

SEN's opening remarks at LegCo Finance Committee special meeting

Following is the opening remarks (English translation) by the Secretary for the Environment, Mr Wong Kam-sing, at the special meeting of the Legislative Council Finance Committee this afternoon (April 6):

Chairman,

This year, the Financial Secretary's Budget has allocated over \$13 billion to the Environment Bureau (ENB) for two key areas, namely, enhancing environmental protection and providing financial relief to the relevant sectors.

First, in respect of enhancing environmental protection, the Budget proposes allocating more than \$10 billion to implement various measures. One of them is that we will support the green transformation of vehicles by formulating Hong Kong's first roadmap for the popularisation of electric vehicles (EVs) and rolling out the following measures:

- * launch a \$2 billion pilot scheme to subsidise the installation of EV charging-enabling infrastructure in car parks of private residential buildings;
- * set aside \$80 million to launch a pilot scheme for electric public light buses;
- * earmark \$350 million to launch a pilot scheme for electric ferries; and
- * earmark \$7.1 billion for the ex-gratia payment scheme which aims to phase out about 40,000 Euro IV diesel commercial vehicles.

Other measures related to environmental protection include the following:

- * set up a \$200 million Green Tech Fund to support the research and development, as well as application, of decarbonisation and green technologies;
- * earmark not less than \$300 million each year to stabilise the recycling volume and the price of local waste paper; and
- * encourage Hong Kong-owned factories to adopt cleaner production technologies with a view to improving the regional environment. \$300 million has been earmarked to extend the Cleaner Production Partnership Programme.

Moreover, in view of the current fight against the pandemic, the Budget has put extra funding of more than \$3 billion under the ENB to extend the relief measures announced last year. These measures include the following:

- * increase funding by about \$2.9 billion to extend the validity period of the electricity subsidy for non-residential customers from four months to eight months;
- * increase funding by about \$120 million to extend the sewage charge waiver period for non-domestic accounts from four to eight months;
- * extend the rental reduction waiver of 50 per cent for eligible tenants of the EcoPark, country park refreshment kiosks and the Hong Kong Wetland Park for another six months until this September; and
- * extend the rental support scheme for the recycling industry from six months to one year through allocating additional funding of \$100 million from the Recycling Fund. In addition, the Recycling Fund will allocate another \$100 million to support the recycling industry in its fight against the pandemic.

Today, my colleagues and I are happy to listen to the Honourable Members' views and respond to questions.

Thank you, Chairman.

[LCSD launches one-stop online resources centre](#)

During the fight against COVID-19, the Leisure and Cultural Services Department (LCSD) appeals to the public to be vigilant, stay home as much as possible and maintain social distancing. To help with this effort, the department has launched a special one-stop online resources centre today (April 6) to enrich the lives of the public during this period regardless of whether venues are open or closed. The public can now view or participate in multi-faceted leisure and cultural activities that suit all ages from the comfort of their homes.

For sports lovers, the online resources centre offers sports stars' appeals to stay healthy, while providing demonstrations of home exercises as well as offering videos of exercise demonstrations and interactive games of the Healthy Exercise for All Campaign. For passive activities, the information portal carries rich knowledge on the plants and animals at the Hong Kong Zoological and Botanical Gardens, old and valuable trees at the LCSD's major parks and colourful archives of the Hong Kong Flower Show, which can draw people closer to nature.

The Hong Kong Museum of Art (HKMoA) and the Hong Kong Heritage Museum are collaborating with the Google Arts & Culture Project to showcase various exhibits in digital format. The Hong Kong Museum of History and the Hong Kong Science Museum greet online visitors with virtual exhibitions that explore

previous fascinating collections. Moreover, pamphlets, audio guide and multi-media programmes have been uploaded onto Virtually@HKMoA. Extensive content from Intangible Cultural Heritage and modern arts integrating into life from Oi! is also not to be missed.

The Hong Kong Public Libraries (HKPL) offers vast e-resources, allowing the public to explore the fun of reading at home. Among these e-resources are specially selected content highlighting healthy living, and the "15-minute Read" online programme co-organised by the HKPL and Radio Television Hong Kong to encourage daily reading.

As for performing arts, digital content covers concert archives from the Hong Kong Philharmonic Orchestra, the Hong Kong Chinese Orchestra and the Hong Kong Sinfonietta; timeless performances by the Hong Kong Repertory Theatre; Chung Ying Theatre Company's Facebook education and outreach page; a special outdoor multi-media production of the World Cultures Festival 2019 "Nobody but a princess..." and the Jumbo Kids Theatre's Classroom.

The LCSD's one-stop online resources centre www.lcsd.gov.hk/en/onlineresources.html is now available. The department will keep updating and enriching the resources centre for the public to enjoy.

SFST's speech on public finance at LegCo Finance Committee special meeting

Following is the English translation of the speech by the Secretary for Financial Services and the Treasury, Mr James Lau, on public finance at the special meeting of the Legislative Council (LegCo) Finance Committee today (April 6):

Chairman and Honourable Members,

This session of the special meetings of the Finance Committee will examine the expenditure estimates of the Treasury Branch and related departments. The policy areas under the Treasury Branch's purview cover revenue and financial control, provision of central support services within the Government and maintenance of government properties. Before the question session begins, I would like to brief Members on a few points.

Estimates of expenditure

The estimated total expenditure of the Treasury Branch and the departments under its purview for 2020-21 is about \$84.511 billion. The

amount represents an increase of \$74.726 billion (i.e. more than sevenfold) over the original estimate of \$9.785 billion for the last year. The increase is mainly attributed to a substantial rise in the non-recurrent expenditure under Head 147 of the Treasury Branch, from the approved estimate of \$34 million in the last financial year to an estimate of \$74.851 billion this year, as a result of the implementation of one-off relief measures. The one-off relief measures include a cash payout scheme (Note 1) and two one-off electricity charges subsidy schemes (Note 2) (i.e. electricity charges subsidy for eligible residential accounts and supplementary electricity charges subsidy for eligible public housing tenants affected by redevelopment, major repair or improvement works). Discounting the non-recurrent expenditure, the estimated total recurrent expenditure of the Treasury Branch and the departments under its purview is only \$9.464 billion, which is \$56 million (around 0.6 per cent) less than the original estimate for the last year.

Key areas of work in the coming year

As regards our work in the coming year, I would like to brief Members on the following key areas.

On public finance, the Government will continue to exercise fiscal prudence to ensure healthy public finance. Our current fiscal reserves of about \$1,100 billion enable us to roll out countercyclical measures of a massive scale to support our people and enterprises in light of the economic situation in Hong Kong. While we expect a fiscal deficit of \$139.1 billion in 2020-21, more than \$120 billion of it is related to the one-off relief measures (including the cash payout scheme), which will not incur long-term financial commitments. Such special measures and the ever-growing expenditure, however, will deplete our fiscal reserves. Take the 2020-21 financial year as an example. Our reserves, which are equivalent to 22 months of government expenditure at the beginning of the year, will drop to a level equivalent to 16 months of government expenditure at year-end. In the coming years, government expenditure will enter a consolidation period. We should, in future, be more mindful of the Government's long-term affordability when we increase spending, which should be commensurate with the growth in revenue. To increase our revenue, we need to maintain the growth and vibrancy of our economy. We will also consider seeking new revenue sources or revising tax rates in due course. The scale of the one-off relief measures may also have to be progressively reduced.

On international tax co-operation, we will keep close watch on the latest developments of the work of the Organisation for Economic Co-operation and Development on setting rules for the imposition of a global minimum tax rate, and assess the impact on our tax regime. The Government will invite scholars, experts and members of the business community to tender advice on the matter, with a view to ensuring that Hong Kong's tax regime not only is in line with new developments in the international tax scene, but also helps maintain our premier business environment and competitiveness.

We will also continue to expand Hong Kong's network of Comprehensive

Avoidance of Double Taxation Agreements (CDTAs), so as to reduce the tax burden on our enterprises and individuals running businesses overseas. So far, Hong Kong has signed 43 CDTAs, and negotiations with 14 tax jurisdictions are underway. Our target is to bring the total number of CDTAs to 50 by the end of 2022.

Regarding the cash payout scheme, the Financial Secretary announced in the Budget that a sum of \$10,000 would be disbursed to each Hong Kong permanent resident aged 18 or above, with a view to encouraging and boosting local consumption on the one hand, and relieving people's financial burden on the other. While the Appropriation Bill is under scrutiny, we, together with a number of departments and banks, are proceeding at full steam with the preparation work, including drawing up the procedures and designing and developing the computer systems, in order to launch the scheme and announce the details as soon as possible. To facilitate early disbursement of the money to citizens in an orderly manner, the registration procedures and the entire workflow design will be developed based on the principles of simplicity, convenience and security. Our target is to commence registration in July and disburse the sum starting from summer vacation.

Chairman, my colleagues and I will be happy to answer any questions from Members.

Note:

1: The cash payout scheme involves a non-recurrent expenditure of \$71.008 billion in 2020-21.

2: The supplementary electricity charges subsidy for eligible public housing tenants affected by redevelopment, major repair or improvement works and the electricity charges subsidy for eligible residential accounts involve non-recurrent expenditures of \$500,000 and \$3.842 billion respectively in 2020-21.

[SFST's speech on financial services at LegCo Finance Committee special meeting](#)

Following is the English translation of the speech by the Secretary for Financial Services and the Treasury, Mr James Lau, at the special meeting of the Legislative Council (LegCo) Finance Committee today (April 6), on the estimates of expenditure for financial services and the key areas of work:

Chairman and Honourable Members,

I will briefly introduce the estimates of expenditure for financial services and our key areas of work in the coming year.

Estimates of expenditure

The allocation to the Financial Services Branch and departments under its purview for 2020-21 is about \$2.3 billion. The amount represents an increase of about \$400 million over last year.

Key areas of work

In the coming year, we will focus our work on safeguarding Hong Kong's financial stability on the one hand and promoting market development and enhancing financial co-operation with the Mainland on the other, in order to reinforce our status as an international financial centre.

(I) Safeguarding financial stability

We are committed to safeguarding financial stability. With coronavirus disease 2019 (COVID-19) spreading across the globe, the number of confirmed cases has increased globally and locally. The situation has become very serious and put the worldwide economy under great pressure. Many international organisations and economists are pessimistic over the economic outlook and have warned about the risk of global recession this year. Under the influence of COVID-19 and many other uncertainties in the global and local environments, the global and Hong Kong financial markets have become more volatile, and our economy has worsened abruptly. Nevertheless, our financial system remains resilient and different facets, including the Linked Exchange Rate System, continue to function effectively. Stress tests conducted by financial regulators indicate that even in extremely adverse situations, banks, intermediaries in the securities sector and insurers will still be able to meet the relevant regulatory requirements. Our financial system has withstood crises one after another and we believe that with our resilient regulatory regime, Hong Kong can cope with market volatility. In the coming year, the Government and financial regulators will continue to closely monitor the financial market situation, with a view to ensuring financial stability.

(II) Promoting market development

On promoting market development, I would like to give a brief account of our priorities.

(i) Asset and wealth management

Following the introduction of a new open-ended fund company structure in July 2018, we are currently conducting the legislative exercise relating to the establishment of a limited partnership regime for private equity funds, so as to provide more options for funds to be set up in Hong Kong. The relevant bill was gazetted in March 2020, pending passage by the Legislative

Council (LegCo). In addition, to attract more private equity funds to domicile and operate in Hong Kong, we also plan to provide tax concession for carried interest issued by private equity funds operating in Hong Kong subject to the fulfilment of certain conditions. We will consult the industry on the proposal, and the relevant arrangement will be applicable starting from 2020-21 upon completion of the legislative exercise.

(ii) Securities market

The rapid development of the exchange-traded fund (ETF) market in recent years has brought new opportunities to the securities market in Hong Kong. In order to further strengthen the competitiveness of Hong Kong as an ETF listing platform, the Government will expand the existing scope of the stamp duty on stock transfers waiver for ETF-related transactions to cover also those paid by market makers in the course of creating and redeeming ETF units listed in Hong Kong. This initiative will reduce the overall cost of trading ETFs and hence attract ETF issuers to launch ETFs that track Hong Kong stocks. We plan to table the relevant subsidiary legislation before LegCo this quarter (i.e. the second quarter of this year) to give effect to the proposal.

Moreover, we are further enhancing the mutual capital market access between Hong Kong and the Mainland. With effect from October 28, 2019, companies with a weighted voting rights structure as listed in Hong Kong under the new listing regime of the Hong Kong Exchanges and Clearing Limited are included as eligible securities under southbound trading of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect upon fulfilment of certain criteria. The Government and regulators will continue to discuss with the relevant Mainland authorities to cover more investment products in the mutual market access schemes, with a view to promoting the collaboration and interaction between the two financial markets.

(iii) Facilitating the development of the insurance industry

To enhance Hong Kong's competitiveness as an international insurance hub and help the industry seize new opportunities, including those arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative, we introduced an amendment bill into the LegCo for scrutiny in this legislative session and gazetted two other amendment bills in March 2020. The amendment bills aim to serve the following purposes. First, to reduce by 50 per cent the profits tax rate for all general reinsurance business of direct insurers, selected general insurance business of direct insurers and selected insurance brokerage business, so as to help promote the development of marine insurance, underwriting of specialty risks and high value-added maritime services. Second, to establish a new regulatory regime which facilitates the issuance of insurance-linked securities in Hong Kong and to expand the scope of insurable risks by captive insurers set up in Hong Kong, thereby enriching the risk management tools available in the Hong Kong market and catering for the risk management needs of multinational companies respectively. Third, to enhance the structure for the supervision of insurance groups where the holding company for the group is incorporated

in Hong Kong, with a view to meeting international standards and establishing Hong Kong as a preferred base for large insurance groups in Asia Pacific.

(iv) Development of financial technologies (Fintech)

We will continue to promote the development of fintech in Hong Kong on various fronts, including expanding the applications of the Faster Payment System and creating conditions conducive to the development of the fintech ecosystem in Hong Kong. While striving to facilitate financial innovation, the Government will also continue to work closely with financial regulators to protect the interests of the investing public.

(v) Green Finance

Last year, we saw the successful offering of our inaugural green bond under the Government Green Bond Programme. We plan to issue a total of around \$66 billion in green bonds in the five years commencing from this year, having regard to the market situation. This will further consolidate and develop Hong Kong's position as a premier green finance hub in the region and attract more institutions to make use of our capital market for green financing and investing.

(vi) eMPF platform

To create room for fee reduction and a predominantly paperless Mandatory Provident Fund (MPF) experience, the Government is working with the Mandatory Provident Fund Schemes Authority (MPFA) to set up an eMPF Platform to facilitate standardisation, streamlining and automation of MPF scheme administration processes to maximise operational efficiency. The MPFA issued the Request for Proposal documents for the eMPF Platform last December, with a view to awarding the tender in the second half of 2020. Subject to the result of the tendering exercise, it remains our target to have the eMPF Platform ready by 2022 at the earliest and the onboarding to the eMPF Platform by all trustees in phases in the subsequent two to three years.

(vii) Retail bond market

Further development of the retail bond market will encourage the financial sector to continue tapping the silver market. We plan to issue the inflation-linked retail bond (iBond) and Silver Bond again this year. Depending on the market conditions, the total issuance size of the two retail bonds will be no less than \$13 billion. The Hong Kong Monetary Authority (HKMA) will announce the details in due course.

(III) Enhancing financial co-operation with the Mainland

Following the third meeting of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area, six finance-related measures were announced, covering areas such as personal banking services and insurance. Among these measures, the HKMA has maintained close communication with the Mainland authorities on the design of the wealth management connect

scheme, with a view to launching the scheme as early as possible. On the premise of ensuring proper management of risks and protection of investors, the scheme aims to enable residents of Hong Kong and Mainland cities in the Greater Bay Area to invest in wealth management products in each other's market. This will create more business opportunities for the financial industries of the two places and provide more choices of wealth management products for residents therein, thereby further facilitating the cross-boundary flow and use of Renminbi (RMB), and reinforcing Hong Kong's position as the hub for offshore RMB business as well as the intermediary for capital flowing into and out of the Mainland. The HKMA will draw on the successful experience of existing mutual market access schemes in devising the relevant management arrangements.

Last but not least, to ease the pressure on enterprises brought about by the economic downturn, the Financial Secretary has announced in the Budget that the registration fees for all annual returns (except for late delivery) charged by the Companies Registry will be waived for two years. This will benefit about 1.4 million companies and reduce related revenue by about \$212 million in total. We will introduce the proposed amendments to the relevant subsidiary legislation into LegCo this quarter.

Chairman, my colleagues and I will be happy to answer any questions from Members.

Immigration Department services arrangements

To reduce the risk of the spread of the virus with an environment crowded with applicants, the Immigration Department (ImmD) will implement from tomorrow (April 6) the following crowd management and related measures at its offices.

ImmD appeals to applicants who are not required to visit its offices in-person for applications, they should submit their applications by post, drop-in, online or mobile application. For those who are required to visit its offices for applications, they should make appointment bookings in advance by phone or electronic means to avoid gathering of crowds at the offices. From April 6, ImmD will distribute daily quotas tags to applicants at the Wan Chai Headquarters and other branch offices, applicants are required to attend the offices at a scheduled period specified on the quotas tags. Outside of the scheduled periods, applicants will not be allowed to remain within the office premises to avoid crowded situation. ImmD will deploy adequate manpower according to the actual circumstances with a view to complete all scheduled applications with quotas tags within the same day. ImmD said the quotas are sufficient, therefore there is not a need to queue up too early, particularly

overnight, for applications. In addition, employers of foreign domestic helpers (FDHs) should encourage FDHs to submit their applications by post, drop-in or online to avoid the unnecessary risk of the spread of the virus caused by long waiting time at the offices.

Furthermore, ImmD also said that its East Kowloon, Sha Tin and Fo Tan branch offices will resume services from April 6 alongside with the West Kowloon and Yuen Long branch offices, providing emergency and limited public services including applications of extension of stay for FDHs (contract renewal with the same employer) and visitors (excluding Mainland visitors).

Detailed services arrangements of ImmD and its offices from tomorrow (April 6) are tabulated as follows:

Types of Services	Sections/Offices	Addresses	Services Available
Travel Documents	Travel Documents and Nationality (Application) Section and Travel Documents (Issue) Section	4/F, Immigration Tower, Wan Chai	Urgent application and collection of Hong Kong travel documents only. (Those who have successfully applied and chose to collect their Hong Kong travel documents at the Hong Kong Island Travel Documents Issuing Office, may call 2852 3045 during working hours for enquiries.)
	East Kowloon Branch Office	Level 2, Sceneway Plaza, Lam Tin	
	West Kowloon Branch Office	G/F, 28 Kimberley Street, Tsim Sha Tsui	
	Sha Tin Branch Office	3/F, Sha Tin Government Offices	
	Fo Tan Branch Office	4/F, Jubilee Square, Fo Tan	
	Yuen Long Branch Office	1/F, Yuen Long Government Offices	

Types of Services	Sections/Offices	Addresses	Services Available
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Identity Cards	Hong Kong Registration of Persons Office	8/F, Immigration Tower, Wan Chai	Replacement of identity cards and first registration of identity cards for new arrivals to Hong Kong only. (Identity card application/replacement service for those aged 11 and 18, and other identity card-related services are temporarily suspended.) (For enquiries regarding identity cards, please call 3521 6565 during working hours.)
	Kowloon Registration of Persons Office	3/F, Cheung Sha Wan Government Offices	
	Fo Tan Registration of Persons Office	4/F, Jubilee Square, Fo Tan	
	Yuen Long Registration of Persons Office	1/F, Yuen Long Government Offices	

Types of Services	Sections/Offices	Addresses	Services Available
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Visa and Extension of Stay	Foreign Domestic Helpers Section	3/F, Immigration Tower, Wan Chai	All existing services.
	Extension Section	5/F, Immigration Tower, Wan Chai	
	Quality Migrants and Mainland Residents Section	6/F, Immigration Tower, Wan Chai	Application for extension of stay only.
	Other Visas and Permits Section	7/F, Immigration Tower, Wan Chai	
	East Kowloon Branch Office	Level 2, Sceneway Plaza, Lam Tin	Application for extension of stay for Hong Kong residents (excluding Mainland residents admitted to Hong Kong through various admission schemes), foreign domestic helpers (contract renewal with the same employer) and visitors (excluding Mainland visitors) with appointment booking or daily quotas tags only.
	West Kowloon Branch Office	G/F, 28 Kimberley Street, Tsim Sha Tsui	
	Sha Tin Branch Office	3/F, Sha Tin Government Offices	
	Fo Tan Branch Office	4/F, Jubilee Square, Fo Tan	
	Yuen Long Branch Office	1/F, Yuen Long Government Offices	

Types of Services	Sections/Offices	Addresses	Services Available
Right of Abode	Right of Abode Section	25/F, Immigration Tower, Wan Chai	All existing services.
Marriage Registration	All Marriage Registries	<ul style="list-style-type: none"> • Admiralty • City Hall • Cotton Tree Drive • Tsim Sha Tsui • Sha Tin • Tuen Mun 	Giving a Notice of Intended Marriage and conducting marriage ceremonies at Marriage Registries only.

Births Registration	The Births and Deaths General Register Office	3/F, Low Block, Queensway Government Offices	Birth registration only. (For those who have made appointments at other Birth Registries, the ImmD will contact them for further arrangements.)
	Kowloon Births Registry	LG/F, 28 Kimberley Street, Tsim Sha Tsui	
Deaths Registration	The Births and Deaths General Register Office	3/F, Low Block, Queensway Government Offices	Registration of death only.
	Hong Kong Island Deaths Registry	18/F, Wu Chung House, Wan Chai	
	Kowloon Deaths Registry	1/F, Cheung Sha Wan Government Offices	

The above-mentioned offices will provide services during normal opening hours. For detailed opening hours of individual offices, please refer to the ImmD's official website or mobile application. Meanwhile, other ImmD offices, including all Smart Identity Card Replacement Centres, and other public services will be temporarily closed and suspended.

In addition, according to the existing arrangements by the Hong Kong Special Administrative Region Government, except for the Hong Kong International Airport, Hong Kong-Zhuhai-Macao Bridge and Shenzhen Bay Control Points, passenger immigration clearance services in other immigration control points will remain suspended until further notice. Besides, the operating hours of the passenger clearance services at the Hong Kong-Zhuhai-Macao Bridge and Shenzhen Bay Control Points are adjusted as follows until further notice:

Hong Kong-Zhuhai-Macao Bridge Control Point:

- Operating hours of the Passenger Clearance Building (i.e. for passengers crossing the boundary by cross-boundary coaches and shuttle buses) are adjusted to 10:00 am to 8:00 pm daily; and
- Operating hours of the clearance for private cars are adjusted to 6:00 am to 10:00 pm daily while the operating hours for cargo clearance will remain operating 24 hours daily.

Shenzhen Bay Control Point:

- Operating hours of all passenger clearance services are adjusted to 10:00 am to 8:00 pm daily while the operating hours for cargo clearance will remain unchanged (i.e. from 6:30 am to midnight daily).

The hotline of the Assistance to Hong Kong Residents Unit on (852)

1868 will continue to operate as normal to provide practicable assistance for Hong Kong residents in distress outside Hong Kong.

Any changes to the above arrangements will be announced in due course. Those who have made appointments for other immigration services may proceed to the respective offices afterwards for relevant applications without the need for making new appointments.

For enquiries, please contact the ImmD by calling the enquiry hotline at 2824 6111 or by email to enquiry@immd.gov.hk.