

**Business Facilitation Advisory Committee  
Wholesale and Retail Task Force**

***Proprietary Chinese Medicine Registration Supporting Scheme (A3 Scheme)  
under the Chinese Medicine Development Fund***

**Purpose**

This paper aims to brief Members on the Proprietary Chinese Medicine Registration Supporting Scheme (A3 Scheme) under the Chinese Medicine Development Fund (CMDF).

**Background**

2. Officially launched in June 2019, the CMDF is the first dedicated fund set up to support the development of Chinese medicine (CM), with the main objective of enhancing the overall standard of the CM sector to dovetail with the development of CM. The Chinese Medicine Unit of the Health Bureau is responsible for coordinating the initiative, with the Hong Kong Productivity Council being the implementation agent of the CMDF.

3. Having regard to the needs of different stakeholders in the sector, the CMDF has launched over ten funding schemes, striving to benefit practitioners and organisations at different levels, including practising CM practitioners, personnel engaged in the CM sector, CM clinics, manufacturers and wholesalers of proprietary Chinese medicines (pCms), retailers and wholesalers of Chinese herbal medicines, universities, higher education institutions, CM-related organisations, trade associations and research institutions, etc. The funding schemes support the holistic development of CM in Hong Kong on all fronts, covering a wide range of areas, including CM talent nurturing, improvement of clinic facilities, enhancement of pCm manufacturing quality and management systems, pCm registration, promotion of CM, studies and research etc.

4. The CMDF mainly comprises two types of support programmes, namely the Enterprise Support Programme (ESP) and the Industry Support Programme (ISP). The ESP provides matching funds to individual

practitioners, organisations or CM traders, etc. to promote the development of CM locally, while the ISP supports projects on professional training, promotion, applied research and thematic studies, etc. that can enhance the overall standard and industry development of the CM sector. The CMDF has also played a crucial role amidst the epidemic in supporting community CM practitioners to provide telemedicine consultation and rehabilitation treatment for persons under isolation and recovered persons.

5. The Chinese Medicine Resources Platform (CMRP) has been established under CMDF to provide the sector with CM-related resources and practical reference materials. In addition to telephone hotlines and online consultation services provided by the CMRP, e-newsletters are also issued to registered members on a regular basis to provide updates on CMDF and sector events with a view to facilitating easy retrieval of relevant information.

### **Proprietary Chinese Medicine Registration Supporting Scheme (A3 Scheme)**

6. A3 Scheme is one of the funding schemes under the CMDF which aims to provide subsidy to eligible local licenced pCm manufacturers or wholesalers to obtain technical support for application for “Certificate of Registration of pCm” (HKC), including engaging consultants to provide relevant expert advice and conduct necessary laboratory testing of the pCm products.

#### *Eligibility*

7. The target beneficiaries of the A3 Scheme are the holders of “Manufacturer Licence in Proprietary Chinese Medicine” and “Wholesaler Licence in Proprietary Chinese Medicine” under the Chinese Medicine Ordinance (Cap. 549) .

8. A3 Scheme covers pCm products under the following four pCm registration categories:

- (a) approved for transitional registration (HKP);
- (b) intended to submit a new pCm registration;
- (c) acquired receipt number (RN#####) and accepted as new

- application of pCm registration; and
- (d) approved conditionally as HKC but required to re-submit documents for registration renewal.

9. The consultancy and/or laboratory testing services for which subsidy is applied have to be conducted by those service providers set out in the “List of qualified pCm registration service providers” and/or “List of qualified laboratory testing service providers” under the scheme.

#### *Funding mode and basic requirements*

10. Each eligible pCm manufacturer or wholesaler can apply for subsidy for a maximum of ten pCm products under its ownership or licence. The maximum subsidy of \$20,000 could be approved for each pCm product for engaging consultants to provide advice and/or undergo laboratory testing necessary for registration. Each pCm manufacturer or wholesaler can receive a maximum subsidy of \$200,000. The matching subsidy ratio for A3 Scheme is 1:1, i.e. 50% of the fees of eligible consultancy and/or laboratory testing services being the funding amount for each item.

11. Applications for the A3 Scheme are accepted all year round. Applicants do not need to pay any application fee. Unless with sufficient justifications and approval from the Advisory Committee on CMDf, the approved project should be conducted within the agreed project period, including submitting reimbursement requests to the implementation agent. In principle, the grantee should commence the approved project within two weeks after signing the official agreement and complete it in 18 months.

12. The grantee should submit a final report to the implementation agent within two months upon the completion of the approved project for assessing the project outcomes. The implementation agent will normally issue the payment by cheque or via bank transfer within two months if the reimbursement application has complied with all the related conditions.

13. Details of the A3 Scheme, including application guideline, application forms and templates, lists of service providers and approved projects and frequently asked questions are available on the CMDf’s webpage ([www.CMDevFund.hk](http://www.CMDevFund.hk)).

## **Latest Progress**

14. A3 Scheme has approved approximately 650 applications since its launch, benefitting 130 licenced local manufacturers or wholesalers of pCm. In addition, applicants can choose from 24 qualified pCm registration service providers and/or laboratory testing service providers for obtaining relevant expert advice and/or laboratory testing services. The lists are available on the CMDF's webpage ([www.CMDevFund.hk](http://www.CMDevFund.hk)).

15. Having regard to the needs and advice of different stakeholders of the CM sector, the CMDF has previously expanded the scope of eligibility to cover four categories of eligible pCm products to cover different stages of pCm registration. The implementation agent will continue to strengthen the publicity and promotion of the Scheme, with a view to promoting the funding schemes to stakeholders through various channels, including organising briefing sessions regularly, sharing latest information of the CM sector with stakeholders, organising one-to-one consultation sessions with individual enterprises to answer questions from applicants/stakeholders regarding the application of funding schemes, etc.

16. The CMDF will maintain close liaison with stakeholders of the CM sector and enhance the implementation of the CMDF as and when necessary (including streamlining and expediting the approval process, enhancing the funding schemes and expanding the target beneficiaries etc.), with a view to meeting the needs of various stakeholders in the CM sector. Besides, the Government has announced in the 2023-24 Budget that \$500 million is to be injected into the CMDF to support, among others, strategically commissioning of large-scale training, publicity and research projects on priority themes benefitting the CM sector as a whole, as well as taking forward new capacity building initiatives to enrich the coverage and depth of the CMDF's funding support.

## **Advice Sought**

17. Members are invited to note the information of this paper and encourage manufacturers or wholesalers of pCm to submit applications under the captioned Scheme.