

## **Subsidy Scheme for Encouraging Early Deployment of 5G (“Scheme”) Frequently Asked Questions**

Notes: (1) Unless otherwise specified, expressions and terms used below have the same meaning as those used in the Application Guideline for Subsidy Scheme for Encouraging Early Deployment of 5G issued by OFCA (last updated in June 2022) (“Guideline”). (2) OFCA reserves the sole right to update or amend the Frequently Asked Questions as necessary.

**Q1: My company is an application/hardware developer or solution provider, and plans to develop an application/solution/hardware which will deploy 5G technology. Can my company submit an application under the Scheme for a project concerning the development of the application/solution/hardware?**

A1: The Scheme aims to encourage existing entities in various sectors to put 5G technology into practice as early as possible. For a project concerning the development of an application/solution/hardware, while the Scheme encourages actual deployment by end users immediately after the project completion, we would also consider the application under the Scheme as long as the application/solution/hardware enabled by 5G is intended to be provided to one or more end users for deployment. For a project to be approved under the Scheme, it must fulfil all the essential requirements as set out in paragraph 3.1 of the Guideline, subject to other considerations under paragraph 3.2 of the Guideline. It should be noted that each applicant shall be eligible to receive subsidy under the Scheme for one project only pursuant to paragraph 1.4.3 of the Guideline.

**Q2: My company plans to deploy 5G technology to improve the business and note that there is relevant application/solution/hardware based on 5G technology which is developed by third party application/hardware developer or solution provider. Can my company engage such third party to carry out the project for my company?**

A2: Yes, an applicant is allowed to engage any third party to assist it in carrying out the project and shall observe, among others, paragraph 7.4 of the Guideline.

**Q3: If a project concerns the upgrade of an existing application/solution/hardware (which currently deploys 4G/3G technologies) to adopt 5G technology, will an application for the project be considered under the Scheme?**

A3: An applicant must explain and elaborate how and to what extent the upgrade from 4G/3G technologies to 5G technology will improve efficiency of its business operations and quality of its services and bring benefits to the business/sector concerned.

**Q4: With reference to the assessment criteria set out in the Guideline, are only projects using 5G technology at all times and bringing substantive benefits to the business/sector considered under the Scheme?**

A4: An applicant must illustrate in its proposal how 5G technology is an enabler in the project although it is understood that the project may make use of 4G service as an alternative when and where 5G service is not available. It is up to the applicant to elaborate the benefits, qualitatively and/or quantitatively, to be brought to the business/sector concerned through the deployment of 5G technology in the project. A project which provides innovative solution or enhances the business/sector's ability in coping with the COVID-19 pandemic or alike would be considered favourably.

**Q5: My company is currently implementing a project concerning 5G deployment. Can my company submit an application for the project under the Scheme?**

A5: A project which has commenced before the submission of application is not covered under the Scheme. The date of project commencement shall be a date after OFCA's approval of the application (see Part 3.1 of the Application Form). In case of a large-scale/complex project, an applicant may consider project milestones as a smaller-scale project for the purpose of proposing the project commencement date and project completion date in the Application Form. Pursuant to paragraph 4.1.1 of the Guideline, costs incurred prior to the project commencement date or costs to be incurred after the project completion date will not be covered under the Scheme.

**Q6: My company has business/operation in Hong Kong and outside Hong Kong. Can my company submit an application for a project which will be deployed to my business/operation outside Hong Kong?**

A6: The Scheme aims to encourage early deployment of 5G technology in Hong Kong. A project which is to be deployed outside Hong Kong and does not deploy 5G services in Hong Kong will not be considered under the Scheme.

**Q7: My company has a number of branches and each of the branches holds a separate branch registration certificate. Can each of the branches submit a standalone application under the Scheme?**

A7: Branches of a company, despite holding separate branch registration certificates, are considered to be under the same company. As such, all standalone applications submitted by such branches of the company shall be considered as submitted by one single applicant who itself shall hold a business registration certificate. Pursuant to paragraph 1.4.3 of the Guideline, each applicant shall be eligible to receive subsidy under the Scheme for one project only.

**Q8: Are consultancy fees and 5G mobile service subscription fees arising from the project covered under the Scheme?**

A8: Pursuant to paragraph 4.1.2 of the Guideline, only cost items that are considered directly relevant to the deployment of 5G technology in the project as well as

audit fee relating to the project will be covered in the Scheme. An applicant must explain and elaborate how each of the cost items included in the project budget (Part 4 of the Application Form) is directly relevant to the deployment of 5G technology in the project. Furthermore, the project budget shall cover the period from project commencement date to the project completion date only.

**Q9: Can my company appoint a person who is not my employee to be the project coordinator?**

A9: Yes, subject to the requirements specified under paragraphs 5.1 and 7.4 of the Guideline.

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