

Composite Interest Rate: End of April 2021

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

The Hong Kong Monetary Authority (HKMA) announced today (May 20) the composite interest rate at the end of April 2021. (Note 1)

The composite interest rate, which is a measure of the average cost of funds of banks, decreased by 1 basis point to 0.21% at the end of April 2021, from 0.22% at the end of March 2021 (see Chart 1 in the Annex). The decrease in composite interest rate mainly reflected a decrease in the weighted funding cost for deposits during the month (see Chart 2 in the Annex). (Note 2)

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of April 2021 are available in the Monthly Statistical Bulletin on the HKMA website (www.hkma.gov.hk).

Note 1: The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest-rate-sensitive liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of deposit and other debt instruments, and all other liabilities that do not involve any formal payment of interest but the values of which are sensitive to interest rate movements (such as Hong Kong dollar non-interest bearing demand deposits) on the books of banks. Data from retail banks, which account for about 90 per cent of the total customers' deposits in the banking sector, are used in the calculation. It should be noted that the composite interest rate represents only average interest expenses. There are various other costs involved in the making of a loan, such as operating costs (e.g. staff and rental expenses), credit cost and hedging cost, which are not covered by the composite interest rate.

Note 2: Since June 2019, the composite interest rate and weighted deposit rate have been calculated based on the new local "Interest rate risk in the banking book" (IRRBB) framework. As such, these figures are not strictly comparable with those of previous months.

HKSAR Government and AAIL sign MoU on Hong Kong Legal Cloud Fund (with

photos)

The Secretary for Justice, Ms Teresa Cheng, SC, signed a memorandum of understanding with the Chairman of the Asian Academy of International Law (AAIL), Dr Anthony Neoh, SC, on the administration of the Hong Kong Legal Cloud Fund today (May 20).

The Hong Kong Legal Cloud is an advanced and user-friendly online facility situated in Hong Kong to provide safe, secure and affordable data storage services for the local legal and dispute resolution communities, with a view to enhancing the capability of the profession to harness modern technology in the provision of relevant services. The AAIL will, on a pro bono basis, administer the Hong Kong Legal Cloud Fund (around \$15.7 million) for subsidising eligible local legal and dispute resolution professionals to subscribe for the Hong Kong Legal Cloud services provided by the non-profit making non-governmental organisation(s), which will be selected by the Department of Justice after the close of submission on June 1, 2021. The Hong Kong Legal Cloud Fund will, in turn, be used to finance the setup cost and initial operational and promotion costs through disbursement of subscription fees to the selected provider(s), for up to three years.

Ms Cheng expressed her appreciation to the AAIL for its assistance and close partnership on this latest lawtech initiative.

For more details on the Hong Kong Legal Cloud, please visit the department's webpage at www.doj.gov.hk/en/community_engagement/announcements/hk_legal_cloud.html.





Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Thursday, May 20, 2021 is 100.8 (up 0.2 against Tuesday's index).

Application period for Catering Business Subsidy Scheme and Further Subsidy to Commercial Bathhouse Licence Holder Subsidy Scheme to end on May 27

The application period for the Catering Business Subsidy Scheme (applicable to liquor licensed premises (with Bar Endorsement), karaoke establishments and nightclubs with restaurant licence) and the Further Subsidy to Commercial Bathhouse Licence Holder Subsidy Scheme under the fourth round of the Anti-epidemic Fund will end on May 27 (Thursday). A spokesman for the Food and Environmental Hygiene Department (FEHD) today (May 20) reminded eligible licence/permit holders wishing to apply for the subsidies to submit their applications before the deadline.

The schemes opened for application on April 28. As at yesterday (May 19), over 590 and 30 applications for the Catering Business Subsidy Scheme and the Further Subsidy to Commercial Bathhouse Licence Holder Subsidy Scheme had been received respectively. A total of 101 and seven applications had been approved respectively with a sum of over \$17 million disbursed. The FEHD will process the applications as soon as possible so as to provide assistance

to eligible licence/permit holders promptly.

The application form and guidelines can be obtained from the licensing offices or District Environmental Hygiene Offices of the FEHD, or downloaded from the website of the FEHD (www.fehd.gov.hk). Eligible licence/permit holders should submit their applications to the corresponding licensing offices (for the Catering Business Subsidy Scheme) or District Environmental Hygiene Offices (for the Further Subsidy to Commercial Bathhouse Licence Holder Subsidy Scheme) of the FEHD in person or by mail. Upon receipt of the completed application form and supporting documents and after verification, the FEHD will disburse the subsidy in about two weeks by mailing crossed cheques to the corresponding premises.

For details of the schemes, please visit the website of the FEHD.

Application for Sale of Green Form Subsidised Home Ownership Scheme Flats 2020/21 to commence (with photos)

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

The Hong Kong Housing Authority (HA) announced today (May 20) that eligible Green Form applicants, including sitting tenants of Tenants Purchase Scheme (TPS) estates, who intend to purchase Green Form Subsidised Home Ownership Scheme (GSH) flats or recovered flats from TPS estates under the Sale of Green Form Subsidised Home Ownership Scheme Flats 2020/21 (GSH 2020/21) may submit applications from May 28 to June 10. The application fee for GSH 2020/21 will be frozen at \$250.

The application form, the application guide and the sales booklet for Kai Chuen Court under GSH 2020/21 as well as sales leaflets for other unsold/rescinded GSH flats and recovered TPS flats, detailing sales arrangements and basic information of the developments/estates, will be available to the public for collection from tomorrow (May 21).

The above documents can be obtained during office hours from the HA GSH Sales Office, the HA Customer Service Centre (HACSC) in Lok Fu, the estate offices and District Tenancy Management Offices of the HA, rental estate offices of the Hong Kong Housing Society (HS) and the Home Affairs Enquiry Centres of the Home Affairs Department. Soft copies of the above documents are available from the designated website of the HA/Housing Department (HD) (www.housingauthority.gov.hk/gsh/2020-21) for viewing and downloading.

Flats for sale

Kai Chuen Court in Diamond Hill, a new GSH development, will provide 2,112 flats with saleable areas of about 17.1 square metres to about 44.7 sq m (about 184 square feet to about 481 sq ft).

A total of 525 unsold/rescinded flats as at March 31 and any additional rescinded flats from Dip Tsui Court in Chai Wan and Ching Fu Court in Tsing Yi under GSH 2019, as identified up to about two months before commencement of flat selection, will be included for resale in this sale exercise.

About 800 recovered TPS flats will also be put up for sale in this sale exercise. Eligible applicants will be invited to choose to buy a GSH flat or a recovered TPS flat according to their priority for flat selection and subject to availability of flats.

Price

By applying a discount of 50 per cent from the assessed market values, the selling prices of the flats at Kai Chuen Court range from about \$1.18 million to about \$3.85 million. The average selling price of Kai Chuen Court is \$79,500 per sq m (i.e. \$7,390 per sq ft) on a saleable area basis.

The selling prices of the unsold/rescinded GSH flats for resale are set at the same discount of this sale exercise, i.e. a discount of 50 per cent from the assessed market values.

The existing pricing mechanism for the sale of TPS flats to sitting tenants will be adopted for the sale of recovered TPS flats to Green Form applicants. As at January 2021, the list prices of all unsold TPS flats in the 39 TPS estates ranged from about \$140,000 to \$1,260,000. The final prices will depend on the flats that will be put up for sale in this exercise.

Application arrangements

Applicants may either submit online applications or paper-based applications by post or by hand. Each person can only be listed in one application form for this sale exercise, whether the application is made online or paper-based; otherwise, the applications will be regarded as duplicates. Making duplicate applications will render all applications null and void irrespective of the reasons for the duplication, and the application fee paid will not be refunded or transferred. Details are set out in the application guides.

"For online applications from sitting tenants of public rental housing (PRH) estates of the HA or rental estates of the HS, their respective estate offices will contact them to verify their household information after receiving their online applications. The estate offices concerned will prepare hard copies of the application forms and the applicants and all family members aged 18 or above will have to sign and return the application forms to their respective estate offices for further processing," the spokesman said.

"The closing time for receiving applications, whether online or paper-based, is 7pm on June 10, 2021. Applications submitted before or after the application period will not be accepted. Applicants who are tenants of PRH estates of the HA or rental estates of the HS are required to return their paper-based applications to their respective estate offices. Other applicants may submit their paper-based applications by post or by hand to the GSH Sales Office at 1/F, Pioneer Place, 33 Hoi Yuen Road, Kwun Tong. The Home Ownership Scheme Sales Unit at the HACSC in Lok Fu will not accept GSH applications," the spokesman said.

"It is expected that balloting for GSH 2020/21 will be held in July or August this year, and eligible applicants will be invited to select flats starting from September or October this year according to their priority order of the application category," the spokesman said.

Carry-over application arrangements

"Valid Green Form applicants of the Sale of Home Ownership Scheme Flats 2020 (HOS 2020) who have indicated their consent to carry over their applications to the next Subsidised Sale Flats sale exercise of the HA will be included automatically in this sale exercise provided that they meet the eligibility criteria of this sale exercise. These applicants do not need to submit separate applications nor pay the application fee for GSH 2020/21. The HA has notified these applicants in writing that their HOS 2020 applications have been carried over to GSH 2020/21 as well as their application numbers under GSH 2020/21 before the application period. For online application, such notification has been sent to the applicants by email. If an applicant submits another GSH 2020/21 application, it will be regarded as a duplication of application. Making duplicate applications will render all applications null and void irrespective of the reasons for the duplication, and the application fee paid will not be refunded or transferred," the spokesman said.

"If an applicant wishes to apply in a household category different from that for HOS 2020 which may affect his or her priority for flat selection, he or she is required to inform the HA during the application period of GSH 2020/21. Moreover, for applicants who have successfully purchased a flat under HOS 2020, their carry-over applications for this sale exercise will be cancelled immediately," the spokesman added.

Publicity

Doll houses and virtual videos of typical flats and a building model of Kai Chuen Court, exhibition panels and other information on the GSH developments of unsold/rescinded GSH flats, as well as the photos of the interior of samples of recovered TPS flats and exhibition panels and other information on TPS estates, will be provided for public inspection at the GSH Sales Office in Kwun Tong from 8am to 7pm every day between May 21 and June 10. Related information will be uploaded to the HA/HD's designated website (www.housingauthority.gov.hk/gsh/2020-21).

Sales brochures for new and unsold/rescinded GSH flats as well as sales pamphlets for recovered TPS flats, providing greater details of the developments and estates, and price lists will be available for public collection and viewing on the HA/HD's designated websites at least seven days before commencement of the flat selection period. During the flat selection period, photos and video clips of the interiors of all recovered TPS flats for sale will be provided at the GSH Sales Office and the HA/HD's designated website (www.housingauthority.gov.hk/gsh/2020-21).

Enquiries

Members of the public can call the 24-hour HA Sales Hotline on 2712 8000 on matters concerning application for the GSH 2020/21 sale exercise.

