

Application Notes
(AN-PMSS)



Preventive Maintenance Subsidy Scheme

Enquiry
3188 1188



AN-PMSS

1. Purpose of the Preventive Maintenance Subsidy Scheme and Subsidy Details

- 1.1 The Preventive Maintenance Subsidy Scheme (“**the Scheme**”) aims to encourage owners to change from a ‘repair when broken’ maintenance approach to a new concept of ‘preventive maintenance’. This involves carrying out regular maintenance and repairs for their buildings and building up adequate financial reserves, so as to maintain their buildings in good condition and slow down the ageing process of their buildings.
- 1.2 Building participating in the Scheme is required to complete the following two items in phases to receive subsidy from the Urban Renewal Authority (“**URA**”):
 - a. Preparing a Building Maintenance Manual (“**BMM**”), including estimated costs for inspection and maintenance items that need to be carried out in the next 10 years, and a contribution proposal; and
 - b. Setting up a special fund for regular contributions based on the projected expenditure for non-recurrent repair and maintenance items recommended in the BMM.
- 1.3 The URA provides the following subsidies to eligible buildings under application for:
 - a. Subsidising owner to appoint an Authorised Person (“**AP**”) to prepare a BMM by adopting the template provided by the URA. The subsidy amount is 50% of the AP’s fee.
 - b. Providing incentive subsidy to owners successfully set up a special fund account and have made regular contributions. The subsidy amount is 10% of the total amount of contribution for the first three years.

2. Eligibility Criteria

- 2.1 Owner (**‘Applicant’**) and the building participating in the Scheme must meet the following requirements:

AN-PMSS

- a. The use of the building shall be private residential or composite (commercial and residential) building (including a building held by a Civil Servants' Co-operative Building Society ("**CBS**")). The use of the building shall be referred to the Occupation Permit of the building;
- b. Owner must fulfil one of the following criteria:
 - i. an Owners' Corporation ("**OC**") has been formed; or
 - ii. the building is held by a CBS; or
 - iii. the building is provided with property management services by a Property Management Company holding a valid licence ("**Licensed PMC**") issued by the Property Management Services Authority; or
 - iv. the building is provided with property management services by a designated manager of the Deed of Mutual Covenant ("**DMC Manager**") in accordance with the provisions of the Deed of Mutual Covenant ("**DMC**") of the building.
- c. The average annual rateable values of all the domestic units in the building must meet the limits of the average rateable value for all domestic units. Please refer to paragraph 2(b) of Appendix 1: Income & Asset Limits and Rateable Value Table of Integrated Building Rehabilitation Assistance Scheme for Rateable Value Limit;
- d. Except for paragraph 4.4.6 of this Application Notes, Applicant must submit the application for the Scheme before the commencement of tendering procedures of an AP to prepare a BMM;
- e. Building has not been included as redevelopment project announced by URA;
- f. Building has not received any subsidy of the Scheme.

2.2 The following building is **not eligible to participate in the Scheme:**

- a. Building in single ownership;
- b. Building of three storeys or below, the number of storeys shall be referred to the Occupation Permit of the building.

AN-PMSS

3. Arrangements for Application Process

- 3.1 The URA's 'Assessment Panel' will prioritise eligible applications at the end of each quarter, i.e. March, June, September and December each year, in order to decide on the number of approved applications for that quarter. The prioritisation will be based on the following set of criteria:
- a. Building age;
 - b. Total number of units of the building;
 - c. Whether the building owners have formed an Owners' Corporation or have engaged a Licensed PMC or DMC Manager to provide property management services;
 - d. Conditions of common areas of the building;
 - e. Whether building owners have formulated building maintenance plan for the common areas of the buildings.
- 3.2 Applicants approved to join the Scheme will receive an "Approval-in-Principle Letter" ('**AIP Letter**') issued by the URA. Eligible applications that have not been approved will automatically participate in the priority assessment of the next quarter (up to three times), and the Applicant can provide the latest supplementary documents to the 'Assessment Panel' at any time for reference. If the Applicant has not received the AIP Letter within 12 months from the month of submission, the application will automatically expire at the end of the 12-month period. If the Applicant still wishes to apply for the Scheme, they must submit a new application.

4. Submission of Application Form and Supporting Documents

- 4.1 The application form of the Scheme ('**Application Form**') shall be submitted to the URA by any of the following methods:
- a. **Online application:**
Website: <https://www.brplatform.org.hk/e-application>
(The time of receipt by URA of an on-line application will be adopted as the submission time of that application)

AN-PMSS

- b. **By Post** (subject to the postmark date) or **in person** to the Cheung Sha Wan (CSW) office of the URA or Building Rehabilitation Resource Centre (subject to the date on which the Application Form is received and receipt signed by URA):
1. URA CSW Office:
Flat B, G/F, 777-783 Yu Chau West Street, Kowloon
 2. Building Rehabilitation Resource Centre:
201 & 202, 2/F, eResidence, 8 Hok Yuen Street, Hung Hom, Kowloon
- 4.2 If an OC has been formed, the OC shall be the Applicant when submitting the application to URA.
- 4.3 For building without OC or held by CBS, all owners collectively or CBS shall be the Applicant when submitting the application to URA. Please refer to the 'Application Notes for building without Owners' Corporation' in Annex I of the Application Form for the application requirements and details.
- 4.4 The eligible Applicant is required to submit all of the following information to URA:
- 4.4.1 A duly completed and signed Application Form;
 - 4.4.2 If building with an OC formed, an owners' meeting must be held on or before the date of application in accordance with the "Building Management Ordinance (Cap. 344) ("**BMO**") and the requirements of the DMC of the building to resolve the following matters, and a copy of the notices of meeting and minutes of meeting at which the following matters were resolved by the owners' meeting must be submitted together with the Application Form:
 - a. To resolve on the application for joining the Scheme;
 - b. Authorisation of:
 - i. the OC, as the Applicant in dealing with the application for joining the Scheme and all related matters; and
 - ii. at least two members of the management committee or a DMC Manager or a Licensed PMC appointed in accordance with the terms of the DMC of the building to sign the Application Form on behalf of the Applicant and

AN-PMSS

all documents relating to the Scheme;

- c. To prepare a BMM for the common areas of the buildings as required under the Scheme, and refer to the relevant provisions of the BMO to set up a special fund to provide for the repair and maintenance expenses of the common areas of the buildings and to open and maintain a bank account for the purpose of paying and receiving the repair and maintenance expenses as stipulated in the BMM;
 - d. All owners of the building are required to make regular contributions to the special fund according to the estimated expenditure on repair and maintenance items in the BMM;
 - e. To authorise the applicant's representative to receive the subsidy disbursed by the URA under the Scheme; and
 - f. To use the URA's "E-Tendering Platform" to procure an AP to prepare a BMM.
 - g. URA will also act as an agent of the Applicant in the procurement of the following persons or companies for provision of relevant services by using the E-Tendering Platform:
 - i. The tendering procedures for the procurement of Authorised Person;
 - ii. Tender opening administrative and supervising services for item (i) above by independent professional or professional accountant.
- 4.4.3 A copy of the Certificate of Registration of the OC/ the licence of Licensed PMC / the Certificate of Registration of the CBS and the by-laws of the CBS (as applicable);
- 4.4.4 A copy of documentary proof for the completion of comprehensive repairs within 10 years prior to the date of submission of the Application Form (if applicable);
- 4.4.5 A copy of existing building maintenance plan (if applicable); and
- 4.4.6 If the Applicant has already appointed or has commenced the tendering procedures to appoint an AP to provide consultancy services for either rehabilitation or renovation works for the building before 1 April 2024, and the Applicant would like the said AP to prepare a BMM for the building at the same time, the Applicant shall submit the copy of the relevant consultancy

AN-PMSS

contract and relevant documents to the URA. The URA will decide whether to accept an application under this Scheme subject to the consultancy contract and the tendering procedures fulfilling the requirements of the BMO.

- 4.5 If there is more than one OC/DMC for the same building/housing estate and the Applicants intend to jointly appoint the same AP to prepare a BMM for the common areas of the building, each Applicant is required to complete a separate Application Form. The subsidy available for each application will be calculated separately. The URA has the right to define ‘a building/a housing estate’ and has full discretion to decide whether to accept any joint application.

5. Amount and Purpose of the Subsidy

- 5.1 Provide subsidy to Applicant who has been approved by the URA, including:
- To appoint an AP to prepare a BMM in accordance with the requirements of the Scheme and adopt the template provided by the URA, including inspection and data collection for the structure, equipment and facilities in the common areas of the building, etc., together with the required supplementary work; and
 - To provide additional interest for setting up the special fund, encouraging building owners to set up a special fund for their buildings in accordance with the relevant provisions of the BMO, and make regular contributions to the special fund based on the estimated expenditure of repair and maintenance items as set out in the BMM.

5.2 **Subsidy for Preparation of Building Maintenance Manual (“First Stage Subsidy”)**

The maximum amount of subsidy for each eligible application is as follows:

Number of units in the building	Subsidy	Subsidy cap (HK\$)
20 units or below	50% of the cost of appointing an AP to prepare a BMM	\$15,000
21 to 49 units		\$20,000

AN-PMSS

50 units or above		\$30,000
-------------------	--	----------

5.3 Subsidy for the Setting up of the Special Fund (“Second Stage Subsidy”)

The maximum amount of subsidy for each eligible application is as follows:

Number of units in the building	Subsidy	Subsidy cap (HK\$)
20 units or below	10% of the total contributed amount for the first 3 years from the issuance date of the first contribution schedule (The deposit amount in the bank account of the special fund must reach at least 80% of the contribution amount of the first three years resolved in the Owners’ meeting, otherwise, the subsidy will not be released.)	\$2,000 per unit
21 to 49 units		\$1,500 per unit
50 units or above		\$1,000 per unit or at most \$200,000 (whichever is lower)

5.4 Payment of the First Stage Subsidy will be released to the Applicant on a reimbursement basis. If 50% of the actual cost for preparing the BMM is less than the maximum amount of subsidy listed in paragraph 5.2, the amount of subsidy to the Applicant will be the lesser amount. The Applicant must solely use the subsidy to cover the cost of preparing the BMM. For the payment arrangements of the First Stage Subsidy and Second Stage Subsidy under paragraphs 5.2 and 5.3 respectively, please refer to paragraphs 7.1 and 7.2.

6. Approval Process and Requirements

- 6.1 URA will issue a written acknowledgement to the Applicant upon receiving an Application Form from the Applicant.
- 6.2 URA will prioritise the eligible applications and issue an AIP Letter to the successful Applicant.

AN-PMSS

- 6.3 URA will provide the Applicant with a standard tender documents (“**Tender Document**”) as a blueprint for use. The Tender Document will be issued together with the AIP Letter.
- 6.4 The Applicant must complete the following within 12 months from the issue date of the AIP Letter for the First Stage Subsidy of the Scheme:
- a. Adopt the template provided by the URA and complete the preparation of the BMM;
 - b. Convene and hold an owners' general meeting in accordance with BMO to discuss setting up a special fund and require building owners to make regular contributions to the special fund to cover the costs of the necessary repair and maintenance works specified in the BMM; and
 - c. Submit the First Stage Subsidy claim forms and other related documents to the URA.
- 6.5 Applicant must fulfill all of the following criteria for a Second Stage Subsidy under the Scheme:
- a. Applicant is required to complete the works of First Stage Subsidy according to the requirements of the Scheme and obtain confirmation from the URA;
 - b. Within 12 months from the date of the Owners' Meeting/ CBS meeting resolving the resolution to set up the special fund as referred to in item 6.4b, the Applicant shall open a bank account (if applicable), issue a contribution schedule and collect the first instalment of the contribution for the special fund. If the building owners have not formed an OC and have appointed a Licensed PMC or Manager, they are required to open a trust account for the collection of contributions and subsidies; and
 - c. Within 6 months after the end of the 3rd year from the date of the first contribution schedule, submit the Second Stage Subsidy claim form and other related documents to the URA.
- 6.6 Applicants should note that the following circumstances may affect the approval of the Scheme:
- a. Unless the following had been done before the opening for application of the Scheme (1 April 2024):
 - i. an AP has been appointed or the relevant tendering

AN-PMSS

procedures have been commenced for the preparation of BMM for the building; and

- ii. the relevant procurement procedures have been confirmed by the URA to be in compliance with the relevant requirements of the BMO and the DMC of the building (if applicable).

Applicants shall appoint the AP in accordance with the guidelines issued by the URA and use the E-Tendering Platform provided by the URA, and submit the relevant documents to the URA at various stages of the Scheme. If the Applicant fails to comply, it will affect the progress of the vetting and approval process (as the case may be). The requirements for submitting documents is subject to the AIP Letter. If the Applicant has appointed an AP before 1 April 2024, the Applicant is required to provide the 'Clauses and Declaration of Ethical Commitment' and the 'Confirmation of Probity and Anti-Collusion Clauses' signed by the appointed AP after the issuance of the AIP Letter.

- b. All rectification of any failure to fully comply with the relevant procurement requirements of the BMO and the DMC (if applicable), or any expenses or losses involved or incurred, or any compensation for termination of the existing service, etc., are not covered by the Scheme and are the sole responsibility of the Applicant.
 - c. Failure of the Applicant to comply with the requirements in the AIP Letter to submit the required documents to the URA at various stages of the Scheme will affect the progress of the approval and disbursement of subsidy.
- 6.7 In any dispute regarding the Applicant's eligibility or whether the Applicant fulfils the conditions for releasing the subsidy, the URA shall have the final discretion.
- 6.8 Notwithstanding any contrary provision contained in this Application Notes, irrespective of whether an AIP Letter has been issued, the URA reserves the right to reject the Applicant's application, to halt payment of subsidies to the Applicant, to recover any subsidies released or to adjust the subsidy amount at any stage if it has valid grounds or reasonable circumstances and the Applicant shall raise no objection.

AN-PMSS

- 6.9 URA reserves the right not to accept an application under the following situations:
- a. the Applicant has engaged or is engaging in (or URA has reason to believe that the Applicant has engaged or is engaging in) any act or activity that is likely to constitute or cause the occurrence of any offence endangering national security or which would otherwise be contrary to the interest of national security; or
 - b. such non-acceptance is in URA's opinion necessary for safeguarding national security, or protecting public interest, public morals, public order or public safety.

7. Disbursement of subsidies

7.1 Payment of the 'First Stage Subsidy'

Upon completing the preparation of the BMM and discussing the setting up a special fund in accordance with the relevant provisions of the BMO as well as making regular contributions to the fund to cover the costs of the repair and maintenance works required in the BMM, the Applicant shall send the following documents to the URA office in person or by post (please refer to paragraph 4.1 b for details):

- a. A completed and signed claim form;
- b. A copy of the notices of meetings and minutes of meetings of the owners' general meetings / general meetings of CBS convened and held in accordance with the BMO at which resolutions for the appointment of the AP were resolved;
- c. A copy of the service agreement entered into with the AP or his/her company. The service agreement should clearly state the scope of services and break down the cost of preparing a BMM for the common areas of the building;
- d. A copy of the 'Clauses and Declaration of Ethical Commitment' and the 'Confirmation of Probity and Anti-Collusion Clauses' signed by the AP or his/her company;
- e. A copy of invoices and official receipts for consultancy fees charged by the AP or his/her company;
- f. A copy of the BMM for the common areas of the building signed by the AP;

AN-PMSS

- g. A copy of the notices of meetings and minutes of meetings of the owners' general meeting/CBS meeting convened and held as required by the BMO discussing the setting up a special fund and opening a bank account for it, and making regular contributions in accordance with the costs of repair and maintenance works estimated in the BMM;
- h. Bank account/recipient information; and
- i. Any information or supporting documents as requested by the URA.

7.2 **Payment of the 'Second Stage Subsidy'**

Within 6 months after the end of the 3rd year from the date of the first contribution schedule, the Applicant should send the following documents in person or by post to the URA's office (please refer to paragraph 4.1b for details):

- a. A completed and signed claim form;
- b. A copy of the first contribution schedule issued by the OC/ CBS/ Licensed PMC/ DMC Manager;
- c. Monthly statement within 6 months after the end of the 3rd year of the special fund account (showing the total contribution amount); and
- d. Information or supporting documents as required by the URA.

7.3 The URA will disburse the subsidy to the Applicant after the costs under application has been verified to be within the scope of the subsidy and any subsidy or allowance has been withdrawn or deducted by the URA. The URA has the final discretion in determining the calculation of the subsidy and whether the costs submitted by the Applicant fall within the scope of the subsidy without objection from the Applicant.

8. Points to be Noted

- 8.1 The URA is a public organisation under the supervision of the Independent Commission Against Corruption (ICAC) and the Office of The Ombudsman. Any suspected corruption-related incidents will be reported to the ICAC immediately.
- 8.2 The URA is a public organisation under the Prevention of Bribery Ordinance (Cap. 201). All URA staff are subject to the Prevention of Bribery Ordinance and are prohibited from soliciting or accepting any

AN-PMSS

pecuniary or other form of advantage from clients, contractors, suppliers or other persons. URA staff will provide general guidance to applicants on the engagement of contractors and/or works consultants to carry out the work specified in the Scheme, but shall not be involved in any way in introducing and influencing the applicant's decision on the selection of contractors and/or project consultants.

- 8.3 The contents of the Application Form and this Application Notes are not legally binding on the URA. The URA will not be liable for any loss incurred by any person as a result of any information contained in the Application Form and this Application Notes.
- 8.4 The URA, as the implementation organisation of the Scheme, has the final authority to interpret and decide on the contents of this Application Notes.
- 8.5 This Application Notes do not constitute as a commitment by the URA to the Applicant. The terms and conditions of the Scheme stipulated in approval documents of the URA shall prevail.
- 8.6 The URA reserves the right to reject the application of any Applicant at any stage without disclosure of reasons for such rejection and shall not be liable to anyone involved.
- 8.7 Willful misrepresentation or omission of information may lead to disqualification and prosecution. Any person should note that obtaining a pecuniary advantage by deception is a criminal offence.
- 8.8 This document is an English translation of the Chinese version of the Application Notes and is intended for reference purposes only. In case of any conflict or inconsistencies, the Chinese version shall take precedence. The URA has the final interpretation and statutory power over the contents of this note.
- 8.9 The URA reserves the right to make amendments to the above without prior notice and the online version shall prevail. The latest version is available on the website of the “Building Rehabilitation Platform”.



Building Rehabilitation Assistance Scheme Hotline 3188 1188