

LCQ21: Vaccination for visitors to Hong Kong

Following is a question by the Hon Chan Han-pan and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (May 12):

Question:

Various immigration control points have been closed one after another and various immigration quarantine measures have been put in place due to the Coronavirus Disease 2019 (COVID-19) epidemic. As such, the Immigration Department has, since February last year, exercised discretion to allow Mainland residents holding Exit-entry Permits for Travelling to and from Hong Kong and Macao (commonly known as "Two-way Exit Permits") with an endorsement for visiting relatives to extend their limit of stay in Hong Kong, so that they can continue to take care of their family members in Hong Kong. Like other visitors to Hong Kong, such persons are ineligible for receiving COVID-19 vaccines provided by the Government. In this connection, will the Government inform this Council:

(1) whether any Mainland residents who had been granted extension to stay in Hong Kong requested to receive COVID-19 vaccines in the past three months; if so, of the details;

(2) whether it has provided such persons with channels for receiving COVID-19 vaccines in Hong Kong; if so, of the details; if not, the reasons for that; and

(3) whether it will consider allowing visitors who have stayed in Hong Kong for a considerable period of time to receive COVID-19 vaccines in Hong Kong, so as to help prevent and control the epidemic; if so, of the details and implementation timetable; if not, the reasons for that?

Reply:

President,

In response to the various parts of the question raised by Hon Chan Han-pan, a consolidated reply from the Food and Health Bureau and the Civil Service Bureau, which are in charge of the COVID-19 Vaccination Programme (the Vaccination Programme), is as follows:

Vaccination is the current focus of the global anti-epidemic work. The Government has implemented the Vaccination Programme in a phased manner in accordance with the priority for vaccination since February 26, 2021. As at May 10, about 1.77 million doses of COVID-19 vaccines had been administered to members of the public, with over 1.08 million people having received the

first dose of vaccine (accounting for about 16.6 per cent of the population aged 16 or above). The Government's goal is to provide vaccines for the majority of Hong Kong residents within 2021 through the Government-led Vaccination Programme. Members of the public can receive the vaccines on a voluntary basis free of charge. The Vaccination Programme has now been expanded to cover all Hong Kong residents aged 16 or above (the minimum age for receiving the BioNTech vaccine is 16 while that for receiving the Sinovac vaccine is 18).

Since the launch of the Vaccination Programme, we have received some enquiries on and requests for vaccination of non-Hong Kong residents. We are looking into the case and arrangement for providing vaccination to non-Hong Kong residents who have stayed in Hong Kong for a period of time, and would make and announce the decision at an appropriate time.

LCQ22: Central Moneymarkets Unit

Following is a question by the Hon Chan Chun-ying and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 12):

Question:

When delivering the Budget in February this year, the Financial Secretary indicated that, in order to cope with the increasing market demand for Northbound Trading of the mutual bond market access between Hong Kong and the Mainland (commonly known as "Bond Connect") and support its future commissioning of Southbound Trading, the Government will enhance the efficiency and capacity of, and introduce new functions to, the Central Moneymarkets Unit (CMU). In the long run, the Government will develop CMU into a major central securities depository platform in Asia and even the world. In this connection, will the Government inform this Council:

- (1) of the current efficiency and capacity of CMU; whether it has assessed when the capacity of CMU will reach saturation;
- (2) of the level to which the Government plans to enhance the efficiency and capacity of CMU, and the timetable for the enhancement work; whether it has assessed the impacts that delays in the enhancement work will have on the bond market;
- (3) of the details of the work on introducing new functions to CMU (including the estimated expenditure and the implementation timetable), and the benefits that such functions may bring; and
- (4) of the specific plans and measures in place to develop CMU into a major

central securities depository platform in Asia and even the world?

Reply:

President,

Established in 1990, the Central Moneymarkets Unit (CMU) is an important part of the monetary management infrastructure in Hong Kong. CMU offers issuance, clearing and settlement services for Exchange Fund Bills and Notes and provides efficient liquidity management for banks through its delivery-versus-payment linkage with the real time gross settlement system. Apart from the important role that it plays in monetary management, CMU's functions have been extended to provide depository services for debt securities issued by non-Government institutions. In recent years, CMU is also involved in overseas tendering and issuance of Ministry of Finance RMB Sovereign Bonds and People's Bank of China Bills, providing a full range of securities depository services to local, regional and international market participants. Furthermore, CMU has been providing important financial infrastructure support for the implementation of a number of cross-border financial initiatives, especially the Bond Connect scheme.

Having consulted the Hong Kong Monetary Authority (HKMA), my reply to the four parts of the question is as follows:

(1) In 2020, the average daily turnover of local secondary market transactions processed by CMU was HK\$16 billion, representing an increase of 5.3 per cent over that of HK\$15.2 billion in 2016. As at end-2020, the total outstanding amount of the debt securities lodged with CMU was HK\$2,076 billion, representing an increase of 5.1 per cent over that of HK\$1,975 billion in 2016. CMU has been operating smoothly and its existing capacity can cope with the demand for the current product scope, turnover and operational model.

In addition, since the introduction of Bond Connect in 2017, the amount of debt securities held through CMU under the scheme and their average daily turnover have been increasing significantly. As at end-2020, the number of registered investors under Bond Connect was 2 352, representing an increase of 880 per cent when compared with that in end-2017. The average daily turnover under Bond Connect was RMB19.3 billion in 2020, representing an increase of 865 per cent over that in 2017.

With the phased inclusion of Mainland RMB bonds into various major global bond indices, the turnover of the Northbound Trading of Bond Connect will further increase. Furthermore, the future launch of the Southbound Trading of Bond Connect will bring more Mainland investors and overseas bond issuers to the bond market of Hong Kong. These will promote Hong Kong as an international bond centre with a cluster of Mainland and international bond investors as well as attracting intermediaries to operate through the bond market platform in Hong Kong. Enhancing the capacity, functions and efficiency of CMU would enable us to cope with the increasing market demand and continue to support and facilitate the development of the monetary

management system and the bond market of Hong Kong, as well as to capture the future development opportunities presented to Hong Kong.

(2) to (4) The HKMA conducted a review of CMU last year and launched system enhancement work based on the review outcome in order to enhance the latter's function, efficiency and capacity, with a view to enabling Hong Kong to capture the opportunities presented by the further opening-up of the Mainland financial market more effectively, including preparing for the launch of the Southbound Trading of Bond Connect in future.

Specifically, the HKMA is working to further expand the functions and efficiency of CMU, which include promoting the automation and digitisation of operational flow; developing new user interfaces and reporting tools to facilitate the daily operation by users of the Northbound Trading of Bond Connect; launching new open application programming interface (open API); and strengthening the automatic interface with the central securities depositories in the Mainland, etc. At the same time, the HKMA continues to keep in view the latest market demand and will refine the various functions of CMU and introduce other new functions as appropriate. The system enhancement work of CMU is being implemented in phases over four years and some of the enhancement initiatives can be launched within this year.

In the long term, we will further strengthen the connection between CMU and other international central securities depositories. Capturing the opportunities arising from the further opening-up of the Mainland financial market to the international market, we will continue to raise the profile and recognition of CMU in the Mainland and international investment community, thereby promote the development of CMU as a central securities depository in Asia and around the world.

LCQ8: HKMC Annuity Plan

Following is a question by the Hon Martin Liao and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 12):

Question:

The Hong Kong Mortgage Corporation Limited, wholly-owned by the Government through the Exchange Fund, launched the HKMC Annuity Plan (the Plan) in July 2018. The maximum premium amount per person of this insurance product was increased from \$1 million to \$3 million in May 2019, and the minimum eligible age for subscription was lowered from 65 to 60 in February 2020. After making a lump-sum premium payment ranging from a minimum of \$50,000 to a maximum of \$3 million, an annuitant may receive a life-long stream of fixed amount of monthly annuity payments, and the cumulative amount

of the monthly annuity payments received by the annuitant is guaranteed to be no less than 105 per cent of the premium paid (the guaranteed rate of return). Regarding the Plan, will the Government inform this Council:

(1) of the annual (i) aggregate amount of premiums collected and (ii) number of new annuitants since the launch of the Plan, and set out, in the table below, such figures and a breakdown of the latter by the premium groups as shown in the table;

Year	Number of new annuitants					
	Premium groups					
	(i)	(ii)	Below \$500,000	\$500,000 to below \$1 million	\$1 million to below \$2 million	\$2 million to \$3 million
2018 (from July to December)					—	—
2019						
2020						
2021 (up to March)						
Total:						

(2) of the average entry age of the annuitants at present, and the total amount of annuity payments received by them so far; the up-to-date number of annuitants who have surrendered their policies within the guaranteed period;

(3) as there are comments that when compared with the average annual inflation rate in Hong Kong in the past three years (i.e. about 2.3 per cent), the guaranteed rate of return of the Plan cannot be counted as attractive, how the authorities determined such rate of return in the first place, and whether they will consider adjusting the guaranteed rate of return in the light of the actual inflation rate; and

(4) whether the authorities have compared the attractiveness of the Plan with that of the annuity products launched by private insurance institutions in recent years, and what measures are in place to assist retirees in comparing the expected returns of these two types of products so that they can make an informed choice?

Reply:

President,

Having consulted the HKMC Annuity Limited (HKMCA), my reply to the

various parts of the question is as follows:

(1) The table below sets out the number of policies issued under the HKMC Annuity Plan (the Plan) by premium amount:

Year	(i) Total premium amount (HK\$ billion)	(ii) Number of policies issued	Number of policies issued under the Plan			
			Premium amount			
			Below HK\$0.5 million	HK\$0.5 million to below HK\$1 million	HK\$1 million to below HK\$2 million	HK\$2 million to HK\$3 million
2018 (July-December)	2.8	5 422	2 542	1 429	1 446	5
2019	1.6	2 188	726	552	747	163
2020	2.5	2 606	615	662	935	394
2021 (as of end- March)	0.9	895	187	232	347	129
Total	7.8	11 111	4 070	2 875	3 475	691

Note: As each policyholder can apply for more than one policy under the Plan, "number of policies issued" instead of "number of new annuitants" is provided in the table above.

(2) The table below sets out the average age at application, the total annuity payout and the number of surrendered cases of the Plan:

Year	Average age at application (years old)	Total annuity payout (HK\$ billion)	Number of surrendered cases
2018 (July-December)	69.7	0.03	0
2019	69.1	0.26	2
2020	65.2	0.39	3
2021 (as of end- March)	65.4	0.14	1
Average/Total	68.2	0.82	6

Note: As each policyholder can apply for more than one policy under the Plan, "number of surrendered cases" instead of "number of annuitants surrendering the policies" is provided in the table above.

(3) The Plan is a long-term insurance product. The level of monthly annuity payout is determined on the basis of actuarial calculation using objective statistical data such as life expectancy of different age and gender and long-term investment return etc.

The table below sets out the annuity payout rates of the Plan by age and gender:

Age at application (years old)	Annuity payout rate of the Plan	
	Male	Female
60	6.1%	5.6%
65	6.9%	6.3%
70	7.8%	7.0%
75	8.8%	7.7%
80	9.7%	8.4%

The HKMCA has conducted a study on inflation-linked annuity products. Considering that annuity payouts of such products during the early years would inevitably have to be reduced significantly, resulting in lower attractiveness of the products, the HKMCA has no plan to introduce inflation-linked annuity products at present.

(4) The local annuity market has registered rapid growth since 2018. In 2020, new premiums on annuity products reached HK\$13.3 billion, representing an increase of more than 70 per cent since 2017. Whereas the HKMCA provides immediate annuity products targeting at the retired market segment, private insurance companies mainly focus on the provision of deferred annuity products. Since the launch of the Plan, the HKMCA has quickly become the biggest player in the local immediate annuity market.

With a view to raising public awareness of annuity products, the HKMCA will continue to step up its education and outreach efforts in relation to life annuity, such as promoting the concept of life annuity and longevity risk management to the target segments through different channels, including promotional videos, roving exhibitions and public seminars.

[“M” Mark status awarded to 2021 Tissot UCI Track Cycling Nations Cup, Hong](#)

Kong, China

The following is issued on behalf of the Major Sports Events Committee:

The Major Sports Events Committee (MSEC) has awarded "M" Mark status to the 2021 Tissot UCI Track Cycling Nations Cup, Hong Kong, China, which will be held from May 13 to 16.

The Chairman of the MSEC, Mr Karl Kwok, said today (May 12) that this event, like all "M" Mark events, will add colour and vibrancy to Hong Kong and provide an opportunity for the general public to enjoy high-level competition.

"Affected by the COVID-19 epidemic, the above event will be held behind closed doors in the form of a "safety bubble". This will demonstrate to the world Hong Kong's capability of organising major sports events under extremely challenging circumstances and generate positive publicity for Hong Kong, thereby strengthening Hong Kong's position as a centre for major international sports events," Mr Kwok said.

The "M" Mark System was launched in 2004 to help local national sports associations organise more major sports events and nurture them into sustainable undertakings. Sports events meeting the assessment criteria will be granted "M" Mark status by the MSEC. Funding support will also be provided to some event organisers.

Owing to the COVID-19 epidemic, all "M" Mark events originally scheduled since February 2020 have been either cancelled or postponed. The 2021 Tissot UCI Track Cycling Nations Cup, Hong Kong, China will be the first "M" Mark event held under the epidemic.

For details of "M" Mark events, please visit www.mevents.org.hk.

Appointment of permanent judge of the Court of Final Appeal

The following is issued on behalf of the Judiciary:

The Chief Justice of the Court of Final Appeal, Mr Andrew Cheung Kiu-ning, today (May 12) welcomed the acceptance by the Chief Executive of the recommendation of the Judicial Officers Recommendation Commission on the appointment of the Honourable Mr Justice Johnson Lam Man-hon, Vice-President and Justice of Appeal of the Court of Appeal of the High Court, as a

permanent judge of the Court of Final Appeal. The Chief Justice noted that the Government would be seeking the Legislative Council's endorsement of the recommended appointment.

The Hong Kong Court of Final Appeal Ordinance (Cap. 484) provides that in hearing and determining an appeal, the Court of Final Appeal is constituted by five judges, i.e. the Chief Justice, three permanent judges and one non-permanent Hong Kong judge or one non-permanent common law judge.