

**SUPPLEMENTARY NOTE TO
ITEM FOR FINANCE COMMITTEE
[FCR(2017-18)26]**

PROBLEM

There is a need to update FCR(2017-18)26 regarding the Government's proposal to provide a loan to the Property Management Services Authority (PMSA) to meet its set-up costs and initial operating expenses.

PROPOSAL

2. We propose that Members consider FCR(2017-18)26 in conjunction with FCR(2017-18)26A, and to approve a commitment of \$22 million for the provision of a loan from the Loan Fund to the PMSA to meet its set-up costs and initial operating expenses.

UPDATE

3. Paragraph 10 of FCR(2017-18)26 is updated as follows –

“10. As the PMSO was passed in May 2016, various sectors of the community expected the early establishment and operation of the PMSA for effective regulation of property management services. Accordingly, the Chief Executive appointed members of the PMSA in December 2016. Since the loan proposal could not be approved by the Finance Committee (FC) within the 2016-17 legislative session, as foreshadowed in the paper submitted to the LegCo Panel on Home Affairs [LC Paper No. CB(2)1418/16-17(03)], the Home Affairs Department has provided financial support to the PMSA for its initial set-up and operation as a transitional arrangement through internal redeployment of resources. The PMSA would repay this interim funding to the Government in full after the relevant loan has been approved by the FC. In the event that the relevant loan is not approved by the FC, the PMSA would repay the Government with its income from levy and licence fees when they become available.”

4. Other than the above, the proposal as set out in FCR(2017-18)26 **remains unchanged.**

Home Affairs Bureau
Home Affairs Department
Property Management Services Authority
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