

**Signature Performing Arts Programme Scheme
Guide to Application**

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PREAMBLE

This Guide to Application (“**Guide**”) provides basic information on the Signature Performing Arts Programme Scheme (“**SPAPS**”) of the Government of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Government**”). The SPAPS is administered by the Culture, Sports and Tourism Bureau (“**CSTB**”) of the Government.

The Guide includes objectives, funding support, eligibility, application, assessment mechanism, funding agreement and disbursement of grants, publicity and acknowledgement, obligations and project variations of the SPAPS.

As mentioned in Chapter V (Application) Paragraph 5.2, the SPAPS will be open for applications from **30 December 2024** to **30 May 2025** (“**Closing Date**”). This Guide may be subject to change in subsequent rounds of the funding exercise. At present the Government proposes to have two rounds. Applicants (“**Applicants**”, and each of them, an “**Applicant**”¹) are advised to consult the latest version of the Guide on the webpage: www.cstb.gov.hk/en/spaps.html

The original completed and duly signed application together with the relevant supporting documents shall be delivered or sent to the secretariat of the SPAPS (“**Secretariat**”) **before 6:00 p.m.** on the Closing Date² and ³. **Any information submitted through public cloud storage, applications by email and late applications will not be considered.**

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

² If Tropical Cyclone Warning Signal No. 8 or above, a black rainstorm warning signal, or adverse weather and “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 adverse weather and “extreme conditions” announced by the Government is/are in force for any duration between 2:00 p.m. and 6:00 p.m.

³ 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.

Enquiries about this Guide or application in respect of this funding exercise shall be addressed to the Secretariat as provided below:

Address: Secretariat of the
Signature Performing Arts Programme Scheme
Culture, Sports and Tourism Bureau
25/F, Wanchai Tower
12 Harbour Road
Wan Chai
Hong Kong

Telephone: (852) 3990 1707

Email: spaps@cstb.gov.hk (For enquiries only)

Website: www.cstb.gov.hk

Opening 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 Chief Executive announced in his 2023 Policy Address the launch of the SPAPS to nurture world-class performing arts productions and international cultural brands that are representative of Hong Kong and that the SPAPS will support representative and large-scale local signature performing arts productions to be staged as long-run performances. The Government has set aside a provision of around \$76 million Hong Kong dollars from the arts portion of the Arts and Sport Development Fund (“**ASDF**”) for the SPAPS.
- 1.2** It is currently proposed that the SPAPS will be implemented in two rounds and that each round will select a maximum of two proposals. Each successful Applicant will be provided with a direct subsidy of up to \$10 million and an additional \$5 million matching fund to match private sector funding raised and box office income received.
- 1.3** Applications under the SPAPS (the “**Applications**”, and each of them, an “**Application**”) will be assessed by a panel comprising members from the community and representatives from the Government as specified in Chapter VI (Assessment Mechanism) Paragraph 6.4.2, which will make recommendations to the Government for approval. The Government will, taking into account the recommendations of the SPAPS assessment panel, consider whether to approve such applications, the amount of grants and conditions of grant, if any.

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Chapter II

OBJECTIVES

2.1 The SPAPS will provide funding support for proposals (“**Proposals**”, and each of them, a “**Proposal**”) in implementing performing arts productions (the “**Productions**”, and each of them, a “**Production**”) contributing to the following objectives:

- (a) to nurture local performing arts productions which are large-scale, capable of becoming long-running world-class performing arts productions and international brands that are representative of Hong Kong;
- (b) to foster private sector sponsorship/investment; and
- (c) to strive for developing a cultural icon of Hong Kong that could be toured in the Mainland and overseas to facilitate Hong Kong’s performing arts to reach the global audience.

2.2 The SPAPS will provide seed money to Applicants to fund Proposals and encourage a market-oriented approach through private sector sponsorship/investment by incorporating a matching element.

2.3 Applicants are encouraged to put forth proposals for Productions with the following attributes and features:

- (a) productions that are or have the potential to be self-sustained and become financially viable in the long run. Apart from sponsorship/investment and box office income, Applicants are encouraged to create their own intellectual property and generate income from products related to, or commercial activities peripheral to, the productions, as well as arrange tours in places outside Hong Kong;
- (b) productions that are attractive in the longer term in terms of content and scale. The creative content should be long-lasting and attractive to appeal to a broad range of audience both locally and abroad. The productions should be able to run regularly and the whole set can go

on tours outside Hong Kong without much need for substantial adaptation;

(c) new productions or productions that have already been staged which seek to substantially transform and enhance in terms of creativity and presentation format, possession of the capacity to generate renewed interest; and

(d) productions that are or have the potential to be representative of Hong Kong and are conducive to realising the vision of developing Hong Kong into an East-meets-West centre for international cultural exchange.

2.4 Applicants should demonstrate how funding under the SPAPS would make the Proposals possible and become successes. For instance, without the Government funding, the Proposals may not be able to get off the ground, or that the Government funding will enable substantial transformations or enhancements of productions that have already been staged which would attract renewed, expanded and long-term patronage.

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3.1 Forms of Funding Support

3.1.1 A grant under the SPAPS (“**Grant**”) consists of two parts, namely: a Direct Grant and a Matching Grant (see Paragraph 3.1.3 below). A Grant 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 costs for creative personnel, stage production, venue rental, marketing and publicity, manpower for implementation and administration. Any income generated from the Proposals can be retained by the Applicant. The Government does not guarantee that the amount applied for will be approved in full for successful Applications. The approved amount of the two parts of the Grant will be stipulated in the Funding Agreement. Under the Funding Agreement, the grantee of a Grant (“**Grantee**”) has the obligation to find additional resources, if required, to ensure that the Proposal can be implemented as approved.

3.1.2 Selected Proposals shall not be considered under the subsequent funding exercise of the SPAPS.

3.1.3 The Grants

(a) The SPAPS is intended to support Proposals of high artistic/professional merit that fulfil the objectives of the SPAPS. The Applicant must meet the relevant criteria set out in Chapter IV (Eligibility).

(b) Information on the two parts of a Grant is provided below:

Direct Grant

(c) A grant (“**Direct Grant**”) calculated on the basis of 60% of the projected expenditure of the Proposal **up to a maximum amount of \$10 million Hong Kong Dollars** for a **maximum period of three years** unless otherwise approved by the

Government.

Matching Grant

(d) A grant (“**Matching Grant**”) up to a maximum amount of **\$5 million Hong Kong Dollars (“Matching Ceiling”)** for a **maximum period of three years** unless otherwise approved by the Government.

Matching will be as follows:

- (i) non-government sponsorship and/or donation will be matched at a matching ratio of \$1 (whole dollar) to \$1.5, which may be adjusted upward or downward subject to the decision of the assessment panel; and
- (ii) cash income other than (i) including but not limited to box office income will be matched at a matching ratio of \$1 (whole dollar) to \$0.5 (see Paragraph 3.1.3(e) below).

Cash Income to be Matched

- (e) Cash income to be matched includes non-government sponsorships and/or donations in cash and any revenue that the Applicant generates from the approved Proposal including box office income, admission fees, participation fees and sales of merchandise developed 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.
- (f) Cash sponsorships and/or donations provided directly or indirectly for the Proposal by any public funding source shall not form part of the cash income.
- (g) Sponsorships or donations in kind shall not form part of the cash income.
- (h) The Applicant must explain how such funds and income are/will be raised (such as box office income, admission fees

or sponsorship/donation), and set out clearly the sources of funds and income in the Application Form as specified in Chapter V (Application). The Applicant must also submit documentary proof to the satisfaction of the Government that the claimed amount of non-government sponsorships and/or donations for matching as specified in Chapter VI (Assessment Mechanism) Paragraph 6.2.2.

- (i) The Grant will cover costs incurred by the Applicant 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 periods as specified in Paragraphs 3.1.3.

3.1.4 Maximum Grant Amount

- (a) The maximum amount of the Grant (i.e. Direct Grant and Matching Grant) is \$15 million Hong Kong Dollars for implementation of the Proposal under the first round of the SPAPS.
- (b) The approved grant amount will be determined on a case-by-case basis having regard to factors such as cost of production, pledged amount of eligible sponsorship/donation, box office income, marketability and market rates.

3.1.5 Additional incentive for Grantee

- (a) To motivate the Grantee to re-run and continue to run the Production on a long term basis after completion of the first round of the SPAPS, the Government may consider providing an incentive matching sum, subject to fulfilment of the following conditions:
 - (i) in the event that the Production completed in the first round of the SPAPS generated a profit with the Government's grant under the SPAPS taken into account;

- (ii) all of the performances of the re-run production are held within 18 months in Hong Kong after the last performance of the Production funded by the first round of the SPAPS; and
 - (iii) the performances of the re-run production are of an equal or larger scale in terms of number of performances and paid audience number than the performances of the Production funded by the first round of the SPAPS.
- (b) The Government will provide an incentive matching sum equivalent to 20% of the total of the Government's grant for the first round of the SPAPS or \$3 million, whichever is the less. Matching will be as follows:
 - (i) non-government sponsorship and/or donation secured from the re-run of the production will be matched at a matching ratio of \$1 (whole dollar) to \$1.5 ; and
 - (ii) cash income other than (i) including but not limited to box office income will be matched at a matching ratio of \$1 (whole dollar) to \$0.5.

3.2 Double Subsidy

3.2.1 Double subsidy in the form of cash support must be avoided. If cash support from other public funding sources⁴, 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 specify the expenditure items receiving other public financial support in the projected expenditure of the Proposal.

⁴ Public funding sources mean funding provided by Government Bureaux/Departments or public organisations receiving recurrent funding from the Government (e.g. CSTB; LCSD; Hong Kong Arts Development Council; West Kowloon Cultural District Authority; Cultural and Creative Industries Development Agency; Innovation, Technology and Industry Bureau; Education Bureau; Social Welfare Department and District Councils).

3.2.2 To cultivate a supportive culture for arts in the community, a 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 Secretariat 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 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 may be able to secure. Applicants 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 sponsorship and/or donation 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 The following will be eligible for matching under the SPAPS:

- (a) a cash sponsorship and/or donation, which is **not** provided by any public funding sources directly or indirectly (e.g. the Hong Kong Arts Development Council grants and District Council’s Community Involvement funds are not eligible for matching);
- (b) funds raised from auctioning of objects donated by private individuals/corporations;
- (c) a sponsorship and/or donation of not less than \$10,000 Hong Kong Dollars;

- (d) a donation by a bona fide donor/bona fide donors⁵. If the Applicant has to pay cash or provide other rewards to the donor, directly or indirectly, in return for the donation, the relevant donation will not be eligible for matching; and
- (e) there must not be pecuniary interest between the sponsor/donor and the designated purpose of the sponsorship/donation, otherwise such sponsorship/donation will not be eligible for matching.

3.3.4 If an Applicant incurs expenses in the form of “identifiable costs” or “direct costs” in obtaining a sponsorship/donation, such expenses shall be netted off from the amount of gross cash sponsorship/donation before the sponsorship/donation can be matched. In calculating the cost to be netted off, the Applicant should make reference to the general guidelines set out at **Appendix A** of the Application Form.

3.3.5 The sponsorship must not be sought in return for purchase of goods and/or services provided by the sponsor directly or indirectly.

3.3.6 The following will **not** be accepted for matching under the SPAPS:

- (a) income generated from sponsorship/donation that has been matched (e.g. investment income or bank interest);
- (b) money given to the Applicants by a sponsor/donor in consideration of goods, services or performances provided by the Applicants (e.g. hire engagement, sponsored research, consultancy); and
- (c) sponsorship/donation from a sponsor/donor who chooses to opt out of the SPAPS.

3.3.7 The Grantee agrees and undertakes that it shall not accept

⁵ The Applicant shall make and submit a declaration in the format as shown at **Appendix B** together with the Application Form. Donations must be transferred voluntarily not as a result of a contractual obligation and no advantage of a material character is received by the transferor by way of return.

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.

3.3.8 All committed non-government sponsorships and/or donations for matching of Matching Grant must be received before the last instalment of the Grant is disbursed by the Government.

3.3.9 The Grantee 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, subject to the Grantee's accomplishment of appropriate milestones/deliverables⁶. The dates of the **instalment schedule** are to be agreed between the Grantee and the Government, and will be stipulated in the Funding Agreement.

⁶ 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.

3.4.2 The first instalment is to provide seed money 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. The Grant will normally be disbursed in **three or four instalments** in the following manner and in accordance with the arrangements set out in Chapter VII (Funding Agreement and Disbursement of Grants) Paragraph 7.3.

<u>Instalment</u>	<u>Direct Grant</u>	<u>Matching Grant</u>
First	Maximum of 30% of the approved Direct Grant upon signing of the Funding Agreement	Maximum of 50% of the eligible Matching Grant amount upon (i) signing of Funding Agreement and (ii) submission of documentary proof to the satisfaction of the Government evidencing that 50% of the pledged amount of non-government sponsorship/donation for matching has been deposited
Second and/or Third	An amount equal to the approved Direct Grant minus the amounts of the First and Final Instalments, to be distributed in one (second instalment) or two (second and third instalment), upon satisfactory accomplishment of milestones/deliverables, and/or completion of all milestones/deliverables	The remaining eligible Matching Grant minus the amount of the First Instalment, to be distributed in one (second instalment) or two instalments (second and third instalment), upon submission of documentary proof to the satisfaction of the Government evidencing that (i) the pledged amount of non-

<u>Instalment</u>	<u>Direct Grant</u> of the Proposal	<u>Matching Grant</u> government sponsorship/ donation; and/or (ii) the cash income other than non-government sponsorship/donation for matching have been deposited
Final	Not more than 20% of the approved Direct Grant subject to the actual expenditure and 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 of the milestones/deliverables and compliance with other conditions governing the payment of such instalment.

3.4.4 For details about the disbursement of Grant, 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 Government accept any liability for deficits arising from or in relation to an approved Proposal. The Grantees shall be solely responsible for any deficits arising from the implementation of the approved Proposals or any shortfalls arising from the implementation and completion of the Proposals.

3.5.2 Any income generated from the Proposal can be retained by the

Grantees.

- 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) Paragraph 10.2.

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Chapter IV

ELIGIBILITY

- 4.1** The subject matter of the Proposal must relate to **performing arts**. 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 SPAPS, will enable a substantial transformation or enhancement of the Applicant's productions that have already been staged which would attract renewed, expanded and long-term patronage.
- 4.2** A Proposal which is seeking/receiving **non-cash support from other public funding sources** is eligible to apply for the SPAPS. The Applicant should also note Chapter III (Funding Support) Paragraph 3.2.
- 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 Secretariat 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 Government.
- 4.6 Eligible Applicants / Applications**

4.6.1 The Applicant must be:

- (a) the organiser of the Production; and
- (b) one of the following:

- (i) a company incorporated under the Companies Ordinance (Cap. 622) or the old Companies Ordinance (Cap. 32), including a company limited by guarantee whose objects and powers do not include the distribution of profits to members;
- (ii) a charitable institution or trust of a public character which is exempt from tax under Section 88 of the Inland Revenue Ordinance (Cap. 112); or
- (iii) a statutory body established by Hong Kong legislation.

4.6.2 **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 stated in Paragraph 4.6.1.

4.6.3 The Applicant must propose that the majority of the key personnel, such as chief executive officer, artistic director, executive director and performing artists engaged by the Applicant must be Hong Kong residents.

4.6.4 The Applicant receiving recurrent funding of any form from the Government and/or other public funding sources is required to **declare** in its Application and submit information including the budget of the approved project under such Government and/or other public funding sources 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 that 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.

- 4.6.7 The Applicant must propose the staging of **at least 15 performances** in Hong Kong either consecutively or within three years, with a **total paid audience number of at least 10 000**.
- 4.6.8 Applications must involve Proposals with an overall **projected expenditure at or above \$5 million Hong Kong Dollars**, failing which the Applications will not be considered.
- 4.6.9 The budget must propose that around 70% of the expenditures for the Proposal (including expenditures on preparation, script writing, production, artist fees, rental) must be expended in Hong Kong.
- 4.6.10 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 may 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 SPAPS webpage. Details are as follows:

Address: Secretariat of the
Signature Performing Arts Programme Scheme
Culture, Sports and Tourism Bureau
25/F, Wanchai Tower
12 Harbour Road
Wan Chai
Hong Kong

Webpage: www.cstb.gov.hk/en/spaps.html

5.1.2 The Application Form must be duly completed and signed by the Applicant.

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, if required.

(b) 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) Paragraph 3.1 as well as justifications for and the calculations of the budget;
- (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 Grantee 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 Government 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 that seeks to substantially transform and enhance a production that has already been staged in

terms of creativity and presentation format, the Applicant must indicate the **parts where significant and substantial changes and/or enhancements** have been made;

- (viii) For a Proposal which relates to an event that is intended to become **a long-running production**, the Applicant shall demonstrate that the Grant will be used for a specified period and (i) provide details of its **long term plan** in relation to the Proposal; and (ii) acknowledge that it understands that the Grant, if approved, may not be provided to fund future editions of the event; and
- (ix) 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 following:

- (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 Applicants may provide recordings or documentation of up to three previous works for reference.

5.2 Application Period

The SPAPS will be open for applications from 30 December 2024 to 30 May 2025.

5.3 Application Procedure

5.3.1 The Application Form must be completed 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 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) as required by the Application Form and this Guide, to the following address :

Secretariat of the
Signature Performing Arts Programme Scheme
Culture, Sports and Tourism Bureau
25/F, Wanchai Tower
12 Harbour Road
Wan Chai
Hong Kong

Applicants must provide the Budget and Cash Flow Projection together with the Application Form. 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 the Application. Failure to provide such information within the specified time will render the Application not to be considered further.

5.3.4 The Application Form and information submitted will be retained by the Secretariat for record and audit purposes. The Applicant should therefore make copies of the submissions for its own records. Reference materials submitted such as publications, photos, visual/audio CD-ROMs, USB flash drives 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 the SPAPS 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 to assess the Application.
- 6.1.3 An assessment panel will be formed to assess Applications for the SPAPS in accordance with the criteria and guidelines approved by the Government, to make recommendations to the Government, and to make suggestions to fine-tune the selection criteria and process as required. Details on the assessment panel (“**Assessment Panel**”) are set out in Paragraph 6.4.2.
- 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 Secretariat will consolidate the outcomes of the Assessment Panel for making recommendation to the Government which will consider whether or not to approve an Application, the amount of the Grant and any conditions to be attached taking into account the recommendations of the Assessment Panel.
- 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 merit, attractiveness and integration of arts and technology in different art forms;
- potential of developing the Production into a representative, long-running signature performing arts programme in Hong Kong, say projecting characteristics of Hong Kong, taking into account the Production's long-term attractiveness and sustainability;
- commercial and financial viability and sustainability of the Production, including budget, cash flow and profit management and availability of performing talents;
- impact of the Production, including its scale, tourism appeal and value-add to Hong Kong's cultural and tourism landscape and the key performance indicators proposed;
- commercial opportunities of the Production other than as mentioned above; and
- marketing and promotion strategies and expected impact.

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 Applicant fails to provide documentary proof ascertaining the non-government sponsorships and/or donations secured or will secure in cash for the matching of the Matching Grant; or
- (d) 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 producing world-class performing arts productions that serve as cultural brands in Hong Kong and consolidate Hong Kong's status as a

destination for tourists worldwide, as manifested by the objectives of the SPAPS;

- (b) whether the Proposal is **creative, original**, and of **outstanding artistic merit and cultural merit**;
- (c) whether benefits accrued from the Proposal can **facilitate the development of the arts and culture sector or the community as a whole, including but not limited to arrangement of touring performances abroad**;
- (d) 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;
- (e) 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;
- (f) 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
- (g) any other special factors which are relevant and contribute towards the objectives of the SPAPS.

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 Secretariat 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 Assessment Panel 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 Assessment Panel shall comprise members from the community and representatives from the Government. The Secretariat will invite **experts, professionals, experienced arts practitioners, academics, individuals with rich business acumen and experience** as members of the Assessment Panel 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 in respect of its potential to become a long-running signature performing arts programme of Hong Kong.

Each of such members will also be required to declare whether he is directly or indirectly related to an Application and, if so, will be required to refrain from assessing the Application.

6.5 Notification of Results

- 6.5.1 After considering the recommendations of the Assessment Panel, 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 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 under the SPAPS 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 While each application will normally be subject to a standard set of conditions, such conditions may need to be customised to some extent to suit unique individual circumstances.

7.1.3 **No binding agreement will be made between the Government and a successful Applicant as to the SPAPS Grant unless and until the Funding Agreement is duly executed by the Government and the Grantee.**

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

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

- (a) the terms and conditions as required by the Assessment Panel 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 above mentioned 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 according to the actual expenditure and 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 the Matching Grant, production of satisfactory documentary proof showing that all committed non-government sponsorships and/or donations and other cash income for matching are in place.

7.3.3 The Government reserves the right to suspend any payment to the Grantee if there is any delay in submission of any progress report, the final report and/or the audited account report; or any of such reports does not comply with the requirements set out in the Funding Agreement.

7.3.4 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 SPAPS 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 auditor⁷ 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 Budget. This financial statement shall contain an audited statement of the total

⁷ 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 practicing certificate as defined in that Ordinance.

expenditure and income of the implemented Proposal, and shall be prepared from a proper and separate set of accounts.

9.1.5 The Grantee shall be obliged to submit a Report on Factual Findings⁸ for reporting the netting off of identifiable or direct costs incurred in obtaining a sponsorship/donation and other cash income in accordance with the general guidelines set out at **Appendix A** of the Application Form and the Funding Agreement, which is to be verified and signed by a certified public accountant registered under section 22 of the Professional Accountants Ordinance (Cap. 50); and

9.1.6 The Grantee shall be obliged to disclose provide details of all sponsorships/donations received in format as shown at **Appendices C(a) and C(b)** of the Application Form to the Secretariat:

(a) The Grantee shall list out details of each sponsorship/donation and provide the name of the sponsor/donor, amount of sponsorship/donation, the identifiable and direct costs to be netted off, and the amount of the Grant to be claimed; and

(b) for sponsorships/donations at \$200,000 Hong Kong Dollars or above from the same sponsor/donor, in addition to the information in Paragraph 9.1.6(a) above, the Grantee shall also provide copies of sponsorship/donation contracts or other documentary proof in the absence of sponsorship/donation contracts to substantiate the claim.

9.1.7 The Grantee may be required to make presentation(s) of the results and its experience in implementing the approved Proposal to the Government 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

⁸ The Report on Factual Findings is to be prepared in accordance with Engagements to Perform Agreed-Upon Procedures Regarding Financial Information of Hong Kong Standard on Related Service 4400 of the Hong Kong Institute of Certified Public Accountants.

and/or visual recordings of performances/events, publications and reports produced in relation to the approved Proposal at its sole cost and expense.

9.1.8 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.

9.1.9 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.

9.1.10 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 Assessment Panel be liable or accountable for any claims, loss or damages arising from or in relation to any Proposal.

9.5 Intellectual Property Rights⁹

9.5.1 The Grantee is required to inform the Secretariat of any

⁹ 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.

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 Assessment Panel 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 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/donation 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;

- (b) **lack of progress** of the implementation of the approved Proposal in a material way;
- (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;
- (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 SPAPS 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 or touring artistic personnel, 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 Assessment Panel 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 represent, warrant and undertake 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 Secretariat, any Government Bureaux, Commissions and Departments for the purposes mentioned above. However, in the interests of transparency of the operations of the SPAPS, 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 SPAPS should be addressed to the Secretariat:

Address: Secretariat of the
Signature Performing Arts Programme Scheme
Culture, Sports and Tourism Bureau
25/F, Wanchai Tower
12 Harbour Road
Wan Chai
Hong Kong
Telephone: (852) 3990 1707
Email: spaps@cstb.gov.hk (For enquiries only)
Website: 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 shall be a party in relation to the SPAPS. 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 this Guide or 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, their 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 SPAPS 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 SPAPS 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 SPAPS 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 SPAPS. 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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Secretariat, Signature Performing Arts Programme Scheme
December 2024