

## FAQs MANUAL GRANT SCHEME

### APPLYING FOR THE AITI GRANT SCHEME

1. What is the AITI Grant Scheme all about?

The AITI Grant Scheme is introduced for the development of local ICT industry players in Brunei Darussalam. It is part of AITI's efforts to encourage, promote, facilitate and provide assistance for the development and growth of the ICT industry in Brunei Darussalam. Its main objective is to encourage R&D activities and capabilities in producing local innovative products with commercial potential by the local ICT businesses. With this scheme as well, it is hoped that Brunei would be able to start producing more talents on local ICT content and applications.

2. Who manages the AITI Grant Scheme?

- The AITI Grant Scheme is supervised and managed by AITI.

3. What benefits does the AITI Grant Scheme provide for Brunei Darussalam's ICT businesses?

- The AITI Grant Scheme aims to provide financial assistance to eligible ICT businesses. There are four (4) types of grant available that cover the basic standard cycle of any product/solution development, including product development, product enhancement, product ownership and product packaging.

4. Who can apply for the AITI Grant Scheme? Is my business eligible?

- The AITI Grant Scheme is open to applicants from the local ICT sector in Brunei Darussalam. Your company is eligible to apply if you meet the requirements below:
  - a) your business is a limited company ("**LC**") incorporated in Brunei Darussalam under the Companies Act [Cap. 39] and having its registered office in Brunei Darussalam with at least Fifty per cent (50%) shares in the company owned by citizen(s) and/or permanent resident(s) of Brunei Darussalam;
  - b) your business is a sole proprietorship ("**SP**") registered in Brunei Darussalam under the Business Names Act [Cap. 92] and having a place of business in Brunei Darussalam and the business is registered in the name of a citizen or permanent resident of Brunei Darussalam;
  - c) your business is a firm ("**P**") registered in Brunei Darussalam under the Business Names Act [Cap. 92] and having a place of business in Brunei Darussalam and at least Fifty per cent (50%) of the registered partners in the business are citizen(s) and/or permanent resident(s) of Brunei Darussalam;

- d) you must have at least One (1) year of audited accounts;
- e) if you are a firm or sole proprietorship, your business must have been registered in Brunei Darussalam pursuant to the Business Names Act [Cap. 92] for at least One (1) year prior to your making of an application for the AITI grant;
- f) at least Ten per cent (10%) of your IT skilled work force (excluding administrative personnel) must be either citizens of Brunei Darussalam and/or permanent residents of Brunei Darussalam;
- g) you must have sufficient current assets to pay your existing debts and liabilities. Applicants should note that the grant funds are not to be used to settle any existing debts nor can such funds be assigned nor utilized as collateral to obtain or secure existing or future financing from other parties;
- h) you must be able to satisfy the Start-up Capital/ Paid-up Capital requirements set out in the 'classification of types of grant scheme table' hereinabove;
- i) if you are a sole proprietorship or firm/partnership, you have not within the last Two (2) years committed an act of bankruptcy or had any legal proceedings issued (whether in the name of the business or name of the registered proprietor/partners) against you or against any of the registered partners of the firm applying for the AITI grant. Notwithstanding the above, applicants should note that they are obliged to inform AITI if they have in the last Six (6) years committed an act of bankruptcy or had any legal proceedings issued against them;
- j) if you are a limited company, you have not within the last Two (2) years had any winding up proceedings and/or legal proceedings commenced against you and you have not granted or created any assignment or debenture or floating/fixed charge over the assets or receivables of the company (whether to a financial institution or otherwise) that includes and/or may be interpreted to include the funding under this grant. Notwithstanding the above, applicants should note that they are obliged to inform AITI if they have had in the last Six (6) years any winding up proceedings and/or legal proceedings issued against them.
- k) you must have in place a training program schedule for knowledge transfer to Brunei citizens and/or permanent residents of Brunei Darussalam employed in your business;
- l) your businesses must hold all necessary valid licenses required for their business operations; and

m) your principal business activity must be ICT related.

5. Can I apply the AITI Grant Scheme even if I do not have the AITI Accredited Business (AAB) Status?
  - Yes, however businesses are encourage to apply for AAB Status to shorten the evaluation process for any grant applications. Businesses with AAB Status will be given preference during the evaluation process.
6. Are individuals, students or researchers eligible to apply for the AITI Grant Scheme?
  - No, only local ICT businesses registered under the Registrar of Companies (ROC) or Registrar of Businesses (ROB) are eligible for the AITI Grant Scheme.
7. What type of grant can my business apply for?
  - There are four (4) types of grants available for the local businesses in the ICT industry in Brunei Darussalam. These grants cover the basic standard cycle of any product/solution development. The grants are:
    - Grant 1 - Product Development:  
This grant scheme provides assistance for ICT product/solution development at the earliest phase for concept development and testing of a new product/solution. The grant covers the basic fundamentals including expenditure on developing the prototype, process equipment, testing and evaluating the product/solution's process and the user trial.
    - Grant 2 - Product Enhancement:  
This grant scheme provides funds to businesses for improving and upgrading of any of their existing products/solutions – including their designs and processes. Products/solutions for this type of grant usually are at the introductory stage that requires further adjustments or feasibility to gain more market share value.
    - Grant 3 - Product Ownership:  
This type of grant scheme provides funding for businesses to obtain certification and quality management systems including industrial designs, patents, trademarks, service marks, and commercial names for their existing or new ICT products/solutions. This scheme allows applications for their ICT products/solutions to be made within or outside the Brunei Darussalam region.
    - Grant 4 - Product Packaging and Marketing:  
This scheme provides assistance to businesses to improve their existing ICT product/solution's packaging, design, marketing and labelling i.e. enhancement of their product appearance including complying with market requirements.

8. Can my business apply more than one type of grant?
- Yes, grant applicant can apply for more than one type of grant with condition that it must be for one proposed product or solution. Applicant is advised to submit this in one (1) application form.
9. What is the total amount of grant that will be granted per application?
- The total amount of the grant differs from one (1) grant application to another. The amount granted depends on the following factors:
    - o Number of types of grant applied;
    - o List of non-allowable items that will not be covered by the grant;
    - o Limit of funding percentage (%) depending on the class of the business.
10. Who will own the product or solution once the grant is successfully awarded and completed?
- The owner of the product or the solution will remain with the grant applicant.
11. What are the evaluation criteria?
- All grant applications will be evaluated based on the following criteria:
    - o Technology Merits;
    - o Commercial Potential;
    - o Financial and Resources; and
    - o Project Plan and Capacity to Deliver.
12. What if I want to know more about the AITI Grant Scheme or direct my queries to with regards to my AITI Grant Scheme application form?
- Kindly contact the following:

**Authority for Info-communications Technology Industry of Brunei Darussalam (AITI)**

IT Industry Development Group  
Block B-14, Simpang 32-5, Kg Anggerek Desa  
Jalan Berakas BB 3713  
Bandar Seri Begawan  
Brunei Darussalam  
Telephone: 2323232  
E-Mail Address: [itidg@aiti.gov.bn](mailto:itidg@aiti.gov.bn)

13. What documents are needed to apply for the grant?
- Below is a general list of documents required for the application (although not limited to):
    - a) Completed application form
    - b) Supporting documents as required in the application form
    - c) Detailed proposal or business plan

- d) At least one year audited account
- e) Business registration certificates

14. If my business fulfills all the eligibility criteria and provides all required documents, is the grant given automatically?

- Allocation of grant is made based on the recommendations by the Pre-Evaluation Committee (PEC) and the Evaluation and Approval Committee (EAC). It is also subject to the availability of funds allocated for the AITI Grant Scheme. However, AITI reserves the absolute right and discretion to approve or reject the application and to request for further information if necessary. AITI also reserves the right to vary or cancel the AITI Grant Scheme without prior notice.

15. What if my business is already receiving similar funding from other organisations for the same project?

- Your application will be declined if similar funding from other organizations has been granted for the same project. If the business fails to declare this during application and grant monies have been disbursed, the business is required to return the whole disbursed amount back to AITI.

16. What if my business is already receiving similar funding from other organisations for a different project?

- Your application will be taken in for evaluation. However, it will not be prioritized as preference will be given more to first-time grant applications.

17. To what extent can AITI ensure the details of our application are kept confidential, and not published or not leaked to our competitors?

- Information given by the applicant will be held in strictest confidence and will not be disclosed by AITI except pursuant to an Order of Court for disclosure. If AITI considers it necessary to disclose any information provided by the applicant, it will provide the applicant with a request for disclosure which sets out the reasons that AITI considers it necessary for disclosure. There will be no implications for any refusal of disclosure.

18. When can I apply for the AITI Grant Scheme?

- Applications for the next batch shall be open tentatively on 30<sup>th</sup> December 2010.

19. When is the deadline for the grant application?

- All applications must be submitted on or before the closing date being the 31st January, 2011 by 4pm.

## COVERAGE OF THE AITI GRANT SCHEME

20. How and when will we be given the grant money?

- The grant scheme funding will support only Fifty to Eighty per cent (50% - 80%) of the applications expenditure based on the class and type of grant awarded. Subject to the applicant's full compliance with the terms and conditions of the grant, the grant will normally be disbursed as follows (although AITI reserves the right to vary or change the disbursement date in their ultimate and absolute discretion) :
  - a) Thirty per cent (30%) of the grant given in advance for project mobilisation and 1<sup>st</sup> stage which will normally be released to you after your acceptance of the letter of offer and the terms and conditions.
  - b) The disbursement of the balance of the grant amount will depend on such matters such as the development stages of the project and any agreed milestones.
- Kindly note that :-
  - a) only project costs that are permitted and necessary and directly related to obtaining the objectives of the project will be funded;
  - b) disbursement of funds will only be made upon full submission of progress and expense reports and approval of such reports by the Monitoring team appointed by AITI consisting of the project manager and an officer from AITI's finance unit ("**the Monitoring Team**"); and
  - c) as the AITI does not provide funding retrospectively applicants should not commence their project until such time as they have been awarded the grant.
- Successful grant applicants are also required to submit the vendor registration form to the Ministry of Communications in order for the grant money to be disbursed to them.

21. Is there a given time limit or deadline for using the money?

- The overall duration for each grant type is twenty-four (24) months.

22. What happen if there is an additional expenditure required for to our project that is higher than the grant allocated? Can I request for more grant allocation?

- The grantee is required to submit official request for additional funding with details of justification. This is subject to the recommendation of the PEC and the EAC for approval. This is however on a case-to-case basis.

23. What if not all amount of grant are used up? Can I keep the balance for future use?

- All remaining amount of grant that is not used during the duration of the project must be returned back to AITI.

24. Can I use the grant for renovating our premises or paying for office rental?

- No, all amount of grant should strictly be used solely for the proposed project only.

25. What types of expenses are not covered by the grant?

- Grant funds will not be utilized to pay for the following:
  - Rent
  - Debts
  - Liabilities
  - Administrative staff salaries
  - Directors fees or remuneration
  - Partner's drawings or salaries
  - Renovation costs
  - Any costs not directly related to the project.

26. Where will the grant money be transferred to?

- Each grant recipient is required to open up a new account called the AITI GRANT SCHEME "Business Name" to transfer the grant money to the business.

27. Can I request for the grant money to be transferred to my personal bank account?

- No.

28. Can I use my internal auditor instead of hiring another external auditor?

- No, grant recipients will still be required to have an external auditor appointed by AITI (at the applicant's cost) to prepare a separate audit showing how the AITI grant was utilized and/or the systems used by the applicant to administer the AITI grant, including all expenditures made or incurred and the system of equipment procurement. Applicants should therefore ensure that they include within the amount of the grant applied for sufficient funds to cover the cost of such auditor.

29. What are the permissible expenditures that can be covered under this grant scheme?

- Depending on the type of the grant, the expenditures (not limited to) are as follows:

a) Grant 1 - Product Development

The partial financial support is mainly to meet part of the development expenditure that covers expenses such as:

- proof of concept including research, design, development services and materials
- prototype development including research, design, development testing services and materials;
- cost of process equipment development i.e. hardware and software;
- test and evaluation of product/process and user trial; and
- programmer, designer and consultancy fees.

b) Grant 2 - Product Enhancement

The grant partially covers the expenditure in improving and upgrading of existing products, product design and process technology feasibility studies and development and designing of equipment. As such, the grant will cover the following expenses:

- cost of machinery and equipment necessary for the businesses to improve their production capacity and also reduce cycle-time that will in turn increase the quality of the products
- hardware and software; and
- programmer, designer and consultancy fees.

c) Grant 3 - Product Ownership

Expenses incurred in obtaining certification and quality management systems such as:

- Trademarks;
  - Service marks;
  - Copyright;
  - Patent;
  - Industrial Design;
  - Commercial names; and
  - Intellectual Property Rights (IPR)
- in Brunei Darussalam and/or abroad.

d) Grant 4 - Product Packaging & Marketing

Expenses incurred in acquiring and improving product packaging, design and labelling such as:

- costs and services for designing, packaging, marking and labelling;
- hardware and software costs;
- marketing costs (including marketing personnel); and
- purchase of related machinery and equipment
- activities and expenses such as fees for the programmer and designers for the project will also be supported by the grant.

30. Can I include other expenditures than those listed above to be covered under this grant scheme?

- Yes, as the expenditures listed above are for guidelines only, any expenditure that are deemed to be necessary and directly related to the project by the evaluation committee will be considered to be funded under the grant scheme.

31. Can the grant be used to cover installation costs associated with purchases of hardware used in the project?

- Yes.

32. What happens if a grantee fails to meet the objectives of the awarded grant or milestone?

- If the failure of meeting the objective or milestones is beyond the control of the grantee, the remaining grant amount to be disbursed will be discontinued until such milestone is reached or until the issue is resolved.
- However, if the failure was a result of the project not done in a diligent manner by the grantee, legal actions will be taken to the applicant as it may be considered as a default to the contract agreement of the Grant scheme.