

## Manager of unlicensed guesthouse fined

A woman was fined \$8,000 at the Kowloon City Magistrates' Courts today (October 31) for contravening the Hotel and Guesthouse Accommodation Ordinance.

The courts heard that in April this year, officers of the Office of the Licensing Authority (OLA), the Home Affairs Department, inspected a suspected unlicensed guesthouse on Nam Cheong Street in Sham Shui Po. During the inspection, the OLA officers posed as lodgers and successfully rented a room in the guesthouse on a daily basis.

According to the OLA's record, the guesthouse did not possess a licence under the Ordinance on the day of inspection. The woman responsible for managing the premise was charged with contravening section 5(1) of the Ordinance.

A department spokesman stressed that operating or managing an unlicensed guesthouse is a criminal offence and will lead to a criminal record. Upon conviction, the offender is liable to a maximum fine of \$200,000 and two years' imprisonment.

The spokesman appealed to anyone with information about suspected unlicensed guesthouses to report it to the OLA through the hotline (tel: 2881 7498), by email ([hadlaenq@had.gov.hk](mailto:hadlaenq@had.gov.hk)), by fax (2504 5805) using the report form downloaded from the OLA website ([www.hadla.gov.hk](http://www.hadla.gov.hk)), or through the mobile application "Hong Kong Licensed Hotels and Guesthouses".

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## Monetary Statistics for September 2018

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

According to statistics published today (October 31) by the Hong Kong Monetary Authority, total deposits with authorized institutions grew by 0.6 per cent in September 2018. Hong Kong-dollar deposits increased by 0.6 per cent during the month, as the increase in time deposits exceeded the decrease in demand and savings deposits. Overall foreign-currency deposits also increased by 0.6 per cent in September. Renminbi deposits in Hong Kong declined by 2.9 per cent to RMB600.3 billion at the end of September. The total remittance of renminbi for cross-border trade settlement amounted to RMB348.8 billion in September, compared with RMB360.4 billion in August.

Total loans and advances edged down by 0.1 per cent in September. Among the total, loans for use in Hong Kong (including trade finance) decreased by

0.2 per cent from a month ago, while loans for use outside Hong Kong stayed virtually unchanged. The Hong Kong-dollar loan-to-deposit ratio edged down to 85.0 per cent at the end of September from 85.1 per cent at the end of August, as Hong Kong-dollar loans increased at a slower pace than Hong Kong-dollar deposits.

In the third quarter of 2018, loans for use in Hong Kong (including trade finance) declined by 1.2 per cent following an increase of 1.7 per cent in the previous quarter. Analysed by economic use, the decrease in loans during the third quarter was mainly led by trade finance, loans to financial concerns and loans to stockbrokers.

On a seasonally-adjusted basis, Hong Kong-dollar M1 declined by 1.5 per cent in September and decreased by 0.3 per cent year-on-year. Seasonally unadjusted Hong Kong-dollar M3 edged up by 0.5 per cent during the month and grew by 4.3 per cent from a year earlier.

#### Release Schedule of Monetary Statistics in Hong Kong

The monthly release schedule of monetary statistics in Year 2019 is as follows.

Reference Month	Release Date
January 2019	February 28, 2019
February 2019	March 29, 2019
March 2019	April 30, 2019
April 2019	May 31, 2019
May 2019	June 28, 2019
June 2019	July 31, 2019
July 2019	August 30, 2019
August 2019	September 30, 2019
September 2019	October 31, 2019
October 2019	November 29, 2019
November 2019	December 31, 2019
December 2019	January 31, 2020

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## [Government welcomes passage of Inland Revenue \(Amendment\) \(No. 4\) Bill 2018](#)

The Secretary for Food and Health, Professor Sophia Chan, welcomed the passage of the Inland Revenue (Amendment) (No. 4) Bill 2018 by the

Legislative Council today (October 31).

The new Ordinance gives effect to a tax deduction under salaries tax and personal assessment to people who purchase eligible health insurance products for themselves or their specified relatives under the Voluntary Health Insurance Scheme (VHIS), starting from April 1, 2019.

Professor Chan said, "We will fully implement the VHIS with the added incentive of tax deduction."

Under the new arrangement, a taxpayer can claim deductions for VHIS premiums paid up to \$8,000 per insured person for insurance policies procured for the benefit of the taxpayer and all specified relatives, which cover the taxpayer's spouse and children, and the taxpayer's or his/her spouse's grandparents, parents and siblings.

"Compared with many existing indemnity hospital insurance products, Certified Plans under the VHIS are more attractive in a number of ways, such as guaranteed renewal until the insured reaches the age of 100, premium adjustment not being based on changes in the health condition of that individual insured, no "lifetime benefit limit", and coverage extended to include unknown pre-existing conditions and ambulatory procedures including endoscopy.

"We encourage the public to purchase Certified Plans under the VHIS, so that they may choose to use private healthcare services when in need, thereby alleviating the long-term pressure on the public healthcare system," Professor Chan said.

The VHIS Office of the Food and Health Bureau has already been established in early October 2018. With the passage of the Bill, the VHIS Office will invite insurers to participate in the VHIS and submit products for certification. The first batch of Certified Plans are expected to be approved in early 2019. Taxpayers who pay the premium for the Certified Plans on or after April 1, 2019, will be eligible for tax deduction.

For further information on the VHIS, please visit the dedicated website ([www.vhis.gov.hk](http://www.vhis.gov.hk)).

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## **Residential mortgage loans in negative equity September quarter 2018**

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

The Hong Kong Monetary Authority announced today (October 31) the

results of its latest survey on residential mortgage loans (RMLs) in negative equity.

Surveyed authorised institutions did not report any RMLs in negative equity at end-September 2018.

It is important to note that the figures derived from this survey relate only to RMLs provided by authorised institutions on the basis of first mortgages and which the reporting institution knows to be in negative equity (i.e. the outstanding loan amount with the reporting institution exceeds the current market value of the mortgaged property). Not included in these figures are RMLs associated with co-financing schemes which would be in negative equity if the second mortgages were taken into account. The extent to which such RMLs are in negative equity is not known because authorised institutions do not maintain records on the outstanding balances of the second mortgages.

The mortgage portfolios of the surveyed authorised institutions represent about 99 per cent of the industry total. The survey results have been extrapolated to estimate the position of the banking sector as a whole.

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## [Residential mortgage survey results for September 2018](#)

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

The Hong Kong Monetary Authority (HKMA) announced the results of the residential mortgage survey for September 2018.

The number of mortgage applications in September decreased month-on-month by 55.6% to 7 977.

Mortgage loans approved in September decreased by 33.8% compared with August to HK\$31.6 billion. Among these, mortgage loans financing primary market transactions decreased by 34% to HK\$6.2 billion and those financing secondary market transactions decreased by 43.6% to HK\$11.8 billion. Mortgage loans for refinancing decreased by 21.9% to HK\$13.6 billion.

Mortgage loans drawn down during September increased by 2% compared with August to HK\$32.9 billion.

The ratio of new mortgage loans priced with reference to HIBOR decreased from 93.5% in August to 83.2% in September. The ratio of new mortgage loans priced with reference to best lending rates increased from 4.6% in August to 15.1% in September.

The outstanding value of mortgage loans increased month-on-month by 1% to HK\$1,289.4 billion at end-September.

The mortgage delinquency ratio remained unchanged at 0.02% and the rescheduled loan ratio remained unchanged at nearly 0%.