

# **Fraudulent website related to Bank of China (Hong Kong) Limited**

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by Bank of China (Hong Kong) Limited on fraudulent website, which has been reported to the HKMA. Hyperlink to the press release is available on the [HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the website concerned or has conducted any financial transactions through the website should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.

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## **LCQ17: Participation of small and medium enterprises and start-ups in government procurements**

Following is a question by the Hon Charles Mok and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (May 8):

Question:

The Government introduced in April this year a new procurement policy which raised the weighting of the technical aspect in the overall score during tender assessment, in order to help small and medium enterprises (SMEs) and start-ups participate in tender exercises and create business opportunities. In this connection, will the Government inform this Council:

(1) in respect of the routine and non-routine procurements conducted by the various government departments in the past 12 months respectively:

(a) of (i) the number of procurements conducted and (ii) the average value of the contracts awarded, broken down by the technical/price weightings adopted for the procurements (set out in tables of the same format as Table 1); and

Table 1

Technical/ price weighting	Number of procurements conducted	Average value of contracts awarded
100/0		
90/10		
80/20		
70/30		
60/40		

(b) of the number of procurements conducted, broken down by (i) the mode of tendering and (ii) the group to which the contract values belonged (set out in tables of the same format as Table 2):

Table 2

Contract value (thousand dollars)	Mode of tendering			
	Open tendering	Selective tendering	Single or restricted tendering	Prequalified tendering
Below 2,000				
2,000 to below 5,000				
5,000 to below 10,000				
10,000 or above				

(2) of the number of policy bureaux/government departments using the full services of the e-Procurement System as at the end of March 2019; the total value of procurements completed through the e-Procurement System in the past three years, and the percentage of such value in the total value of public procurements completed in the same period;

(3) of the specific measures taken to streamline the procedure for tendering and contract formulation etc. in order to facilitate the participation in government procurements by SMEs which lack manpower and resources; whether it will conduct studies on further improving the e-Procurement System and applying financial technologies (including Faster Payment System) to help government departments enhance their efficiency in making payments to enterprises, with a view to improving the cash flow situation of the SMEs and start-ups concerned;

(4) whether it has studied the introduction of the practices of overseas places which aim to foster the participation of suppliers of varying sizes in government procurements (e.g. the United Kingdom Government's adoption of "Digital Marketplace" and simplification of the standard contracts for public-sector procurement) in order to facilitate the direct participation of SMEs in government procurement;

(5) whether it will step up the relevant publicity efforts (e.g. by

organising more experience sharing sessions and seminars) to encourage enterprises in various industries to participate in government procurements, and more proactively provide SMEs and start-ups with information on government procurements (e.g. by including such enterprises in the lists of approved suppliers/contractors);

(6) whether, upon implementation of the new procurement policy, it has set any indicators and regularly analysed relevant statistics (including the characteristics of tenderers/contractors/suppliers/ service providers) in order to study and follow up the impacts of government procurement policy on economic, social and innovation activities; and

(7) whether it will encourage non-governmental organisations (including public organisations, quasi-government organisations and non-profit-making organisations), when conducting procurements, to make reference to the Government's adoption of a procurement policy which is not solely based on the "lowest bid wins" principle?

Reply:

President,

Having consulted the Government Logistics Department (GLD), Efficiency Office (EffO), Office of the Government Chief Information Officer (OGCIO), Electrical and Mechanical Services Department (EMSD), and the Trade and Industry Department (TID), my reply to the question is as follows:

(1) Prior to April 1, 2019, departments usually adopted the then-prevailing normally allowed range of technical weighting of 30 per cent – 40 per cent in the marking schemes for the procurement of stores, services (excluding consultancy services and works services) and revenue contracts. Departments might adopt an alternative technical weighting if they considered it necessary and with the prior approval of the relevant tender board. Since April 1, 2019, under the pro-innovation government procurement policy, the normally allowed technical weighting has been increased to 50 per cent – 70 per cent. Similarly, departments may adopt a higher technical weighting if necessary and with prior approval from the relevant tender board. Following the implementation of the new policy, we envisage that more government departments will adopt higher technical weightings than in the past and emphasise more on the quality of the tenders in awarding contracts.

Government procurements involve various departments, and are approved by different tender boards according to the value of the contracts. Regarding part (1) of the question, information of the contracts for procurement of stores, services (excluding consultancy services and works services) and revenue contracts approved by the relevant tender boards is listed out in accordance with the requirements in Table 1 and Table 2 of the Annex.

(2) Regarding the adoption of electronic means for conducting procurement, the GLD has maintained two systems: (1) the e-Tender Box (ETB) system and (2) the Procurement and Contract Management System (PCMS).

The ETB system enables government departments to handle issues related to the procurement of stores through tendering. Through the Internet, registered suppliers can access to the system to download tender documents free of charge, submit tender proposals, enquire on tendering matters, and access to tender notices and notices of contract award.

The PCMS stores and manages contracts handled by the GLD. Contractors of the GLD can gain access to acceptance letters and electronic purchase orders via the relevant system. At present, there is no centralised system in the Government for the management of contracts by departments.

The relevant statistics of the ETB system and PCMS are at Table 3 and Table 4 of the Annex.

Apart from the abovementioned electronic procurement systems of the GLD, a total of 33 departments have fully adopted the e-Procurement Programme of OGCIO to procure stores and services (excluding consultancy services and works services) of value not exceeding \$1.4 million. The other departments have also used the e-Procurement Programme to procure information technology products and relevant services of value not exceeding \$1.4 million. Information regarding the procurements completed via the e-Procurement Programme in the past three years is at Table 5 of the Annex.

(3) to (7) The Government has kept the procurement arrangements under review, with a view to streamlining and expediting the procurement process. Relevant specific work includes delegating the authority to award contracts to procuring departments; dispensing with the need to conduct financial vetting for low-value and/or low risk procurements to expedite the procurement process; and simplifying the legal vetting requirement for tender documents, etc. The aim is to streamline the approval procedures and expedite the procurement process.

In respect of facilitation for small and medium enterprises (SMEs) to participate in procurement, procuring departments are required to split large contracts into smaller ones as far as possible to facilitate the participation of SMEs and lower the risk of over-concentration of government contracts; simplify tender documents as far as possible and avoid setting over-prescriptive requirements in the tender documents, so as to relieve the burden of the tenderers and avoid unnecessarily disqualifying tenderers from participation in government procurement. At the same time, departments should adopt a phased payment approach where possible when formulating the payment arrangement and ensure timely payment in a reasonable timeframe, in order to relieve the stress on the contractors' cashflow.

On conducting procurement through electronic means, the GLD would keep in view closely the needs of the tenderers of procuring departments, review and explore from time to time further improvements to the relevant procurement systems. OGCIO is also proactively encouraging departments to utilise the e-Procurement Programme more extensively. The Treasury and the relevant government departments would continue to keep in view the

development of payment means in the market, introduce new application of financial technology at appropriate junctures, and promote the application of payment by electronic means, so as to enhance the efficiency and cost-effectiveness of government payments.

Furthermore, as SMEs and start-ups may have limited experience and track record (especially in undertaking government contracts), starting from April 1, 2019, departments should in general not set tenderers' experience as an essential requirement for participating in procurement unless absolutely necessary and with prior approval. This new requirement minimises the entry barriers of participation in government procurement and helps encourage SMEs and start-ups to participate in bidding. Additionally, to avoid placing SMEs and start-ups in an unduly disadvantageous position, tenderers' experience (not being an essential requirement) should generally account for no more than 15 per cent of the total technical marks in the marking schemes.

Relevant departments also collaborate outside the procurement system to introduce measures to facilitate the participation of SMEs and start-ups in government procurement, and enhance the promotion of government procurement opportunities. The GLD has updated and published the Government's upcoming procurement plans on its website regularly to facilitate planning by prospective tenderers for participation in the bidding. The GLD would also join procuring departments' pre-tender briefings upon request to introduce the procurement procedures under the new policy. Effo would organise trade shows to invite the innovation and technology (I&T) sector to showcase available innovative solutions, and enhance the awareness and knowledge of procuring departments of the latest technology that can be sourced from the market. The first trade show was held on April 24, 2019, in which the GLD had also participated to introduce the new procurement arrangements.

On the other hand, EMSD and OGCI0 provide electronic platforms outside the procurement system to help connect and match government departments and innovative proposals of the industry. The "E&M InnoPortal" of EMSD publishes the technological needs of departments, and invites I&T organisations (such as universities and start-ups) to provide electrical- and mechanical-related I&T solutions in accordance with the needs for matching through the Portal for testing and verification. The "Smart Government Innovation Lab", soon to be launched by OGCI0, will gather government departments' needs, and invite innovative ideas and product proposals from the industry for addressing different city management challenges encountered by departments. The Lab will also arrange proof of concept and technology testing for the suitable solutions. Although the "E&M InnoPortal" and "Smart Government Innovation Lab" do not involve procurement arrangements, they can provide a collaborative platform to connect with the industry, so as to help departments understand the I&T developments and better prepare for their procurements.

Apart from the abovementioned new measures, other government departments will continue to implement different measures to support the development of SMEs. For example, TID administers a number of funding schemes to assist Hong Kong enterprises, including SMEs, in obtaining financing and enhancing their

overall competitiveness while the Department's Support and Consultation Centre for SMEs provides business information and consultation services to SMEs free of charge. If needed, the Centre would refer enquiries for information on government procurement from SMEs to the GLD for follow-up.

The GLD would collect from departments information of their procurements regularly for future review of the implementation of the new policy. Government procurement does not mean buying the cheapest. The Financial Services and the Treasury Bureau has shared the new arrangements and measures of government procurement through the relevant policy bureaux with various non-governmental organisations (NGOs), and encouraged the NGOs to adopt and make reference to them.

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## Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, May 8, 2019 is 104.1 (same as yesterday's index).

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## LCQ9: Small House Policy

Following is a question by the Hon Kenneth Lau, and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (May 8):

Question:

Since the implementation of the Small House Policy in December 1972, the Government has been granting small house grants to male indigenous villagers in three forms (namely the Free Building Licence, Private Treaty Grant for granting government land and Land Exchange). On the 8th of last month, the High Court handed down a judgment on a judicial review of the Small House Policy, ruling that among those three forms, only the construction of a small house under the Free Building Licence is a lawful traditional right and interest of the indigenous inhabitants of the New Territories within the meaning of Article 40 of the Basic Law, and is lawful and constitutional. In addition, the High Court ordered that the judgment was to take effect upon the expiry of six months after it was made. In this connection, will the Government inform this Council:

(1) of the respective numbers of applications for small house grants in the

three aforesaid forms which were (i) received, (ii) approved, (iii) rejected and (iv) being processed in each year from 2009 to 2019 (as at the 30th of last month) by each of the District Lands Offices located in the New Territories, and set out the relevant figures in tables of the same format as the table below; and

District Lands Office: \_\_\_\_\_

Year	Number of applications											
	Free Building Licence				Private Treaty Grant				Land Exchange			
	(i)	(ii)	(iii)	(iv)	(i)	(ii)	(iii)	(iv)	(i)	(ii)	(iii)	(iv)
2009												
2010												
...												
2019 (as at 30th of last month)												

(2) given that in relation to granting small house grants in the forms of Private Treaty Grant and Land Exchange, while the Development Bureau stated in a press release issued on the 8th of last month that the Lands Department (LandsD) would suspend the receipt of new applications and the processing of those applications already received, the Director of Lands advised in his reply to a written question I raised on the Estimates of Expenditure 2019-2020 that pending a decision on whether to appeal, applications in relation to all forms of grants made in the past would continue to be processed as usual, whether the Government can clarify the current situation regarding the processing of the applications relating to these two forms; whether LandsD will continue to process such applications until the day on which the aforesaid judgment takes effect or the Court of Appeal hands down its judgment on the relevant appeal (if any) (whichever is the earlier); if LandsD will, of the details; if not, the justifications for that?

Reply:

President,

The Small House Policy (the Policy) was introduced in 1972. Under the Policy, a male indigenous villager aged 18 years old or above who is descended through the male line from a resident in 1898 of a recognised village in the New Territories may apply to the authority once during his lifetime for permission to build for himself a small house on a suitable site within his own village.

The reply to various parts of the question is as follows:

(1) A breakdown on the number of applications received, approved, rejected,



part of the reply mainly aimed to state that, regarding all forms of grants approved in the past for building small houses, the Government would continue to process applications made in accordance with the terms of such grants (for example, applications for Certificates of Exemption, Certificate of Compliance, removal of restriction on alienation and rebuilding). The relevant part was not meant to explain how the Government handles PTG and Land Exchange applications that were not yet approved.

Note: The relevant part in the English reply with serial number DEVB(PL)172 is "Pending a decision on whether to appeal, applications in relation to all forms of grants made in the past (including rebuilding applications) will continue to be processed as usual"; the relevant part in the English reply with serial number DEVB(PL)184 is "While processing of outstanding applications for PTG and Land Exchange will be suspended pending a decision on whether to appeal, the FBL applications as well as applications in relation to all forms of grants made in the past will continue to be processed as usual".

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## [LCQ21: Use, disposal and recycling of styrofoam](#)

Following is a question by the Hon Chan Hak-kan and a written reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (May 8):

Question:

It has been reported that since styrofoam takes as long as 10 000 years to decompose and has a huge impact on the environment, quite a number of countries have started to control the use of disposable styrofoam utensils. Regarding the use, disposal and recycling of styrofoam in Hong Kong, will the Government inform this Council:

- (1) of the major sources of the styrofoam disposed of at landfills;
- (2) of the locations of the existing styrofoam collection points;
- (3) of (i) the quantities of styrofoam disposed of and recovered, as well as (ii) the quantities of styrofoam collected from the sea and beaches, in the past five years;
- (4) of the new measures to reduce local usage of styrofoam;
- (5) given that the Environmental Protection Department is commencing a study on the feasibility, scope and mechanism of controlling or banning disposable

plastic tableware, whether the study will cover styrofoam tableware; if so, of the details; if not, the reasons for that;

(6) whether it will examine the formulation of an implementation timetable for banning styrofoam tableware; and

(7) whether it will allocate funding from the Recycling Fund to support styrofoam recycling; if so, of the details; if not, the reasons for that?

Reply:

President,

Styrofoam is lightweight but the volume is large. A large amount of styrofoam recovered and processed will only produce small amount of plastic raw materials. The logistics and recycling costs are high. Coupled with the fact that most of the waste styrofoam is contaminated or contains impurities, the recycling efficiency of styrofoam is thus comparatively low. That said, styrofoam stays afloat for a long time once entering the marine environment and may affect marine ecology. Hence, the Government has been encouraging reduction of styrofoam at source.

My reply to the question raised by the Hon Chan Hak-kan is as follows:

(1) According to the reports on "Monitoring of Solid Waste in Hong Kong" compiled by the Environmental Protection Department (EPD), about 30 400 tonnes of waste styrofoam were disposed of at landfills in 2017, among which some 47 per cent were styrofoam tableware, with the rest being styrofoam packaging materials like protective containers for electrical appliances and fresh meat, mesh wrap for fruit, etc. Analysed by waste category, about half of the waste styrofoam was domestic waste and the remaining half was commercial and industrial (C&I) waste.

(2) For the reasons stated in the introduction, there is currently no large-scale commercial operation on styrofoam recycling in Hong Kong. Since 2015-16, we have supported a styrofoam recycling project under the Environment and Conservation Fund (ECF) with a view to trying out recycling of styrofoam. Commenced in June 2016, the project covers not only collection of styrofoam from the C&I sectors and educational institutions, but also collaboration with various community groups and certain ECF-funded Community Recycling Centres to set up collection points across the territory for the public to recycle styrofoam.

(3) The EPD does not compile statistics on the amount of styrofoam found in daily marine refuse collection. The quantities of styrofoam disposed of at landfills between 2014 and 2017 are tabulated below.

Year	Quantity of styrofoam disposed of at landfills (tonnes)
2014	32 100

2015	41 000
2016	33 700
2017	30 400

The relevant statistics for 2018 are still under compilation.

The EPD does not have any statistics on the volume of styrofoam recovered locally. Nonetheless, for the styrofoam recycling project funded by the ECF as mentioned above, the total quantity of styrofoam recovered by the end of December 2018 was approximately 100 tonnes.

(4) With various publicity and education efforts, the EPD has been striving to encourage the public and different sectors to reduce the use of single-use plastic items, especially styrofoam products, and promote the use of more environment-friendly substitutes. In the summer of 2018, the EPD organised the "Plastic Free Beach, Tableware First" campaign at public beaches across the territory. More than 50 restaurants and kiosks participated and used bamboo sticks, paper straws and paper bags in place of disposable plastic (including styrofoam) tableware to promote the "plastic-free" culture to the public. The Environmental Campaign Committee has also launched the Reusable Tableware Lending Programme for Large-scale Events which offers one-stop delivery, collection and cleaning services of tableware to event organisers for free.

The Government has also been encouraging the catering sector to provide reusable tableware and food containers. Under the Sustainable Development Fund, the Government supports the catering sector to formulate guidelines on green procurement for the trade, including their use of reusable or plant-fibre tableware instead of disposable plastic ones. Through the annual Hong Kong Awards for Environmental Excellence, the EPD also commends organisations that have excelled in environmental management, including restaurants committed to waste reduction at source (such as taking measures to encourage customers not to ask for disposable tableware).

Starting from January 2019, the Government has taken the lead in banning plastic straws and styrofoam tableware in premises and canteens mainly serving government staff. Relevant departments, when inviting tenders for new contracts and renewing existing contracts, will also require restaurant operators in suitable government venues to avoid using disposable plastic tableware. Besides, the ECF also sponsors local non-profit making organisations to explore environment-friendly and durable alternatives for foam boxes commonly used in the fish markets.

The Government actively preparing for the implementation of the municipal solid waste charging scheme, under which financial incentives are provided to further encourage the public and the C&I sectors to reduce waste at source, such as using less plastic products and materials including styrofoam.

(5) and (6) The EPD is conducting a study on the feasibility, scope and mechanism of controlling or banning the use of disposable plastic (including

styrofoam) tableware to confirm whether there is a need for such control and, if needed, the scope and means of control and applicable substitutes, etc. The EPD will also draw reference from approaches and specific situations worldwide on the control of disposable plastic tableware and their means of implementation, and consult the relevant trades and stakeholders. Based on the findings of our study and analysis, the EPD will draw up a proposal that is suitable for implementation in Hong Kong in the long run. The study is scheduled for completion in 2020.

(7) The Government launched the \$1 billion Recycling Fund in October 2015 to assist in upgrading the operational capabilities and efficiency of the recycling industry, thereby promoting waste recovery and recycling as well as reducing waste disposal at landfills. Under the Fund, the Enterprise Support Programme (ESP) provides funding support on a matching basis, and supports individual enterprises to enhance and expand their local waste recycling business. The Fund has earmarked \$50 million for the Standard Projects under the ESP to assist recyclers to procure different recycling equipment such as hot-melting machines and cold compactors for processing styrofoam, as well as air filtering equipment, etc. The Fund has earmarked another \$50 million to encourage recyclers to use compactor trucks for the transportation of recyclables (including styrofoam), with a view to enhancing operational efficiency and reducing transportation cost.

Furthermore, the EPD plans to roll out a two-year Pilot Scheme on Collection and Recycling Services of Waste Plastics (the Pilot Scheme) in three different districts (i.e. Eastern District, Kwun Tong and Sha Tin) to provide free collection services for waste plastics (all types including styrofoam) from non-C&I sources in these districts, such as public and private housing estates, schools and public organisations. The waste plastics so collected will be further treated and recycled for producing recycled raw materials or products. The practical experience gained from the Pilot Scheme will benefit future expansion of the services across the whole territory. The tender of the waste plastics collection service contract for the Eastern District was closed on April 26, 2019. The EPD is conducting tender assessment with a view to rolling out the service this year. Later on, the EPD will also invite tenders for waste plastics collection services in Kwun Tong and then Sha Tin.