

US Dollar Liquidity Facility tender result

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

US Dollar Liquidity Facility tender result:

Tender date	:	May 26, 2021 (Wednesday)
Settlement date	:	May 27, 2021 (Thursday)
Repayment date	:	June 3, 2021 (Thursday)
Tenor	:	Seven Days
Amount applied	:	Nil
Amount allotted	:	Nil
Lowest interest rate accepted	:	Nil
Highest interest rate accepted	:	Nil

LCQ1: Professional conduct of teachers

Following is a question by the Hon Tommy Cheung and a reply by the Secretary for Education, Mr Kevin Yeung, in the Legislative Council today (May 26):

Question:

It has been reported that quite a number of students, under the influence of their teachers or peers, participated in the Occupy Central movement in 2014 and the movement of opposition to the proposed legislative amendments in 2019. From June of the year before last to the end of last year, the Education Bureau received 269 complaints about professional misconduct of teachers, and has so far taken disciplinary actions against 154 teachers, including cancelling the teachers' registration of three of them. Regarding the professional conduct of teachers, will the Government inform this Council:

(1) given that the Code for the Education Profession of Hong Kong and the Professional Standards for Teachers of Hong Kong currently in place were formulated by teacher advisory bodies a number of years ago, whether the Government will expeditiously review and update the two documents to expressly prohibit teachers from performing the following acts: participating

in unlawful activities, inciting or organising students to participate in unlawful activities, promoting their personal political opinions to students, as well as publishing radical, hatred-inciting or misrepresented remarks on the Internet; if so, of the details; if not, the reasons for that;

(2) whether it will learn from the bitter experiences and expeditiously formulate a clear and authoritative official code for the teaching profession, so as to deter teachers from inciting students to participate in unlawful activities; if so, of the details; if not, the reasons for that; and

(3) of the new measures, on the premise of not violating professional autonomy, put in place to step up disciplinary actions against teachers who have misconducted themselves, so as to maintain the standard of teachers' conduct?

Reply:

President,

Teachers play a vital role in passing on knowledge and nurturing students' character. Their words and deeds have a far-reaching impact on students' growth. Therefore, parents and the community at large expect our teachers to possess not only solid professional knowledge but also high moral standards, and they should serve as role models in educating our next generation. If teachers are found to have seriously misconducted themselves or violated professional ethics, the Education Bureau (EDB) will consider cancelling their teacher registration in accordance with the Education Ordinance to safeguard students' well-being, uphold the dignity of the teaching profession and maintain public's confidence in the teaching profession.

Our reply to the question raised by the Hon Tommy Cheung is as follows:

(1) and (2) The Committee on Professional Development of Teachers and Principals (COTAP), after in-depth research, discussion and extensive consultation with the school sector, launched the "T-standard+" in 2018. It includes "Professional Standards for Teachers of Hong Kong" and "Professional Standards for Principals of Hong Kong". "T-standard+" portrays the professional performance expected of school teachers and principals, with a view to promoting the professional learning of the teaching force, upholding professional ethics of the teaching profession, and demonstrating high moral standards and values. Specifically, teachers are expected to perform the three professional roles of being the "Caring Cultivators", "Inspirational Co-constructors" and "Committed Role Models"; and the principals are required to play the three professional roles of being the "Ethical Enablers", "Versatile Architects" and "Visionary Edupreneurs".

Starting from the 2020/21 school year, we have strengthened the structured teacher training and provided corresponding professional development programmes for newly-joined teachers, in-service teachers and teachers aspiring for promotion to middle management. Among others, the programmes include 30 hours of core training, which include detailed

explanation on the "T-standard+" and case studies with a view to reminding teachers to perform the professional roles as expected and to uphold their professional ethics.

The Code for the Education Profession of Hong Kong (the Code), promulgated in 1990, was drawn up and formulated by the Preparatory Committee, Professional Code for Educational Works comprising representatives from education organisations in accordance with the recommendations in the Education Commission Report No. 1. The purpose of the Code is to provide self-disciplinary guidelines and norms of professional conduct for educators. It has been over 30 years since promulgation of the Code. In light of changes in the society and development in education, the Council on Professional Conduct in Education (CPC) drew up practical guidelines with exemplars for the Code. A consultation was carried out in 2016. However, there was strong opposition from individual education organisations against the illustrations/exemplars. The CPC hence shelved the practical guidelines and conducted another consultation in 2018. The current revision of the Code mainly involves the addition of guiding principles as section headings to the 1990 version and categorisation of the provisions according to their nature. There were no substantial changes in the content.

When handling suspected misconduct cases of teachers, we draw reference to the "T-standard+" and the Code. More importantly, we take into account whether the words and deeds of the teachers concerned fail to meet the moral standards generally acceptable to the society, whether they risk the safety and harm the healthy development of students, and whether the values so demonstrated will have an adverse impact on the dignity of the teaching profession or students' learning and undermine public's confidence in teachers. For the 269 complaints about professional misconduct of teachers relating to the social turmoil, as at the end of April 2021, we have cancelled three teachers' registration, and issued reprimand letters, warning letters, advisory letters and verbal reminders to a total of 151 teachers. As regard the Hon Cheung's suggestion to expressly prohibit teachers from participating in unlawful activities, inciting or organising students to participate in unlawful activities, promoting their personal political opinions to students, as well as publishing radical, hatred-inciting or misrepresented remarks on the Internet, such actions from teachers will not be accepted, be they spelt out in any code or not. We have been handling these cases in a serious manner in accordance with the Education Ordinance.

We have analysed cases concerning professional conduct of teachers in the past two years and briefed Members of the overall situation at the meeting of the Panel on Education of the Legislative Council on May 7, 2021. We have publicly explained our considerations in determining the follow-up actions or penalty. We have also consolidated and shared some specific cases. The EDB plans to release the related numbers on a regular basis, with examples of cases to illustrate the penalties against misconducted teachers and the considerations involved for the public's information and schools' reference. This would help schools strengthen the management of teachers and remind teachers to be more sensitive in their words and abide by regulations and the law.

(3) The EDB has all along respected the professionalism of teachers. Teachers should, based on their expertise and experience and according to the EDB's curriculum guides, make their professional judgement in adjusting learning materials and teaching strategies with reference to the characteristics and needs of their students. I wish to stress that "professional autonomy" does not mean indulgence without limits. Teaching and assessment must be in line with the curriculum framework and related requirements. Under no circumstances should teachers promote personal political views to students, disseminate inaccurate information, biased views or distorted facts to mislead students, or spread hatred or discriminatory messages or messages that go against social morality. If such cases are found, the EDB will certainly handle them prudently. For serious cases, the EDB will consider cancelling the registration of the teachers concerned.

Being employers of teachers, schools should supervise their teachers, remind them of the behaviour and conduct required, pro-actively follow up on the misconduct of their teachers and take disciplinary actions as appropriate. We will enhance liaison with school sponsoring bodies and schools for case sharing and exchange of experience in disciplinary actions, so as to facilitate school sponsoring bodies in drawing up their own guidelines on the matters. After completion of investigation, we will provide advice on the penalties/follow-up actions taken by schools. School leadership and supervision of teachers are important indicators of school performance. The EDB will seriously follow up on any mishandling by schools.

The EDB will continue to handle all teacher misconduct cases in a serious and prudent manner, from the perspective of education professionalism and in accordance with the Education Ordinance. In tandem, we appreciate the contributions of the responsible and distinguished teachers and promote the continuous development of the teaching profession.

Thank you, President.

[US Dollar Liquidity Facility tender result](#)

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

US Dollar Liquidity Facility tender result:

Tender date	:	May 26, 2021 (Wednesday)
Settlement date	:	May 27, 2021 (Thursday)
Repayment date	:	June 3, 2021 (Thursday)

Tenor	:	Seven Days
Amount applied	:	Nil
Amount allotted	:	Nil
Lowest interest rate accepted	:	Nil
Highest interest rate accepted	:	Nil

LCQ10: Profits tax

Following is a question by the Hon Wong Ting-kwong and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 26):

Question:

Regarding profits tax, will the Government inform this Council:

(1) of the number of locally registered corporations and, among them, the respective numbers and percentages of those corporations assessed to be (i) profits tax payers and (ii) not liable to pay profits tax, in the year of assessment (YA) 2019-2020; how such percentages compare with the corresponding percentages in each of the past ten years;

(2) of the percentage, in the total amount of profits tax revenue in YA 2019-2020, of the amount of profits tax paid by the top five per cent of registered corporations paying the most in profits tax;

(3) (a) of a breakdown of the number of registered corporations that were profits tax payers in YA 2019-2020 by the group (as set out below) to which their amounts of assessable profits belonged:

- (i) \$0.5 million or below,
- (ii) over \$0.5 million to \$1 million,
- (iii) over \$1 million to \$2 million,
- (iv) over \$2 million to \$3 million,
- (v) over \$3 million to \$5 million,
- (vi) over \$5 million to \$7.5 million,
- (vii) over \$7.5 million to \$10 million,

(viii) over \$10 million to \$20 million,

(ix) over \$20 million to \$30 million,

(x) over \$30 million to \$50 million,

(xi) over \$50 million to \$100 million, and

(xii) over \$100 million; and

(b) in respect of each of the groups in (a),

(i) the percentage, in the total number of corporations, of the number of corporations in the group,

(ii) the average amount of profits tax payable by each corporation in the group, and

(iii) the percentage, in the total amount of profits tax revenue, of the total amount of profits tax payable by the corporations in the group

(set out the aforesaid information in a chart);

(4) given that following the implementation of the two-tiered profits tax rates regime from YA 2018-2019 onwards, the amount of profits tax payable on earnings below two million when regarded as assessable profits may be lower than the amount of salaries tax payable on such earnings when regarded as assessable income, whether there has been an upward trend in the past two years of cases in which individuals took the following course of action: changing their status from employees to providers of professional or personal services by setting up corporations, so as to reduce the amounts of tax payable; if so, of the details; and

(5) whether it will study and consider introducing in future a progressive profits tax regime with more tiers of tax rates; if not, of the reasons for that?

Reply:

President,

My response to each part of the Member's question is set out below:

(1) There were about 1 271 000 locally registered corporations in the year of assessment (YA) 2019/20. Before taking into account the one-off profits tax concession announced in the Budget, about 113 100 (nine per cent) of the corporations were assessed as profits tax payers, whereas about 1 157 900 (91 per cent) of them did not need to pay any profits tax. The percentages of taxpaying/non-taxpaying registered corporations in the YA 2019/20 and the ten preceding years are tabulated below:

YA	Percentage of taxpaying registered corporations	Percentage of non-taxpaying registered corporations
2009/10	12%	88%
2010/11	12%	88%
2011/12	11%	89%
2012/13	10%	90%
2013/14	9%	91%
2014/15	9%	91%
2015/16	9%	91%
2016/17	9%	91%
2017/18	9%	91%
2018/19	9%	91%
2019/20	9%	91%

Note: The above figures reflect the position before factoring in the one-off profits tax concession offered in the Budget for a relevant year.

(2) In the YA 2019/20, the top five per cent taxpaying registered corporations (about 5 700 corporations) contributed 90 per cent of profits tax revenue.

(3) In the YA 2019/20, the distribution of taxpaying registered corporations by assessable profits is as follows:

Assessable profits (\$)	Number of registered corporations	Percentage	Average tax payment (\$)	Percentage of profits tax yield
100,000,001 & over	1 000	0.9%	98,391,520	71.8%
50,000,001 – 100,000,000	900	0.8%	11,528,090	7.4%
30,000,001 – 50,000,000	1 100	1.0%	6,312,560	4.8%
20,000,001 – 30,000,000	1 200	1.1%	3,957,990	3.5%
10,000,001 – 20,000,000	3 000	2.7%	2,212,360	4.6%
7,500,001 – 10,000,000	1 700	1.5%	1,300,110	1.6%
5,000,001 – 7,500,000	2 900	2.6%	870,330	1.8%
3,000,001 – 5,000,000	5 100	4.5%	500,130	1.8%
2,000,001 – 3,000,000	5 600	5.0%	251,840	1.0%

1,000,001 – 2,000,000	11 600	10.3%	126,380	1.0%
500,001 – 1,000,000	13 500	11.9%	54,300	0.5%
500,000 and below	65 500	57.9%	5,130	0.2%
Total	113 100	100.0% #	1,242,640	100.0%

Note: The above figures reflect the position before factoring in the one-off profits tax concession offered in the Budget for the relevant year.

The sum slightly deviates from the total due to rounding.

(4) According to the Inland Revenue Ordinance (the Ordinance), income earned from employment in Hong Kong is chargeable to salaries tax. Taxpayers cannot treat their employment income as business income from a sole proprietorship at will and report such income under profits tax. Taxpayers who provide incorrect information or statement, or engage in any fraudulent activities, are in violation of the Ordinance and subject to criminal sanction. The Inland Revenue Department does not maintain statistics on the occurrence of the situation mentioned in the question.

(5) A simple and low tax rate regime has all along been one of the key factors underpinning Hong Kong's favourable business environment. At the same time, profits tax is one of the major sources of government revenue. When considering any proposed changes to the tax regime, the Government must take into consideration all factors, such as our economic development needs, our fiscal position, tax liability of businesses and international competitiveness. Amid the prevailing economic environment and the impact of the epidemic, businesses are generally under considerable financial pressure while the Government has to increase expenditure to cope with the epidemic and relieve people's hardship. Therefore, it is not the appropriate time to adjust the rates or tiers of profits tax. Nevertheless, we will continue to monitor the latest situation and development and ensure that the tax regime caters for the needs of the society.

LCQ10: Profits tax

Following is a question by the Hon Wong Ting-kwong and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 26):

Question:

Regarding profits tax, will the Government inform this Council:

(1) of the number of locally registered corporations and, among them, the respective numbers and percentages of those corporations assessed to be (i) profits tax payers and (ii) not liable to pay profits tax, in the year of assessment (YA) 2019-2020; how such percentages compare with the corresponding percentages in each of the past ten years;

(2) of the percentage, in the total amount of profits tax revenue in YA 2019-2020, of the amount of profits tax paid by the top five per cent of registered corporations paying the most in profits tax;

(3) (a) of a breakdown of the number of registered corporations that were profits tax payers in YA 2019-2020 by the group (as set out below) to which their amounts of assessable profits belonged:

(i) \$0.5 million or below,

(ii) over \$0.5 million to \$1 million,

(iii) over \$1 million to \$2 million,

(iv) over \$2 million to \$3 million,

(v) over \$3 million to \$5 million,

(vi) over \$5 million to \$7.5 million,

(vii) over \$7.5 million to \$10 million,

(viii) over \$10 million to \$20 million,

(ix) over \$20 million to \$30 million,

(x) over \$30 million to \$50 million,

(xi) over \$50 million to \$100 million, and

(xii) over \$100 million; and

(b) in respect of each of the groups in (a),

(i) the percentage, in the total number of corporations, of the number of corporations in the group,

(ii) the average amount of profits tax payable by each corporation in the group, and

(iii) the percentage, in the total amount of profits tax revenue, of the total amount of profits tax payable by the corporations in the group

(set out the aforesaid information in a chart);

(4) given that following the implementation of the two-tiered profits tax rates regime from YA 2018-2019 onwards, the amount of profits tax payable on earnings below two million when regarded as assessable profits may be lower than the amount of salaries tax payable on such earnings when regarded as assessable income, whether there has been an upward trend in the past two years of cases in which individuals took the following course of action: changing their status from employees to providers of professional or personal services by setting up corporations, so as to reduce the amounts of tax payable; if so, of the details; and

(5) whether it will study and consider introducing in future a progressive profits tax regime with more tiers of tax rates; if not, of the reasons for that?

Reply:

President,

My response to each part of the Member's question is set out below:

(1) There were about 1 271 000 locally registered corporations in the year of assessment (YA) 2019/20. Before taking into account the one-off profits tax concession announced in the Budget, about 113 100 (nine per cent) of the corporations were assessed as profits tax payers, whereas about 1 157 900 (91 per cent) of them did not need to pay any profits tax. The percentages of taxpaying/non-taxpaying registered corporations in the YA 2019/20 and the ten preceding years are tabulated below:

YA	Percentage of taxpaying registered corporations	Percentage of non-taxpaying registered corporations
2009/10	12%	88%
2010/11	12%	88%
2011/12	11%	89%
2012/13	10%	90%
2013/14	9%	91%
2014/15	9%	91%
2015/16	9%	91%
2016/17	9%	91%
2017/18	9%	91%
2018/19	9%	91%
2019/20	9%	91%

Note: The above figures reflect the position before factoring in the one-off profits tax concession offered in the Budget for a relevant year.

(2) In the YA 2019/20, the top five per cent taxpaying registered corporations (about 5 700 corporations) contributed 90 per cent of profits tax revenue.

(3) In the YA 2019/20, the distribution of taxpaying registered corporations by assessable profits is as follows:

Assessable profits (\$)	Number of registered corporations	Percentage	Average tax payment (\$)	Percentage of profits tax yield
100,000,001 & over	1 000	0.9%	98,391,520	71.8%
50,000,001 – 100,000,000	900	0.8%	11,528,090	7.4%
30,000,001 – 50,000,000	1 100	1.0%	6,312,560	4.8%
20,000,001 – 30,000,000	1 200	1.1%	3,957,990	3.5%
10,000,001 – 20,000,000	3 000	2.7%	2,212,360	4.6%
7,500,001 – 10,000,000	1 700	1.5%	1,300,110	1.6%
5,000,001 – 7,500,000	2 900	2.6%	870,330	1.8%
3,000,001 – 5,000,000	5 100	4.5%	500,130	1.8%
2,000,001 – 3,000,000	5 600	5.0%	251,840	1.0%
1,000,001 – 2,000,000	11 600	10.3%	126,380	1.0%
500,001 – 1,000,000	13 500	11.9%	54,300	0.5%
500,000 and below	65 500	57.9%	5,130	0.2%
Total	113 100	100.0% #	1,242,640	100.0%

Note: The above figures reflect the position before factoring in the one-off profits tax concession offered in the Budget for the relevant year.

The sum slightly deviates from the total due to rounding.

(4) According to the Inland Revenue Ordinance (the Ordinance), income earned from employment in Hong Kong is chargeable to salaries tax. Taxpayers cannot treat their employment income as business income from a sole proprietorship at will and report such income under profits tax. Taxpayers who provide incorrect information or statement, or engage in any fraudulent activities, are in violation of the Ordinance and subject to criminal sanction. The Inland Revenue Department does not maintain statistics on the occurrence of the situation mentioned in the question.

(5) A simple and low tax rate regime has all along been one of the key factors underpinning Hong Kong's favourable business environment. At the same time, profits tax is one of the major sources of government revenue. When considering any proposed changes to the tax regime, the Government must take into consideration all factors, such as our economic development needs, our fiscal position, tax liability of businesses and international competitiveness. Amid the prevailing economic environment and the impact of the epidemic, businesses are generally under considerable financial pressure while the Government has to increase expenditure to cope with the epidemic and relieve people's hardship. Therefore, it is not the appropriate time to adjust the rates or tiers of profits tax. Nevertheless, we will continue to monitor the latest situation and development and ensure that the tax regime caters for the needs of the society.