

For Information
5 January 2010

Legislative Council Panel on Security

**Quality Migrant Admission Scheme and
Capital Investment Entrant Scheme**

Introduction

As an open market economy and a prime global financial centre, we must attract and nurture talent to facilitate the long-term development of Hong Kong. The Government has put in place a series of measures to enhance the quality of our population and our competitiveness. These include continuing to devote substantial resources in education, promoting training among the local workforce, and implementing various immigration schemes to attract Mainland and overseas talent and capital investors to come to Hong Kong. This paper informs Members of the latest position of the Quality Migrant Admission Scheme (QMAS) and the Capital Investment Entrant Scheme (CIES).

QMAS

2. QMAS was launched in June 2006 with the aim to attract quality migrants to Hong Kong¹. Applicants are required to attain specific points under the “General Point Test” (GPT) or “Achievement-based Point Test” (APT). We revised the QMAS in January 2008 by lifting the upper age limit of 50; adjusting the marking scheme under the GPT (so that younger people with less working experience may be eligible for selection); and streamlining the application procedure for extending the stay of successful APT applicants. In July 2008, we provided the Panel with information on the relevant mechanism and selection criteria, and undertook to inform Members of the implementation of QMAS after the revision.

3. As at 5 December 2009, the Immigration Department (ImmD) received a total of 3 780 applications. Since the revised QMAS was put in place, the average number of applications received has been 110 a month, more than 67 as before. Nearly 90% of the increased applications were

¹ Successful applicants can bring their dependants (i.e. spouse and unmarried dependant children under 18 years of age) to Hong Kong.

under GPT. Over 70% (2 960) of the applications have been processed, relevant figures are as follows:

		Approved	Not approved	Withdrawn / not meeting basic requirements	Total
GPT	Before revision	280 (35%)	106 (13%)	423 (52%)	809
	After revision	956 (51%)	358 (19%)	577 (31%)	1 891
APT	Before revision	42 (48%)	23 (26%)	22 (25%)	87
	After revision	55 (32%)	63 (36%)	55 (32%)	173
Total		1 333 (45%)	550 (19%)	1 077 (36%)	2 960

Note: () denotes percentages, which may not add up to 100% due to rounding.

4. Information of the background of the 1 333 successful applicants is at **Annex I**. After the revision, more young applicants (aged 25–29) were approved while their overall academic qualifications remained at a high level (about 60% have qualifications at master’s / two bachelors’ level or above). About 40% belonged to finance, accounting, information technology, and telecommunication service sectors.

5. According to the results of an opinion survey², successful applicants generally (77%) considered that the most attractive characteristics of Hong Kong are its open economy and its role as an international financial centre. The major reason why they had applied to come to Hong Kong under QMAS was that they believed the keen demand of Hong Kong for talented people could facilitate their career development (75%).

CIES

6. CIES was launched in October 2003, aiming to allow those people who invest but do not engage in any business in Hong Kong (i.e. capital investors) to migrate to Hong Kong. Successful applicants can bring in their dependants (i.e. spouse and unmarried dependant children under 18 years of age). Applicants are required to have net assets of not less than HK\$6.5 million throughout the two years preceding their applications. In addition, they have to invest within six months before submission of their

² We completed the survey in mid-2009, with questionnaires issued to 611 successful applicants. A total of 565 had replied. The response rate was 92%.

applications to ImmD (or within six months after the granting of approval-in-principle by ImmD) not less than HK\$6.5 million in permissible investment asset classes, including real estate³ and financial assets⁴.

7. As at November 2009, a total of 5 676 principal applicants (and 10 871 dependants) had been approved to enter Hong Kong. These include 881 foreign nationals (the top three countries with the highest number of applicants are Canada, the Philippines and USA), 4 351 Chinese nationals with overseas permanent residence, and 444 others (e.g. Taiwan and Macao residents).

8. Indicating the attractiveness of the scheme, since its launch in late 2003, the number of applications has been increasing:

	No. of applications
2004	465
2005	495
2006	800
2007	1 795
2008	2 798
2009 (January to November)	3 070

9. CIES has brought in over HK\$40.1 billion capital investment since its introduction. The distribution of investment amongst the six permissible asset classes is at **Annex II**. Many local business sectors, in particular finance, commerce, real estate, property agency, construction and interior decoration, etc. benefit directly or indirectly from the scheme. At the same time, capital investors and their dependants' residing in Hong Kong have also contributed to local consumption and other related economic activities.

10. There was a LegCo Member question as to whether the implementation of CIES had affected the local property market. Investment on real estate since the launch of the scheme is around HK\$11.7 billion, representing less than 1% of the volume of the total transaction of local property market from 2004 to the first half of 2009 (around HK\$2,474.1 billion). Hence, it is considered that CIES would not have much effect on the local property market.

³ Applicants may invest in commercial, industrial or residential properties.

⁴ Covering equities, debt securities, certificates of deposits, subordinated debts, and eligible collective investment schemes.

Conclusion

11. Both QMAS and CIES have contributed to the development of Hong Kong by attracting talented people and capital investors. We will review the two schemes from time to time to ensure that they can meet the need and challenge of the Hong Kong society.

**Security Bureau
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Annex I

Background Information of Successful Applicants : Comparison between Before and After Revision

Academic qualification

	Total	Before revision	After revision
PhD / two or more Master Degrees	247 [19%]	66 [21%]	181 [18%]
Master / two or more Bachelor Degrees	558 [42%]	126 [39%]	432 [43%]
Bachelor	403 [30%]	82 [25%]	321 [32%]
Other professional qualifications / APT applicants	125 [9%]	48 [15%]	77 [7%]
Total	1 333 [100%]	322 [100%]	1 011 [100%]

Age

	Total	Before revision	After revision
18-24	34 [2%]	3 [1%]	31 [3%]
25-29	298 [22%]	36 [11%]	262 [26%]
30-34	375 [28%]	111 [34%]	264 [26%]
35-39	333 [25%]	95 [30%]	238 [24%]
40-44	181 [13%]	60 [19%]	121 [12%]
45-50	89 [7%]	17 [5%]	72 [7%]
51 and above	23 [2%]	-----	23 [2%]
Total	1 333 [100%]	322 [100%]	1 011 [100%]

Working experience

	Total	Before revision	After revision
10 years or above	241 [18%]	81 [25%]	160 [16%]
5 to less than 10 years	643 [48%]	175 [54%]	468 [46%]
Less than 5 years	352 [26%]	24 [8%]	328 [32%]
Others (i.e. APT applicants)	97 [7%]	42 [13%]	55 [6%]
Total	1 333 [100%]	322 [100%]	1 011 [100%]

Employment sector

	Total ^{Note}	Before revision	After revision
Academic Research and Education	85 [6%]	26 [8%]	59 [6%]
Architecture, Surveying, Engineering and Construction	93 [7%]	19 [6%]	74 [7%]
Arts and Culture	72 [5%]	18 [6%]	54 [5%]
Broadcasting and Entertainment	27 [2%]	6 [2%]	21 [2%]
Business Support and Human Resources	61 [5%]	11 [3%]	50 [5%]
Catering and Tourism	9 [1%]	1 -----	8 [1%]
Commerce and Trade	139 [10%]	31 [10%]	108 [11%]
Financial and Accounting Services	322 [24%]	81 [25%]	241 [24%]
Human Health and Veterinary Services	51 [4%]	14 [4%]	37 [4%]
Information Technology and Telecommunication	226 [17%]	48 [15%]	178 [18%]
Legal Service	43 [3%]	8 [3%]	35 [3%]
Logistics and Transportation	38 [3%]	7 [2%]	31 [3%]
Manufacturing Industries	91 [7%]	23 [7%]	68 [7%]
Sports	55 [4%]	25 [8%]	30 [3%]
Others	21 [2%]	4 [1%]	17 [2%]
Total	1 333 [100%]	322 [100%]	1 011 [100%]

Note: The total of percentages under individual breakdowns may not be equal to 100% due to rounding.

**Capital Investment Entrant Scheme :
Distribution of Investment**

	(Million HK\$)
Equities	19 241.8
Real estates	11 671.5
Debt securities	5 582.8
Collective investment schemes	3 195.0
Certificates of deposits	432.2
Subordinated debts	1.5
	40 124.8