

Residential mortgage loans in negative equity: End of March 2022

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

The Hong Kong Monetary Authority announced today (April 29) the results of its survey on residential mortgage loans (RMLs) in negative equity at end-March 2022.

The estimated number of RMLs in negative equity increased to 104 cases at end-March 2022 from 21 cases at end-December 2021. These cases were related to bank staff housing loans or RMLs under mortgage insurance programme, which generally have a higher loan-to-value ratio.

The aggregate value of RMLs in negative equity increased to HK\$610 million at end-March 2022 compared with HK\$126 million at end-December 2021.

The unsecured portion of these loans increased to HK\$12 million at end-March 2022 from HK\$2 million at end-December 2021.

Since the first quarter of 2011, there have been no RMLs in negative equity with delinquencies of more than three months.

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.

Special temporary measures under Public Transport Fare Subsidy Scheme

The Transport Department (TD) today (April 29) reminded members of the public that from May 1 to October 31, the Government will temporarily relax

the monthly threshold of the Public Transport Fare Subsidy Scheme from \$400 to \$200 and increase the monthly subsidy cap from \$400 to \$500.

In view of the impact of the fifth wave of the epidemic on the local economy, special temporary measures under the Scheme will be introduced. From May 1 to October 31, the Government will provide a subsidy amounting to one-third of the actual monthly public transport expenses in excess of \$200, subject to a maximum of \$500 per month for each Octopus.

The TD also reminded commuters that they can collect the subsidy of the previous month from the 16th of each month. The subsidy for each month is valid for collection within the next three months.

For details of the Scheme, please visit the website (www.ptfss.gov.hk). Commuters can also check their record of public transport expenses and subsidy amount through the Subsidy Enquiry website (subsidy-enquiry.ptfss.hk), the Octopus App or the Scheme hotline 2969 5500.

Exchange Fund Abridged Balance Sheet and Currency Board Account

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

The Hong Kong Monetary Authority (HKMA) announced today (April 29) that the total assets of the Exchange Fund amounted to HK\$4,508.4 billion as at March 31, 2022, HK\$90.5 billion lower than that at the end of February 2022. Foreign currency assets decreased by HK\$66.3 billion and Hong Kong dollar assets decreased by HK\$24.2 billion.

The decline in foreign currency assets was mainly due to the withdrawals of Fiscal Reserves placements, a decrease in the month-end balances of unsettled purchase of securities and the mark-to-market revaluation on investments. The decline in Hong Kong dollar assets was mainly due to a reduction in bank borrowings and the mark-to-market revaluation on Hong Kong equities.

The Currency Board Account shows that the Monetary Base at the end of March 2022 was HK\$2,147.2 billion, decreased by HK\$1.7 billion, or 0.1 per cent, from the end of February 2022. The decline was mainly due to a decrease in the outstanding amount of Certificates of Indebtedness.

The amount of Backing Assets decreased by HK\$8.8 billion, or 0.4 per cent, to HK\$2,355.7 billion. The decrease was mainly attributable to the mark-to-market revaluation on investments. The backing ratio decreased from 110.03 per cent at the end of February 2022 to 109.71 per cent at the end of March 2022.

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of April 2022, the scheduled dates for issuing the press releases are as follows:

- April 7 (Issued) SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
- April 14 (Issued) SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
- April 29 SDDS Template on International Reserves and Foreign Currency Liquidity
- April 29 Exchange Fund Abridged Balance Sheet and Currency Board Account

International reserves and foreign currency liquidity

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

The Hong Kong Monetary Authority (HKMA) released today (April 29) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of March 2022 (Annex). These data are published monthly in the Template on International Reserves and Foreign Currency Liquidity in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS).

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[Fifteen persons arrested during anti-illegal worker operations \(with photo\)](#)

The Immigration Department (ImmD) mounted a series of territory-wide anti-illegal worker operations codenamed "Twilight" and "Lightshadow" and a joint operation with the Hong Kong Police Force codenamed "Champion" for four consecutive days from April 25 to April 28. A total of nine suspected illegal workers, five suspected employers and one person suspected of using and being in possession of a Hong Kong identity card related to another person were arrested.

During the anti-illegal worker operations, ImmD Task Force officers raided 37 target locations including a car park, food and beverage areas, a garbage collection depot, premises under renovation, residential buildings, restaurants and retail shops. A total of eight suspected illegal workers and four suspected employers was arrested. The arrested suspected illegal workers comprised two men and six women, aged 31 to 46. Among them, two men and two women were holders of recognisance forms, which prohibit them from taking any employment. In addition, one woman was suspected of using and being in possession of a forged Hong Kong identity card. Four men, aged 46 to 56, were suspected of employing the illegal workers.

In addition, during the "Champion" operation, enforcement officers raided 14 target locations in Central district including restaurants, retail shops and a salon. One suspected illegal worker, one suspected employer and one person suspected of using and being in possession of a Hong Kong identity card related to another person were arrested. The suspected illegal worker is a man, aged 38, who is a holder of a recognisance form, which prohibits him from taking any employment. Meanwhile, one woman, aged 47, was suspected of employing the illegal worker. The person suspected of using and being in possession of a Hong Kong identity card related to another person is a man, aged 51.

"Any person who contravenes a condition of stay in force in respect of him or her shall be guilty of an offence. Also, visitors are not allowed to take employment in Hong Kong, whether paid or unpaid, without the permission

of the Director of Immigration. Offenders are liable to prosecution and upon conviction face a maximum fine of \$50,000 and up to two years' imprisonment. Aiders and abettors are also liable to prosecution and penalties," an ImmD spokesman said.

The spokesman warned that, as stipulated in section 38AA of the Immigration Ordinance, an illegal immigrant, a person who is the subject of a removal order or a deportation order, an overstayer or a person who was refused permission to land is prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of \$50,000 and up to three years' imprisonment. Under the prevailing laws, it is an offence to use or possess a forged Hong Kong identity card or a Hong Kong identity card related to another person. Offenders are liable to prosecution and upon conviction face a maximum fine of \$100,000 and up to 10 years' imprisonment.

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. Under the Immigration Ordinance, the maximum penalty for an employer employing a person who is not lawfully employable, i.e. an illegal immigrant, a person who is the subject of a removal order or a deportation order, an overstayer or a person who was refused permission to land, has been significantly increased from a fine of \$350,000 and three years' imprisonment to a fine of \$500,000 and 10 years' imprisonment to reflect the gravity of such offences. The director, manager, secretary, partner, etc, of the company concerned may also bear criminal liability. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence.

According to the court sentencing, employers must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel document if the job seeker does not have a Hong Kong permanent identity card. Offenders are liable upon conviction to a maximum fine of \$150,000 and to imprisonment for one year. In that connection, the spokesman would like to remind all employers not to defy the law by employing illegal workers. The ImmD will continue to take resolute enforcement action to combat such offences.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct initial screening of vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers, who are arrested during any operation with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the ImmD officers will conduct a full debriefing and identification by using a standardised checklist to ascertain the presence of TIP elements, such as threats and coercion in the recruitment phase and the nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent intervention, medical

services, counselling, shelter or temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments immediately.

