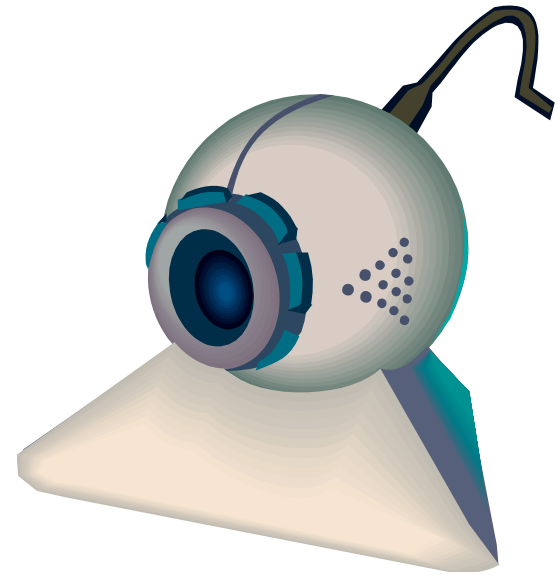
- innovation and technology content
- commercial viability
- business sustainability
- capability of the start-up and its team to undertake R&D work and manage the company
- social and/or community impact
- use of intellectual property rights (IPRs) of CityU

✓ *interviews*



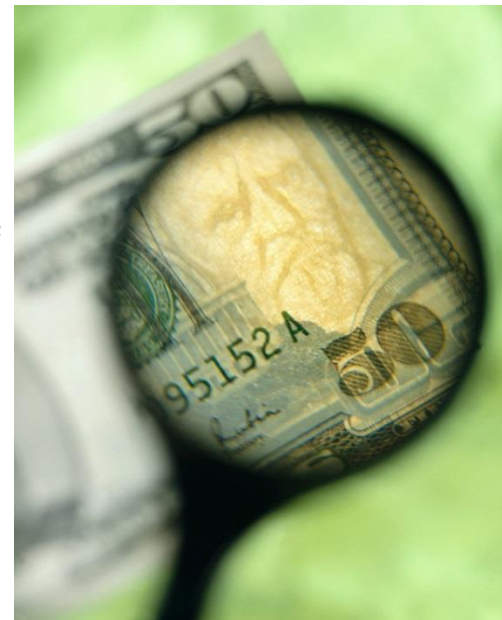
MONITORING AND REVIEW

- Quarterly reports
 - Quarterly meetings
 - Annual report
- performance measured against milestones and business plan



OTHER REQUIREMENTS

- Annual audit by Certified Public Accountants (CPAs) in accordance with the requirements stipulated by ITC
- Any material modification to the business proposal (e.g. change of key team members, milestones, business scope, budget change) will require prior approval from CityU



APPLICATION PROCEDURES

- Application form **Annex A** (with quarterly milestones, team composition, CVs, etc.)
- Business proposal
 - business description
 - industry analysis
 - market analysis (target market, market growth and trend, competitor analysis, etc.)
 - marketing strategy (the 4Ps)
 - management team composition
 - financial forecast **with a 3-year budget plan**
- Copy of student/staff card or graduation certificate of **person-in-charge**

Submit hard copy of the application materials to CityU Knowledge Transfer Office (Room 2220, Cheng Yick-chi Building) by 5pm on 8 Dec 2017



TIMETABLE

8 Dec 2017 (5pm)	Deadline of application
Dec 2017/Jan 2018	Interview of shortlisted applicants
By 1 Feb 2018	Submission of recommended applications to ITC



STATISTICS

Year	2014/15 (Dec-Mar)	2015/16	2016/17	2017/18
No. of applications	24	40	29	19
No. of TSSSU recipients	9	11	7	9
Success rate	37.5%	27.5%	24.1%	47.4%
Funding for each company	\$0.18m to \$0.72m	\$0.17m to \$0.51m	\$0.35m to \$0.83m	\$0.23m to \$0.85m



ENQUIRIES

Contact Person:

Ms Fanny Ho, Knowledge Transfer Office (KTO)
(Tel: 3442 6859; Email: fanny.ho@cityu.edu.hk)

Website:

<http://www.cityu.edu.hk/kto>

(must read TSSSU Guidelines and ITC Q&A)

