

# Government welcomes passage of Inland Revenue and MPF Schemes Legislation (Tax Deductions for Annuity Premiums and MPF Voluntary Contributions) (Amendment) Bill 2018

The Government has welcomed the passage of the Inland Revenue and MPF Schemes Legislation (Tax Deductions for Annuity Premiums and MPF Voluntary Contributions) (Amendment) Bill 2018 by the Legislative Council today (March 20).

The new Ordinance gives effect to the tax deductions proposed in the 2018-19 Budget. From the year of assessment 2018/19, taxpayers are entitled to tax deductions under salaries tax and personal assessment for their premiums paid to qualifying deferred annuities and contributions made to tax deductible Mandatory Provident Fund (MPF) voluntary contribution accounts. The maximum tax deductible limit is \$60,000 each year per taxpayer.

A spokesman for the Financial Services and the Treasury Bureau said, "We hope that the tax deductions can be an incentive to encourage the working population to make early retirement savings in order to cope with the financial risk arising from longevity. The relevant maximum tax deductible limit is an aggregate limit for qualifying deferred annuity premiums and tax deductible MPF voluntary contributions to allow for greater flexibility."

Under the new arrangement, a taxpayer can claim tax deduction for deferred annuity premiums covering the taxpayer's spouse as joint annuitant, or either the taxpayer or the taxpayer's spouse as a sole annuitant. A taxpaying couple is allowed to allocate tax deduction for deferred annuity premiums amongst themselves in order to claim the total deductions of \$120,000, provided that the deduction claimed by each taxpayer does not exceed the individual limit. Tax deductible MPF voluntary contributions are subject to "preservation requirements", meaning that the accrued benefits can be withdrawn only upon reaching the age of 65 or based on statutory grounds.

The spokesman added, "It is most ideal to have a basket of financial tools for retirement financial planning. Deferred annuities or tax deductible voluntary contributions are suitable financial planning tools for retirement. But the public should understand their characteristics and consider different factors, such as liquidity needs, bequest motives, financial discipline, other alternatives and more when choosing suitable retirement financial tools. The public should also understand that investing in an MPF is investment risk-bearing. As for a deferred annuity, it is a long-term insurance contract for the purpose of assisting policyholders to convert their capital into long-term stable income for retirement, but not

for pursuing a high return. In addition, surrender of policy within the contractual period may incur financial loss."

The Financial Services and the Treasury Bureau is collaborating with the Investor and Financial Education Council to launch publicity and public education. The public may learn the features of qualifying deferred annuities and tax deductible voluntary contributions through the website of "The Chin Family" ([www.thechinfamily.hk](http://www.thechinfamily.hk)) to evaluate whether the two tax deductible financial planning tools suit their own needs. In addition, starting from April 1, 2019, the Insurance Authority and the Mandatory Provident Fund Schemes Authority will publish the list of the qualifying deferred annuity products and the list of MPF schemes offering tax deductible MPF voluntary contribution accounts on their websites ([www.ia.org.hk](http://www.ia.org.hk) and [www.mpfa.org.hk](http://www.mpfa.org.hk)) respectively for public information.

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## LCQ2: One-way Permits scheme and talent admission schemes

Following is a question by the Hon Wu Chi-wai and a reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (March 20):

Question:

According to Article 22 of the Basic Law and the relevant Interpretation by the Standing Committee of the National People's Congress in 1999 (NPCSC's Interpretation), Mainland residents who wish to enter the Hong Kong Special Administrative Region (HKSAR) must apply for approval in accordance with the relevant laws, and must hold valid documents issued by the Mainland authorities (e.g. Permits for Proceeding to Hong Kong and Macao which are commonly known as "One-way Permits" (OWPs)) before they may enter HKSAR. In this connection, will the Government inform this Council:

(1) given that the HKSAR Government currently may, of its own accord, vet and approve Mainland residents' applications for entry into Hong Kong under the Admission Scheme for Mainland Talents and Professionals and the Quality Migrant Admission Scheme (including the setting of point-based tests and selection of applicants), if it has studied, from a legal perspective, whether the HKSAR Government's participation in the vetting and approval of OWP applications would not violate Article 22 of the Basic Law and NPCSC's Interpretation;

(2) given that Mainland residents may apply for OWPs for the reason, apart from family reunion, that they must come to Hong Kong for settlement due to other special circumstances, of the circumstances that are included under "other special circumstances"; and

(3) in each of the past 10 years,

(i) of the number of Mainland residents who came to Hong Kong for settlement on OWPs, broken down by the following categories of OWP holders:

- holders of Certificate of Entitlement;
- spouses separated for 10 years or more and their accompanying children;
- persons of other categories (set out one by one); and
- persons who must come to Hong Kong for settlement due to other special circumstances; and

(ii) whether there were unused quotas in respect of the OWPs applicable to different types of persons; if so, whether the Government will request the Central Authorities to reduce the quotas concerned in accordance with the actual demand?

Reply:

President,

The HKSAR Government's consolidated reply to the Hon Wu Chi-wai's question is as follows:

It is stipulated in Article 22(4) of the Basic Law that "For entry into the Hong Kong Special Administrative Region (HKSAR), people from other parts of China must apply for approval. Among them, the number of persons who enter the Region for the purpose of settlement shall be determined by the competent authorities of the Central People's Government after consulting the government of the Region." The provisions of this Article, in accordance with the interpretation by the Standing Committee of the National People's Congress in 1999, mean that Mainland residents "who wish to enter the HKSAR for whatever reason, must apply to the relevant authorities of their residential districts for approval in accordance with the relevant national laws and administrative regulations, and must hold valid documents issued by the relevant authorities before they can enter the HKSAR." Mainland residents who wish to settle in Hong Kong for family reunion must apply for One-way Permits (OWPs) (i.e. Permits for Proceeding to Hong Kong and Macao) from the exit and entry administration offices of the public security authority at the places of their household registration in the Mainland.

The OWP scheme allows Mainland residents to come to Hong Kong for family reunion in an orderly manner through approval by the Mainland authorities in accordance with the laws and regulations of the Mainland. As requested in the question, a breakdown of the numbers of Mainland residents entering Hong Kong on OWPs by category from 2009 to 2018 is attached at the Annex.

OWPs are documents issued by relevant authorities in the Mainland. The application, approval and issuance of OWPs fall within the remit of the Mainland authorities. The Mainland authorities have since May 1997 implemented a point-based system with the eligibility points announced through the Internet, setting out open and transparent criteria for the OWP scheme to objectively assess the eligibility and priority of applicants. The public security authorities of some provinces and cities publish the names of

OWP applicants under certain categories whose approval procedures are completed, and allow applicants to check the status of their applications online. Mainland residents who meet the eligibility criteria laid down by the Mainland authorities may apply to come to settle in Hong Kong. Those criteria are related to the age of the applicants or period of separation. They are objective and transparent, and connected with the purpose of family reunion.

In the processing of OWP applications by the Mainland authorities, the Immigration Department (ImmD) facilitates at case level, including rendering assistance in verifying the supporting documents submitted by the applicants and their claimed relationship with relatives in Hong Kong (e.g. husband and wife, parent and child) when necessary. If a case is found to be suspicious or when factual discrepancies are identified, ImmD will inform the Mainland authorities and will request the applicant to provide further documentary proofs. ImmD will also help the Mainland authorities investigate the cases involving obtaining OWPs by illegal means. Taking OWP applications under the category of "reunion with spouses" as an example, in case the husband-and-wife relationship is doubtful, the Mainland authorities will pass the particulars of the applicants and their spouses in Hong Kong to the ImmD for verification of the personal particulars of the Hong Kong residents, the certificates of registration of marriage in Hong Kong or other relevant records. ImmD will notify the Mainland authorities of the verification results for their follow-up actions.

ImmD has a mechanism for handling cases of obtaining OWPs by fraudulent means. ImmD will also initiate investigation into doubtful marriages, collect evidence from various sources and through different channels in order to investigate thoroughly the parties to suspected "bogus marriage" cases and the intermediaries involved. The relevant persons will be prosecuted when there is sufficient evidence. Once a case is substantiated, ImmD can declare the invalidation of a person's Hong Kong Identity Card, regardless of whether that person is a holder of Hong Kong Permanent Identity Card or has settled in Hong Kong for less than seven years and has divorced his/her Hong Kong permanent resident spouse. In addition, regardless of his/her years of residence in Hong Kong, ImmD has the authority to remove him/her from Hong Kong.

The various existing talent admission schemes serve different policy objectives. For instance, the Admission Scheme for Mainland Talents and Professionals (ASMP) aims at attracting Mainland talents with special skills, knowledge or experience of value to and not readily available in Hong Kong to work here in meeting local manpower needs. As for the Quality Migrant Admission Scheme (QMAS), it seeks to attract highly skilled or talented persons to settle in Hong Kong in order to enhance Hong Kong's economic competitiveness. Therefore, these talent admission schemes and the OWP scheme have different considerations about the required qualifications of their respective applicants. The prerequisites which ASMP applicants are required to fulfill include having secured a job relevant to his/her academic qualifications or work experience that cannot be readily taken up by the local workforce, receiving a remuneration package which commensurate with the prevailing market rate, etc. The prerequisites which QMAS applicants are

required to fulfill include age, financial requirement, language proficiency, basic educational qualifications, etc. They can then accumulate points under "points test" and compete for quota allocation.

The admission of talents is for the purpose of enhancing Hong Kong's economic competitiveness, while the OWP scheme is for the purpose of allowing Mainland residents to come to Hong Kong for family reunion in an orderly manner. Given the policy objective of family reunion, we should not design a scheme under which the Mainland family members of affluent families have priority to come to Hong Kong, while those of other families have to wait for a longer time to come to Hong Kong. They should be treated fairly and equally. Therefore, we consider that the existing operation of the OWP scheme should be maintained.

Regarding the OWP quota, there are different views in the community on the 150 daily quota for OWPs, including views for maintaining or reducing the quota. Some of the views include advocating family reunion and demanding early settlement of Mainland family members of Hong Kong residents in Hong Kong. The overall usage of OWP quota depends on various factors. Cross-boundary marriages now make up about one-third of locally registered marriages. There is no sign of decline and we will keep an eye on the trend in the long run. At present, the Mainland spouses are still required to wait for at least four years before becoming eligible to come to stay in Hong Kong. As such, there is a continued need for the OWP scheme to allow separated spouses and their children born in the Mainland to come to Hong Kong for family reunion.

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## LCQ1: Operation of One-way Permits scheme

Following is a question by the Hon Claudia Mo and a reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (March 20):

Question:

Since 1997, a total of over a million Mainland residents have come to Hong Kong for settlement on Permits for Proceeding to Hong Kong and Macao (commonly known as "One-way Permits") (OWPs). Some members of the public have pointed out that a large number of Mainland residents settling in Hong Kong has put a heavy burden on Hong Kong's public services such as social welfare, housing, education and healthcare. Recently, the representatives of some doctor groups have claimed that the public healthcare system is on the verge of collapse. They have therefore called for the cessation of OWP issuance. In this connection, will the Government inform this Council:

(1) given that Mainland residents may apply for OWPs for the reason, apart from family reunion, that they must come to Hong Kong for settlement due to other special circumstances, and some of those who have come to Hong Kong on OWPs do not have any close relatives in Hong Kong, of the number of people who came to Hong Kong for settlement on OWPs each year since 1997, with a breakdown by the age group to which they belonged, their gender, and whether they were issued OWPs on grounds of family reunion; whether the Government assessed, in the past three years, the pressure on Hong Kong's public resources brought about by people coming to Hong Kong for settlement on OWPs; if so, of the outcome;

(2) whether the Government will, in order to alleviate the pressure on public services, set up an inter-departmental steering committee to be led by the Chief Secretary for Administration to study feasible options for reducing the OWP quota progressively; if so, of the details and timetable; if not, the reasons for that; and

(3) whether it will discuss with the relevant Mainland departments the SAR Government's participation by phases in, and its eventual assumption of full responsibility for, the vetting and approval of OWP applications, so as to prevent Mainland residents from coming to Hong Kong for settlement on OWPs obtained through bogus marriages; if so, of the details and timetable; if not, the reasons for that?

Reply:

President,

The HKSAR Government's consolidated reply to the Hon Claudia Mo's questions is as follows:

It is stipulated in Article 22(4) of the Basic Law that "For entry into the Hong Kong Special Administrative Region (HKSAR), people from other parts of China must apply for approval. Among them, the number of persons who enter the Region for the purpose of settlement shall be determined by the competent authorities of the Central People's Government after consulting the government of the Region." The provisions of this Article, in accordance with the interpretation by the Standing Committee of the National People's Congress in 1999, mean that Mainland residents "who wish to enter the HKSAR for whatever reason, must apply to the relevant authorities of their residential districts for approval in accordance with the relevant national laws and administrative regulations, and must hold valid documents issued by the relevant authorities before they can enter the HKSAR." Mainland residents who wish to settle in Hong Kong for family reunion must apply for One-way Permits (OWPs) (i.e. Permits for Proceeding to Hong Kong and Macao) from the exit and entry administration offices of the public security authority at the places of their household registration on the Mainland.

The OWP scheme allows Mainland residents to come to Hong Kong for family reunion in an orderly manner through approval by the Mainland authorities in

accordance with the laws and regulations of the Mainland. The numbers of holders of OWPs entering Hong Kong from July 1997 to 2018 and their breakdown by age group, gender and category are at Annexes 1 to 3 respectively.

For a long time, the Census and Statistics Department has been updating population projections statistics every two to three years taking into account the latest developments of the population, including the new arrivals, so as to provide a common basis for reference by the Government for formulating policies in housing, healthcare, education, social welfare, etc., as well as in planning public services and facilities.

In addition, a data collection mechanism has been set up by the Immigration Department (ImmD) to collect data on the demographic and social characteristics of OWP holders when they enter Hong Kong via the Lo Wu control point. Moreover, the Home Affairs Department conducts surveys on new arrivals from the Mainland who are aged 11 or above and have arrived in Hong Kong for less than one year when they apply for their Hong Kong Identity Cards at ImmD's Registration of Persons-Kowloon Office in order to identify their profile and service needs. The survey results of the data collected from the two surveys on age, marital status, educational attainment, economic activity, etc., are distributed to relevant government departments and non-governmental organisations in the form of quarterly reports on the Internet, so as to provide them with more useful information in planning their services for new arrivals.

Therefore, the HKSAR Government will have in hand basically the relevant information on the increased population, including the new arrivals, so as to take into account the overall demographic situation of the society to ensure that the planning, facilities and service provision aspects are in line with the sustainable and positive development in Hong Kong .

The vast majority of OWP entrants come to Hong Kong to join their next of kin. "Next of kin" refers to parents, spouses and children. For individual cases in which the entrants have no next of kin in Hong Kong, we learn that there were examples of unsupported elderly people coming to join relatives other than next of kin.

As to the question concerning whether the Government will consider it a feasible option to reduce the quota for OWPs in a gradual and orderly manner, I wish to point out that the 150 daily quota for OWPs is the upper limit. The Mainland authorities issue OWPs in accordance with the actual number of eligible applications submitted. In the past two years, the average daily numbers of Mainland residents coming to Hong Kong on OWPs were 129 and 116 respectively, indicating that in processing the applications the Mainland authorities have strictly followed the eligibility points laid down in the vetting guidelines and have had regard to the actual number of applications. The 150 quota might not necessarily be used up.

There are different views in the community on the 150 daily quota for OWPs, including views for maintaining or reducing the quota. Some of the views include advocating family reunion and demanding early settlement of

Mainland family members of Hong Kong residents in Hong Kong. The overall usage of OWP quota depends on various factors. Cross-boundary marriages now make up about one-third of locally registered marriages, there is no sign of decline in trend in the long run. At present, the Mainland spouses are still required to wait for at least four years before becoming eligible to come to stay in Hong Kong at present. As such, there is a continued need for the OWP scheme to allow separated spouses and their children born in the Mainland to come to Hong Kong for family reunion.

OWPs are documents issued by relevant authorities in the Mainland. The application, approval and issuance of OWPs fall within the remit of the Mainland authorities. The Mainland authorities have since May 1997 implemented a point-based system with the eligibility points announced through the Internet, setting out open and transparent criteria for the OWP scheme to objectively assess the eligibility and priority of applicants. The public security authorities of some provinces and municipalities publish the names of OWP applicants under certain categories whose approval procedures are completed, and allow applicants to check the status of their applications online. Mainland residents who meet the eligibility criteria laid down by the Mainland authorities may apply to come to settle in Hong Kong. Those criteria are related to the age of the applicants or period of separation. They are objective and transparent, and connected with the purpose of family reunion.

In the processing of OWP applications by the Mainland authorities, ImmD facilitates at case level, including rendering assistance in verifying the supporting documents submitted by the applicants and their claimed relationship with relatives in Hong Kong (e.g. husband and wife, parent and child) when necessary. If a case is found to be suspicious or when factual discrepancies are identified, ImmD will inform the Mainland authorities and will request the applicant to provide further documentary proofs. ImmD will also help the Mainland authorities investigate the cases involving obtaining OWPs by illegal means.

ImmD has a mechanism for handling cases of obtaining OWPs by fraudulent means. ImmD will also initiate investigation into doubtful marriages, collect evidence from various sources and through different channels in order to investigate thoroughly the parties to suspected "bogus marriage" cases and the intermediaries involved. The relevant persons will be prosecuted when there is sufficient evidence. Once a case is substantiated, ImmD can declare the invalidation of a person's Hong Kong Identity Card, regardless of whether that person is a holder of Hong Kong Permanent Identity Card or has settled in Hong Kong for less than seven years and has divorced his/her Hong Kong permanent resident spouse. In addition, regardless of his/her years of residence in Hong Kong, ImmD has the authority to remove him/her from Hong Kong.

In view of the stipulations under the Basic Law as well as the facts and the analyses above, we do not intend to change the existing operation of the OWP scheme.



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## LCQ20: Implementation of sanctions imposed by United Nations Security Council

Following is a question by the Hon Holden Chow and a written reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (March 20):

Question:

The Secretary for Commerce and Economic Development indicated in reply to a question raised by a Member of this Council on January 23 this year that the Government had all along been implementing and enforcing the sanctions or restrictions imposed by the United Nations Security Council against 14 places and two organisations through the United Nations Sanctions Ordinance (Cap. 537) and the regulations made under that Ordinance by the Chief Executive. In the past five years, the Hong Kong Police Force (HKPF) and the Customs and Excise Department (C&ED) investigated 201 and 99 suspected cases of sanctions violations respectively. The manpower responsible for the relevant law enforcement work includes 69 staff members from the relevant investigation division of HKPF and 47 staff members from the Trade Controls Branch of C&ED. In this connection, will the Government inform this Council:

(1) of a breakdown of the aforesaid cases by the places/organisations under sanction they involved (set out in a table);

(2) whether it has assessed the adequacy of the current law enforcement manpower; if so, of the outcome; whether it has plans to increase the manpower; if so, of the details; if not, the reasons for that; and

(3) whether the current deployment of law enforcement manpower is based on the places/organisations under sanction; if so, of the details, and whether it has deployed law enforcement manpower based on the risk of the occurrence of sanctions violations; if so, of the details; if not, the reasons for that?

Reply:

President,

According to the Charter of the United Nations (UN), Member States of the UN (including the People's Republic of China (PRC)) should apply measures decided by the UN Security Council (UNSC) to maintain or restore international peace and security. As part of the PRC, the Hong Kong Special Administrative Region (HKSAR) implements UNSC sanctions pursuant to the

instructions of the Ministry of Foreign Affairs to fulfil our international obligation.

Currently, the UNSC imposes sanctions or restrictions against 14 places (Note 1) and two organisations (Note 2). The HKSAR Government has fully implemented sanctions or restrictions imposed by the UNSC against the 14 places and two organisations through the United Nations Sanctions Ordinance (Cap. 537) (the Ordinance) and the regulations made under the Ordinance by the Chief Executive.

The Hong Kong Police Force (HKPF) and the Customs and Excise Department (C&ED) are the law enforcement agencies of the Ordinance. Generally speaking, the HKPF is mainly responsible for enforcement work related to the financial sanction and sanctions on financial transactions or transfer of funds, while the C&ED is mainly responsible for enforcement against the supply, sale or transfer of arms and other items subject to sanction. The two law enforcement agencies have been acting in accordance with the law, without fear or favour, to follow up on suspected violations of the Ordinance.

My reply to the three parts of the question is as follows:

(1) To ensure integrity and confidentiality of our investigation work, the Government will not disclose details of the cases, including the places or organisations involved.

(2) The Government has been monitoring the law enforcement agencies' manpower arrangements for handling suspected violations of UN sanctions, and providing adequate resources as necessary. The Financial Investigation Division of the Narcotics Bureau of the HKPF is responsible for, inter alia, enforcing the Ordinance. The Division will be expanded from the current size of 69 staff members to 79 in 2019-20. As for the C&ED, apart from the staff responsible for physical examination of cargoes at boundary control points, 47 staff members from the Trade Controls Branch are responsible for, inter alia, enforcing the Ordinance. The Government will continue to provide adequate resources to the HKPF and the C&ED according to their needs.

(3) Appropriate training has been provided to HKPF and C&ED staff who are responsible for enforcing the Ordinance so that they are capable of investigating and following up on suspected cases involving different sanctioned places or organisations. Instead of assigning individual law enforcement officers to be solely responsible for cases involving specific sanctioned places or organisations, the HKPF and the C&ED deploy their manpower flexibly to follow up on each and every suspected case. Such arrangement not only allows effective use of manpower, but also ensures proper follow-up of all suspected cases.

Note 1: These 14 places are Afghanistan, Central African Republic, Democratic Republic of the Congo, Democratic People's Republic of Korea, Guinea-Bissau, Iran, Iraq, Lebanon, Libya, Mali, Somalia, South Sudan, Sudan and Yemen.

Note 2: The two organisations are Islamic State in Iraq and the Levant and Al-Qaida.

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## LCQ4: Mainland tourists visiting Hong Kong

Following is a question by the Hon Lau Kwok-fan and a reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (March 20):

Question:

Under the Individual Visit Scheme (IVS), Mainland residents living in cities covered by IVS may visit Hong Kong after obtaining an endorsement for individual visit (i.e. the G endorsement) issued by the Mainland's Public Security Bureau Office, while residents in other Mainland places visiting Hong Kong are required to obtain an endorsement for group visit (i.e. the L endorsement) and enter Hong Kong in tour groups. However, the Mainland authorities have not imposed a requirement on the minimum number of persons constituting an inbound Mainland tour group (IMTG), such that one person may also constitute a tour group. Besides, it has been reported that same as IVS visitors, Mainland residents with the L endorsement may now visit Hong Kong on their own and are no longer required to enter Hong Kong in tour groups (such as tour groups organised in Shenzhen on an ad hoc basis). The aforesaid arrangements have rendered the L endorsement tantamount to the G endorsement. In this connection, will the Government inform this Council:

(1) whether it has assessed the pressure on the tourist facilities in Hong Kong brought about by the arrangements of not imposing a requirement on the minimum number of persons constituting an IMTG and allowing Mainland residents with the L endorsement to visit Hong Kong on their own; if so, of the outcome; if not, the reasons for that;

(2) as the Government indicated in July last year that it would relay to the Mainland authorities concerns of Hong Kong people about such arrangements, of the replies received and follow-up actions taken by the Government; and

(3) as the Government indicated in January this year that it had all along maintained close liaison with the Travel Industry Council of Hong Kong to understand the situation of IMTG, of the details of the liaison work (including the frequency and scope); whether it will discuss with the Mainland authorities the setting up of a reciprocal notification mechanism between government departments so as to grasp right away the information relating to Mainland tourists visiting Hong Kong?

Reply:

President,

The Government attaches great importance to the sustainable and healthy development of the tourism industry. Whilst ensuring that the industry brings about benefits to society, we also continuously seek to minimise as far as possible the impact of tourist activities on the local community.

In response to the question raised by the Hon Lau Kwok-fan, my reply is as follows:

(1) and (2) The Government has been maintaining close liaison with the Mainland authorities on the arrangements for Mainland visitors to visit Hong Kong. The Mainland authorities have not indicated any change in policies concerning Mainland visitors' entry to Hong Kong.

In fact, the Government has been keeping a close watch on the situation of Mainland visitors coming to Hong Kong. In 2018, the total visitor arrivals to Hong Kong rose 11.4 per cent year-on-year, of which overnight visitor arrivals rose 4.9 per cent year-on-year. Nevertheless, we notice that, in the past three years from 2016 onwards, the percentage of Mainland visitors arriving with a group visit endorsement (commonly known as L-permit) out of the total Mainland visitors remained at around 15 per cent every year.

That said, in view of the increase in overall Mainland visitor arrivals to Hong Kong, the Government has been joining hands with different stakeholders to implement various targeted measures to minimise the impact of tourist activities on the local community.

Before peak periods of Mainland visitor arrivals, including the Chinese New Year and National Day Golden Weeks, the Government will convene inter-departmental meetings to co-ordinate amongst departments the enhancement of visitor crowd control measures. Meanwhile, the Government has been pragmatic in tackling problems brought about by inbound tour groups to the local community. It has been maintaining close liaison with the travel trade, the Travel Industry Council of Hong Kong (TIC), district personalities and Legislative Council Members to implement various targeted mitigation measures, including encouraging tour coaches to use proper parking spaces, appealing to the trade to observe order when receiving tour groups and use information technology in strengthening control on visitor and vehicular flows, etc. The Tourism Commission, together with relevant Government departments and the TIC, also meets with trade representatives from time to time to follow up on their arrangements in receiving inbound tour groups.

Furthermore, the Government, in collaboration with the Hong Kong Tourism Board (HKTb) and the travel trade, will continue to take forward the Development Blueprint for Hong Kong's Tourism Industry published in 2017, including nurturing and developing tourism products and initiatives with local and international characteristics, so as to cater for the needs and preferences of different visitor segments and divert tourists to different

districts for sightseeing and shopping.

The Government will continue to take forward tourism projects with local characteristics in different districts, such as the "Revitalisation of Dr Sun Yat-sen Historical Trail", "Old Town Central" and "Design District Hong Kong" projects, as well as the "Hong Kong Neighbourhoods – Sham Shui Po" district promotion campaign successively launched over the past two years.

On cultural tourism, a number of facilities in the West Kowloon Cultural District (WKCD) are being completed in phases, including the Xiqu Centre opened in early 2019 and the museum facilities in the pipeline. This will help make the WKCD a new integral cluster of tourist attractions. The 2019-20 Budget also suggests allocating additional funding to the HKTB so as to further promote Hong Kong as a premier tourism destination, enhance publicity on Hong Kong's major festivals and events, and entice visitors to experience Hong Kong's local culture in different districts, etc.

On green tourism, we will continue to promote its development in Hong Kong in accordance with the principles of nature conservation and sustainable development, including launching a new pilot art cum cultural, heritage and green event at Yim Tin Tsai of Sai Kung in end-2019. The 2019-20 Budget also suggests allocating additional funding to the Tourism Commission such that it, together with other relevant Government departments, will roll out various new initiatives, including improving the facilities of country trails in the vicinity, commissioning a consultancy study for enhancing the facilities of the Hong Kong Wetland Park, etc.

As regards theme parks, the Hong Kong Disneyland Resort is taking forward its expansion and development plan for launching new attractions during 2018 and the next few years. Ocean Park is also taking forward its all-weather water park project, which is expected to be completed by 2021.

The abovementioned measures will help divert visitors to different districts and enhance Hong Kong's tourist receiving capability.

(3) At present, the TIC, as the industry's regulatory body, enforces clear guidelines requiring that travel agents in Hong Kong must, whenever receiving any Mainland inbound tour group, register with the TIC and provide information about the tour group in advance. In this regard, the TIC reports to the Government on the situation of Mainland inbound tour groups visiting Hong Kong from time to time. It also participates in the inter-departmental meetings convened by the Government before peak periods of Mainland visitor arrivals, such that relevant Government departments and attraction operators can grasp the estimated number of tour groups visiting Hong Kong during the holidays and make corresponding arrangements.

In addition, the Government has been maintaining close liaison with the Ministry of Culture and Tourism and other local tourism authorities in the Mainland, and exchanging information on the situation of Mainland visitors to Hong Kong through the communication mechanism between both sides, as well as stepping up promotion and education targeting the trade as necessary. Before

peak periods of Mainland visitor arrivals, including the Chinese New Year and National Day Golden Weeks, the Government appeals to the Mainland authorities to strengthen the management of visitor flows in collaboration with Hong Kong, as well as to disseminate in the Mainland public notices to remind visitors of various points to note when visiting Hong Kong. The Government also learns from the Mainland visitors' travel patterns from time to time so as to notify relevant bureaux or departments for their corresponding actions as necessary.