

Teachers and principals urged to vote in CPC election on April 10

All serving registered teachers, permitted teachers and government school teachers, including school heads, regular teachers and temporary teachers employed on a monthly basis, are urged to vote on Wednesday (April 10) to elect candidates of their respective school categories to the Council on Professional Conduct in Education (CPC), which aims to promote professional conduct in education.

A spokesman for the Education Bureau today (April 3) said that the election would be held in individual schools in accordance with the guidance notes issued by the bureau. The voting is conducted on a one-teacher, one-vote basis.

"Teachers serving in more than one school have to opt to exercise their voting right in only one of the schools," he said.

"Should they vote in more than one school, the ballot papers will be considered null. We will conduct random inspections to ensure the election is fair."

Teachers who are eligible to vote are reminded to study the instructions on the ballot papers before casting their votes.

"Voters should not put down their names or any other marks of identification on the ballot papers. Otherwise, the vote will be considered void," the spokesman added.

Voters should vote for candidates of their respective school categories:

- * There are three seats in the category of aided secondary schools. Voters from aided secondary schools may vote for a maximum of three candidates from aided secondary schools.

- * There is one seat in the category of Direct Subsidy Scheme (DSS) and private secondary schools. Voters from DSS and private secondary schools may vote for no more than one candidate from DSS and private secondary schools.

- * There are three seats in the category of aided primary schools. Voters from aided primary schools may vote for a maximum of three candidates from aided primary schools.

- * There is one seat in the category of government primary schools. Voters from government primary schools may vote for no more than one candidate from government primary schools.

- * There are two seats in the category of kindergartens. Voters from kindergartens may vote for a maximum of two candidates from kindergartens.

The categories of government secondary schools, DSS and private primary schools and special schools each have one seat in the CPC. As there is only one candidate in each of these categories, the candidates will be elected uncontested as members of the CPC; government secondary schools, DSS and private primary schools and special schools do not have to conduct voting on the voting day.

Voters are reminded not to choose more than the number of candidates specified in their respective categories of schools (aided secondary schools/DSS and private secondary schools/aided primary schools/government primary schools/kindergartens) or the vote will be considered invalid.

The CPC is a non-statutory body to advise the government on measures to promote professional conduct in education, to draft operational criteria defining the conduct expected of an educator, and to advise the Permanent Secretary for Education on cases of disputes or alleged professional misconduct involving educators.

The bureau has received a total of 36 nominations. Among them, 22 are running for seats in the teacher-nominated category and 14 for seats in the organisation-nominated category.

Results of the election will be announced on April 26.

LCQ20: Regulation of virtual asset investment activities

Following is a question by the Hon Wu Chi-wai and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (April 3):

Question:

It is learnt that following the rapid development of virtual asset-related investment activities in recent years, incidents of investors incurring losses have occurred frequently. For instances, the Court has recently ordered the winding up of a virtual currency exchange, and the Police have earlier arrested a person for allegedly having enticed investors by fraudulent means into buying mining devices purportedly for mining virtual currency. On the other hand, the Securities and Futures Commission (SFC) announced in November last year a new regulatory approach for virtual assets, aiming to bring virtual asset portfolio managers and distributors of virtual asset funds into SFC's regulatory net. In this connection, will the Government inform this Council:

(1) of the details of the law enforcement actions taken in the past three

years by various law enforcement agencies on suspected cases of (a) using virtual currencies for money laundering, (b) enticing investors into buying mining devices by fraudulent means, and (c) soliciting investments in virtual assets by unlawful means, including (i) the amount of money involved, (ii) the respective numbers of persons arrested, prosecuted and convicted, and (iii) the penalties imposed on those convicted;

(2) whether the sale of virtual asset-related commodities (such as mining devices) falls within the ambit of the Trade Descriptions Ordinance (Cap. 362); if not, of the reasons for that, and whether the Government will amend the legislation to bring it into the ambit by the Customs and Excise Department;

(3) whether individuals or business operators are currently required to pay taxes for transactions (such as trading of properties or funds) conducted using virtual currencies; if so, how the Inland Revenue Department (IRD) ensures that the secrecy associated with transactions of virtual currencies will not lead to a reduction in tax revenue;

(4) of the respective amounts of profits taxes collected in each of the past three years by the IRD on the operation of (i) virtual assets trading platforms, (ii) the sale of mining devices, (iii) cloud mining, (iv) smart vending machines equipped with virtual currency-related functions, and (v) other virtual asset-related commercial activities;

(5) whether the IRD initiated investigations in the past three years into cases of suspected tax evasion regarding the operation of virtual asset-related businesses; if so, of the respective numbers of investigations, prosecutions and convictions, and the penalties imposed on those convicted; of the number of cases in which the offenders paid fines in lieu of being prosecuted, and the average amount of fines paid by them; and

(6) whether the SFC, the Hong Kong Monetary Authority and the relevant government departments will study the stepping up of the regulation of virtual asset-related investment activities; if so, of the details?

Reply:

President,

In consultation with relevant bureaux, departments and financial regulators, we have prepared a consolidated reply to the Hon Wu Chi-wai's question as follows:

(1) The Police have spared no effort in combating money laundering activities and have been closely monitoring the crime trend relating to virtual assets. In recent years, crimes relating to virtual assets have been on the rise, mainly involving deception and blackmail. In 2018, there were 324 cases of virtual assets-related crimes reported to the Police, while in 2016 and 2017, there were 67 and 50 cases of Bitcoin-related cases reported respectively (the Police only maintained figures relating to Bitcoin in the concerned

period).

As for investment fraud cases, between 2016 and 2018, the number of cases received by the Police each year was 134, 137 and 212 respectively. Fraudsters made use of different kinds of investment products to lure victims with claims of high returns and low risks. The Police targeted these investment fraud cases with multiple intelligence-led enforcement operations. For instance, early this year the Police arrested three persons suspected of deceiving over 20 victims to invest in virtual assets-related computer equipment and services, with the investments amounting to HK\$3.7 million.

As for the Securities and Futures Commission (SFC), it has issued press statements in respect of regulatory actions taken in respect of activities involving cryptocurrencies. SFC issued a press release in February 2018 noting that it had taken regulatory actions against seven cryptocurrency exchanges and seven issuers of initial coin offerings (ICOs) to warn them of the implications for conducting activities involving cryptocurrencies which were "securities" as defined in the Securities and Futures Ordinance (SFO) without a licence. SFC issued another press release in March 2018, noting that it took regulatory actions against an ICO issuer, which resulted in the halting of its ICO to the Hong Kong public over concerns that the company had engaged in potential unauthorised promotional activities and unlicensed regulated activities.

(2) Regarding the sale of mining machines or other products related to virtual assets, a trader who, in the course of business, engages in unfair trade practices prohibited under the Trade Descriptions Ordinance (TDO), including "false trade descriptions", "misleading omissions", "aggressive commercial practices", "bait advertising", "bait-and-switch", and "wrongly accepting payment", commits an offence. A maximum fine of \$500,000 and imprisonment for five years may be imposed upon conviction.

The Customs and Excise Department strives to combat unfair trade practices that contravene the TDO. It closely observes and monitors relevant situations in the market. If contravention of the TDO is found, appropriate actions will be taken immediately to protect consumer interests.

(3), (4) and (5) Under the Inland Revenue Ordinance (IRO), except for profits from the sale of capital assets, profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong are chargeable to profits tax. Whether certain profits or gains in a particular case are chargeable to profits tax has to be considered on the basis of its own individual facts and circumstances. The provisions concerning profits tax in the IRO and the relevant case law are equally applicable to transactions involving virtual assets.

The Inland Revenue Department (IRD) is committed to maintaining the integrity of Hong Kong's taxation system. It collects information from various channels, supplemented by information technology. Cases are selected for audits and in-depth investigations as appropriate based on risk assessment. If necessary, the IRD will also seek relevant information from

other tax authorities through the exchange of information mechanism under tax treaties so as to enhance its capability of detecting tax avoidance and evasion. IRD does not maintain statistics specifically on tax payable by persons carrying on virtual asset-related activities and relevant investigation cases.

(6) As the development of virtual assets trading is evolving rapidly, the Financial Services and the Treasury Bureau (FSTB) and the SFC have been monitoring the international regulatory development closely in order to explore whether it is appropriate to put virtual assets trading platforms under regulation. In November 2018, the SFC announced an exploratory regulatory approach under the sandbox environment to explore whether it was suitable to license and regulate virtual assets platforms using its existing power. SFC would decide whether, and if so, how to regulate virtual assets trading platforms after the exploratory stage. SFC is currently in discussion with some virtual assets trading platform operators so as to understand more about their operations, with a view to determining whether virtual assets trading platforms should be regulated under the SFO.

FSTB and financial regulators will continue to keep in view the development of virtual assets activities locally and globally. SFC will also continue to review its existing measures and suitably consider whether or not to put in place a more effective regulatory approach. We will maintain contact with overseas regulators through participation in relevant international organisations, including the International Organisation of Securities Commissions and the Financial Stability Board, to ensure that we can devise a suitable mechanism in good time to address the potential risks arising from virtual assets activities.

LCQ18: Staffing issues relating to tree management and landscape work

Following is a question by the Hon Tony Tse and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (April 3):

Question:

At present, the Greening, Landscape and Tree Management Section (GLTMS) of the Development Bureau (DEVB) is responsible for formulating and coordinating the overall landscape and tree management strategy and initiatives in Hong Kong, while the Tree Management Office (TMO) under the GLTMS is responsible for coordinating the tree management work of various government departments, etc. It has been reported that the two posts of Head of GLTMS and Head of TMO were vacant on a number of occasions in the past few

years, and the present incumbents of the posts lack the professional qualifications in tree management or landscape, resulting in the problem of the non-professionals leading the professionals. On the other hand, the DEVB indicated last year that it was conducting a review on tree management and the responsibilities of the TMO, and it would review at the same time the recruitment and appointment arrangements for the posts concerned. In this connection, will the Government inform this Council:

(1) whether the scope of the aforesaid review covers the duties, organisation structure and staffing establishment of the GLTMS and the TMO; of the progress and expected completion date of the review;

(2) whether the scope of the review on the recruitment and appointment arrangements for the two aforesaid posts covers the approach for recruitment (e.g. giving priority to internal promotion) and the entry qualification requirements (e.g. the requirement of possessing professional qualifications in tree management and landscape); and

(3) whether it will, before the completion of the aforesaid review, expeditiously recruit or deploy personnel with professional qualifications in tree management and landscape to fill the two posts; if so, of the details; if not, the reasons for that?

Reply:

President,

In 2018, the Head of the Greening, Landscape and Tree Management Section (H/GLTMS) and the Head of the Tree Management Office (H/TMO) under the Development Bureau (DEVB) left their respective posts for personal reasons. The Government will fill the two vacancies in due course in accordance with the established procedures. Currently, an officer of the Administrative Officer grade of the same rank is doubling sideways the post of H/GLTMS, while a Chief Geotechnical Engineer with professional qualification in arboriculture holds the post of H/TMO on a supernumerary basis to take charge of the coordination of tree management work. The above arrangements ensure that the GLTMS and the TMO continue to operate effectively.

Landscape and tree management require a wide range of professional knowledge and experience. The GLTMS, therefore, comprises professionals of various disciplines with qualifications and experience in arboriculture, including landscape architects, forestry officers, geotechnical engineers and leisure services managers. Through cross-discipline collaboration, the GLTMS strives to raise the standards of landscape and tree management practice in Hong Kong.

My reply to the three-part question raised by the Hon Tony Tse is as follows:

(1) The DEVB is reviewing the duties, organisation structure and staffing establishment of the GLTMS and will propose recommendations to enhance its

functions and efficiency. The review is expected to be completed within this month.

(2) The above review covers, amongst others, examination and consideration of the qualification requirements as well as the recruitment and appointment arrangements for the posts of H/GLTMS and H/TMO.

(3) Upon completion of the review, the DEVB will formulate an implementation plan and proceed with recruitment. As the recruitment exercise will commence in the next few months, the DEVB has no plan to deploy other personnel to fill the posts in question at this juncture.

LCQ15: Financial assistance for patients with permanent stomata

Following is a question by the Professor Hon Joseph Lee and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (April 3):

Question:

It is learnt that when the colon, rectum, ileum or urinary bladder of a patient is functionally damaged due to lesions or accidents, doctors may carry out surgical operations to create an opening on the patient's abdomen for waste discharge, known as "stoma". Stomata are classified into colostomy, ileostomy and urostomy. Owing to incapacity as a result of their physical conditions, most stoma patients cannot afford the expenses incurred for purchasing stoma bags, which are used for collecting waste, and other medical consumables. In 2017, the Community Care Fund rolled out a three-year Pilot Scheme on Providing Special Subsidy for Persons with Permanent Stoma from Low-income Families for Purchasing Medical Consumables (the Pilot Scheme), under which eligible persons with permanent stomata are provided with subsidies at the rates of full grant (i.e. \$1,000 per month), three-quarters grant or half grant, with a view to relieving their financial burden. In this connection, will the Government inform this Council:

(1) of the respective numbers of applications under the Pilot Scheme received and approved by the authorities last year, with a breakdown of the approved applications by type of stoma and rate of subsidy;

(2) as it is necessary for patients with permanent stomata to use the relevant medical consumables, whether the authorities will consider providing full-grant subsidies across the board for all eligible patients; and

(3) whether the authorities will entrust the responsibility of conducting

medical assessments for applications for Disability Allowances lodged by stoma patients to those specialists who are more familiar with the medical conditions and disability conditions of such patients, such as gastroenterologists or urologists; if so, of the details; if not, the reasons for that?

Reply:

President,

My consolidated reply to the Member's question is as follows:

(1) As at end February 2019, the Social Welfare Department (SWD) received 621 applications for the "Pilot Scheme on Providing Special Subsidy for Persons with Permanent Stoma from Low-income Families for Purchasing Medical Consumables" (the Pilot Scheme), of which 474 applicants were assessed to be eligible for the subsidies and the disbursement amount was about 5.35 million. A breakdown of the beneficiaries by the type of subsidies approved is as follows:

Grant of Subsidy	Number of beneficiaries
Full grant of the subsidy (\$1,000 per month)	439
Three-quarters grant of the subsidy (\$750 per month)	23
Half grant of the subsidy (\$500 per month)	12

SWD does not have information on the breakdown of the beneficiaries by stoma types.

(2) The Pilot Scheme will end in August 2020. SWD will review the effectiveness of the Pilot Scheme, with a view to recommending whether the Pilot Scheme should be incorporated into regular assistance programmes and if so, the implementation arrangement in future, including the level of subsidy and eligibility criteria.

(3) The Disability Allowance (DA) under the Social Security Allowance Scheme is a non-contributory cash allowance with no means-test requirement. SWD provides the allowance to eligible persons with a view to assisting Hong Kong residents with severe disabilities to meet their special needs arising from the disabling condition. The applicants have to be certified as severely disabled and the disabling condition has to persist for at least six months. The medical assessment under the DA is conducted by doctors from the Department of Health or the Hospital Authority. The main duties of the relevant doctors are to provide clinical diagnosis for patients and to assess the physical or mental status and functions of the patients so as to provide

appropriate treatment and to follow up on their medical conditions. Under the existing arrangements, the medical assessments for DA applications are conducted during normal medical consultation sessions according to the medical assessment criteria for the DA, and most medical assessments are carried out by the doctors in charge (including those from the general or specialist stream). SWD will vet the applications according to the medical assessment results and other application criteria.

LCQ9: Combatting illegal parking

Following is a question by the Hon Michael Tien and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (April 3):

Question:

Roadside lay-bys are supposed to be used for picking up/setting down passengers or loading/unloading goods by vehicles. However, it is learnt that the problem of vehicles parking (including stopping and waiting) illegally at lay-bys is serious. Examples include the lay-by at Mei Wan Street, Tsuen Wan, where illegal parking is particularly serious during weekends and public holidays. Some drivers illegally pick up/set down passengers or load/unload goods on traffic lanes marked with double yellow lines because the lay-bys are occupied, thereby causing traffic congestion. On the other hand, the Energizing Kowloon East Office of the Development Bureau is conducting a Proof of Concept Trial on Illegal Parking Monitoring System, and the Police will launch another trial scheme to explore the use of video analytic techniques in the law enforcement actions against traffic contraventions. In this connection, will the Government inform this Council whether it has studied if the Police may rely solely on video footage as evidence to institute prosecution against the driver or owner of a vehicle illegally parked respectively for the situations where the driver is and is not in the vehicle respectively; if it has studied and the outcome is in the affirmative, of the details; if the study outcome is in the negative, whether the Government will consider amending the legislation to empower the Police to institute prosecution by this means?

Reply:

President,

My reply to the Hon Michael Tien's question is as follows:

The Government is very concerned about the illegal vehicle parking and waiting situation. In this regard, the Hong Kong Police Force have been closely monitoring the traffic conditions in various districts and taking stringent enforcement actions against vehicles causing serious obstruction to

traffic and posing danger.

Apart from stepping up enforcement efforts, the Government is actively examining the application of new technologies to assist frontline officers in taking enforcement actions against traffic contraventions, thereby enhancing enforcement efficiency and strengthening the deterrent effect. The Energizing Kowloon East Office of the Development Bureau commenced in 2018 two proof-of-concept (PoC) trials on the use of video analytics technology to detect improper use of roadside loading/unloading bays and illegal parking. The PoC trials include on-site tests of video cameras for monitoring purpose and studies on how to use the video analytics technology for prosecution against illegal parking. The Police provide advice and assistance from the perspective of traffic enforcement. In addition, the Police are planning in collaboration with the Logistics and Supply Chain MultiTech R&D Centre a separate trial by mounting video cameras on selected lampposts that provide good vantage points and making use of the video analytics technology for actual enforcement against certain offences which more commonly cause traffic obstruction, including illegal stopping of vehicle at a bus stop and no-stopping restriction zone, etc. Depending on the progress of the preparatory work, the trial is expected to commence within 2019. Taking into account the results of the aforesaid trials and such relevant factors as technical feasibility and cost-effectiveness, the Government will actively consider the further application of the video analytics technology to facilitate the Police's enforcement against illegal parking and other traffic offences.

According to the law, illegal parking of vehicles is an act of contravention, irrespective of whether the driver is inside the vehicle or not. On the use of video footage as evidence for prosecution, the Police carried out a territory-wide trial in 2018. Under the trial, police officers used portable video cameras to record traffic offences stipulated in the Fixed Penalty (Criminal Proceedings) Ordinance (Cap. 240), including illegal stopping of vehicle at a bus stop and picking up/setting down passengers or loading/unloading goods in a restricted zone, etc, and then served the fixed penalty notices (FPNs) to the offenders by post. The Police are currently reviewing the effectiveness of the trial. On the other hand, under the Fixed Penalty (Traffic Contraventions) Ordinance (Cap. 237), the Police should only affix a FPN to the vehicle concerned or give the FPN personally to the person in charge of the vehicle. Serving a FPN by post is not allowed. As such, the above-mentioned trial did not cover the illegal parking offences under Cap. 237. The Government is considering amendments to the law to increase the means of serving FPNs (including by electronic means) and plans to consult the Legislative Council Panel on Transport later this year.