



HKTDC Design Gallery Consignment Arrangement





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Established in Hong Kong in 1991, the HKTDC Design Gallery (DG) is dedicated to promoting the creativity, innovation and excellence of Hong Kong designs, brands and products. To further assist Hong Kong companies in entering the mainland Chinese consumer markets, DG opened its first physical shop in Beijing, in 2009, and started its online business in 2010 by partnering with various mainland Chinese renowned online platforms.

A. Eligibility

- 1. Supplier eligibility
 - a. Supplier must be a local Hong Kong entity with:-
 - Its headquarters and/or main business operations in Hong Kong;
 - A valid and current business registration certificate; and
 - A Hong Kong local business bank account.
 - b. Requirements on brand registration:
 - For DG in Hong Kong, it is not mandatory but highly recommended for better brand protection.
 - o For DG in Mainland, proof of trade mark registration (商標註冊證) is mandatory.
- 2. Displayed product requirements

Product/Design/Consignor

- a. The design of the product should be original.
- b. The product is designed by a local Hong Kong designer (Permanent HKID Card holder) or all intellectual property rights of the design of the product(s) is solely owned by a local Hong Kong Company (whether limited or unlimited) or a Hong Kong Partnership.
- c. All the Consignor's Materials will not be unlawful, harmful, threatening, violent, offensive, defamatory, libelous, scandalous, seditious, vulgar, obscene, indecent, invasive of another's privacy, hateful, racially, ethnically or otherwise objectionable.
- d. All the Consignor's Materials do not demonstrate disrespect to culture, race, religion, political stance, gender or business;

Form of products

- e. The product shall be tangible that can be displayed inside the shop within the display facility set-up.
- f. The product shall not require fitting facility or temperature controlled storage.





- g. The product shall not in any way, manner or method cause any hazard to and/or any adverse impact on the health of any workers and/or the public in general.
- h. The product shall not be consumable i.e. taken orally and/or applied to hair, skin, organs and/or body of human or animals that may potentially pose/cause a risk to health, except coffee beans and tea leaves which are exempted from nutrition labelling due to their energy values and core nutrient contents are able to meet the definition of zero when in the consumed state. (*)

(*)In accordance with the guideline 2.20 on "Nutrition Labelling Information for Trade" of the "Nutrition Labelling Scheme" launched by the Centre for Food Safety of the Government of the HKSAR.

 $\underline{https://www.cfs.gov.hk/english/programme/programme_nifl/programme_nifl_faq.html \#2 \underline{q20}$

Legal eligibility

- i. All the Consignor's Materials do not infringe any intellectual property of others or any other third party rights of any nature including without limitation trade marks, copyrights, designs, trade names, company names, trade secrets, confidential information and/or patents whether registered or otherwise (the "IP Rights");
- j. All the Consignor's Materials shall not infringe the law of jurisdiction for the display location (i.e. HKSAR laws for DG in HK, and Chinese laws DG in mainland China) including without limitation any product safety, labour or environmental laws.

B. Consignment Split Arrangement

- 1. DG operates under a consignment basis with all suppliers.
- 2. Any request for altering the consignment split shall be subject to written agreement between the supplier and DG.

C. Application Procedure

- 1. Each application will be assigned to a designated Merchandising Team of Design Gallery according to its product category.
- 2. The Merchandising Team will work with the applicant of the DG's consignment program to prepare the following items for the HKTDC's Panel Board to review:
 - a. Application form *(please refer to Appendix A)*
 - b. A Declaration Form (*please refer to Appendix B*)
 - c. A detailed line sheet (including suggested retail price list) showing all items included in the application





d. Product samples (including packaging)

D. Panel Board and Product Selection

- 1.All new products and / or brands are subject to a Panel Board review which is held once every month. The panel board consists of 3 members including representatives from the HKTDC as well as an external industry leader from the design/branding & marketing industry. The Board members will review and evaluate each application based on the following criteria:
- a. Company Background
- b. Product Design, Marketability
- c. Design Awards/Certificates Attained
- 2. The Panel Board has the sole, final and absolute discretion on accepting and/or rejecting any application for any reason or without assigning any reason, and the Panel Board shall not be obliged to provide any such reason and/or enter into any correspondence with any applicant in relation to the same.
- 3. For product(s) that has/have been rejected by the Panel Board or by the HKTDC in the course of the Consignment Service or off-shelved from Design Gallery for any reason, resubmission of such product(s) for application will not be accepted.

E. Account Set-up and Stock Ordering

- 1. The Merchandising Team will create a supplier account for every newly approved applicant once it receives the counter signed Consignment Agreement, Consignment Account Registration Form and copy of Business Registration Certificate from the applicant.
- 2. After the supplier account is created, the Merchandising Team will liaise with the applicant on stock ordering and delivery.
- 3. The Merchandising Team will confirm the ordered qty by issuing a Consignment Order Form to the supplier through email. Each Consignment Order Form is valid for 6 months from the issue date. Supplier is also required to take note of arranging delivery of the new products within 9 months upon the panel approval, whichever is earlier.
- 4. For any suppliers who cannot comply with the above timeframe, they have to apply for the consignment programme all over again i.e. their products will be subject to the Panel Board's review again.





F. Display Arrangement and Locations

The outlet location(s), product zoning and the exact display location of the product(s) within the product zoning will be decided by DG.

G. Performance Evaluation

- 1. Every approved supplier will have a minimum of cumulated display of 4 months at any DG shop location(s) (counting from the date the products are on-shelf in the 1st outlet).
- 2. Consolidation and Off-Shelf Arrangement
 - a. For avoidance of doubt, "consolidation" does not carry the same meaning as "off-shelf".
 - b. Where there is new merchandise on the waiting list, the brand(s) whose total accumulated sales in the following designated timeframe falls into the lowest 5% of sales achieved amongst the same product category or by final elimination (末位淘汰制) shall, in the following month, in chronological order based on lowest sales achieved, be either:

(i) Consolidated in other display locations(s) if there is more than one.

- based on evaluation of accumulated sales over 8 weeks (in the same outlet location)

OR

(ii) Off-shelved from that specific outlet location

- based on evaluation of accumulated sales over 4 months (in the same outlet location)

H. Sales Performance Update and Payment Term

Supplier will receive the monthly sales performance update and payment from DG within 15 and 30 working days respectively from the last day of each said month.

I. Return of Merchandises to Supplier

- 1. For any inactive or under-performed products, the Supplier shall remove such products from the DG's warehouse at its own costs within 2 weeks upon notice by DG.
- 2. DG may dispose such products without further notice if such products are not collected by the Supplier within the said period.

Appendix A HKTDC DESIGN GALLERY Consignment Service Application Form

Brand (Eng): (中文):

Subject to the terms of the Consignment Agreement, the confirmed and pre-agreed share of actual receivables of retail price of products sold via the Design Gallery and payable to the applicant ("**Consignor's Share**") is:

- a. Products sold via Hong Kong Design Gallery:
- b. Products sold via Mainland Design Gallery:

Application for Consignment Service at: (please " \checkmark ")

For products sold via Mainland Design Gallery, any applicable VAT arisen from such sales (but not any other applicable taxes, levies, tariffs or charges) will be borne by the HKTDC and will be deducted from the HKTDC's shares. The HKTDC reserves the rights to withhold any other applicable taxes, levies, tariffs or charges payable by the applicant to any competent authorities (if any) prior to the release of the Consignor's Share to the applicant.

By completing and returning this application form to the Design Gallery and subject to the detailed terms of the Consignment Agreement, the applicant confirms and agrees with the above percentage shares of product retail price.

Note:

- 1.If the Panel Board of the HKTDC approves the new products, the Merchandising Team will confirm the ordered quantity by issuing a Consignment Order Form to the supplier through email. Each Consignment Order Form is valid for 6 months from the issue date. Supplier is also required to take note of arranging delivery of the new products within 9 months upon the panel approval, whichever is earlier.
- 2.For any suppliers who cannot comply with the above timeframe, they have to apply for the consignment programme all over again. i.e. their products will be subject to the Panel Board's review again.
- 3. The approval of this application is subject to the sole, absolute and final discretion of the Panel Board as it may determine from time to time. The Panel Board shall not be obliged to provide any such reason for the approval or rejection of the application, nor to correspond with any applicant. The applicant shall be responsible for ensuring that a duly completed application form and all required supporting documents are submitted.
- 4.For product(s) that has/have been rejected by the Panel Board or by the HKTDC in the course of the Consignment Service or off-shelved from Design Gallery for any reason, resubmission of such product(s) for application will not be accepted.

	DG Mainland E	DG HK + DG Mainland
1. Company Background		
Year of Establishment :		
Company Profile :		
Business Nature :	□OBM □ODM □OEM Manı □Distributor □Agent □ Oth	ıfacturer □Designer □Exporter □Importer ers
Focused Markets :		
Company Vision &		
Development :		

2. Product Design, Marketability	
Design Concept / Creativity :	

Last Updated 16 January 2025

3. Design Awards / Certificates Attained		
Awards / Certificates Achieved by the	Please specify the awards / certificates and the year Click or tap here to enter text.	
Designer / Company		
Awards / Certificates	Please specify the awards / certificates and the year Click or tap here to enter text.	
Achieved by the		
Products submitted in		
this application		

4. Development of Bran	d(s) (for reference only)
Name of Brands sold in HK, Mainland China or overseas	
Name of Retail Outlets in Hong Kong	
Name of Retail Outlets on Mainland China	
Name of Retail Outlets Overseas	



Appendix **B**

Declaration

A. Hong Kong Designs

We (where the applicant is a limited or unlimited company or a partnership in Hong Kong) / I (where the applicant is a sole proprietor or an individual in Hong Kong), [Click or tap here to enter text.] (name of the applicant), hereby declare that the product(s) submitted to the Hong Kong Trade Development Council (HKTDC) for the Consignment Service provided by the HKTDC Design Gallery (DG) is / are local Hong Kong designed.

Please "✓" as appropriate

1) All intellectual property rights of the design of the product(s) is solely owned by a local Hong
Kong Company (whether limited or unlimited) or a Hong Kong Partnership named:

Click or tap here to enter text.

2) The product(s) is / are designed by a local **Hong Kong Designer** named:

Click or tap here to enter text., and all intellectual property rights of the design of the product(s) are [*solely owned by *or* licensed to] the applicant of the Consignment Service, namely Click or tap here to enter text.

* Please delete as appropriate.

Definitions:

"Hong Kong Company" and "Hong Kong Partnership" respectively mean a local Hong Kong limited or unlimited company or a partnership established in Hong Kong, both with its headquarters in Hong Kong and/or main operations in Hong Kong, with a valid and current Hong Kong business registration certificate and a valid corporate bank account with the bank registered in Hong Kong. "Hong Kong Designer" means a local designer holding a Hong Kong **Permanent** Identity Card 香港永久性居民 身份證.

For **1** and **2**, please provide a copy of the valid and current Hong Kong business registration certificate of the applicant.

For 2, please provide a copy of the Designer's Hong Kong Permanent Identity Card (you may redact the HKID card number) and the designer profile below:

Designer Profile:

Click or tap here to enter text.



B. Hong Kong Legal Standards / ESG Concerns

- 1) We/I declare that the product(s) submitted to the HKTDC for the Consignment Service provided by DG comply(ies) with Hong Kong legal standards (including but not limited to all applicable laws, statutes and/or regulations of the HKSAR, and/or applicable industry guidelines or codes issued by regulators, voluntary industrial / professional bodies). We/I understand that the HKTDC may require us to provide supporting documents to demonstrate compliance with the above requirements.
- 2) For applicants whose product(s) fall within the categories of (i) toys or children's products, (ii) electrical or electronic products, (iii) tea or coffee (including ground coffee), and/or (iv) products purportedly containing fei cui or diamond, please provide all required certificates issued by the accredited labs under the HK Laboratory Accredited Scheme (see the links below for further information).:

https://www.itc.gov.hk/ch/quality/hkas/conformity_assessment_bodies/hoklas.html

OR

accreditation bodies recognised as being one of the signatories of the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) and the Asia Pacific Accreditation Cooperation Mutual Recognition Arrangement (APAC MRA) <u>https://www.itc.gov.hk/en/quality/hkas/information/mra_mla_arrangements.html</u>

If you have any questions, please contact the Merchandising Team for details.

3) We/I declare that the product(s) submitted to the HKTDC for the Consignment Service provided by DG:

a. are not manufactured in a way that may cause hazard or adverse impact to the environment or the health of workers or the public;

- b. conform to any sample(s) and/or description(s) previously supplied to HKTDC, and are of merchantable quality and are fit for purpose;
- c. do not demonstrate disrespect to any culture, race, religion, political stance, gender or business; and
- d. are not unlawful, harmful, threatening, violent, offensive, defamatory, scandalous, obscene, indecent, or otherwise objectionable according to reasonable standards.



C. Intellectual Property Right (IPR)

We/I declare that the product(s) submitted to the HKTDC for the Consignment Service provided by DG are original works and:

Please "✓" as appropriate

 \square 1) do not infringe any third-party intellectual property rights (IPR) or rights of any other thirdparties (including without limitation (whether registered or not): trade marks, copyright, trade names, company names, design rights, patents or moral rights); and

 \square 2) the applicant is the sole and exclusive owner of all rights, titles and interest to any product(s) submitted (including but not limited to all the IPRs therein (whether registrable or not in Hong Kong)); or alternatively, the applicant has obtained valid licences from the Hong Kong Designer or the relevant IPR owner for the sale, market and display of the product(s) at DG and/or other relevant third-party sellers under all applicable laws.

Please provide all applicable and relevant supporting documents to demonstrate valid ownership and/or licence of all IPRs subsisted in the product(s) involved, including without limitation:

- (i) Copyright information of the product(s), including (a) when and where the copyright works were first made, (b) the name of author of the original work(s), (c) copies of the original artistic work(s) (e.g. design drawing, sketches, 3D drawings, etc.), and (d) the relationship between the said author and the applicant, together with the supporting document evidencing such relationship (e.g. employment agreement or commission agreement between the author and the applicant); and
- (ii) Where the author/designer of the product is not the applicant of the Consignment Service, a copy of a duly executed assignment agreement, valid licence agreement, employment agreement, commission agreement or any other agreement in writing in favour of the applicant, showing that the applicant has full and valid rights to deal with the product(s) involved.

The HKTDC has the sole and absolute discretion to decide whether the information and supporting documents provided by the applicant is adequate. We/I also understand and agree that the HKTDC may at any time raise further enquiries and require further proof of subsistence, ownership and/or valid licence of such IPR as appropriate.

D. No Criminal Conviction, Litigation, Claim or Encumbrance

- 1) We/I declare that the applicant it/him/herself, including but not limited to, where applicable, his/her close relatives and companies in which the applicant or any of his/her close relatives, or together with any of his/her close relatives, controls over 50% of voting power in a board or shareholders' meeting (where the applicant is an individual or a sole proprietorship), or its subsidiaries and/or affiliated companies and/or any senior employees or officers (e.g. directors, CEOs, CFOs, managers) of the applicant or its subsidiaries and/or affiliated companies (where the applicant is a company or a partnership), are / have not been subject to any actual or threatened criminal proceeding, disciplinary action, litigation, arbitration (Proceedings), or is in default under any law, regulation or other legal requirements in the past or at present in their official capacity in the past or at present in Hong Kong or elsewhere in the world.
- 2) We/I declare that the product(s) submitted for the Consignment Service are / have not been



subject to and/or involved in (i) any actual or threatened Proceeding, or is in default under any law, regulation or other legal requirements in the past or at present in Hong Kong or elsewhere in the world; and (ii) any incident of actual or threatened product recall in the past or present in Hong Kong or elsewhere in the world.

3) We/I declare that the product(s) submitted for the Consignment Service are free from any encumbrance and there are no agreements or commitments affecting the title to the product(s) submitted.

Definitions:

"Close relatives" means a parent, parent in-law, son, son in-law, daughter, daughter in-law, stepparent, stepson, stepdaughter, brother, sister, brother in-law, sister in-law and if any of those listed has a partner or spouse, that partner or spouse.

E. General

We/I declare that the undersigned has been properly authorised by the applicant to complete and sign this declaration on behalf of the applicant, and that the applicant has full rights and power to make this declaration. We/I declare that the information given in this form and in the enclosed document(s) is/are accurate, valid, true and complete, and are not misleading in any respect. We/I acknowledge that the HKTDC Design Gallery reserves its right to immediately withdraw any products from display or sale if the information provided is found to be false, inaccurate, deceitful or incomplete.

> (where the applicant is a limited / unlimited company/ partnership)

Confirmed and signed by an authorised representative for and on behalf of Click or tap here to enter text.

(with company / partnership chop) Name : Click or tap here to enter text. Title : Click or tap here to enter text. Date : Click or tap to enter a date.

(where the applicant is a sole proprietor or an individual) Confirmed and signed by Click or tap here to enter text.

(with business chop, if any) Name :Click or tap here to enter text.] Date : Click or tap to enter a date.