

Funding Scheme for Youth Entrepreneurship in the GBA

1) Who should I submit application for youth entrepreneurship projects to?

The Funding Scheme for Youth Entrepreneurship in the GBA (the Scheme) subsidises a total of 16 non-governmental organisations (NGOs) to implement youth entrepreneurship projects, including providing capital subsidy and rendering entrepreneurial support and incubation services to eligible young entrepreneurs. Interested and eligible young entrepreneurs may submit application to their preferred funded NGOs direct.

2) How long is the funding period for young entrepreneurs under the Scheme?

Each funded NGOs will implement youth entrepreneurship projects which will last for one to three years. Please refer to the project details of funded NGOs.

3) What are the application criteria for young entrepreneurs? Can applicants apply as an individual or as a team? Are young people currently holding shares in other businesses eligible?

Young entrepreneurs may submit an application to funded NGOs direct as an individual or as a team. All applicants must meet the following criteria (as at the date on which the funded NGOs close application):

- being a Hong Kong permanent resident;
- aged between 18 and 40;
- not bankrupt or subject to bankruptcy proceedings at the time of application;
- have never been funded by the Entrepreneurship Matching Fund of the Youth Development Fund;
- yet to start running or having started running his/her business for not more than 3 years at the time of application; and
- having a planned/established business in Hong Kong and/or Mainland GBA cities at the time of application. In addition, the applicants may also expand their businesses in other regions/areas.

In other words, applicants are not limited to first-time business starters and they may also hold shares in other businesses. However, the start-up/business applying for youth entrepreneurship projects should have yet to operate or have been operating for not more than 3 years. While the start-up/ business is not required to hold a valid business registration certificate at the time of application, successful applicants must complete the business registration process within the timeframe designated under the Business Registration Ordinance. Otherwise, funded NGOs shall not provide any financial support for the applicants concerned.

Apart from the requirements above, individual funded organisations may further prescribe additional requirements for applicants (such as business nature, connection with institutions, etc.) Please refer to the project details of funded NGOs.

4) Will the youth entrepreneurship applicants be ineligible for application if some of their partners or shareholders fail to meet the age requirement or are not Hong Kong permanent residents?

As young people are the target beneficiaries of the Scheme, to ensure proper use of public money and dedicate limited resources to Hong Kong young people, the sole proprietor/all shareholders/all partners of every selected business are required to be a Hong Kong permanent resident aged between 18 and 40.

5) Are funded start-up teams permitted to receive subsidies from other Government bureaux/ departments or other organisations?

While start-up teams may receive subsidies other than public money, they are required to report truthfully at the time of application. Subsequent receipt of such subsidies after joining the youth entrepreneurship projects should also be reported at suitable junctures.

6) Are selected start-ups permitted to receive investments from other parties? (eg. investment from Angel Fund, equity investment, etc.)

To strike a balance between the proper use of public money and flexibility for the entrepreneurs in receiving investment from other parties for further expansion of their businesses, the following arrangement are put in place -

Within the Regulatory Period*:

Unless with prior written approval from the Government, funded start-ups shall not assign, transfer, sub-contract or otherwise dispose of any or all of their interests, rights, benefits or obligations under their business during the Regulatory Period. If any new partner(s) or shareholder(s) is/are added to a funded start-up, such new partner(s) or shareholder(s) shall also meet the criteria of an eligible youth entrepreneurship applicant (refer to Question 3).

After the end of the Regulatory Period*:

Start-ups may receive investments from other parties according to their business needs.

*The Regulatory Period starts from the commencement date of the agreement signed between the funded start-ups concerned and the funded NGOs and runs up to one year after the latest achievement date of the final-phase indicators or one year after the disbursement date of the final-phase capital funding to the funded start-up teams concerned, whichever is later.

7) Is it compulsory for the business of youth entrepreneurship applicants to be set up in Mainland GBA cities? Can the business only be set up in Hong Kong?

Selected start-ups may set up their business in Mainland GBA cities (such as in the local innovation and entrepreneurial bases (I&E bases)) and/or in Hong Kong for enhancing the mobility of their start-ups, facilitating talent exchange and expanding the reach of their business. Nevertheless, no matter where the business of entrepreneur is set up, all selected start-ups must register their business in Hong Kong.

8) What is the amount of funding available to each selected entrepreneur? What is the restriction on the use of funding?

Subject to the youth entrepreneurship projects implemented by different NGOs, each selected start-ups may receive a capital funding of up to \$600,000. The capital funding will be disbursed to entrepreneurs in phases in order to meet its initial capital needs when starting up a business. Funded NGOs will formulate phased indicators with start-ups and assist them to flexibly utilise the capital funding to cater for different needs during their business development, such as renting premises, procuring stores/services.

9) Who will help the youth entrepreneurship applicants to apply for settling in entrepreneurial bases? Is there any restriction on the number of entrepreneurial bases that a selected start-up could be settled in?

Selected start-ups could either apply for settling in the partnering entrepreneurial bases of the funded NGOs or seek funded NGOs' assistance in settling in other entrepreneurial bases. They could also apply for settling in their preferred entrepreneurial bases directly. Selected start-ups could make their own decision in selecting an entrepreneurial base to be settled in according to their business need. There is no restriction on the number of I&E bases that the selected start-ups could be settled in under the youth entrepreneurship projects.

10) Will the funded NGOs or entrepreneurial bases charge any fees from entrepreneurs?

The funded NGOs shall not charge any fees from eligible youth participants joining funded activities or using funded services, except where the deposit is refundable. Youth entrepreneurs can make their own decision in joining other activities or services.

11) Apart from financial support, what other entrepreneurial support is available to entrepreneurs?

To better support young entrepreneurs, apart from providing youth start-ups with seed funding through subsidising funded NGOs in a form of matching fund, the Scheme also makes available entrepreneurial support and incubation services for entrepreneurs. Such services may inspire and nurture their entrepreneurship while offering them opportunities to contact and communicate with different people in the course of starting their business and gain knowledge and valuable experience in different areas. Taken together, these can help them make appropriate decisions during the course of starting a business.

12) Will the implementation of the scheme be affected by the COVID-19 epidemic?

Funded NGOs will recruit the youth entrepreneurship applicants and provide selected start-ups with relevant training and support services (e.g. completing the business registration process in Hong Kong) at this stage. Subject to the business development of the selected start-ups, funded NGOs will, according to the social distancing measures as well as the testing and quarantine requirements and/or other related measures applicable to other businesses at the time, help the selected start-ups settle in the entrepreneurial bases in the Mainland GBA cities to develop their businesses once ready.