

Guidelines on Disposal of Capital Items

Unserviceable Items

1. Capital items on the register of the Additional Equipment may only be disposed of if they are certified unserviceable by the grantee. The items may become unserviceable if they are damaged, fail to function as intended or certified by the grantee to be beyond economic repair.
2. The person who represented the grantee's company/organisation in signing the agreement with the Government (or his/her successor) should personally accept an item as unserviceable. The item may then be disposed of pursuant to paragraph 3 below after inspection and proper recording of the inspection process. A technical certificate (or a supplier's examination report) certifying that a capital item is no longer serviceable and/or is beyond economic repair should preferably be obtained before the disposal.
3. Unserviceable items may be disposed of in the following ways in descending order of priority:
 - (a) to be traded-in for the purchase of new items by the grantee;
 - (b) to be sold if the saleable or residual value is estimated to exceed the administrative cost involved (the net proceeds arising from the sale should be included as other income of the approved project); or
 - (c) to be dumped.
4. Records of trade-in/sale/disposal and all relevant documents must be kept in the register of the Additional Equipment for inspection by the Government upon demand.

Guidelines on Disposal of Capital Items

Serviceable Items

1. Serviceable items on the register of Additional Equipment may be disposed of either upon winding up of business under the approved project, or after the person who represented the grantee's company/organisation in signing the agreement with the Government (or his/her successor) has personally certified that the items are no longer required or suitable for the operation of the business under the approved project.

2. The disposal may be conducted in the following ways in descending order of priority:
 - (a) to be sold if the saleable or residual value is estimated to exceed the administrative cost involved (the net proceeds arising from the sale should be included as other income of the approved project);
 - (b) to be retained by the grantee or transferred to its parent organisation for non-profit making purposes;
 - (c) to be donated to other organisations which are exempt from tax under section 88 of the Inland Revenue Ordinance (Cap. 112) for non-profit making purposes; or
 - (d) to be returned, at the grantee's own expense, to the Home Affairs Department for disposal in accordance with the Stores and Procurement Regulations and the relevant Standing Circular.

3. Records of sale/transfer/donation and all relevant documents must be kept in the register of the Additional Equipment for inspection by the Government upon demand.