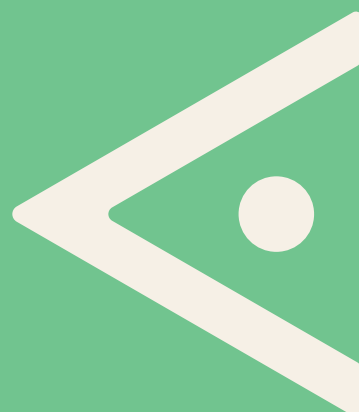


# ACDFS

藝能發展  
資助計劃  
ARTS CAPACITY  
DEVELOPMENT  
FUNDING SCHEME



**Arts Capacity Development Funding Scheme  
15<sup>th</sup> Round Funding Exercise (2025)  
Guide to Application**

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## PREAMBLE

This Guide to Application (“**Guide**”) provides basic information on the Arts Capacity Development Funding Scheme (“**ACDFS**”), including its objectives, eligibility of applicants, application procedure, proposal assessment mechanism, responsibilities of successful applicants, disbursement of grants and monitoring and evaluation mechanism of approved proposals.

As mentioned in Chapter V (Application) Paragraph 5.2, the ACDFS will be open for the 15<sup>th</sup> round of applications from **25 November 2025** to **20 January 2026** (“**Closing Date**”). This Guide may be subject to change in subsequent rounds of the funding exercise and applicants (“**Applicants**”, and each of them, an “**Applicant**”<sup>1</sup>) are advised to consult the latest version of such on the webpage: [www.cstb.gov.hk/en/acdfs.html](http://www.cstb.gov.hk/en/acdfs.html)

The original completed and duly signed application together with the relevant supporting documents shall be delivered or sent to the Secretariat of the ACDFS (“**Secretariat**”), or submitted via the online application system **before 6:00 p.m. on the Closing Date<sup>2</sup> and <sup>3</sup>**. **Any information submitted through public cloud storage, applications by email and late applications will not be considered.**

Enquiries about this Guide or application in respect of this funding exercise shall be addressed to the Secretariat administered and supported by the Culture, Sports and Tourism Bureau (“**CSTB**”) of the Government of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Government**”):

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<sup>1</sup> Eligibility criteria for Applicants are set out in Chapter IV (Eligibility) Paragraph 4.6.

<sup>2</sup> If Tropical Cyclone Warning Signal No. 8 or above, a black rainstorm warning signal, or “extreme conditions” announced by the Government is/are in force for any duration between 2:00 p.m. and 6:00 p.m. on the Closing Date, the Closing Date will be postponed to 6:00 p.m. on the next working day on which no Tropical Cyclone Warning Signal No. 8 or above, black rainstorm warning signal, or “extreme conditions” announced by the Government is/are in force for any duration between 2:00 p.m. and 6:00 p.m.

<sup>3</sup> Applications sent by Hongkong Post will only be accepted if postmarked no later than the Closing Date. Applications delivered by service agents or other means shall be delivered or sent to the Secretariat before 6:00 p.m. on the Closing Date.

Address: The Secretariat  
Arts Capacity Development Funding Scheme  
Culture, Sports and Tourism Bureau  
25/F, Wanchai Tower  
12 Harbour Road  
Wan Chai  
Hong Kong

Telephone: (852) 3102 2934 / (852) 3102 2935

Email: [acdfs@cstb.gov.hk](mailto:acdfs@cstb.gov.hk) (for enquiries only)

Website: [www.cstb.gov.hk](http://www.cstb.gov.hk)

Office hours: Monday to Friday, except public holidays  
9:00 a.m. to 1:00 p.m.; 2:00 p.m. to 6:00 p.m.

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- 1.1** The Financial Secretary announced in his Budget Speech in February 2010 a proposal to inject \$3 billion Hong Kong Dollars into the Arts and Sport Development Fund (“**ASDF**”) as seed money and use the investment returns thereon to provide sustainable resources for the long-term development of arts and sports. Following approval from the Finance Committee of the Legislative Council in July 2010, \$1.5 billion Hong Kong Dollars (i.e. \$3 billion Hong Kong Dollars shared equally between the arts and sports portions) was injected into the arts portion of the ASDF with a view to funding arts initiatives and projects conducive to building a vibrant local arts scene and bolstering the city’s standing in the global cultural landscape.
- 1.2** A provision of approximately \$50 million Hong Kong Dollars would be available for the 15<sup>th</sup> Round Funding Exercise of the ACDFS. The provision will be subject to an annual review of the investment returns in the previous year.
- 1.3** The ACDFS is designed and implemented by the Advisory Committee on Arts Development (“**ACAD**”) which advises the Government on policies and matters pertaining to local arts development. Applications under the ACDFS (the “**Applications**”, and each of them, an “**Application**”) will be assessed and recommended by the ACAD to the Government for approval. The Government will, taking into account the recommendations of the ACAD, consider whether or not to approve such applications, the amount of grants and conditions of grant, if any.

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**2.1** With the objectives of **strengthening the cultural software and building the capacity of the arts sector** of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), the ACDFS will provide funding support for innovative and impactful proposals ("**Proposals**", and each of them, a "**Proposal**") that contribute to the objectives of:

- **capacity development of arts practitioners, arts groups, art forms and/or the arts sector;**
- **programme/content development;**
- **audience building; and**
- **arts education.**

Proposals **of a large scale and/or with a long time frame** will be supported with a view to creating a greater impact on the local arts scene and on various professions, sectors and communities in Hong Kong. Applicants are encouraged to put forth proposals which will contribute to capacity development of a wider scope, such as proposals aiming to enhance capacities in various aspects including creativity, human resources and organisational capabilities; proposals seeking to develop the capacity of specific art form(s) and/or the arts sector as a whole in addition to building the Applicants' capacity; proposals supporting local artists on cultural exchange with the Chinese Mainland and/or abroad and taking them to the regional and international stage; proposals encompassing documentation, research, criticism, publication and/or other elements conducive to the sustainable development of the arts; proposals pioneering new frontiers in art practices and related critical reflection; and proposals striving for artistic excellence and innovation in respect of programme/content development. While the target beneficiaries of the ACDFS are established arts practitioners/arts groups, we welcome proposals which encompass training opportunities/elements to nurture young artists and/or arts administrators.

**2.2** The ACDFS aims to fill the gaps between various public funding schemes and sources for the arts and to support worthwhile initiatives

which contribute to the development of arts and culture in the community. It also seeks to promote various art forms and practices including **performing arts, visual arts, multi-disciplinary arts, community arts, arts education/appreciation/promotion and arts administration.**

**2.3** With the advancement of technology, the integration of arts and technology in various forms and at varying degrees has become a new trend in arts development. Technology brings breakthroughs to arts presentation, inspires creativity and opens up new space for creation. To embrace this new trend of arts development and enable the arts sector to push its limits, a new “Arts Technology” category has been introduced under the ACDFS in 2020 with a view to supporting proposals which aim to promote the convergence of arts and technology in the creation of novel presentation, curation and audience experiences. Projects that foster the integration of arts and technology in respect of research and development will also be considered. In view of the growing integration of technology and arts in various forms and at varying degrees, the necessity for a separate category of “Arts Technology” has diminished. The Government will continue to champion the integration, hoping to see widespread use of technology across all art forms with a view to promoting robust and innovative development of the arts sector. Applicants are encouraged to demonstrate their artistic vision and aspiration through the creative use of technology in proposals of respective art forms that exemplify and achieve the objectives of the ACDFS as mentioned in Paragraph 2.1.

**2.4** The ACDFS does not cover projects that fall under the scope of other dedicated Government funding schemes including the Cantonese Opera Development Fund, CreateSmart Initiative, Film Development Fund, Innovation and Technology Fund, and Intangible Cultural Heritage Funding Scheme. Proponents of proposals seeking to promote Cantonese opera/film/intangible cultural heritage or to develop creative sectors (covering advertising, architecture, design, digital entertainment, publishing, printing and television) or innovation and technology projects not aiming at the promotion and furtherance of arts development should make applications under the respective funding schemes instead.

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**3.1 Forms of Funding Support**

3.1.1 Two types of grants are provided by the ACDFS, namely: Springboard Grant and Project Grant (both “**Grants**”; and any of them, a “**Grant**”). Both Grants must be used to support the Proposals as detailed in the Funding Agreement (defined in Chapter VII (Funding Agreement and Disbursement of Grants) Paragraph 7.1). The Grant will cover costs incurred by the Applicant in implementing its Proposal, including creative and production costs, marketing and publicity costs, manpower and project administrative costs. The Government does not guarantee that the amount applied for will be approved in full for successful Applications. In accepting the Grant (either Springboard Grant or Project Grant), the grantee of the Grant (“**Grantee**”) has the obligation to find additional resources, if required, to ensure that the Proposal can be implemented as approved.

3.1.2 The ACDFS does not provide recurrent Grants and Applicants should not assume that similar applications will be approved in subsequent funding exercises. Neither the ACAD nor the Government is bound to approve any such applications having regard to all relevant factors such as the prevailing themes and priorities that may be taken to promote local arts development at different stages.

**3.1.3 Springboard Grant**

**Springboard Grant is a matching grant.**

- (a) Springboard Grant is intended to support non-profit Proposals, i.e. Proposals which are not implemented primarily to make a profit and are designed to elevate Applicants to a higher level of professional performance with enhanced deliverables capable of contributing to the four objectives of the ACDFS (viz. capacity development,



programme/content development, audience building and arts education). The Applicant for a Springboard Grant must meet the relevant criteria set out in Chapter IV (Eligibility). The Applicant must demonstrate that it has secured or will secure a total **cash income**, as specified in Paragraphs 3.1.3 (d) to 3.1.3 (f) (“**Cash Income**”) of **not less than \$750,000 Hong Kong Dollars** of which not less than \$250,000 Hong Kong Dollars is **non-government sponsorships and/or donations**, as specified in Paragraph 3.3 (“**Non-government Sponsorships and/or Donations**”) for matching for its Proposal. A **200% matching grant up to a maximum amount of \$4 million Hong Kong Dollars** may be provided in respect of the Applicant’s actual **Cash Income**. The funding period may last for a **maximum period of two years** unless otherwise approved by the Government.

- (b) Each Grantee of the first Springboard Grant may apply for a **second Springboard Grant**. In the case of a successful application for a second Springboard Grant, the **maximum funding period is three years** for the second Springboard Grantee to implement its enhanced Proposal for a more sustainable development of its organisation. The Applicant must demonstrate that it has secured or will secure a total **Cash Income of not less than \$750,000 Hong Kong Dollars** of which not less than \$250,000 Hong Kong Dollars is Non-government Sponsorships and/or Donations for matching for its Proposal. A **200% matching grant up to a maximum amount of \$5.5 million Hong Kong Dollars** may be provided in respect of the Applicant’s actual **Cash Income**. Neither the ACAD nor the Government is bound to recommend and approve respectively any application for a second Springboard Grant.
- (c) Upon completion of the Proposal funded by the second Springboard Grant in which the stipulations set out in Chapter VII (Funding Agreement and Disbursement of Grants) Paragraph 7.3.2 have all been accomplished, subject to the recommendation of the ACAD, the Springboard

Grantee would be admitted as Graduated Springboard Grantee eligible for applying for the Art Development Matching Grants Scheme<sup>4</sup>. Graduated Springboard Grantee will no longer be eligible to apply for any further Springboard Grant.

### **Cash Income to be Matched**

- (d) In addition to Non-government Sponsorships and/or Donations in cash for matching as specified in Paragraph 3.3, Cash Income to be matched includes any revenue that the Applicant can generate from the approved Proposal including box office income, admission fees, enrolment fees, participation fees, sales of merchandise developed, etc., as an integral part of the Proposal. Cash Income shall exclude administrative charges imposed by third parties, such as ticket commission, credit card commission and handling charges.
- (e) Cash sponsorships and/or donations provided directly or indirectly for the Proposal by any government funding source shall not form part of the Cash Income.
- (f) Sponsorships or donations in kind shall not form part of the Cash Income.
- (g) The Applicant must explain how such funds and income are/will be raised (such as charging admission fees or soliciting commercial sponsorship). The Applicant must set out clearly in the Application Form as specified in Chapter V (Application) the sources of funds and income. The Applicant must also submit documentary proof to the

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<sup>4</sup> The Art Development Matching Grants Scheme (ADMGS) is a Government initiative introduced in 2016 to promote a culture of donation. Graduated Springboard Grantees are eligible for applying the ADMGS if they succeed in soliciting a floor amount of \$200,000 Hong Kong Dollars of sponsorships and/or donations during the one-year grant period as specified in the Application Guide of each round of the ADMGS. Generally speaking, the disbursement of grant is at a matching ratio of 1:1.5 and there will be an upper limit of \$4 million Hong Kong Dollars for the aggregate amount of the grant.

satisfaction of the ACAD and the Government that the claimed amount of income, including but not limited to Non-government Sponsorships and/or Donations for matching solicited for supporting the implementation of the Proposal, is deliverable. Such documentary proof shall indicate the sponsor(s)/donor(s)'s consent for the Applicant to use the Non-government Sponsorships and/or Donations as Cash Income for matching purpose in support of the Proposal, and the identity of sponsor(s)/donor(s) must be revealed. The Applicant must note that failure to provide documentary proof of the Non-government Sponsorships and/or Donations in cash for matching to the satisfaction of the ACAD and the Government will render the Application not to be considered further.

- (h) The Applicant must use the Cash Income to cover costs incurred by itself in implementing its Proposal. It is required to indicate in the proposed budget the Cash Income which is expected to be received, as well as the expenditure items supported by the Cash Income during the funding period as specified in Paragraphs 3.1.3 (a) and 3.1.3 (b).

#### 3.1.4 **Project Grant**

**Project Grant is a direct grant.**

- (a) Project Grant is intended to support **non-profit Proposals of high artistic/professional merit** that fulfil **one or more of the objectives** of capacity development, programme/content development, audience building and arts education. Project Grant seeks to fund large-scale and **impactful** arts projects which contribute to local arts development by allowing a longer duration for project implementation. The Applicant for a Project Grant must meet the relevant criteria set out in Chapter IV (Eligibility).
- (b) Applications for Project Grant must involve Proposals with an overall **projected expenditure at or above \$1 million Hong Kong Dollars**. Applications that do not meet the

minimum requirement of the overall projected expenditure will not be considered.

- (c) **Part or whole** of the net approved project cost after deducting the expected income and revenue obtained from the project may be covered by this Grant. A **direct grant up to a maximum amount of \$3 million Hong Kong Dollars** may be provided for a **maximum period of two years** unless otherwise approved by the Government.
- (d) If the Project Grantee solicits Non-government Sponsorships and/or Donations of not less than **\$100,000 Hong Kong Dollars** in cash during the course of project implementation (the amount so solicited, the “**Solicited Amount**”), subject to a maximum Solicited Amount of **\$400,000 Hong Kong Dollars** being matched, the Government shall make an extra matching payment to the Project Grantee at a matching ratio of 1:2 (the amount paid by the Government the “**Incentive Matching Sum**”). Accordingly, the maximum amount of the Incentive Matching Sum shall be \$800,000 Hong Kong Dollars.
- (e) The Non-government Sponsorships and/or Donations recognised for this purpose must meet the requirements as specified in Paragraph 3.3. Subject to the Government’s written approval, the Project Grantee shall use the Incentive Matching Sum to enhance the approved Proposal.

## **3.2 Double Subsidy**

- 3.2.1 Double subsidy in the form of cash support must be avoided. If support from other public funding sources<sup>5</sup>, has been granted to (a) particular expenditure item(s) of the approved Proposal, the same item(s) will not be eligible for funding. The Applicant must not include such expenditure items receiving other public

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<sup>5</sup> Public funding sources refer to funding provided by Government Bureaux/Departments or public organisations receiving recurrent funding from the Government (e.g. CSTB, Leisure and Cultural Services Department, Hong Kong Arts Development Council, Education Bureau, Social Welfare Department and District Councils).

financial support in the projected expenditure of the Proposal.

- 3.2.2 To cultivate a supportive culture for arts in the community, a Springboard/Project Grant may be made to support a Proposal receiving **non-cash support from other public funding sources** (e.g. venue support and ticketing services sponsored by the Leisure and Cultural Services Department (“LCSD”)), subject to recommendation by the ACAD and approval by the Government at its absolute discretion. Consideration will be given on a case-by-case basis in light of the prevailing circumstances.

### **3.3 Non-government Sponsorships and/or Donations**

- 3.3.1 The Applicant is required to list in the Application any Non-government Sponsorships and/or Donations for matching that it has already secured and it may be able to secure. Applicants for Springboard Grant are encouraged to explore different sources of funding support. Newly sourced Non-government Sponsorships and/or Donations for matching are preferred.
- 3.3.2 Any Non-government Sponsorships and/or Donations included in the Cash Income for matching purposes must come from a party or parties which are not related to the Applicant in terms of control, management or otherwise.
- 3.3.3 Non-government Sponsorships and/or Donations must not be sought in return for purchase of goods and/or services provided by the sponsor(s)/donor(s) directly or indirectly.
- 3.3.4 There must not be pecuniary interest between the sponsor(s)/donor(s) and the approved Proposal. Money given to the Applicant in exchange of goods, services or performances provided by the Applicant (e.g. commission fee, hire engagement, research, consultancy, etc.) will not be considered as sponsorships and/or donations for matching.

3.3.5 The successful Applicant of either a Springboard Grant or a Project Grant (each a “**Successful Applicant**”), agrees and undertakes that it shall not accept sponsorships, donations or advertisements:

- (a) which, in the reasonable opinion of the Government, may jeopardise the image or reputation of the Government;
- (b) from, nor be in association in any form or manner with, any person in the tobacco or tobacco-related industry, or any person in the smoking products (including electronic cigarettes and heat-not-burn products) industry or any industry related thereto; or
- (c) from any person in the alcohol industry for events specifically aimed at young people under 18.

3.3.6 The Successful Applicant of a Springboard Grant must produce documentary proof to the satisfaction of the Government before disbursement of the first instalment that the pledged Non-government Sponsorships and/or Donations for matching of not less than the minimum amount as specified in Paragraphs 3.1.3 (a) and 3.1.3 (b) are available. All committed Non-government Sponsorships and/or Donations for matching of Springboard Grant must be received before the last instalment of the Grant is disbursed by the Government.

3.3.7 The Successful Applicant agrees and undertakes that during the project implementation it shall not accept funds raised from, including but not limited to sponsorships, donations or advertisements, and not be in association in any form or manner with any activity that is likely to constitute or cause the occurrence of offences endangering national security, public interest of Hong Kong, public morals, public order or public safety, or would be contrary to the interest of national security, public interest of Hong Kong, public morals, public order or public safety.

### 3.4 Instalments

3.4.1 Grants will be disbursed by instalments during the funding period on the Grantee accomplishing appropriate milestones/deliverables<sup>6</sup> and subject to any other conditions attached to the approval of the Grants. The dates of the **instalment schedule** are to be agreed between the Grantee and the Government, and will be stipulated in the Funding Agreement.

3.4.2 The first instalment is to provide start-up funds for the Grantee and will be disbursed upon the parties signing the Funding Agreement and the Grantee satisfying other conditions prescribed by the Government, with a maximum amount of up to 30% of the approved Grant. In most cases, the Grant will be disbursed in **four or five instalments** in the following manner and in accordance with the arrangements set out in Chapter VII (Funding Agreement and Disbursement of Grants) Paragraphs 7.3.1 to 7.3.5.

<u>Instalment</u>	<u>Springboard Grant</u>	<u>Project Grant</u>
First	Maximum of 30% of the approved Grant.	Maximum of 30% of the approved Grant.
Second and/or Third	An amount equal to the approved Grant minus the amounts of the First, Second Last and Final Instalments, to be disbursed in one (second instalment) or two instalments (second and third instalments),	An amount equal to the approved Grant minus the amounts of the First, Second Last and Final Instalments, to be disbursed in one (second instalment) or two instalments (second and third instalments),

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<sup>6</sup> All preceding activities and/or events and deliverables arising out of the Proposal leading up to the milestones and deliverables as referred to in the Proposal shall be accomplished before the disbursement of relevant instalments to the satisfaction of the Government.

<u>Instalment</u>	<u>Springboard Grant</u>	<u>Project Grant</u>
	upon satisfactory accomplishment of milestones/deliverables with evidence proving that a matching amount of income has been deposited.	upon satisfactory accomplishment of milestones/deliverables.
Second Last	Not less than 10% of the approved Grant, and subject to satisfactory completion of all milestones/deliverables of the Proposal with evidence proving that a matching amount of income (inclusive of proportional matching for the first instalment) has been deposited.	Not less than 10% of the approved Grant, and subject to satisfactory completion of all milestones/deliverables of the Proposal.
Final	Not less than 10% of the approved Grant subject to accomplishment of the stipulations set out in Paragraph 7.3.2 and with evidence proving that a matching amount of income for all instalments has been deposited.	Not less than 10% of the approved Grant subject to accomplishment of the stipulations set out in Paragraph 7.3.2.

Additional interim instalments may be considered provided that a genuine need of cash flow is evident as demonstrated by the Grantee.



3.4.3 The Government expects to disburse an instalment within fourteen working days of accepting the Grantee's accomplishment in relation to the milestones/deliverables and other conditions required for the payment of such instalment.

3.4.4 For details about the Grants, please refer to Chapter VII (Funding Agreement and Disbursement of Grants) of this Guide.

### **3.5 Deficit or Residual Funds/Operating Surplus**

3.5.1 Under no circumstances will the members of the ACAD and the Government accept any liability for deficits arising from or in relation to an approved Proposal. Grantees will be solely responsible for any deficits arising from the implementation of the approved Proposals. In addition, Grantees shall be solely responsible for any shortfall arising from the implementation and completion of the Proposals.

3.5.2 Grantees must return to the Government any residual funds and operating surplus (including the sale proceeds from all or any equipment and/or goods disposed of as specified in Chapter XI (Unallowable Costs) Paragraph 11.2.2) generated from the Proposal, with the maximum being the amount of the Grant at the time of submission of the audited account report (see Chapter IX (Obligations) Paragraph 9.1.4), except for the following special circumstances:

(a) The ACAD has made a recommendation that the Government approve the use for a purpose contributing to arts development in Hong Kong which is related to the scope and objectives of the approved Proposal; and

(b) the Government has so approved the use.

**3.6** The Government reserves the right to suspend or terminate the Grant for an approved Proposal as set out in Chapter X (Project Variation) Paragraphs 10.2.1 to 10.2.5.

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## Chapter IV

## ELIGIBILITY

- 4.1** The subject matter of the Proposal must relate to **arts and culture**. The Proposal must be **non-profit making** and the Applicant must demonstrate such nature of the Proposal to the satisfaction of the ACAD. A Proposal that is eligible for funding from existing public funding sources or is deemed to be financially self-sufficient whether with or without support from the existing public funding sources and/or the community may be given lower priority unless the Applicant can demonstrate how the additional resources, if provided by the ACDFS, will enable the Proposal to better fulfil the objectives of capacity development, programme/content development, audience building and arts education.
- 4.2** A Proposal which is seeking/receiving **non-cash support from other public funding sources** is eligible to apply for the ACDFS. The Applicant should also note Chapter III (Funding Support) Paragraphs 3.2.1 and 3.2.2.
- 4.3** The Applicant shall submit **only one Application in its name or one Joint Application** (as defined in Paragraph 4.6.6) with another Applicant in this round of funding exercise.
- 4.4** The Government shall not in any circumstances be liable for any costs and expenses incurred by an Applicant in relation to its Application or otherwise.
- 4.5** Unless the ACAD recommends to the Government that an exception be made in which case it will be up to the Government to grant an exception at its absolute discretion, an Application must satisfy all the requirements set out in this Chapter in order to be eligible for consideration by the ACAD and the Government.
- 4.6 Eligible Applicants**
- 4.6.1** Successful Applicants for **Springboard Grant** must be either (i) companies incorporated under the Companies Ordinance (Cap. 622) or the old Companies Ordinance (Cap. 32) as limited by

guarantee whose objects and powers do not include the distribution of profits to members; or (ii) charitable institutions or trusts of a public character which are exempt from tax under section 88 of the Inland Revenue Ordinance (Cap. 112). **Such legal status must have been acquired by the Applicant prior to entering into the Funding Agreement.** The Applicant will be required to provide documentary proof to the satisfaction of the Government that it has met the requirements of this paragraph.

4.6.2 Successful Applicants for **Project Grant** must be either (i) companies incorporated under the Companies Ordinance (Cap. 622) or the old Companies Ordinance (Cap. 32); (ii) companies incorporated under the Companies Ordinance (Cap. 622) or the old Companies Ordinance (Cap. 32) as limited by guarantee whose objects and powers do not include the distribution of profits to members; or (iii) charitable institutions or trusts of a public character which are exempt from tax under section 88 of the Inland Revenue Ordinance (Cap. 112). **Such legal status must have been acquired by the Applicant prior to entering into the Funding Agreement.** The Applicant will be required to provide documentary proof to the satisfaction of the Government that it has met the requirements of this paragraph.

4.6.3 A Successful Applicant must maintain the non-profit making nature of the Proposal by returning residual funds or operating surplus to the Government upon completion of the Proposal unless the Government has approved the use of such funds under special circumstances as described in Chapter III (Funding Support) Paragraph 3.5.2. Applicants should also note related requirements in Paragraph 3.5.1 and Chapter VII (Funding Agreement and Disbursement of Grants) Paragraphs 7.1.1 to 7.2.3.

- 4.6.4 The Applicant must not be receiving recurrent funding of any form from the Government (such as subvention provided by the CSTB and the LCSD to the nine major performing arts groups<sup>7</sup> and the Hong Kong Arts Festival Society respectively) during the funding period. In addition, the Applicant for Springboard Grant which is receiving a grant from the Hong Kong Arts Development Council (HKADC)'s Eminent Arts Group Scheme or Year Grant Scheme is required to **declare** in its Application and submit the information including the budget of the approved project under such HKADC's grant as documentary proof to support the Application.
- 4.6.5 The Applicant must be the organiser of the Proposal, unless specifically mentioned in the Proposal, or under special circumstances and approval has been obtained from the Government in advance.
- 4.6.6 **Joint application**, which is an Application made by two or more Applicants ("**Joint Application**"), is allowed. Except in the case of an incorporated joint venture or a partnership, all the parties constituting the Applicant must indicate their consent to submit the application and be bound by the Funding Agreement. A principal will have to be designated for the administration of the approved Proposal, and the respective responsibilities of all the parties constituting the Applicant must be stated clearly in the Application Form. The requirement stated in Paragraph 4.3 applies to the Applicants for Joint Applications.

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<sup>7</sup> Major performing arts groups include: (i) the Hong Kong Philharmonic Orchestra; (ii) Hong Kong Chinese Orchestra; (iii) Hong Kong Repertory Theatre; (iv) Hong Kong Dance Company; (v) Hong Kong Sinfonietta; (vi) Hong Kong Ballet; (vii) City Contemporary Dance Company; (viii) Chung Ying Theatre Company; and (ix) Zuni Icosahedron.

4.6.7 Application submitted in the name of individuals will not be accepted. Applicants who are in the process of acquiring the legal status as required in Paragraphs 4.6.1 and 4.6.2 can submit the Application and declare in the Application Form. For the avoidance of doubt, **such legal status must have been acquired by the Applicant prior to entering into the Funding Agreement.**

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### 5.1 Application Form

5.1.1 The Application Form can be obtained from the Secretariat or downloaded from the ACDFS webpage, or accessed via the online application system. Details are as follows:

Address: The Secretariat  
Arts Capacity Development Funding Scheme  
Culture, Sports and Tourism Bureau  
25/F, Wanchai Tower  
12 Harbour Road  
Wan Chai  
Hong Kong  
Webpage: [www.cstb.gov.hk/en/acdfs.html](http://www.cstb.gov.hk/en/acdfs.html)

5.1.2 The Application Form must be duly completed and signed by the Applicant. **Each Application is to cover only one Proposal for either a Springboard Grant or a Project Grant. Each Applicant is only allowed to submit one Application** in respect of this funding exercise as specified in Chapter IV (Eligibility) Paragraph 4.3.

5.1.3 The Applicant must submit all information and documents required as specified in the Application Form and this Guide, including but not limited to the following:

(a) Proposal/Operation Coordinator

- (i) In each Application, the Applicant must nominate a proposal/operation coordinator;
- (ii) If the Application is approved, the proposal/operation coordinator will be responsible for administering and operating the implementation of the Proposal, monitoring its expenditure and ensuring the proper use of the Grant in accordance with the approved budget,

this Guide and other instructions set for the Grantee, answering enquiries and attending progress meetings with the Secretariat and/or the ACAD, if required.

(b) Project/Operation Budget

- (i) All monetary figures must be in **Hong Kong currency**;
- (ii) The Applicant is required to submit a proposed **budget** for implementing the Proposal, showing all expenditure, Non-government Sponsorships and/or Donations for matching, income and revenue described in Chapter III (Funding Support) Paragraphs 3.1.1 to 3.1.4 as well as justifications for and the calculations of the budget. In considering the amount of the Grant, the Government will take into account the net project costs after deducting expected income (including the amount of sponsorships and donations) from the expected expenditure of the Proposal;
- (iii) When preparing the budget as required in Section C of the Application Form, all **expenditure** items have to be grouped under the specific categories of manpower, production costs and other project costs;
- (iv) If contingency and miscellaneous expenses are included in the budget, the total amount of these expenses should not exceed 3% of the total grant amount applied for and the Successful Applicant will be required to account for the actual spending of such contingency and miscellaneous expenses during implementation of the Proposal;
- (v) Costs of **new equipment and goods** procured, used and paid solely for implementing the Proposal during the planning, preparation and operation periods as approved by the ACAD may be charged to the Project/Operation Account (see Chapter VII (Funding Agreement and Disbursement of Grants) Paragraph

7.2). The Applicant will be responsible for maintenance and repair of the equipment and goods and such costs should not be included in the budget;

(vi) The Grantee must charge expenditure items to the Project/Operation Account in accordance with the requirements set out in Chapter XI (Unallowable Costs);

(vii) For a Proposal which relates to an event that is intended to become an **annual or regular event**, the Applicant has to demonstrate that the Grants will be used for a specified period to (i) provide information and documents which indicate the parts where enhancements and/or significant changes have been made to and/or new initiatives have been added to the Proposal, including but not limited to details of its sustainable development and **long-term plan** in relation to the Proposal; and (ii) acknowledge that it understands that the Grants, if approved, may not be provided to fund future editions of the event; and

(viii) The Applicant is required to **declare** in the Application whether it has sought or is seeking other financial support for the Proposal from **the Government or other public funding sources**.

5.1.4 Apart from the above, the Applicant must provide a comprehensive **plan** covering the followings:

- (a) **a feasibility evaluation** of the Proposal having regard to the market demand of the community, the availability of venue(s), talents and expertise required and other determining factors;
- (b) **a proposed budget** setting out all costs and expenditure and the income and revenue to be generated ("**Budget**");
- (c) **a cash flow projection** designating milestones for financial entries and outlay ("**Cash Flow Projection**");



- (d) **an implementation strategy** for implementing and administering the Proposal with effective manpower development and for ensuring the proper and effective use of the Grant;
- (e) **an evaluation proposal** detailing how the Proposal will meet the themes and priorities as well as the objectives of this funding exercise and what performance indicators will be used for measuring the performance of the Applicant; and
- (f) **a risk control/contingency plan** if milestones/deliverables are not achieved as planned.

5.1.5 The Applicant who has been granted Springboard Grant in previous round(s) of funding exercise and wishes to apply for a second Springboard Grant in this round of funding exercise is required to show how its Proposal for Application in this round of funding exercise will further elevate its professional performance/capacity on top of the outcome of the approved Proposal implemented with the first Springboard Grant, and bring about continued development upon completion of the Proposal implemented with the second Springboard Grant.

5.1.6 Applications from Applicants who are past and existing Grantees will be considered in conjunction with their performance under the previous round(s) of funding exercise(s). In case their Proposals under the previous round(s) of funding exercise(s) are not yet completed at the time of assessment, the Applicants' interim performance will be taken into account. If any of such Applicants is selected, approval-in-principle will be granted subject to the Applicant's satisfactory completion of its approved Proposal under the previous round(s) of funding exercise(s). The Funding Agreement with the Government will only be signed, and any Grants for such Applications, if approved, will only be disbursed after satisfactory completion of its approved Proposal funded by the previous round(s) of funding exercise(s).

5.1.7 Applicants may provide recordings or documentation of up to three previous works for reference. Any information submitted

through public cloud storage will not be considered.

## 5.2 Application Period

The ACDFS will be open for the 15<sup>th</sup> round of applications from 25 November 2025 to 20 January 2026.

## 5.3 Application Procedure

5.3.1 The Application Form must be completed either in **English or Chinese**. In the case of any inconsistency between the English version and the Chinese version of this Guide or of the Application Form (as the case may be), the English version shall prevail.

5.3.2 The Applicant who furnishes hard copy Application must submit **one original and two photocopies** and the **electronic version** of the completed Application Form, together with all information and documents (text information in Word format and **Budget and Cash Flow Projection** in standardised Excel format, stored in CD-ROM/USB flash drive) required by the Application Form and this Guide, to the following address:

The Secretariat  
Arts Capacity Development Funding Scheme  
Culture, Sports and Tourism Bureau  
25/F, Wanchai Tower  
12 Harbour Road  
Wan Chai  
Hong Kong

Applicants who submit **e-Form** are required to upload via the online application system, the **Budget and Cash Flow Projection** in standardised Excel format, all information and supporting documents (if applicable). For those who prefer to submit the supporting documents in hard copy, please send to the above address.

Applicants must provide the Budget and Cash Flow Projection together with the Application Form and submission after the deadline will not be considered.

5.3.3 The Applicant may be required to provide **supplementary documents and information** from time to time in respect of its Application. Failure to provide such information within the specified time will render the Application not to be considered further. Any information submitted through public cloud storage will not be considered.

5.3.4 The Application Form and information submitted by an Applicant will be retained by the Secretariat for record and audit purposes. The Applicant should therefore make its own copies of these documents for record purposes. Reference materials submitted such as publications, photos, visual/audio CD-ROMs will not be returned to the Applicant.

5.3.5 No fee will be charged for making the Application.

## **5.4 Re-submission**

If an Application is rejected, the Applicant shall not re-submit an Application for an ACDFS grant to implement the same Proposal in any subsequent rounds of application unless significant and substantial changes and/or enhancements have been made to that Proposal, or the Applicant is able to produce new information and documents which show an in-depth review of the Proposal. A re-submitted Application must be made by way of a fresh and a completed Application Form. The Applicant must indicate in the Application Form changes that have been made to the original Proposal, without which the Application will not be considered.

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**6.1 Vetting procedure**

- 6.1.1 Upon receipt of an Application, the Secretariat will conduct a **preliminary screening** and may seek clarification or supplementary information from the Applicant. Failure to provide such information within the specified time will render the Application not to be considered further.
- 6.1.2 If an Application meets all the requirements set out in Chapter IV (Eligibility) or if an exception has been granted in respect of that Application (see Paragraph 4.5), the Secretariat will proceed to arrange for a panel of ACAD members and Expert Advisers (see Paragraph 6.4.2) to assess the Application according to the category that best describes the nature of the Proposal as indicated by the Applicant.
- 6.1.3 Assessment panel comprising ACAD members and Expert Advisers (“**Assessment Panel**”) will assess Applications for Springboard Grant or Project Grant under the ACDFS in accordance with the criteria and guidelines approved by the ACAD, to make recommendations to the ACAD, and to make suggestions to the ACAD to fine-tune the selection criteria and process as required.
- 6.1.4 The Applicant and members of its Project Team (as defined in Paragraph 6.1.6) may be required to attend interviews to present its Proposal to the Assessment Panel and to answer questions regarding such.
- 6.1.5 The ACAD will consolidate the outcomes of the Assessment Panels for making recommendation to the Government which will consider whether or not to approve an Application, the amount of the Grant and what conditions be attached taking into account the recommendations of the ACAD.

- 6.1.6 For the purposes of this Guide, the Funding Agreement or the Application Form, **“Project Team”** means the personnel deployed by the Applicant to implement the Proposal including but not limited to partners, experts, artists, arts practitioners and arts administrators.

## **6.2 Assessment Criteria**

- 6.2.1 Applications will be assessed according to the following criteria:

- **artistic/professional merit;**
- **creativity and originality;**
- **impact on the arts sector and the community;**
- **technical feasibility;**
- **capacity in financial planning and management; and**
- **management ability of the Applicant and the Project Team.**

**The Applicant’s performance in implementing the approved Proposal under the previous round(s) of funding exercise(s), if applicable, will also be taken into consideration.**

- 6.2.2 Applications will not be considered on any of the following grounds:

- (a) the Application is submitted in the name of an individual;
- (b) the Application fails to provide the Budget and Cash Flow Projection in conjunction with the Application Form;
- (c) the Application for Project Grant does not meet the minimum requirement of overall projected expenditure at or above \$1 million Hong Kong Dollars;
- (d) the Applicant for Springboard Grant fails to provide documentary proof ascertaining the Cash Income from Non-government Sponsorships and/or Donations secured or will secure in cash for matching; or

- (e) the Applicant has engaged, is engaging, or is reasonably believed to have engaged or be engaging in acts or activities that are likely to cause or constitute the occurrence of illegal activities and/or offences endangering national security or otherwise the rejection is necessary in the interest of national security, or is necessary to protect the public interest of Hong Kong, public morals, public order or public safety.

6.2.3 The Government reserves the right to **reject** an Application on any of the following grounds, including but not limited to Paragraph 6.2.2 and the followings:

- (a) the Application is incomplete or contains incorrect information or fails to comply with the requirements set out in this Guide and the Application Form;
- (b) a petition is presented or proceedings are commenced or an order is made or a resolution is passed for the winding up or bankruptcy of the Applicant;
- (c) a false, inaccurate or incomplete statement or representation is contained in the Application or a promise or a Proposal is made which cannot be fulfilled or delivered;
- (d) the Applicant is in default of its obligation(s) under other agreements with the Government; or
- (e) the Applicant or the Proposal does not meet or comply with the eligibility criteria set out in this Guide, including but not limited to Chapter IV (Eligibility) of this Guide.

6.2.4 If the Secretariat has had reasonable grounds to believe that a Proposal or any matters proposed to be performed or conducted under a Proposal infringes or is likely to infringe any **Intellectual Property Rights of any party**, the Application will not be processed further and may be rejected unless the dispute or allegation has been satisfactorily resolved.

6.2.5 In considering an Application, due consideration will be given to, among others, the following factors, wherever applicable:

- (a) the **impact** of the Proposal in strengthening the capacity development of the arts in Hong Kong, as manifested by the **four objectives** of the ACDFS viz. capacity development of arts practitioners, arts groups, art forms and/or the arts sector; programme/content development; audience building; and arts education;
- (b) whether the Proposal is **creative and original**; and whether it is of **high artistic merit** in comparison to the works of art available in the same or similar art forms;
- (c) whether benefits accrued from the Proposal can **serve the interests of the arts sector or the community as a whole**;
- (d) whether the Proposal is **non-profit making** by nature;
- (e) whether the Proposal is **practical, reasonable and technically feasible**, including but not limited to the overall planning, duration, and expertise and resources available for implementation of the Proposal;
- (f) the **capability** of the Applicant and the Project Team, including but not limited to their artistic/professional merit, expertise, experience, qualifications, track record, capabilities in project planning, implementation and management, marketing and risk management;
- (g) whether the Budget including income and expenditure is **reasonable, practicable and realistic**, whether the Applicant is committed to **prudent exercise of financial management and control**; and whether the Proposal has been financed or should be financed by other public funding sources; and
- (h) any other special factors which are relevant and contribute towards the objectives of the ACDFS.

## 6.3 Self-evaluation

6.3.1 The Applicant is required to propose evaluation methods and performance indicators for their Proposals. Such evaluation methods and performance indicators should encompass **qualifiable and quantifiable deliverables**. In addition, the Applicant should suggest documentary proof such as survey results, online responses and the like.

6.3.2 The ACAD may require the Applicant to adjust its evaluation methods and performance indicators. The agreed set of evaluation methods and performance indicators shall form **part of the reporting requirements** of the Proposal should it be approved for the Grant.

## 6.4 Avoidance of Conflicts of Interest

6.4.1 To avoid conflicts of interest, members of the ACAD will be required to declare whether they are directly or indirectly related to an Application and, if so, will be required to refrain from participating in the discussion and determination of that Application.

6.4.2 The ACAD will invite **experts, professionals, experienced arts practitioners and academics** (“Expert Advisers”) to give advice in respect of:

- (a) the artistic/professional merit, creativity, originality, technical feasibility, capacity in financial planning and management of individual Applications;
- (b) the Applicant’s and the Project Team’s ability in management; and
- (c) the importance and impact of the Proposal on the long-term development of the arts sector.

Each of such Expert Advisers will also be required to declare whether he is directly or indirectly related to an Application and,



if so related, will be required to refrain from assessing the Application.

## **6.5 Notification of Results**

6.5.1 After considering the recommendations of the ACAD, the Government may either approve or reject the Application. The Government's decision shall be final.

6.5.2 The Applicant will be notified of the results in writing **within six months** after the closing date for the relevant funding exercise.

6.5.3 If an Application is approved, the Applicant will be informed of the result together with any terms and conditions that may be imposed by the ACAD and/or the Government. The Applicant may need to revise its Proposal accordingly before the Grant is made.

6.5.4 The Proposal has to comply with the **laws of Hong Kong**. It is the responsibility of the Applicant to observe any legal requirements and obtain the relevant permit, licence, consent, approval or the like from the authorities concerned.

6.5.5 For the avoidance of doubt, the Applicant is responsible for acquiring the necessary **venue and support services** it requires to implement the Proposal.

## **6.6 Withdrawal of Application**

The Applicant may inform the Secretariat in writing that its Application is withdrawn at any time before the Funding Agreement is signed between the Government and the Applicant.

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## **Chapter VII                      FUNDING AGREEMENT AND DISBURSEMENT OF GRANTS**

### **7.1      Funding Agreement**

7.1.1    If an Application is approved, an **“Offer Letter”** and an agreement (in form and substance prescribed by the Government) (**“Funding Agreement”**) will be sent to the Successful Applicant. The Funding Agreement will set out the amount of funding support to be offered by the Government and the terms and conditions attached to such offer. The Successful Applicant will be the recipient of the Grant and is required to sign the Funding Agreement after which it will become the Grantee.

7.1.2    **No binding agreement will be made between the Government and the Successful Applicant as to the Grant unless and until the Funding Agreement is duly executed by the Government and the Successful Applicant.**

7.1.3    The Grantee must comply with all the terms and conditions laid down in the Funding Agreement.

7.1.4    The **Funding Agreement** shall contain, among other things, the following:

- (a)    the terms and conditions as required by the ACAD and/or the Government;
- (b)    the terms and conditions set out in this Guide; and
- (c)    details regarding the approved Proposal.

### **7.2      Project/Operation Account**

7.2.1    The Grantee shall keep complete and accurate books and records of all income, expenditure and liabilities in respect of the approved Proposal in accordance with generally accepted

accounting principles. The Grantee is required to keep a **proper and unique set of accounts** within its accounting system specifically for processing **all receipts/income and payments/expenditure** of the Proposal. The unique set of **accounts** should be maintained in such a manner as to enable the production of a Statement of Income and Expenditure and Balance Sheet in respect of the approved Proposal. All income and expenditure relating to the Proposal should be recorded properly and timely in such **accounts**.

- 7.2.2 The Grantee shall open and maintain with a licensed bank holding a valid banking licence issued under the Banking Ordinance (Cap. 155) in Hong Kong a designated bank account “**Project/Operation Account**” for the sole purposes of keeping and operating all monies (including all interest generated) received in relation to the approved Proposal. The Grant will only be deposited into the abovementioned Project/Operation Account.
- 7.2.3 The Grant and all other receipts relating to the approved Proposal as well as all payments relating to the approved Proposal will be handled through the Project/Operation Account. All interest shall be kept in the Project/Operation Account and shall not be withdrawn or used for any purpose apart from implementing the approved Proposal.

### **7.3 Disbursement of Grants**

- 7.3.1 The Grants will be disbursed by instalments on satisfactory accomplishment of appropriate milestones and deliverables (upon production of satisfactory documentary proof of such accomplishment), and strictly in accordance with the terms and conditions of the Funding Agreement. The instalment arrangements are summarised in Chapter III (Funding Support) Paragraphs 3.4.1 to 3.4.3.
- 7.3.2 Subject to Chapter X (Project Variation) Paragraph 10.2, disbursement of the **final instalment** of the Grant will be made only upon fulfilment of the following conditions:

- (a) successful implementation of the approved Proposal and production of satisfactory documentary proof of milestones/deliverables accomplished in accordance with the Funding Agreement by the completion date specified in the Funding Agreement or by such later date as the Government may approve in writing;
- (b) due compliance with the Funding Agreement;
- (c) the submission of the final report and the audited account report in form and substance to the satisfaction of the Government and complying with the reporting requirements set out in Chapter IX (Obligations) Paragraphs 9.1.3 and 9.1.4, **within six months** after the date of completion of all milestones/deliverables of the Proposal or by such other date as the Government may approve in writing; and
- (d) in respect of a Springboard Grant, production of satisfactory documentary proof showing that all committed Non-government Sponsorships and/or Donations for matching are in place.

7.3.3 The Government reserves the right to suspend any payment to the Grantee if in its opinion a considerable amount of the Grant remains unspent in the Project/Operation Account; or if there is an operating surplus; or if there is any delay in submission of the progress, final and/or audited account reports; or any of such reports does not comply with the requirements set out in the Funding Agreement.

7.3.4 In the event a Springboard Grantee fails to secure a Cash Income meeting the minimum requirement (as set out in Chapter III (Funding Support) Paragraphs 3.1.3 (a) and 3.1.3 (b)) in terms of the total amount as well as the amount for Non-government Sponsorships and/or Donations for matching, the Government reserves the right to cease to make any further payment of the Grant and/or shall require the Grantee to

reimburse such part or all of the Grant received by such period of time as the Government shall direct.

- 7.3.5 If a Proposal is not completed by the due date as specified in the Funding Agreement, or is suspended by the Grantee, for any reason (whether or not outside the control of the Grantee), the Government may require the Grantee to repay part or whole of the Grant, and to indemnify the Government against any loss or expenses incurred as a result of or in relation to the above.

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- 8.1** The Grantee will be responsible for the publicity and marketing of the approved Proposal and its relevant follow-up actions with a view to maximising benefits to the arts sector of Hong Kong and the community at large.
- 8.2** The Grantee shall **acknowledge** the funding support under the ACDFS as prescribed by the Government in all publicity, advertising and promotional materials and publications (including printed and electronic versions) as well as at media events relating to the Proposal. The Government reserves the right to require the Grantee to immediately cease and desist from using any promotional materials in which reference is made to the Government. The Grantee must also ensure that a **disclaimer** as prescribed by the Government will be included in any publicity materials, publications and media events related to the Proposal.
- 8.3** The Grantee shall obtain prior written approval of the Government of all publicity, advertising and promotional materials and publications relating to the Proposal in which the acknowledgement and disclaimer are proposed to appear.
- 8.4** The Grantee shall provide the Secretariat with details of achievements of the approved Proposal, if any, including creation of works in which Intellectual Property Rights subsist, successful marketing and commercialisation of deliverables and awards. The Secretariat may from time to time disclose to the public details of such achievements including announcing them on the internet or through publications or by showcasing them at exhibitions for publicity and reference.

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**9.1 Reporting Requirements**

- 9.1.1 The Grantee will be required to submit progress report(s) as well as a final report and an audited account report, duly audited, dated and signed by an auditor<sup>8</sup> approved by the Government, on the final financial position.
- 9.1.2 The **progress report** must be in a format prescribed by the Government. It must include details of the progress of the approved Proposal and a financial statement of the latest financial position on a cash basis accounting approach.
- 9.1.3 The final report and the audited account report, duly audited, dated and signed by an auditor approved by the Government, must be submitted by the Grantee **within six months** from either the date of completion of all milestones/deliverables of the Proposal or the termination date of the Funding Agreement (whichever is the earlier). The Applicant is advised to **allocate sufficient manpower** after completion of all milestones/deliverables of the Proposal for preparation of the final report and the audited account report.
- 9.1.4 The **final report** must be in a format prescribed by the Government and include details of the results, performance, achievements and evaluation of the implemented Proposal. The final report must be submitted together with an **audited account report** (duly audited, dated and signed by an auditor approved by the Government) on an accrual basis on the final financial position of the implemented Proposal audited by an auditor as arranged by the Grantee to ensure that the Grant was fully and properly applied to the Proposal for which all Grant monies were paid, received and expended in accordance with the approved

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<sup>8</sup> An auditor means a certified public accountant who for the time being is registered as such under the Professional Accountants Ordinance (Cap. 50) and holds a practising certificate as defined in that Ordinance.

Budget. This financial statement shall contain an audited statement of the total expenditure and income of the implemented Proposal, and shall be prepared from a proper and separate set of accounts.

- 9.1.5 The Grantee may be required to make presentation(s) of the results and its experience in implementing the approved Proposal to the ACAD and to report on the achievement of deliverable(s). The Grantee shall also provide the Government with documentation of all artwork catalogues, merchandise, souvenirs, house programmes, publicity and promotional materials, audio and/or visual recordings of performances/events, publications and reports produced in relation to the approved Proposal at its sole cost and expense.
- 9.1.6 The actual expenditure for external **audit fees** relating to the approved Proposal and arising from compliance with the provisions of the Funding Agreement may be included in the Budget, subject to the maximum of \$30,000 Hong Kong Dollars.
- 9.1.7 The Grantee must keep all financial statements, books and records of the approved Proposal for at least **seven years** after either completion date of the Proposal or the termination date of the Funding Agreement (whichever is the earlier), or within a seven-year period as otherwise specified by the Secretariat, and make them available for inspection by the Government at any time.
- 9.1.8 The **Director of Audit** of the Government may conduct an **examination** into the economy, efficiency and effectiveness with which the Grantee has used the Grant. The Director of Audit shall have a right of access at all reasonable times to all such documents or information in the custody and control of the Grantee as he may reasonably require for conducting an examination and shall be entitled to require, from any person holding or being accountable for any such document or information, such information and explanation as he considers reasonably necessary for that purpose. The Director of Audit may report to the Secretary for Culture, Sports and Tourism and



the President of the Legislative Council of Hong Kong the results of an examination conducted by him.

## 9.2 Procurement Procedures

9.2.1 The Grantee warrants, undertakes and agrees that:

- (a) all procurements of goods and services in the course of or for the purposes of carrying out the approved Proposal shall be conducted on a fair, unbiased and competitive bidding basis;
- (b) unless the Grantee has a Board of Directors which comprises five or more members, the Grantee shall comply with the following procedures unless otherwise agreed in writing by the Government:
  - (i) for every procurement the **aggregate value** of which is **more than \$5,000 Hong Kong Dollars but less than \$10,000 Hong Kong Dollars**, quotations in written form from at least **two suppliers** shall be obtained;
  - (ii) for every procurement the **aggregate value** of which is **\$10,000 Hong Kong Dollars or more, but less than \$500,000 Hong Kong Dollars**, quotations in written form from at least **three suppliers** shall be obtained; and
  - (iii) for every procurement the **aggregate value** of which is **\$500,000 Hong Kong Dollars or more**, quotations in written form from at least **five suppliers** shall be obtained.

In all the scenarios set out in Paragraphs 9.2.1 (b)(i) to 9.2.1 (b)(iii), the supplier that has submitted the lowest bid shall be selected. If the lowest bid is not selected, the Grantee shall give full justifications to the Government immediately. In the event the Grantee intends to procure goods or services from **one supplier** without an open procurement process,

the Grantee shall provide to the Government **at least seven working days before the procurement:**

- (1) a statement with details of the Grantee's relationship with the supplier concerned or a statement showing that it does not have any such relationship; and
  - (2) justifications for not following the open procurement process set out in this Paragraph 9.2.1(b);
- (c) in the event the Grantee has a Board of Directors which comprises five or more members, such Board may choose to follow the policies and procedures on procurement of goods and services as stated in Paragraph 9.2.1(b) or establish its own policies and procedures on procurement of goods and services to ensure that the procurements represent value for money and that the Grant shall be properly applied and spent pursuant to the requirements of the Funding Agreement. When establishing such policies and procedures, the Board of Directors of the Grantee shall draw reference from the *Best Practice Checklist – Strengthening Integrity and Accountability – Government Funding Schemes Grantee's Guidebook* issued by the Independent Commission Against Corruption; and
- (d) the Grantee shall manage its procurement such that it shall exercise its right to disqualify a supplier or contractor or terminate a procurement contract upon the occurrence of any of the following events:
- (i) the supplier or contractor has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
  - (ii) the continued engagement of the contractor or the continued performance of the procurement contract is contrary to the interest of national security; or

- (iii) the Grantee or the Government reasonably believes that any of the events mentioned above is about to occur.

9.2.2 The Grantee must not procure charged services provided by the Grantee or any associate or associated person of the Grantee, such as accounting services, personnel services, procurement services, library services, security services, cleansing services, legal services, and central administrative services.

9.2.3 The Government reserves the right to inspect all quotations under the implemented Proposal. The Grantee agrees it shall keep all quotations for inspection.

9.2.4 The Grantee must procure that its governing body, officers and staff shall keep themselves regularly informed of the relevant requirements and procedures relating to procurement of goods and services and amendments thereto (if any) from time to time.

### **9.3 Hiring of Programme/Project Staff**

9.3.1 The Grantee is required to abide by the principle of **openness and competitiveness** in hiring staff for implementing the Proposal.

9.3.2 The Grantee is required to observe all **laws regulating the employment of persons** in Hong Kong.

### **9.4 Insurance**

9.4.1 The Grantee will be required in the Funding Agreement to take out **appropriate insurance policies**, including employees' compensation, an all-risks insurance in respect of equipment purchased or hired for the approved Proposal and public liability (exclusively for the Proposal, subject to a maximum indemnity amount in the sum of not less than \$10,000,000 Hong Kong Dollars for each claim or a series of claims arising from one event but otherwise unlimited in the aggregate indemnity amount for all claims arising during the entire insurance period), including coverage of occupier's liability and to meet any claim

which may arise as a result of the Proposal.

- 9.4.2 Under no circumstances will the Government and/or members of the ACAD be liable or accountable for any claims, loss or damages arising from or in relation to any Proposal.

## **9.5 Intellectual Property Rights<sup>9</sup>**

- 9.5.1 The Grantee is required to inform the Secretariat of any Intellectual Property Rights that may arise in the implementation of its Proposal and how such Intellectual Property Rights would be handled, including the acquisition and use of such Intellectual Property Rights. The Government and/or the ACAD may impose terms and conditions in the Funding Agreement in this respect. The Grantee shall make available to the public the implemented Proposal and deliverables arising out of the Proposal.
- 9.5.2 Any Intellectual Property Rights in the deliverables as specified in Chapter III (Funding Support) Paragraph 3.4.1 arising out of the Proposal will be owned by the Grantee.
- 9.5.3 (a) Upon the Government's request, the Grantee shall grant unconditionally to the Government, its authorised users, assigns and successors in title a non-exclusive, perpetual, irrevocable, royalty-free, worldwide and sub-licensable licence to do the acts restricted by copyright that are stipulated in sections 22 to 29 of the Copyright Ordinance (Cap. 528) in relation to the deliverables arising out of the Proposal. In relation to any parts of the deliverables arising out of the Proposal to which the Grantee is not empowered to grant the licence aforesaid, the Grantee undertakes to procure at its sole cost and expense the grant

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<sup>9</sup> Intellectual Property Rights means patents, trademarks, service marks, trade names, design rights, copyrights, domain names, database rights, rights in know-how, new inventions, designs or processes and other intellectual property rights whether now known or created in future (of whatever nature and wherever arising) and in each case whether registered or unregistered and including applications for the grant of any such rights.

of such rights for the benefits of the Government, its authorised users, assigns and successors in title by the relevant third party Intellectual Property Rights owners including without limitation collaborating party or parties.

- (b) The Grantee grants for the benefits of the Government, its authorised users, assigns and successors in title a non-exclusive, perpetual, irrevocable, royalty-free, worldwide and sub-licensable licence to do the acts restricted by copyright that are stipulated in sections 22 to 29 of the Copyright Ordinance (Cap. 528) in relation to all reports and related materials referred to in Paragraph 9.1. In relation to any parts of the reports and materials to which the Grantee is not empowered to grant the licence aforesaid, the Grantee undertakes to procure at its sole cost and expense the grant of such rights for the benefits of the Government, its authorised users, assigns and successors in title by the relevant third party Intellectual Property Rights owners including without limitation the collaborating party or parties.

9.5.4 Agreement between the Grantee and the collaborating party (or parties) should be made on the sharing of the royalties or any other sorts of income to be generated from the Proposal. Brief description of any such arrangements should be available for the Secretariat's reference.

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**10.1 Modification and Amendment**

- 10.1.1 The approved Proposal will be incorporated into the Funding Agreement. The Grantee will be required to carry out such strictly in accordance with the approved schedule appended to the Funding Agreement. Any modification, amendment or addition to the Proposal or other parts of the Funding Agreement, including change of the commencement or completion dates, key project staff and/or artistic personnel, key equipment, scope, scale, methodology, Budget, sponsorship or Cash Flow Projection, requires the **mutual agreement of the Government and the Grantee in writing** and it is the responsibility of the proposal/operation coordinator to **inform the Secretariat in writing well in advance of any such proposed modification, amendment or addition.**
- 10.1.2 Justification is required for any **spending in excess of the budget** items in the relevant progress report, if any, and/or final report, whereas explanatory notes are required for underspends. Notwithstanding these, prior written approval must be sought from the Secretariat if a budgeted expenditure item is to be transferred to any **unbudgeted expenditure** item (e.g. new/alternative equipment item, new staff, revised number/rank of the staff, new/alternative consumable item). The final decision on whether certain items of income and/or expenditure should/can be included/charged to the Project/Operation Account rests with the Government.

**10.2 Suspension or Termination of Grant**

- 10.2.1 The Government may suspend or terminate the Grant to a Grantee for an approved Proposal and the Funding Agreement for reasons including but not limited to:

- (a) **breach** of all or any of the terms and conditions of the Funding Agreement; or
- (b) **lack of progress** of the implementation of the approved Proposal in a material way; or
- (c) the failure, or likelihood of failure, to complete the Proposal by the completion date mentioned in the Proposal or in accordance with the time-line in the Proposal; or
- (d) the Government sees the need to suspend or terminate the Grant in the **public interest**.

10.2.2 The Government may **terminate or suspend** the Grant and/or terminate the Funding Agreement by serving one month's notice in writing upon the Grantee at any time.

10.2.3 The Government may immediately terminate the Funding Agreement upon the occurrence of any of the following events:

- (a) the Grantee has engaged or is engaging in acts or activities that are likely to be illegal or constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
- (b) the continued engagement of the Grantee or the continued performance of the Funding Agreement is contrary to the interest of national security; or
- (c) the Government reasonably believes that any of the events mentioned above is about to occur.

The Government shall not be responsible for any claim, legal proceeding, liability, loss, damages or any cost or expense, suffered or incurred by the Grantee arising from or in relation to such termination.

- 10.2.4 In the event of suspension or termination based on Paragraphs 10.2.1 to 10.2.3, the Government may demand from the Grantee an immediate return of all or part of the Grant at the Government's sole discretion, in which event the Grantee shall be liable for any loss or damages the Government may sustain as a result of or in relation to any breach or default by the Grantee.
- 10.2.5 During the period of such suspension or upon termination, the Funding Agreement shall cease to have effect and no Grant or other financial support will be made available to the Grantee, but without prejudice to:
- (a) any rights and claims accrued to the Government prior to such suspension or termination including those arising from any breach by the Grantee of the Funding Agreement; and
  - (b) any provisions of the Funding Agreement which are required by the context or are otherwise expressed to continue in force and effect notwithstanding the completion of the Proposal or the suspension or termination of the Funding Agreement.

### **10.3 Management of the Funding Support**

- 10.3.1 The Government may require the Grantee to **return** the Grant, in whole or in part, if any of the following events occur:
- (a) breach of all or any of the terms and conditions of the Funding Agreement; or
  - (b) without prejudice to the generality of the foregoing, where any Grant not having been expended in accordance with Chapter XI (Unallowable Costs); or



- (c) any warranty or representation made by the Grantee in its Application or in the Funding Agreement or in the completion report of the Proposal which is incorrect, incomplete or false.

10.3.2 Any record of **mishandling** of public funds or lack of discipline in financial management or **breach** of the Funding Agreement or any other irregularity is a factor which the Government may take into account in considering future applications for the ACDFS or other public funding or financial support by the Grantee or any of the members of the Project Team.

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## Chapter XI

## UNALLOWABLE COSTS

Except where specified in the Proposal and approved by the Government, the Grant can only be used for **non-recurrent** expenditure.

### 11.1 Manpower

11.1.1 Unless otherwise approved by the Government, the Grant must not be used to pay any emolument to a person who is already on the **payroll** of the Grantee's organisation. This principle applies irrespective of whether the relevant service/work is carried out within or outside normal working hours of the person concerned. If the Applicant includes the whole or part of the emolument of any person who is already on the payroll of its organisation in the Budget under justifiable circumstances, such circumstances should be clearly stated in the Proposal at the time of Application.

11.1.2 The Grant must only be used by the Grantee in carrying out the approved Proposal in accordance with the approved Budget set out in the Funding Agreement. Unless otherwise approved by the Government and included in the approved Budget, the Grant or any part thereof shall not be used to cover the following expenditure items:

- (a) annual salary increment; and
- (b) gratuities, fringe benefits and allowances other than
  - (i) an employer's contribution to the Mandatory Provident Fund; and
  - (ii) expenditure for employees' compensation insurance for persons hired solely for the implementation of the Proposal.

### 11.2 Production Costs

11.2.1 The Grant must not be used to cover:

- (a) rental/time cost of premises owned by the Grantee;

- (b) rental/time cost of venue/space hired not solely for the implementation of the Proposal;
- (c) rental/time cost and maintenance cost of existing equipment and goods owned by the Grantee; and
- (d) depreciation/amortisation or provisions not representing actual expenses incurred.

11.2.2 Equipment and/or goods specifically acquired for implementing the Proposal must be either included in the approved Budget or the funding of which has been specifically approved in advance by the Government. Otherwise the costs of such items cannot be charged to the Project/Operation Account. Unless otherwise agreed by the Government in writing, the Grantee shall dispose of the equipment and/or goods of more than \$5,000 Hong Kong Dollars at the prevailing market price on an open and fair basis after completion of the approved Proposal and before the submission of the financial statement and the audited account report (the preparation of which as specified in Chapter IX (Obligations) Paragraph 9.1.3). The sale proceeds from such disposal shall be counted as revenue of the implemented Proposal and reflected as such in the financial statement and the audited account report.

### **11.3 Other Project Costs**

The Grant must not be used to cover entertainment expenses (e.g. welcome/celebration meals and refreshments) and any prizes (either in the form of cash or other types of souvenir) in carrying out the Proposal unless such requirement is integral and essential to the nature of the event concerned (e.g. per diems for visiting artists and local personnel conducting outbound tour, trophies for competitions and refreshments for conference participants). In such case, full justification for the proposed expenses, which have to be modest and commensurate with operational needs, has to be provided in the Proposal.

## **11.4 Indirect Costs**

11.4.1 The Grant must not be used to cover:

- (a) costs related to prior/subsequent year(s)/period(s) adjustment(s);
- (b) capital financing expenses, e.g. mortgage and interest on loans/overdrafts; and
- (c) administrative and overhead costs of establishing and/or maintaining the operation or administration of the organisation to which the Applicant belongs, including rental, utility charges, renovation, maintenance and repair expenses.

11.4.2 The above list is not exhaustive. The Grantee should consult the Secretariat if it has any doubts about whether an item may be charged to the Project/Operation Account.

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## 12.1 Prevention of Bribery

12.1.1 The Applicant shall observe the **Prevention of Bribery Ordinance (Cap. 201)** (“PBO”) and shall advise its employees, subcontractors, agents and other personnel who are in any way involved in the Proposal that they are not allowed to offer to or solicit or accept from any person any money, gifts or advantage as defined in the PBO in the conduct of or in relation to the Proposal.

12.1.2 The **offer of an advantage** to the Secretariat or any members of the ACAD or the Government with a view to influencing the approval of an Application is an offence under the PBO. Any such offer by the Applicant or any person associated with the Applicant, its employee(s) or agent(s) will render the Application null and void. The Government may also withdraw any approval that may have been issued to the Application in question, if any, and hold the Applicant concerned liable for any loss or damages, which the Government may sustain.

## 12.2 Representations and Warranties

The Applicant, at the time of submitting the Application and when its Proposal is approved then the Successful Applicant, that is, the Grantee, shall represents, warrants and undertakes that:

- (a) it shall comply, and shall ensure that every person employed or engaged by it for the purposes of the Proposal complies with the **laws of Hong Kong** in relation to the conduct of the Proposal;
- (b) it shall ensure the observance by itself, its employees, agents, suppliers, contractors and/or by all other persons employed or engaged by it of the **Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region and the laws of Hong Kong** in relation

to safeguarding national security, and shall not engage in any act or activity which is not in compliance with any such laws;

- (c) the Proposal will be performed and completed in an **impartial, timely and diligent manner**;
- (d) all information supplied, and statements and representations made by or on its behalf in its Application, in the Proposal and in the course of conducting the Proposal, or otherwise in the progress, final and audited account reports, financial statements or project materials are **true, accurate and complete**;
- (e) if the Application is approved, the **Funding Agreement** will be duly executed by the Grantee within the specified time and all terms and conditions in the Funding Agreement shall constitute legally binding and valid obligations on its part in accordance with their terms;
- (f) the provision of any work or material by the Grantee in performing the Proposal, the use or possession by the Government and its authorised users, assigns and successors in title of any work or material relating to the Proposal, deliverables arising out of the Proposal or any part thereof for any of the purposes contemplated by the Funding Agreement does not and will not infringe any Intellectual Property Rights of any party; and
- (g) in respect of any materials used by the Grantee in the performance of the Proposal and in respect of which any Intellectual Property Rights are vested in a third party, the Grantee shall have obtained the grant of all necessary clearances for itself and its authorised users authorising the use of such materials for any of the purposes contemplated by the Funding Agreement.

### **12.3 Indemnity**

If the Application is approved, the Successful Applicant shall indemnify and keep indemnified the Government, its authorised users, assigns and successors in title, from and against:

- (a) all and any claims, actions, investigations, demands, proceedings, threatened, brought or instituted against the Government; and
- (b) all liabilities (including liability to pay compensation and damages), damages, losses, costs, charges and expenses which the Government may sustain or incur (including all legal and other costs, charges, and expenses, on a full indemnity basis, which the Government may pay or incur in relation to any demand, claim, action, proceeding or investigation instituted by or against the Government), which in any case arise directly or indirectly from, or as a result of, or in connection with, or which relate in any way to:
  - (i) any damage to property or personal injury or death suffered by any person in connection with or in the course of or as a result of any activity (indoor or outdoor) organised or carried out by the Applicant in relation to the Proposal;
  - (ii) the breach by the Successful Applicant of any provision in the Funding Agreement or the Application Form;
  - (iii) the negligence, recklessness, or wilful misconduct of the Successful Applicant or of any of its employees, agents, consultants or contractors in relation to the conduct of the Proposal; or
  - (iv) the Proposal or its deliverables or materials developed or produced or created in the Proposal or any part thereof infringes or is alleged to infringe any Intellectual Property Rights of any party.

## **12.4 Personal Data**

12.4.1 The personal data provided as part of the application process will be used by the Government to process the Application, to conduct research and surveys, and to enforce its rights and powers under the Funding Agreement if signed. The provision of personal data in the Application is voluntary. However, if the Applicant does not provide information mandatory for the processing of the Application as indicated on the Application Form, the Application will not be considered.

12.4.2 The personal data provided in the Application may from time to time be disclosed to any Government Bureaux, Commissions and Departments for the purposes mentioned above. However, in the interests of transparency of the operations of the ACDFS, upon signing and submitting an Application, a Successful Applicant consents to the disclosure of details of the Proposal to the public. Even if an Application is not successful, upon submitting an Application, the Applicant shall be deemed to have consented to the disclosure of its name, Proposal title and amount of Grant applied for to the public for general information.

12.4.3 Applicants will have the right of access and correction with respect to personal data as provided for in sections 18 and 22 of and Principle 6 in Schedule 1 to the Personal Data (Privacy) Ordinance (Cap. 486). The Applicant's right of access includes the right to obtain a copy of the personal data provided in the Application at a reasonable charge.

## **12.5 Relationship of the Parties**

12.5.1 The Successful Applicant shall enter into the Funding Agreement with the Government as a Grantee. The Grantee shall not represent itself as an employee, servant, agent or partner of the Government.



12.5.2 All rights and powers of the Government under the Funding Agreement may be exercised by the Secretary for Culture, Sports and Tourism or such other Government officer as may be appointed by him from time to time. All powers exercised by the Secretary for Culture, Sports and Tourism or his appointee are exercised for and on behalf of the Government.

## **12.6 Assignment**

The Applicant shall not assign, transfer, dispose of or otherwise deal with any of its rights or obligations under the Funding Agreement or otherwise in relation to its Application, or purport to do so without the prior written consent of the Government.

## **12.7 Governing Law and Jurisdiction**

The Funding Agreement (if entered into) shall be governed by and construed in accordance with the laws of Hong Kong. Each of the parties thereto will irrevocably submit to the exclusive jurisdiction of the courts of Hong Kong.

## **12.8 Enquiry**

Enquiries regarding the application for funding support under the ACDFS should be addressed to the Secretariat:

Address: The Secretariat  
Arts Capacity Development Funding Scheme  
Culture, Sports and Tourism Bureau  
25/F, Wanchai Tower  
12 Harbour Road  
Wan Chai  
Hong Kong  
Telephone: (852) 3102 2934 / (852) 3102 2935  
Email: [acdfs@cstb.gov.hk](mailto:acdfs@cstb.gov.hk) (for enquiries only)  
Website: [www.cstb.gov.hk](http://www.cstb.gov.hk)

## **12.9 Disclaimers and Others**

- 12.9.1 This Guide shall not in any circumstances affect or limit the interpretation of the Application Form or the Funding Agreement or any other document to which the Government is a party in relation to the ACDFS. Unless the context otherwise requires, terms defined and expressions used in this Guide shall bear the same meanings as set out in the Application Form and/or the Funding Agreement.
- 12.9.2 Whilst the information provided by the Government in this Guide has been prepared in good faith, it does not claim to be comprehensive or to have been independently verified. Neither the Government, nor any of its officers, agents or advisers, accepts any liability or responsibility as to, or in relation to, the adequacy, accuracy or completeness of the information contained in this Guide or any other written or oral information which is, has been or will be provided or made available to any Applicant; nor do they make any representation, statement or warranty, express or implied, with respect to such information or to the information on which this Guide is based. Any liability in respect of any such information or any inaccuracy in this Guide or omission from this Guide is expressly disclaimed. Nothing in this Guide or in any other written or oral information which is, has been or will be provided or made available to any Applicant should be relied on as a representation, statement or warranty as to the intentions, policy or action in future of the Government, its officers or agents.
- 12.9.3 This Guide does not constitute an offer nor does it constitute the basis of any contract which may be concluded in relation to the ACDFS or the implementation and completion of any project.
- 12.9.4 Each Applicant should make its own independent assessment of the proposed terms of the ACDFS after making such investigation and consulting its own professional advisers and taking such other advice as may be prudent in order to assess

the risks and benefits of an application for the ACDFS as well as in respect of any financial, legal, tax and other matters concerning a project.

- 12.9.5 The Government reserves the right, without prior consultation or notice, to change the terms of the ACDFS. The Government also reserves the right to terminate any or all negotiations in its discretion before executing the Funding Agreement or any binding contract with a Successful Applicant.

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The Secretariat, Arts Capacity Development Funding Scheme  
November 2025