

## Government enforces "restriction-testing declaration" and compulsory testing notice in respect of specified "restricted area" in Sham Shui Po (with photo)

The Government yesterday (February 2) exercised the power under the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Cap. 599J) to make a "restriction-testing declaration" (declaration) effective from 7pm yesterday, under which people within the specified "restricted area" in Sham Shui Po (i.e. the 17 buildings in the area between 239-263 Ki Lung Street, 89 Nam Cheong Street, 256-280 Tai Nan Street and 60-74 Pei Ho Street) are required to stay in their premises and undergo compulsory testing. Persons subject to compulsory testing are required to stay in their premises until all such persons identified in the area have undergone testing and the test results are mostly ascertained. In addition, the Government issued a compulsory testing notice yesterday to any person who had been present at the buildings for more than two hours from January 20 to February 2, 2021, to undergo compulsory testing before February 4 even if they were not present in the "restricted area" at the time when the declaration took effect. The Government finished the compulsory testing exercise at around 7am today (February 3) and carried out enforcement actions in the "restricted area" to verify that all people in the "restricted area" have undergone compulsory testing. The Government further announced the revocation time of the declaration.

Starting from around 7am today, persons in the "restricted area" in Sham Shui Po who have undergone testing and are able to present SMS notifications with negative test results or wear wristbands as proof of having undergone testing may leave the "restricted area" through the designated exit after providing personal information to a prescribed officer.

The Government set up temporary specimen collection stations in the "restricted area" yesterday and requested persons subject to compulsory testing to collect combined nasal and throat swab samples at the stations to undergo a COVID-19 virus test before 2am today. As at 2am today, about 1 600 residents had undergone testing. No confirmed cases were found.

Moreover, the Government also assigned staff to visit about 860 households, among which about 200 of them did not answer the door. Those include some households with confirmed cases or undergoing quarantine. Some units are possibly vacant as well. The Government does not have detailed information in this respect and will take measures to follow up.

The Government also understands that some residents already underwent testing at mobile specimen collection stations set up in the district, or by

other means. Therefore, persons in the "restricted area" who have undergone testing from January 31 to February 2, 2021, and are able to provide the SMS notification through a mobile phone or related certification containing the test results, are not required to take the test again.

The Government reiterates that enforcement actions will be taken seriously. Any person who fails to present an SMS notification with a negative test result or wear a wristband as proof of having undergone testing breaches the compulsory testing notice and may be liable to a fine of \$5,000. The person will also be issued with a compulsory testing order, requiring him or her to undergo testing within a specified time frame. Failure to comply with the compulsory testing order or the "restriction-testing declaration" is an offence and the offender may be liable to a fine of level 4 (\$25,000) and imprisonment for six months.



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## LCQ4: Measures to safeguard the legitimate rights and interests of Hong Kong people

Following is a question by the Hon Wong Ting-kwong and a reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (February 3):

Question:

In recent months, the United States Government has, on a number of occasions, imposed sanctions on certain officials, organisations and enterprises of the Mainland and the Hong Kong Special Administrative Region. In response to some countries pursuing unilateralism, the Ministry of Commerce of China promulgated on the 9th of last month and implemented on the same day the Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation and Other Measures, which provide, among others, that if there are foreign legislation and other measures prohibiting or

restricting the citizens or organisations of China from engaging in normal economic, trade and related activities with a third State and its citizens or organisations, and it has been confirmed that there exists "unjustified extra-territorial application" of such legislation and measures, the Ministry of Commerce may issue a prohibition order to the effect that the relevant foreign legislation and measures are not to be accepted, executed or observed; a citizen or organisation of China whose legitimate rights and interests are infringed upon by those legislation and measures may institute legal proceedings in a people's court, and claim compensations from the persons who have enforced those legislation and measures. In this connection, will the Government inform this Council:

(1) whether any legislation is currently in place in Hong Kong to require Hong Kong residents as well as enterprises and organisations operating in Hong Kong not to accept foreign legislation and measures which undermine the legitimate rights and interests of the residents, enterprises and organisations of Hong Kong; if so, of the details; if not, the reasons for that; and

(2) whether it will establish a mechanism whereby the residents, enterprises and organisations of Hong Kong may institute legal proceedings when their legitimate rights and interests are infringed upon by foreign legislation and measures; if so, of the details and timetable; if not, the reasons for that?

Reply:

Acting President,

We have consulted the Commerce and Economic Development Bureau on the question raised by Hon Wong Ting-kwong, and the Under Secretary for Commerce and Economic Development is also present today. Our consolidated response to the various parts of the question is as follows.

The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (the National Security Law) establishes an effective legal framework and enforcement mechanism for safeguarding national security in Hong Kong, thereby ensuring the smooth and continuous implementation of "One Country, Two Systems" and the long-term prosperity and stability of Hong Kong. The implementation of the National Security Law has put an end to chaos and restored order in society, which enables the life of citizens to return to normal, and Hong Kong to be back on the track of development.

Some countries, with ulterior motives, have launched malicious and defamatory attacks on the National Security Law in an attempt to undermine the constitutional order of Hong Kong, ignoring the fact that Hong Kong is an inalienable part of the People's Republic of China with a high degree of autonomy and is directly accountable to the Central People's Government as a Special Administrative Region. The last US Administration even used this as an excuse to initiate the so-called "sanctions", in a futile attempt to intimidate the HKSAR Government into abandoning its responsibility of

defending national security and to hinder the development of our country by disrupting order in Hong Kong. Such an act, absurd and menacing as it is, is in blatant violation of international laws and basic norms governing international relations, and the HKSAR Government has time and again condemned it in the strongest terms.

The HKSAR Government strongly opposes to the bullying act and we will absolutely not be intimidated. Since last November, the US Customs and Border Protection has required that all imported goods produced in Hong Kong may no longer be marked to indicate "Hong Kong" as their origin, but must be marked to indicate "China". The US' unilateral and irresponsible attempt to weaken, through the new requirement, Hong Kong's status as a separate customs territory, which is conferred by our motherland through the Basic Law under "One Country, Two Systems", is barbaric. Such a move also confuses the market, undermines the rules-based multilateral trading system and violates the rules of the World Trade Organization (WTO). As the US has not withdrawn the requirement and has no intention to resolve the dispute through consultations, the HKSAR Government has, in accordance with the WTO Dispute Settlement Mechanism, requested the Dispute Settlement Body to establish a panel to consider the dispute in order to fully safeguard Hong Kong's legitimate interests.

The HKSAR Government has repeated on many occasions that the so-called "sanctions" unilaterally imposed by foreign governments do not conform to international laws and have no legal status in Hong Kong. The so-called "sanctions" do not create any legal obligations on institutions operating in Hong Kong. In fact, other than exposing the hypocrisy and bully of the US, the so-called "sanctions" will not in any way affect the status of Hong Kong being an international financial and trade centre; nor will it undermine our determination to defend the sovereignty, security and development interest of our country.

Since the implementation of the National Security Law, the financial system of Hong Kong has exhibited remarkable resilience and the financial markets continue to function in an orderly manner. The Linked Exchange Rate System and different facets of the financial services sector have been operating smoothly. The Hong Kong dollar exchange rate has remained stable and stayed near the strong side convertibility undertaking. A net inflow of nearly US\$50 billion into the HKD system has been recorded since June 2020, reflecting investors' continuous confidence in Hong Kong's financial markets. The market capitalisation of Hong Kong's stock market reached a record high of HK\$47,500 billion in 2020. The average daily turnover of the stock market reached HK\$129.5 billion in 2020, surging by 49% as compared to 2019. The daily turnover to date this year is over HK\$180 billion. All these are testaments to the resilience and stability of our markets despite many challenges. On trade, Hong Kong's total exports of goods showed some improvement and the value of total exports of goods grew by 5.5% in the fourth quarter last year, thanks to the strengthening of the Mainland economy and the gradual revival of import demand in many major markets. The National Security Law provides a stable business environment for enterprises, ensuring the sustainable development of our economy.

The HKSAR Government has the determination and capability to safeguard Hong Kong's long-term prosperity and stability as well as financial security for investors to continue operating in Hong Kong with peace of mind. Capitalising on the strengths of the "One Country, Two Systems", Hong Kong will harness the tremendous opportunities presented by the Guangdong-Hong Kong-Macao Greater Bay Area and the sustained reform and opening up of the Mainland with the support of the Central People's Government. Hong Kong's status as an international financial and trade centre will not change despite the wrongdoing of another country.

In the following time, together with my colleague, we stand ready to answer questions from Members.

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## LCQ15: Arrangements for water charges

Following is a question by the Hon Leung Che-cheung and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (February 3):

Question:

The Water Supplies Department (WSD) suspended its routine work of taking readings of water meters on several occasions last year on grounds of epidemic prevention, and upon resumption of meter-reading work, it calculated the water consumption for the combined billing periods concerned on the basis of the preceding and the latest actual meter readings of the accounts concerned for issuing water bills. Since the duration of a billing period was changed from four months to a maximum of 12 months, some members of the public had to pay a considerable amount of water charges in one go. Some members of the public have indicated that such calculation method has posed immense financial pressure on them. In this connection, will the Government inform this Council:

(1) whether the WSD has, before issuing water bills demanding the payment of a considerable amount of water charges, publicised to members of the public the aforesaid calculation method of water charges through various channels (including the Government's television announcements in the public interest and notifications by post); if not, of the reasons for that;

(2) whether the WSD will exercise discretion to waive the surcharges on overdue water charges, and allow members of the public to opt for settling water charges by instalments; if not, of the reasons for that;

(3) of the latest progress of the implementation of the Automatic Meter Reading System by the WSD, and the number of smart water meters which the WSD plans to install within the coming three years; whether it has assessed if

the problems arising from suspending meter-reading work may be avoided with the adoption of such system; if it has assessed and the outcome is in the affirmative, of the WSD's plans to expedite the installation of smart water meters on clients' premises; and

(4) as some members of the public have pointed out that the aforesaid calculation method of water charges has caused inconvenience to them and posed financial pressure on them, whether the WSD will propose to the Financial Secretary that the following initiative be put forward in the Budget soon to be announced: waiving the water charges payable by members of the public for at least one period; if not, of the reasons for that?

Reply:

President,

My reply to the various parts of the Hon Leung Che-cheung's question is as follows:

(1) The Water Supplies Department (WSD) announced on September 7, 2020 by a press release that the WSD would cancel water bills based on estimated meter readings, and would calculate the water consumption and water charges payable for the combined billing periods according to the meter readings taken before the suspension of routine meter reading and the latest actual meter readings taken for issuing water bills, with the amount payable be deducted by the amount of water charges paid for the cancelled bills. Some water bills issued may cover water charges of two to three billing periods and the amount payable may be more than the usual water bills covering only one billing period. As the water consumption allowed in different tiers will be adjusted on a pro-rata basis according to the number of days in the period, consumers will not be overcharged due to combined billing period. The WSD also mentioned the suspension of routine meter reading and the billing arrangement in its press release on public services arrangements on December 1, 2020.

In this connection, the WSD has updated its website as well as its Facebook page. From early December 2020, the WSD had also inserted leaflets in water bills issued with combined billing period to remind the consumers the billing arrangement. Moreover, the WSD has also sent emails to all members of District Councils, Legislative Council members with geographical constituency as well as the Hong Kong Association of Property Management Companies explaining the arrangement. Posters are also posted within areas of the residential estates under the Hong Kong Housing Authority and the Hong Kong Housing Society.

(2) The epidemic situation may have changed the water consumption habit of the consumers, such as more cooking at home, stronger sense of personal and household hygiene, causing an increase in water consumption. However, individual cases with substantial increase in water consumption may be caused by other factors such as leakage. The WSD would investigate and follow up. The WSD would also advise the consumers concerned that the due date of the relevant water bills would be deferred and no surcharge will be imposed accordingly. If consumers have genuine financial difficulty, they may apply

for extension of payment due date or payment by instalments. The WSD would process the applications with discretion on a case-by-case basis.

(3) The WSD is introducing an automatic meter reading system (AMR) in suitable new development projects. AMR not only improves the accuracy of meter reading, but also provides customers with timely water consumption data and other useful information, thereby enhancing their awareness of water conservation and prevention of water leakage. In the long run, the comprehensive introduction of AMR can save the manual meter reading work and avoid problems arising from the suspension of meter reading work. Therefore, the relevant land documents for all suitable new private development projects, as well as all suitable new public and government development projects, have stipulated the requirement for implementing AMR. So far, the WSD has received about 50 related applications involving 110 new buildings and about 30 000 smart water meters. It is expected that the number of smart water meters installed will gradually increase to more than 18 000 in the next three years, including about 4 000 meters in public housing development projects and about 14 000 meters in private development projects.

Regarding the installation of AMR in existing buildings, as more than three million customer accounts are involved, coupled with the need of cable installation for connecting smart water meters and AMR outstation in the buildings, it is envisaged that the implementation will have greater impact on the public and incur higher costs. Therefore, at this stage, the WSD is closely monitoring the latest development in the application of wireless communication technology for smart water meters and conducting pilot tests at suitable locations. When the relevant technology becomes mature in the future, we will review the situation and explore the technical feasibility of implementing wireless AMR in existing buildings so as to speed up the installation of smart water meters.

(4) The Budget is now under public consultation, and the Government will deliberate valuable views from all sectors of the society.

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## **LCQ19: Overseas Education Allowance Scheme**

Following is a question by the Hon Kwok Wai-keung and a written reply by the Secretary for the Civil Service, Mr Patrick Nip, in the Legislative Council today (February 3):

Question:

Under the Overseas Education Allowance (OEA) Scheme, eligible civil servants may claim OEA in respect of their children who are nine to 19 years old and are studying in the United Kingdom or their countries of origin.

Civil servants appointed on or after August 1, 1996 are not entitled to this benefit. In this connection, will the Government inform this Council:

(1) of the implementation situation of the OEA Scheme in each of the past five years, including:

(i) the number of civil servants eligible for claiming OEA, with a breakdown by their terms of appointment (i.e. local terms of appointment and overseas terms of appointment),

(ii) the number of persons claiming OEA, with a breakdown by their terms of appointment,

(iii) the number of students involved, with a breakdown by subtype of allowance disbursed (i.e. the Boarding School Allowance and the Day School Allowance) and the place where their schools were located, and

(iv) the average amount of allowance disbursed in respect of each student, and the total expenditure involved;

(2) whether the Government conducted any consultation with the various civil service unions in the past three years on the implementation situation and continuity of the OEA Scheme; if so, of the dates and the subjects of such consultations; if not, the reasons for that, and whether it will establish a regular communication mechanism with the various unions to regularly gauge their views on those civil service allowances which are fringe benefits in nature (including OEA); and

(3) whether it has plans to review and improve the OEA Scheme, including broadening the eligibility for the Scheme so that (i) civil servants may make applications in respect of their children who are studying in institutions in Mainland cities, and (ii) civil servants appointed on or after August 1, 1996 will be eligible for making applications; if so, of the details; if not, the reasons for that?

Reply:

President,

In view of inadequate educational facilities in Hong Kong for English-speaking children at the time, the Overseas Education Allowance (OEA) scheme was introduced in 1964 to enable children of expatriate officers back then to continue education in their countries of origin. The scheme was extended to local officers in 1972 on the grounds of equity and parity.

The Government conducts reviews of allowances payable to civil servants from time to time to ensure that these allowances are in line with present day circumstances. Following a detailed review, the Government has ceased the provision of OEA to new recruits from 1996. According to existing policy, only those eligible civil servants who were offered appointments to the civil service on local terms before August 1, 1996 may claim OEA for their children's education in the United Kingdom. Those appointed on overseas terms



may claim OEA for their children's education in their countries of origin. As OEA was offered to those eligible civil servants under their terms of appointment, the Government has to abide by the contractual obligations and retain their eligibility for OEA.

My reply to the question raised by the Hon Kwok Wai-keung is as follows:

(1) As at December 31, 2020, around 50 000 civil servants were eligible for OEA. As civil servants who are eligible to claim OEA retire one after another, the total number of civil servants eligible for OEA will also decrease accordingly. The total expenditure on OEA, number of claimants, students' school locations and average amount of allowance per student from financial years 2015-16 to 2019-20 are at Annex.

(2) and (3) The Government has all along consulted staff on matters that affect them. Their views are taken into account in the formulation of the relevant policies relating to the civil service. When there are significant changes to the terms and conditions of service, the Government will in advance consult the Staff Sides of the four Central Consultative Councils. At present, the respective Council holds meetings regularly, providing platforms for representatives from the Staff Sides to provide their views directly to the Government on various issues concerning civil servants, including civil service fringe benefits.

Following a comprehensive review conducted on the fringe benefit type of allowances for the civil service, the Finance Committee of the Legislative Council approved in 2006 the freezing of the ceiling rates for OEA with no further rate adjustment until the complete phasing out of the allowance. This arrangement has been adopted since then. As the provision of OEA is out of step with present day circumstances, the Government does not have any plans to review the scheme or make any policy changes.

Nevertheless, the Government has noticed that in recent years, some Hong Kong students have chosen to study in the Mainland, including children of civil servants. Having regard to the Government's policy of encouraging young people in Hong Kong to actively integrate into the overall development of our country, the Government is positively exploring the feasibility of expanding the scope of the Local Education Allowance scheme to cover primary and secondary education in the Mainland. The Government will consult the Staff Sides on the relevant proposal in due course.

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## **LCQ8: Assistance provided to the financial services industry**

Following is a question by the Hon Christopher Cheung and a written

reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (February 3):

Question:

The second-round relief measures implemented by the Government include the establishment of a Financial Industry Recruitment Scheme for Tomorrow (FIRST Scheme) to help create 1 500 new positions in the financial services industry, which has been hit by the epidemic, for employing local talents. Each eligible employer may apply for salary subsidies for a maximum of 25 eligible new full-time positions, and each position is entitled to a subsidy of up to \$10,000 per month for a period of 12 months. Regarding the assistance provided by the Government to the financial services industry, will the Government inform this Council:

(1) of the respective numbers of applications received and approved by the Government under the FIRST Scheme; the total number of positions for which subsidies were approved and the total amount of subsidies disbursed so far, as well as the average monthly amount of subsidy for each position;

(2) given the enthusiastic response received for the FIRST Scheme, whether the Government will (i) launch a second phase of the FIRST Scheme with increased number of positions and raised amount of subsidies, and (ii) encourage the securities industry to make use of the Scheme to employ more technology talents; and

(3) whether it will consider establishing a financial technology (fintech) special fund for the financial services industry, through which (i) subsidies are disbursed to securities-related enterprises for them to develop fintech enhancement projects, and (ii) allowances are provided to the practitioners concerned for them to enrol in fintech courses, so as to assist the securities industry in the comprehensive application of fintech?

Reply:

President,

Having consulted the Financial Services Development Council (FSDC), the Government's reply to various parts of the question raised by the Hon Christopher Cheung is as follows:

(1) & (2) Funded by a \$180 million provision under the Government's Anti-epidemic Fund, the Financial Industry Recruitment Scheme for Tomorrow (FIRST) is commissioned by the Financial Services and the Treasury Bureau (FSTB) and administered by the FSDC with the aim of creating 1 500 full-time jobs in eligible financial services sectors including banking, securities, insurance, trustees of Mandatory Provident Fund (MPF) Schemes and certified public accountant (CPA) firms. Each eligible firm may apply for subsidies for a maximum of \$10,000 per month per new hire for 12 months. Disbursement will be made to applicants on a quarterly basis. Application details of FIRST is available at the FSDC's website: [www.fsd.org.hk/en/first/about](http://www.fsd.org.hk/en/first/about).

FIRST was open for application from September 30, 2020. As at December 8, 2020, the FSDC has approved 748 applications to create a total of 1 500 new posts. The breakdown of the new posts by sector and position is at Annex.

Among the 1 500 posts approved, 1 148 posts have been filled by the new hires as at January 18, 2021. The FSDC is now vetting the supporting documents submitted by the applicants with a view to disbursing the first round of subsidy in late-February 2021.

The Government and the FSDC will continue to monitor the implementation of FIRST and will take necessary follow-up measures accordingly.

(3) The Government has rolled out a number of programmes to support the adoption of Fintech by the financial services sector.

To enrich the Fintech talent pool and support employment, the Government launched the FinTech Anti-epidemic Scheme for Talent Development in July last year, providing salary subsidy to eligible companies for 12 months for up to 1 000 full-time positions. By end-December 2020, some 722 applications have been received, including securities firms.

To enhance in-service financial service practitioners' understanding of Fintech, thereby promoting the application of Fintech in traditional financial sectors, the Government entrusted Cyberport to implement the Financial Practitioners FinTech Training Programme last year to provide Fintech-related training to in-service financial service practitioners. Over 1 200 practitioners have been benefitted, including those from securities sector.

The FSTB, the Hong Kong Productivity Council (HKPC) and the Cyberport co-organised an SME ReachOut – Fintech Development Roundtable Meeting for Securities Industry on October 27 last year to facilitate the adoption of Fintech by the securities sector for upgrading and transforming their services as appropriate. During the meeting, the HKPC introduced various funding schemes of the Government for small and medium enterprises, including the application procedures for the Technology Voucher Programme under the Innovation and Technology Commission.

Furthermore, to encourage traditional financial institutions to partner with Fintech companies to conduct proof-of-concept (PoC) projects on innovative financial services products, the Government has announced the Fintech Proof-of-Concept Subsidy Scheme in January this year. Each approved PoC project will be provided a maximum direct one-off grant of up to \$100,000 or \$150,000. Application will commence from February 26. The Government has earmarked \$10 million for the scheme.