

Hong Kong-Asian Film Collaboration Funding Scheme ("Funding Scheme")

Guide to Application ("Guide")

1. Purpose and Definitions

- 1.1 This Guide is issued to provide information on the application for the government grant for the implementation, Production, Completion, Delivery, Distribution, Exhibition and Exploitation of a feature-length narrative film/animation ("**Government Grant**") under the Funding Scheme ("**Application**"). This Guide shall not in any circumstances affect or limit the interpretation of any Funding Scheme Agreements. Applicants' attention is drawn to the Government Disclaimers in Section III of the Application Form.
- 1.2 Unless the context otherwise requires, all capitalised terms and expressions used in this Guide shall bear the meanings set out in the Application Form.
- 1.3 The Rules of Interpretation set out in the Application Form shall apply to this Guide.

2. Background

- 2.1 The Film Development Fund ("**FDF**") was first set up by the Government of the Hong Kong Special Administrative Region ("**Government**") in 1999 to support projects conducive to the long-term development of the local film industry. Since 2005, the Government has injected a total of \$1.54 billion into the FDF.
- 2.2 Hong Kong-Asian Film Collaboration Funding Scheme ("**Funding Scheme**") was introduced under FDF in 2022 to provide Government Grant to film productions co-produced with filmmakers in Asian countries.
- 2.3 The FDF is administered by the Secretariat of the Hong Kong Film Development Council ("**HKFDC**"). The Government will decide in its absolute discretion whether to approve the applications and disburse funds after having considered the recommendations of the HKFDC.
- 2.4 This Guide is applicable to applications for Government Grant under the Funding Scheme. Applicants for FDF schemes other than under the Funding Scheme shall refer to the relevant guide which can be obtained from the Secretariat of the HKFDC ("**Secretariat**") at the address set out in paragraph 19.

3. Objectives of the Funding Scheme

Echoing the Government's commitment to expedite Hong Kong's progression into an East-meets-West centre for international cultural exchange, the Funding Scheme aims to provide Government Grant for film productions co-produced with filmmakers in Asian countries to encourage more collaborations with Asian countries for producing films which are rich in Hong Kong and Asian cultures with a view to enhancing exposures of such collaboration in Asian and international markets as well as achieving in-depth exchanges and mutual learning.

4. Eligibility Criteria

- 4.1 An Application must satisfy all requirements set out in paragraph 4 ("**Eligibility Criteria**") in order to be eligible for consideration by the HKFDC and the Government.
- 4.2 The Applicant
 - 4.2.1 The Applicant must be a film production company which is (i) a Hong Kong company formed and registered under the Companies Ordinance (Cap. 622) or the predecessor Ordinance (as defined in section 2 of Cap. 622); or (ii) a registered non-Hong Kong company (as defined in section 2 of Cap. 622).
 - 4.2.2 Among the roles of Producer, Film Director and Screenwriter, there must be at least one role filled by a Qualified Asian Film Practitioner; and for the remaining two roles, there must be at least one role filled by a Qualified Hong Kong Film Practitioner,

whereas

"Qualified Asian Film Practitioner" refers to a permanent resident of an Asian country

(excluding Mainland China and Taiwan)¹ and –

- (i) a Qualified Asian Film Practitioner filling the role of Producer must have produced at least one feature-length narrative film/animation awarded or nominated for “The Best Film” award or equivalent in any reputable international film festivals or local film awards;
- (ii) a Qualified Asian Film Practitioner filling the role of Film Director must have been awarded or nominated for “Best Director” award or equivalent of a feature-length narrative film/animation in any reputable international film festivals or local film awards; and
- (iii) a Qualified Asian Film Practitioner filling the role of Screenwriter must have been awarded or nominated for “Best Screenplay” award or equivalent of a feature-length narrative film/animation in any reputable international film festivals or local film awards.

“Qualified Hong Kong Film Practitioner” refers to a permanent Hong Kong resident and –

- (i) a Qualified Hong Kong Film Practitioner filling the role of Producer must have produced at least one feature-length narrative film/animation awarded or nominated for “The Best Film” award or equivalent in the Hong Kong Film Award or any other reputable international film festivals or local film awards;
- (ii) a Qualified Hong Kong Film Practitioner filling the role of Film Director must have been awarded or nominated for “Best Director” award or equivalent of a feature-length narrative film/animation in the Hong Kong Film Award or any other reputable international film festivals or local film awards; and
- (iii) a Qualified Hong Kong Film Practitioner filling the role of Screenwriter must have been awarded or nominated for “Best Screenplay” award or equivalent of a feature-length narrative film/animation in the Hong Kong Film Award or any other reputable international film festivals or local film awards.

For avoidance of doubt, please refer to the following table illustrating the restrictions:

Producer	Film Director	Screenwriter
Qualified Asian Film Practitioner	Qualified Hong Kong Film Practitioner	No restriction on qualification and nationality of screenwriter(s)
Qualified Hong Kong Film Practitioner	Qualified Asian Film Practitioner	No restriction on qualification and nationality of screenwriter(s)
Qualified Asian Film Practitioner	No restriction on qualification and nationality of director(s)	Qualified Hong Kong Film Practitioner
Qualified Hong Kong Film Practitioner	No restriction on qualification and nationality of director(s)	Qualified Asian Film Practitioner
No restriction on qualification and nationality of producer(s)	Qualified Asian Film Practitioner	Qualified Hong Kong Film Practitioner
No restriction on qualification and nationality of producer(s)	Qualified Hong Kong Film Practitioner	Qualified Asian Film Practitioner

4.2.3 The Producer and Film Director must observe the following restrictions:

- (a) A Producer can only be taking the role of producer in no more than two applying or approved film projects under the Funding Scheme.
- (b) A Film Director can only be taking the role of film director in no more than one applying or approved film project under the Funding Scheme.

4.2.4 The Applicant must not have obtained or applied for other financial support (whether in

¹ Film practitioners who wish to apply funding for co-production with Mainland China can apply Government finance under Film Production Financing Scheme or its Relaxation Plan. Details of the scheme can be found in the following webpage (https://www.fdc.gov.hk/en/applications_detail.php?id=2022052417501670586).

the form of equity or loan financing, grant or sponsorship or any other form) from the Government for the implementation, Production, Completion and/or Delivery of the Film Project.

- 4.2.5 If any part(s) of the Film Project has/have already obtained or applied for other financial supports (whether in the form of equity or loan financing, grant or sponsorship or any other form) from the Government or other third party/parties, the Applicant must inform the Government upon the submission of the Application. The Government would consider if the Film Project is still eligible for applying Government Grant under the Funding Scheme.

4.3 The Film Project

4.3.1 The Proposed Film must be a feature-length narrative film/ animation Produced, Completed and Delivered for commercial theatrical exhibition at least in Hong Kong and the country in which the Qualified Asian Film Practitioner based.

4.3.2 The length of the Proposed Film must be at least eighty (80) minutes.

4.3.3 The Proposed Film must be shown to be commercially viable and beneficial to the development of Hong Kong film industry and cultural exchanges with Asian countries.

4.3.4 The Applicant must commit that in at least six (6) of the following categories there will be at least one person being permanent residents in Hong Kong:

- (a) Leading Actor/Voice Actor;
- (b) Supporting Actor/Voice Actor;
- (c) Department Head of Cinematography;
- (d) Department Head of Action Choreography;
- (e) Department Head of Art Direction;
- (f) Department Head of Costume and Make Up Design;
- (g) Department Head of Film Editing;
- (h) Department Head of Original Film Score and Original Film Song;
- (i) Department Head of Sound Design; and
- (j) Department Head of Visual Effects.

4.3.5 The Applicant must commit that at least 30% of below-the-line expenses of the film project must be spent in Hong Kong.

4.3.6 The Applicant must sign "Authorization to Disclose Confidential Information" attached in Appendix C of the Application Form to the Government for the disclosure of its Application including but not limited to its Application Form; the Logline, Synopsis and Screenplay of the Proposed Film; and required documents to the relevant parties for the purpose of the assessment of the Application. These relevant parties include without limitation any persons invited by the HKFDC to assess the Application, any Committee assigned by the HKFDC to administer the Funding Scheme, HKFDC, the Secretariat and other representatives of the Government involved in the assessment process.

4.3.7 It is not permissible for the same film project to receive financial support from the Government in more than one (1) of the six (6) schemes under the Film Development Fund, namely, (i) the Funding Scheme, (ii) Film Production Financing Scheme ("**Financing Scheme**"), (iii) Film Production Financing Scheme (Relaxation Plan) ("**FSRP**"), (iv) the First Feature Film Initiative ("**FFFI**"), (v) the Directors' Succession Scheme ("**DSS**") and (vi) the Film Development Fund Scheme for Film Production Grant ("**FPGS**") (now defunct). To be eligible for an application under the Funding Scheme, the Film Project must not have previously received or successfully applied for financial support from any of the said six (6) schemes. For the avoidance of doubt -

- (a) where the Applicant has applied for financial support under the Financing Scheme, FSRP, FFFI, DSS or FPGS in respect of the Film Project, it may withdraw such application and apply under the Funding Scheme instead; and
- (b) after submitting the Application under the Funding Scheme, the Applicant must not participate in the Financing Scheme, FSRP, FFFI, DSS or any other government funding/financial support for the implementation, Production, Completion and Delivery of the Film Project unless the Applicant has notified the Government in writing to withdraw such Application for the Funding Scheme.

- 4.3.8 No Principal Photography of any part of the Proposed Film shall be commenced prior to the date of executing the Funding Scheme Agreement.
- 4.3.9 No sales agreement with any sales agent and distributor(s) shall be engaged prior to the notification by the Government of the result of the Application.

4.4 Application Form

The Applicant must duly complete and sign the Application Form. It must also submit to the Government the Application Form together with all information and required documents that are required to be provided in accordance with and to substantiate whatever is claimed by the Applicant in the Application Form and this Guide. Applicant's attention is drawn to "Checklist of Documents to be submitted by an Applicant" of the Application Form.

5. Amount of Government Grant

- 5.1 Under the Funding Scheme, the Government will contribute up to \$9 million per Approved Film Project as Government Grant in accordance with the terms and conditions of this Guide, the Application Form, offer letter described in paragraph 14 ("**Offer Letter**") and Funding Scheme Agreement.
- 5.2 For the avoidance of doubt, the actual amount of the Government Grant will depend on the actual production costs of the Approved Film Project as stated in an audited statement approved by the Government. If the final production costs of the Approved Film Project is less than the amount of the Government Grant, the successful Applicant shall have the full responsibility to refund the balance back to the Government immediately.
- 5.3 If the production budget is more than the Government Grant, the successful Applicant has the obligation to secure non-Government financial support which equals to the difference between the Approved Production Budget of the Approved Film Project and the amount of the Government Grant. The successful Applicant shall be solely responsible for any shortfall or deficit arising from or relating to the implementation, Production, Completion and Delivery of the Approved Film Project and Proposed Film and the Government will not in any event be responsible for such shortfall or deficit.
- 5.4 If the successful Applicant receives any cash sponsorships for the implementation, Production, Completion and/or Delivery of the Approved Film Project and Proposed Film, it shall notify the Government, as soon as practicable, and before its submission of the production costs of the Approved Film Project through the audited statement to the Government, on which item(s) in the production budget such cash sponsorships will be spent.
- 5.5 The Government reserves the right to withdraw the Offer Letter, terminate the Funding Scheme Agreement and the successful Applicant must repay/return all or any proportion of Government Grant if the Approved Film Project is at any time found to be failing to meet any of the requirements set out in paragraph 4 of this Guide and any terms and conditions set out in the Offer Letter and Funding Scheme Agreement.
- 5.6 The Government will not own any copyright of the Completed Film.

6. Application Date

The Funding Scheme is open for application from 10 February to 30 June 2023.

7. Application Procedures

- 7.1 An Applicant must complete the Application Form for "Funding Scheme" (FDF-Collaboration Funding Scheme Form (Feb 2023 version)) which can be obtained from the Secretariat, or from the homepage of the HKFDC website at www.fdc.gov.hk.
- 7.2 The Application Form is provided in Chinese and English versions. An Applicant may complete either the Chinese or English version for submission. If there is any conflict or inconsistency between the Chinese and English versions, the English version shall prevail.
- 7.3 No application fee is payable.
- 7.4 All monetary figures shall be in Hong Kong currency.

- 7.5 Other than submitting one (1) full copy of the duly completed Application Form, together with all information and supporting documents required by the Application Form and this Guide to the Government (c/o the Head of Create Hong Kong at **40/F, Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong**), an Applicant must sign “Authorization to Disclose Confidential Information and Personal Data” attached in Appendix C of the Application Form and agree to grant a reproduction right to the Government and the Secretariat to disclose and to make copies of its Application including but not limited to its Application Form; the Logline, Synopsis and Screenplay of the Proposed Film; and required documents to the relevant parties for the purpose of assessment of the Application. These relevant parties include without limitation any persons invited by the HKFDC to assess the Application, any Committee assigned by the HKFDC to administer the Funding Scheme, HKFDC, the Secretariat and other representatives of the Government involved in the assessment process.

8. Information

- 8.1 After an Application is submitted, an Applicant must obtain via the Secretariat the Government’s prior written approval for any changes to information and supporting documents required by the Application Form (including Chinese and English titles of the Proposed Film, Production Budget, Main Film Crew and Cast, etc.) and this Guide.
- 8.2 An Applicant shall also provide the Government or the Secretariat, with all clarification, information and documents requested by the Government or the Secretariat from time to time for processing its Application.

9. Withdrawals

An Applicant may write to the Government via the Secretariat to withdraw an Application before signing the Funding Scheme Agreement.

10. Acknowledgement

Acknowledgement will be sent to an Applicant within ten (10) working days after the receipt by the Government of the Application Form which is duly completed and submitted with all required information and documents in accordance with this Guide and the Application Form.

11. Assessment

- 11.1 All Applications received will be passed to the Secretariat, who will conduct preliminary screening of an Application to ascertain whether it meets all Eligibility Criteria. An Application will not be considered for assessment if the Secretariat is in the opinion that the Application does not meet any or all of the Eligibility Criteria. The Secretariat having confirmed that an Application has fulfilled all of the Eligibility Criteria will pass the same for assessment by any persons invited by the HKFDC to assess the Application, any Committee assigned by the HKFDC to administer the Funding Scheme (and HKFDC).
- 11.2 Assessment will be conducted on whether the Film Project meets the objectives as set out in paragraph 3. Upon such evaluation, any persons invited by the HKFDC to assess the Application, any Committee assigned by the HKFDC to administer the Funding Scheme (and HKFDC) shall respectively make recommendations to the Government for consideration. Upon consideration of the recommendations, the Government shall determine, at its absolute discretion, whether to approve or to reject an Application. Such decision shall be final and absolute.

12. Notification of Decision

After the Government has taken a decision on an Application, the Secretariat will notify the Applicant in writing whether the Government approves its Application. If the Application is approved, Offer Letter will be issued to the successful Applicant. If an Application is rejected, a letter of rejection will be issued to the Applicant. The decision is final and absolute, and there is no appeal process open to the Applicant.

13. Return of Materials

The Application Form and all information and required documents submitted by an Applicant will be retained by the Government and the Secretariat for record and audit purposes and will not be returned to the Applicant. Applicants shall make copies of these documents for their own record.

14. Offer Letter and Savings

- 14.1 The Offer Letter issued pursuant to paragraph 12 will set out the amount of Government Grant to be offered and the general terms and conditions of the proposed amount of Government Grant.
- 14.2 The successful Applicant will be required to sign and return the Offer Letter to the Government within the period specified therein ("**Offer Period**") if it accepts the proposed amount of Government Grant on the general terms and conditions set out therein. The Government may at any time before the Government's receipt of the Offer Letter duly signed by the successful Applicant withdraw its offer. The Government shall be deemed to have withdrawn the offer to make the proposed amount of Government Grant to a successful Applicant if it does not receive the Offer Letter duly signed by the successful Applicant on the expiry of the Offer Period.
- 14.3 After an Application has been approved, any application for increase in the amount of Government Grant will not be considered.
- 14.4 Once the Offer Letter is duly signed by the successful Applicant and received by the Government, subject to the satisfaction of the conditions set out in the Offer Letter, the Government will prepare the Funding Scheme Agreement for execution. Notwithstanding any signing and returning of the Offer Letter by the successful Applicant, the Government is under no obligation and shall not be held liable to pay any of the Government Grant or financial support in any form or be legally liable to the successful Applicant or any other party in any respect unless and until the Funding Scheme Agreement are duly executed by all parties thereto.
- 14.5 If the successful Applicant is unable to sign the Funding Scheme Agreement within four (4) months after the Government's receipt of the successful Applicant's duly signed Offer Letter or a period otherwise approved by the Government, the offer of Government Grant will lapse.
- 14.6 Nothing in this Guide shall constitute a contract. No binding agreement will be made between the Government and a successful Applicant or any other party unless and until the Funding Scheme Agreement is duly executed by all parties thereto.

15. Conditions of Offer

15.1 Transfer all Rights, Titles and Interests of Approved Film Project

The successful Applicant shall assign all rights (including Intellectual Property Rights), titles and interests of the Approved Film Project to a new company incorporated in Hong Kong ("ProdCo") for the implementation, Production, Completion and Delivery of the Approved Film Project and the Proposed Film through a Deed of Assignment prepared by the Government.

15.2 Incorporation of ProdCo

15.2.1 The successful Applicant shall within such time limit as prescribed by the Government in the Offer Letter incorporate or procure the incorporation of ProdCo which shall execute the Funding Scheme Agreement and undertake the implementation, Production, Completion and Delivery of the Approved Film Project and the Proposed Film in accordance with the provisions of the Funding Scheme Agreement; and

15.2.2 The shareholder(s) and company director(s) of ProdCo must be approved by the Government. The Government shall require the proposed shareholder(s) and company director(s) of ProdCo to submit to the Government statutory declaration(s) in the form set out in "APPENDIX D-1" of the Application Form (in the case of an individual) and in the form set out in "APPENDIX D-2" of the Application Form (in the case of a corporation).

15.3 Funding Scheme Agreement

15.3.1 The Funding Scheme Agreement, which upon execution shall be legally binding on all parties thereto, will be prepared and approved by the Government. The Funding Scheme Agreement will contain the complete terms and conditions of Government Grant, including matters referred to in this Guide, expanded and modified as necessary. It will also clearly set out the relationship among the Government, ProdCo and all film financiers (if any), and their respective obligations and liabilities, and that the Government's liability to subsidise the implementation, Production, Completion and Delivery of an Approved Film Project and Proposed Film will be limited to the amount of Government Grant specified in the Funding Scheme Agreement.

15.3.2 Should there be any conflict or inconsistency between this Guide and the Funding Scheme

Agreement, the latter shall prevail.

15.4 Disbursement of Government Grant

Once the Deed of Assignment and Funding Scheme Agreement are duly signed by the ProdCo and received by the Government, subject to the satisfaction of the terms and conditions set out in the Funding Scheme Agreement, the Government will disburse 40% of Government Grant to the ProdCo. The remaining Government Grant will be disbursed in accordance with the terms and conditions set out in the Funding Scheme Agreement.

15.5 Accounting

15.5.1 For effective monitoring, ProdCo is required to set up separate production account ("**Production Account**") to receive the Government Grant.

15.5.2 The Production Account shall be a separate bank account established for payments of expenses incurred for the implementation, Production, Completion and Delivery of the Approved Film Project and Proposed Film. The Government Grant and all sums paid by the other film financier(s) of the Approved Film Project (if any) shall be paid into the Production Account. All sums in the Production Account shall only be expended in accordance with the terms and conditions of Funding Scheme Agreement including the Approved Production Budget of the Approved Film Project. All interest shall be kept in the Production Account and shall not be used by the ProdCo for any purpose other than implementation/production of the Approved Film Project. All records of the Production Account will be subject to inspection as and when required by the Government, the Director of Audit or any of their authorised representatives.

15.5.3 In addition to the requirement on the ProdCo to engage an auditor which is not connected with the Approved Film Project for conducting an audit in respect of the Approved Film Project, if the Government considers necessary, it may engage an independent auditor to conduct an independent audit in respect of the Approved Film Project. The ProdCo must allow the independent auditor to access, make copies of, inspect and examine all books and records and other documents and materials relating to the Approved Film Project and render full cooperation to the independent auditor for the purpose of conducting the independent audit.

15.5.4 The Government reserves the right to claim the ProdCo against any loss or damages incurred in connection with or as a result of the successful Applicant's failure to comply with any requirement set out in paragraph 15.5.1 or 15.5.2.

15.5.5 All expenditure items shall be supported by official receipts and/or invoices (both receipts and invoices for settled items and invoices for unsettled items). The official receipts and/or invoices shall contain transaction details including without limitation the monetary value, quantity and purchase date of the procured goods and/or services and/or equipment items, as well as the full name and the contact information (e.g. telephone, correspondence address, email address) of the goods and/or services and/or equipment item provider(s) (i.e. payee), as far as practicable. Each official receipt and/or invoice with the payment method specified shall be certified true and correct by the ProdCo's authorised person who is responsible for the respective procurement of goods and/or services and/or equipment items or the cost control measures of the Approved Film Project. If the ProdCo is unable to submit the official receipts and/or invoices to the Government, it shall provide written explanation to the satisfaction of the Government. The Government shall have the sole discretion to decide whether such explanation is acceptable.

15.6 Approvals and Documentation

15.6.1 Each Applicant is required to provide the Government with a certified true copy of each agreement and/or document signed with other parties in relation to the Film Project, in accordance with the requirements set out in the Application Form.

15.6.2 A successful Applicant and ProdCo shall obtain the Government's prior written approval of a list of matters relating to the implementation, Production, Completion, Delivery, Distribution, Exhibition and Exploitation of the Approved Film Project, the Proposed Film and the Completed Film, including the following:

(a) financing and co-financing arrangements (including the Production Budget of the

- Approved Film Project, other film financier(s), finance plan, sales estimates, cash-flow schedule);
- (b) identity of sales agent and Hong Kong distributor(s); and
- (c) insurance policies.

A complete list of the matters will be set out in the Offer Letter and Funding Scheme Agreement.

15.7 Inspection Visits

At any time and from time to time during the subsistence of the Funding Scheme Agreement, the Government and the Secretariat may conduct visits to inspect the implementation, Production, Completion and Delivery of an Approved Film Project and Proposed Film (e.g. the Pre-Production, Principal Photography and Post-Production in respect of the Approved Film Project). Where the Government makes such request, ProdCo must make all necessary arrangements for the Government and the Secretariat to conduct the inspection visits.

15.8 Final Cut

15.8.1 After the completion of the Post-Production of an Approved Film Project, ProdCo must submit to the Government the final version of Screenplay and arrange a screening of the Final Cut to the Government and the Secretariat for viewing and approval. The ProdCo must not commence any promotional activities (including participation of local and/or overseas film festivals) and/or screening of the Film prior to the Government's approval of the Final Cut unless otherwise approved by the Government.

15.8.2 ProdCo shall carry out all changes of the Final Cut to the Government may require in order for the Approved Film Project to meet the requirements of the Office for Film, Newspaper and Article Administration, secure a certificate for public exhibition in Hong Kong under the Film Censorship Ordinance (Cap. 392) and/or comply with any warranty, representation or other contractual specification relating to the Approved Film Project and/or conform to any legal advice received by the Government.

15.9 Credit

15.9.1 The logos of the Create Hong Kong and FDF shall be displayed in the main title credit, the end credit, and all billing block materials of the Completed Film, and must meet the credit requirements as stipulated in the Funding Scheme Agreement. In addition, the Government will require a block of credits for such additional persons up to such number as may be designated by the Government in the end credit of the Completed Film. The format and design of the credits will be determined by the Government. Under no circumstances can the logos of the Create Hong Kong and FDF be displayed in any materials without the Government's approval.

15.9.2 The Government will also have the absolute right to approve all other credits of the Approved Film Project and Completed Film.

15.9.3 If the successful Applicant or the ProdCo acknowledge in whatever means the financier(s) of an Approved Film Project, the Government's provision of grant to the Approved Film Project must be acknowledged at the same time.

15.10 Theatrical Release

15.10.1 The Film must be theatrically released in Hong Kong and the country in which the Qualified Asian Film Practitioner based no later than 36 months after the execution of Funding Scheme Agreement.

15.11 Rights Granted

15.11.1 The Government and the HKFDC shall have the right to use the Delivery Materials listed in Field 6.7 of "Film Project" in Appendix A of the Application Form and Funding Scheme Agreement for publicity and internal purposes and to deposit any of the Delivery Materials at the Government's archive without further reference to or consent from any party.

15.12 Cessation of Provision of Government Grant

- 15.12.1 The Government may terminate the Funding Scheme Agreement and immediately cease to provide any further Government Grant if any Event of Default has occurred and is incapable of being remedied or if the successful Applicant and/or ProdCo fail to remedy the Event of Default within the time limits specified in the Funding Scheme Agreement.
- 15.12.2 The “Events of Default” will be set out in the Funding Scheme Agreement. These include breach of the terms and conditions of the Funding Scheme Agreement by, and insolvency of, ProdCo, failure to satisfy the conditions precedent to provision of Government Grant, failure to complete the implementation, Production, Completion and Delivery of the Approved Film Project and Proposed Film by the specified date, and failure to obtain a certificate for public exhibition in Hong Kong under the Film Censorship Ordinance (Cap. 392) for the proposed Film, etc.
- 15.12.3 Upon termination of the Funding Scheme Agreement for an Event of Default, the ProdCo shall forthwith return to the Government the full amount of Government Grant disbursed to ProdCo in accordance with the terms and conditions of Funding Scheme Agreement together with all administrative, legal and other costs and interest (regardless of whether the ProdCo has already spent the Government Grant or not).

16. Submission of Cost Reports

- 16.1 Unless the Government agrees otherwise, ProdCo shall provide the Government with such information as it reasonably requires in relation to the expenditures for the implementation, Production, Completion and Delivery of the Proposed Film and Approved Film Project including three (3) written cost reports in the following manner:
- (a) cost report in respect of Pre-Production within thirty (30) days after the completion date of Pre-Production;
 - (b) cost report in respect of Principal Photography within thirty (30) days after the completion date of Principal Photography; and
 - (c) cost report in respect of Post-Production within thirty (30) days after the completion date of the Post-Production.
- 16.2 ProdCo shall ensure that cost reports shall be in a format acceptable to the Government and shall contain a narrative showing movements since the last cost report, full explanations of any variances from the Approved Production Budget in each cost area, and finance and expenditure statements (including but not limited to donations and sponsorships statements). ProdCo shall submit the cost reports to the Government for approval.
- 16.3 ProdCo shall submit the schedule of implementation, Production, Completion and Delivery of the Proposed Film and Approved Film Project to the Government for approval, and shall adhere to the schedule approved by the Government and any revisions thereto as the Government may require or approve. Further, ProdCo shall submit to the Government the daily call sheets and daily reports during Principal Photography of the Proposed Film in the manner as requested by the Government.

17. Accounting Books and Records

- 17.1 The successful Applicant and ProdCo shall submit to the Government, among other things, information as the Government reasonably requires in relation to the Approved Film Project, including written costs reports on the implementation, Production, Completion and Delivery of the Proposed Film and Approved Film Project for the purposes set out in paragraph 17.1, an outline timetable for the shooting of the Proposed Film and the production schedule for the Approved Film Project.
- 17.2 The successful Applicant and ProdCo shall keep complete and accurate books and records of all incomes, expenditures and liabilities in respect of the Approved Film Project in accordance with the Companies Ordinance (Cap.622) and generally accepted accounting principles. The Government and any officer authorized by the Government may at any time inspect and make copies of such books and records.
- 17.3 Within three months after the date of theatrical release of the Film in Hong Kong, the successful Applicant and ProdCo shall submit to the Government the final audited statement of the production costs of the Approved Film Project which is duly audited and certified as accurate by an auditor in accordance with the requirements as the Government may specify.

18. Handling of Information

18.1 The Authority (which for the purpose of this paragraph 18 means all or any of the Government bureaux and departments and the HKFDC (including the Secretariat, any persons invited by the HKFDC to assess the applications and any committee assigned by HKFDC to administer the Funding Scheme)) is committed to ensuring that all personal data submitted under an Application are handled in accordance with the relevant provisions of the Personal Data (Privacy) Ordinance (Cap. 486) (“**PDPO**”). Personal data provided in relation to an Application may be used by the Authority and disclosed among them for the following purposes:

- (a) the processing and authentication of Applications;
- (b) payment of Government Grant and any refund thereof;
- (c) the daily operation of the Funding Scheme;
- (d) conducting credit checks;
- (e) monitoring the performance of the Funding Scheme Agreement and all documents delivered to the Government pursuant to the terms and conditions of the Funding Scheme Agreement;
- (f) meeting the requirements to make disclosure pursuant to any law or arbitral or court order;
- (g) statistics and research; and
- (h) any other purposes directly related to, arising from or incidental to the above.

18.2 Personal data provided in an Application and the Funding Scheme Agreement will be kept in strict confidence. They may however be disclosed by the Authority to any of the following parties for the purposes set out in paragraph 18.1:

- (a) any person (including the agent, the contractor or the third party service provider of the Government) who is involved in the Funding Scheme;
- (b) subject to (c), any other person under a duty of confidentiality to the Authority; and
- (c) in relation to the names of the Company Directors of the successful Applicant and ProdCo, sales agent and Hong Kong distributor(s), the title of the Film Project, the names of the Producer(s) and the Film Director(s) of the Film Project and Approved Film Project, and the names of the other Film Crew(s) and Cast(s) of the Film Project and Approved Film Project, the public.

18.3 According to Section 2.3.3 of the Code of Practice on the Identity Card Number and Other Personal Identifiers issued by the Privacy Commissioner for Personal Data, the Authority will obtain the identity card number of the individual(s) of the Applicant in order to verify the identity of the identity card holder.

18.4 According to Sections 18 and 22 and Principle 6 of Schedule 1 to the PDPO, the individuals whose personal data are provided in an Application and any person authorized by such individuals have a right of access and correction with respect to the personal data including the right to obtain a copy of the personal data.

18.5 The Authority shall hold the personal data securely in accordance with prevailing Government information security requirements. All practicable steps will be taken to protect the personal data against unauthorised or accidental access, processing, erasure, loss or use.

18.6 The information provided by an Applicant in the Application will not be used by the Authority for any other purposes unspecified in paragraph 11.1 above. The personal data provided will be kept by the Authority for a reasonable period of time as may be required for the purposes for which the data are collected and in accordance with relevant statutory provisions. After that time, the personal data will be erased.

18.7 A request for access to or correction of personal data or for information of the policies and practices and kinds of data held shall be addressed to:

Senior Executive Officer (Administration)
Culture, Sports and Tourism Bureau
21/F, West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

A fee will be charged in accordance with the PDPO for providing access to or correcting any personal data and for providing the information.

19. Enquiries

Enquiries regarding the Funding Scheme can be addressed to the Secretariat at:

Address : **Hong Kong Film Development Council Secretariat
40/F, Revenue Tower
5 Gloucester Road
Wan Chai, Hong Kong**

Telephone No. : **2594 5846**

Email Address : **info@fdc.gov.hk**

Homepage : **www.fdc.gov.hk**

20. Language

The Chinese translation of this Guide is for reference only. In the event of any conflict or inconsistency between the English text and the Chinese translation of this Guide, the English text shall prevail.

**Hong Kong Film Development Council Secretariat
February 2023**