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Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2020-21

Director of Bureau : Secretary for Financial Services and the Treasury

Session No. : 5

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CONTROLLING OFFICER'S REPLY**FSTB(Tsy)001****(Question Serial No. 1464)**Head: (25) Architectural Services DepartmentSubhead (No. & title): ()Programme: (2) Facilities UpkeepControlling Officer: Director of Architectural Services (Mrs Sylvia LAM)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

The provision for 2020-21 is \$118.4 million higher than last year's revised estimate with 18 additional posts. However, the brief description and matters requiring special attention provided are largely the same as last year. In this connection, could the Architectural Services Department (ArchSD) advise if the projects proposed last year have not been implemented and have been postponed to this financial year, or is there any other special reason?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 10)Reply:

Under Programme (2) of the ArchSD, the provision for 2020-21 is \$118.4 million higher than the revised estimate of 2019-20, mainly due to reasons such as additional posts, inflation adjustment and the increase in the area of properties requiring maintenance.

Under Programme (2) in 2020-21, the details for the increase in provision of \$118.4 million are as follows:

Subhead	Increased amount (\$ million)
Personal emoluments	51.7
Personnel related expenses	6.7
Departmental expenses	12.5
Other charges: maintenance of government buildings	47.5
Total	118.4

Under Programme (2), the 18 additional posts are as follows:

Name of Project	Rank	Number of post
Enhanced Public Toilet Refurbishment Programme	Maintenance Surveyor	2
	Clerk of Works	1
	Works Supervisor I	1
	Building Services Engineer / Assistant Building Services Engineer	1
	Building Services Inspector	1
New projects on condition survey and renovation works for government premises	Senior Maintenance Surveyor	1
	Maintenance Surveyor	1
	Structural Engineer / Assistant Structural Engineer	1
	Clerk of Works	1
	Technical Officer / Assistant Technical Officer (Structural)	1
Projects related to combating climate change	Senior Maintenance Surveyor	1
	Maintenance Surveyor	1
	Clerk of Works	1
Implementing Water Safety Plan in government premises	Clerk of Works	1
	Technical Officer / Assistant Technical Officer (Architectural)	1
Projects related to Smart Library System	Maintenance Surveyor	1
Projects on energy saving and renewable energy	Assistant Clerk of Works	1
	Total	18

The above additional provision and additional posts are required for carrying out routine duties and new tasks anticipated in 2020-21.

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CONTROLLING OFFICER'S REPLY

FSTB(Tsy)002

(Question Serial No. 1203)

Head: (25) Architectural Services Department

Subhead (No. & title): ()

Programme: (2) Facilities Upkeep

Controlling Officer: Director of Architectural Services (Mrs Sylvia LAM)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The riots arising from the anti-extradition bill movement are still ongoing. Many government buildings and facilities were extensively and seriously damaged and need to be restored by using public funds. Please list out the details of the government buildings and facilities that were damaged during these violent protests. What is the estimated expenditure on the related restoration works?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 32)

Reply:

The restoration works on major government buildings and facilities that were damaged in social events, which require the Architectural Services Department (ArchSD) to conduct building maintenance works, and the ArchSD's related estimated expenditures are as follows:

	Name of the building	Facilities damaged	Estimated expenditure on building maintenance works (\$)
1	Legislative Council Complex	Glass, renovation and fixture	15,300,000
2	Cheung Sha Wan Government Offices	Glass, guard kiosk and roller shutter	9,300,000
3	Central Government Offices	Glass	9,000,000
4	Kowloon Tong Education Services Centre	Glass	4,500,000
5	Trade and Industry Tower	Glass, false ceiling and service counter	2,800,000
6	Sai Kung Tseung Kwan O Government Complex	Glass	2,500,000
7	Tsuen Wan Government Offices	Glass, false ceiling and roller shutter	2,500,000

	Name of the building	Facilities damaged	Estimated expenditure on building maintenance works (\$)
8	Sha Tin Government Offices	Glass	2,400,000
9	Tuen Mun Government Offices	Glass	1,540,000
10	Tsuen Wan District Police Station	Glass, signage, gate, external wall and barrier wall	1,343,000
11	Tai Hing Government Offices	Glass	1,260,000
12	Hong Kong Police Headquarters	Glass, signage and external wall	1,040,500
13	New Territories South Regional Police Headquarters	Glass and external wall	950,000
14	Wanchai Tower	Glass	800,000
15	Tuen Mun Town Hall	Glass	800,000
16	Immigration Tower	Glass	670,000
17	Tai Po Complex	Glass	500,000
18	Tin Shui Wai Division Police Station	Glass, signage and external wall	500,000
19	Tseung Kwan O District Police Station	Glass, external wall and barrier wall	480,000
20	Ma On Shan Division Police Station	Signage, gate, external wall and barrier wall	400,000
21	Kowloon City Government Offices	Glass	300,000
22	Tuen Mun Division Police Station	Glass, gate, external wall and barrier wall	300,000
23	Sha Tin Division Police Station	Glass, signage, false ceiling, gate and barrier wall	250,000
24	Tsuen Wan District Junior Police Call Club House	Glass, gate and external wall	250,000
25	Public Health Laboratory Centre	Glass	220,000
26	Kowloon Government Offices	Glass, building number plate and roller shutter	214,000
27	North District Government Offices	Glass and service counter	210,000
28	Kwai Hing Government Offices	Glass	200,000
29	Kwun Tong District Police Station	Glass, signage, and external wall	110,000
30	Tai Po Government Offices	Glass, building number plate and roller shutter	93,000
31	Kwai Chung Division Police Station	Signage, gate and external wall	64,000
32	Leisure and Cultural Services Headquarters	Glass	50,000
33	North District Community Centre and Town Hall	Building number plate	50,000
34	Happy Valley Division Police Station	Gate	41,000

	Name of the building	Facilities damaged	Estimated expenditure on building maintenance works (\$)
35	Wong Tai Sin Disciplined Services Quarters	Glass	40,000
36	Shau Kei Wan Reporting Centre	Glass	35,000
37	Yuen Wo Road Indoor Recreation Centre	Glass	30,000
38	Tsim Sha Tsui Division Police Station	Glass and external wall	30,000
39	Castle Peak Division Police Station	Glass	20,000
40	Sha Tin District Office Ma On Shan Sub-office	Glass	15,000
41	Others	Glass, external wall, barrier wall, signage, notice board, roller shutter and false ceiling	67,500
		Total	61,173,000

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CONTROLLING OFFICER'S REPLY

FSTB(Tsy)003

(Question Serial No. 1533)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please advise this Committee of the following:

1. the numbers of cases involving duty-not-paid cigarettes and the quantities of illicit cigarettes detected by the Customs and Excise Department (C&ED) in the past 3 years;
2. the numbers of cases involving smuggled emerging tobacco products, including e-cigarettes containing nicotine, e-cigarettes not containing nicotine and heat-not-burn (HNB) cigarettes, and the quantities of smuggled products detected by C&ED in the past 3 years (set out respectively in table form);
3. some members of the tobacco industry consider that the increase in the proportion of health warnings on cigarette packets after the passage of the Smoking (Public Health) (Notices) (Amendment) Order 2017 will aggravate the illicit cigarette problem because it will be more difficult to include labels with anti-forgery feature on cigarette packets. In this regard, has C&ED compared the situation of the illicit cigarette problem in Hong Kong since the passage of the Amendment Order with that in the same periods in the past 3 years? What are the changes?

Asked by: Hon CHAN Pierre (LegCo internal reference no.: 36)

Reply:

1. The relevant information on duty-not-paid cigarettes (including HNB tobacco products) seized locally by C&ED between 2017 and 2019 is as follows:

	2017	2018	2019
Number of cases	7 944	13 573	17 350
Quantity (million sticks)	60	53	54

2. The relevant information on HNB tobacco products seized by C&ED between 2017 and 2019 is as follows:

	2017	2018	2019
Number of cases	130	971	638
Quantity (million sticks)	0.74	8	6

E-cigarettes not containing tobacco are not dutiable commodities and no dutiable value is involved. For e-cigarette products containing over 0.1% of nicotine, they are categorised as Part 1 poisons and regarded as pharmaceutical products, which are governed by the Pharmacy and Poisons Ordinance (Cap. 138). The relevant figures on the law enforcement actions are as follows:

	2017	2018	2019
Number of cases	14	25	53
Total value (\$ million) (Note)	0.1	1.3	21

Note: Since the e-cigarette products containing nicotine seized by C&ED are of different types and in different units of measurement, only the total values instead of the quantities of seizures could be provided.

E-cigarettes not containing nicotine are not controlled articles. Therefore, C&ED has no relevant figures on the law enforcement actions.

3. C&ED has been rigorously combating illicit cigarette activities. Since the implementation of the Smoking (Public Health) (Notices) (Amendment) Order 2017 in December 2017, no noticeable impact on illicit cigarette activities has been observed. C&ED will continue to closely monitor the market conditions and take resolute law enforcement actions against illicit cigarette activities.

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CONTROLLING OFFICER'S REPLY**FSTB(Tsy)004****(Question Serial No. 0867)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ()Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

In the past 5 years, what were the respective numbers of duty-not-paid conventional cigarettes and heat-not-burn (HNB) tobacco products seized by the Customs and Excise Department (C&ED) in each year, and what were the entry and exit points/locations they were seized and the values of these seizures? (Please set out the information in table form.)

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 12)Reply:

In the past 5 years, the quantities and values of duty-not-paid conventional cigarettes and HNB tobacco products seized locally by C&ED are tabulated as follows:

		2015	2016	2017	2018	2019
Duty-not-paid conventional cigarettes	Quantity (million sticks)	52	62	60	45	48
	Total value (\$ million)	138	167	158	120	130
Duty-not-paid HNB tobacco products	Quantity (million sticks)	0	0	0.74	8	6
	Total value (\$ million)	0	0	2	22	17
Total (Note)	Quantity (million sticks)	52	62	60	53	54
	Total value (\$ million)	138	167	160	142	147

Note: Figures may not add up to the total due to rounding.

The locations where C&ED seized the duty-not-paid conventional cigarettes and HNB tobacco products mentioned above, together with the quantities and values involved, are tabulated as follows:

		2015	2016	2017	2018	2019
Hong Kong International Airport	Quantity (million sticks)	0.1	0.4	1	5	3
	Total value (\$ million)	0.3	1	2	13	8
Land boundary and railway control points	Quantity (million sticks)	23	13	34	19	22
	Total value (\$ million)	62	34	91	51	59
Container terminals and ferry terminal control points	Quantity (million sticks)	10	29	6	3	2
	Total value (\$ million)	27	79	17	8	6
In-town area	Quantity (million sticks)	19	20	20	27	27
	Total value (\$ million)	48	53	51	70	73
Total (Note)	Quantity (million sticks)	52	62	60	53	54
	Total value (\$ million)	138	167	160	142	147

Note: Figures may not add up to the total due to rounding.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)005****(Question Serial No. 0868)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ()Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

How many persons were arrested by the Customs and Excise Department (C&ED) for sale and purchase of duty-not-paid conventional cigarettes and heat-not-burn (HNB) tobacco products in each of the past 5 years? Among them, how many were prosecuted and convicted respectively?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 13)Reply:

The numbers of persons arrested by C&ED in town for sale and purchase of duty-not-paid conventional cigarettes and HNB tobacco products, and the numbers of persons prosecuted and convicted in the past 5 years are as follows:

	2015	2016	2017	2018	2019
Number of persons arrested	620	538	512	522	517
Number of sellers	302	314	259	245	189
Number of purchasers	318	224	253	277	328
Number of persons prosecuted#	622	507	504	521	505
Number of persons convicted*	601	510	506	515	488

#Cases with prosecution instituted during the year

*Cases with trial concluded during the year

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)006****(Question Serial No. 0517)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ()Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the dutiable commodities licences issued by the Customs and Excise Department (C&ED) according to the Dutiable Commodities Ordinance last year, what types of licence have a significant increase in the number of applications? Please list out the figures by type of licence. How long does it take to issue a licence on average? Will the additional staff on the establishment be involved in carrying out such duties? If yes, what are the details? If no, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 28)Reply:

Among the new applications for licences issued by C&ED under the Dutiable Commodities Ordinance in 2019, there is a significant increase in the numbers of applications for Warehouse Licences and Import and Export Licences. The relevant figures are as follows:

Type of licence	Number of applications		Increase (Percentage)
	2018	2019	
Warehouse Licence	8	13	5 (+63%)
Import and Export Licence	92	117	25 (+27%)

According to the Performance Pledge in respect of issuing dutiable commodities licences, C&ED aims to complete the processing of an application and issue the licence within 12 working days upon receipt of all necessary application documents and relevant information. C&ED handles the licence issuance work under the current establishment and manpower.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)007

(Question Serial No. 2676)

Head: (51) Government Property Agency

Subhead (No. & title): ()

Programme: (2) Property Management

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated that the Government Property Agency (GPA) has taken over the property and facilities management of 58 joint-user government facilities at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port with effect from 1 January 2020. According to the indicators of the programme above, the average management cost of buildings/facilities at boundary control points managed by the GPA is \$81/m²/month, which is much higher than the \$21.7/m²/month for major joint-user buildings. In this regard, will the Government advise this Committee of:

- (1) the reasons for the much higher average management cost (\$/m²/month) of buildings/facilities at boundary control points managed by the GPA than that of major joint-user buildings; and
- (2) the manpower establishment, estimated expenditure on salary and operational expenses of the GPA in 2020-21 for the property and facilities management of the 58 joint-user government facilities at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 11)

Reply:

- (1) The Government joint-user general office buildings (JUBs) managed by the Government Property Agency (GPA) normally open from Monday to Friday from 7 a.m. to 7 p.m. GPA's management duties in respect of JUBs mainly cover the common areas of the buildings, such as office lobbies and parking facilities, etc.

Earlier this year, GPA took over management of a total of 58 property and facilities of Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Port (HKP), including the Passengers Clearance Building with a floor area of over 90,000 square metres, cargo and passenger checkpoints, and other areas including roads, taxi queuing and pick-up areas, and a greening area with horticultural facilities of about 400,000 square metres. Since facilities in HZMB HKP are more various and larger in scale, the work requirements in terms of management, security, cleansing, operation and maintenance are much more complicated than those of JUBs.

Besides, HZMB HKP operates around the clock on a 24-hour basis throughout the year. Its daily passenger and vehicular flows are higher than that of JUBs under normal circumstances, and the boundary control point involves border security. The property management contractor is required to deploy more manpower in routine duties covering management, security and cleansing services, etc., and to ensure that there are adequate manpower to work with respective law enforcement agencies in implementing crowd control and traffic control measures, etc. In addition, the property management contractor needs to deploy three shifts of staff to meet the operational needs of the boundary control point. It also needs to hire specialist staff (such as horticultural team) for part of its work. Therefore, the management fee of HZMB HKP is comparatively higher than that of JUBs.

- (2) The newly established Boundary Control Point Division of GPA is mainly responsible for property management of HZMB HKP, and mapping out the plan to take over property management of other boundary control points in the future. In 2020-21, a total of 54 posts will be created to handle the relevant work at an estimated salary expenditure of about \$39.98 million. The operating expenditure of HZMB HKP in 2020-21 is estimated at \$343 million, including electricity fees, property and facilities management fees, maintenance charges of mechanical and electrical facilities, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)008

(Question Serial No. 1707)

Head: (51) Government Property Agency

Subhead (No. & title): ()

Programme: (3) Estate Utilisation

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the Government's review on the under-utilised sites, will the Government inform this Committee of the following:

- (1) the review results in the past 3 years, with the locations, areas and assessed market rental values of the under-utilised sites, as well as the bureaux and departments involved set out;
- (2) whether the Government has made appropriate alternative uses for the aforesaid sites; if yes, the details; if no, the reasons; and
- (3) the current work progress of the implementation of enhanced leasing arrangements.

Asked by: Hon CHAN Hak-kan (LegCo internal reference no.: 20)

Reply:

1-2. The Government Property Agency (GPA) continues to review under-utilised sites managed by bureaux/departments (B/Ds) and, if condition permits, assists the relevant B/Ds in releasing these sites for alternative uses or disposal as appropriate. In the past 3 years, under GPA's arrangement, 8 government sites which were found suitable for alternative uses or disposal were handed over to relevant departments/organisations for handling in accordance with the established mechanism. Relevant details are tabulated as follows:

Item	Property / Site	Managing Department	Site Area (m ²) (Approx.)	New Use
2017				
1	Murray Road Multi-storey Carpark Building	Transport Department	2 880	Commercial use
2	Prince of Wales Hospital Staff Quarters Block E	GPA	2 150	Hospital
2018				
3	Mansfield Road Quarters	GPA	23 920	Residential use
4	Cheung Sha Bungalow, C.S. 44	GPA	920	Residential use
5	Ex-Cheung Sha Wan Abattoir	GPA	19 200	Public housing
6	Former Hong Kong Academy	Education Bureau	2 750	Public housing
2019				
7	135 Tai Hang Road	GPA	3 990	Residential use
8	5-7 Yip Shing Street	GPA	1 500	Temporary transitional housing

The above properties/sites have been delivered vacant possession or left vacant prior to changing to new uses and therefore no rental value is involved.

3. In line with the Government's policy objective to build a caring society, GPA has implemented the "Socially Caring Leasing Arrangements" since 2019.

Under the arrangements, when leasing out government properties, GPA gives priority to non-government organisations (NGOs) and social enterprises (SEs) with policy support in leasing appropriate premises, and invites tenders from NGOs and SEs for leasing of commercial premises. In 2019, GPA directly leased a commercial premise to an NGO with policy support for non-profit-making use, and invited tenders from NGOs and SEs for leasing of 7 commercial premises, 2 of which were eventually rented by an NGO or SE. For the remaining premises which were not rented by any NGO or SE, GPA has resorted to open tender or quotation instead.

Moreover, under the relevant arrangements, GPA also incorporates tenancy provisions to facilitate business operations of small and medium-sized enterprises by providing longer and flexible tenure as well as rental arrangements pegged with the business turnover of tenants. In 2019, a total of 17 premises were leased out under the aforementioned enhanced tenancy provisions.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)009

(Question Serial No. 2827)

Head: (51) Government Property Agency

Subhead (No. & title): ()

Programme: (2) Property Management

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimates for 2020-21 are \$1.8266 billion, which have substantially increased by 40.5% as compared to the revised estimates of \$1.3005 billion for the previous year. Apart from the newly added joint-user government facilities at a boundary control point, it is also due to the sharp rise of various management fees (per month per square metre) regarding non-domestic accommodation by 7%, joint-user buildings by 19%, quarters in private developments by 7.5% and government-owned quarters by 16% whose increases are much higher than the market rate. Please advise the Committee of the following:

- (1) the estimated rental income of the facilities at boundary control points;
- (2) the reference sources and estimation method of the data on management fees for different types of properties; and
- (3) whether the Government has introduced any measures and plans like those introduced in the private market on property management in order to reduce management expenses; if yes, please tabulate the breakdown of the amount saved for the estimated expenditure by items.

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2006)

Reply:

The average management fees for quarters and non-domestic accommodation in private developments are estimated to increase by about 7-7.5% in 2020. Comparatively, the estimated increases in average management fees for major joint-user buildings and government-owned quarters are higher. These properties are generally managed by private property management agents engaged by Government Property Agency (GPA). With the implementation of a number of improvement measures for the Government's outsourced service contracts which heavily rely on engagement of non-skilled workers, GPA has adopted higher technical weighting and higher weighting of wage level for non-skilled workers for technical assessment in tender evaluation for new property management service contracts taking effect from 1 April 2020. These measures are expected to induce tenderers to raise wages for non-skilled workers. Moreover, new terms are incorporated into new contracts to enhance the protection of the employment terms and conditions as well as labour benefits of non-skilled workers, including contractual gratuity, early entitlement to statutory holiday pay and extra pay for working at hoisting of typhoon signal No. 8 or above. These factors have contributed to the increase in the total contract fees of the relevant property management service contracts.

Reply to the various parts of the question is as follows:

- (1) The estimated rental income of the facilities at boundary control points leased out by GPA in 2020, including shops, vending machines, fee-paying public car parks and service facilities, etc., amounts to about \$86 million.
- (2) Generally speaking, GPA estimates management fees for properties in the coming year based on the management fee expenditures in the current year, plus estimated adjustments of related expenditures for the coming year, taking into account factors including increase or decrease in property management contract fees for the coming year.
- (3) GPA has been engaging property management agents through open tender to provide value-for-money and appropriate property management services for government joint-user office buildings and quarters under GPA's purview.

On the premise of not compromising the quality of property services, GPA will continue to work with relevant technical departments and user departments to explore measures to achieve savings in property management expenses. For example, measures taken to reduce electricity costs include carrying out energy-saving projects, replacement of old machines and equipment by more energy-efficient installations, suspension of some lift services during non-peak hours, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)010

(Question Serial No. 2828)

Head: (51) Government Property Agency

Subhead (No. & title): ()

Programme: (3) Estate Utilisation

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

While the actual lettings of various types of premises in 2019 and the estimated ones in 2020 both represent an increase over those in 2018 (with non-domestic and domestic lettings increasing from 1 071 to 1 226 and 215 to 225 respectively), the estimated rental income decreases instead of increasing (with the rental income of non-domestic and domestic premises dropping from \$467.8 million to \$361 million and \$130.9 million to \$113.7 million respectively, representing an average decrease of 32.5% and 17% for non-domestic and domestic premises per unit respectively). However, a substantial increase in the market rental index was recorded in both 2018 and 2019. Please inform this Committee of the following:

- (1) Why is it that the rental income from the non-domestic and domestic premises of the Government Property Agency will decrease substantially contrary to the market situation?
- (2) Given the substantial decrease in rental income, does the Bureau have any measures or plans in place to increase revenue and achieve savings so as to keep expenditure within the limits of revenues? If yes, please provide a breakdown of the amount that can be saved in table form.

Measure	Amount of money that can be saved

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2007)

Reply:

- (1) The actual rental income of domestic properties in 2019 and the estimated rental income of the same in 2020 are less than that of 2018. This is mainly due to changes in the domestic properties portfolio managed by the Government Property Agency (GPA) during the period. GPA vacated some domestic properties with higher rental values starting from the end of 2018 for land sale, including Mansfield Road Government Quarters (149 flats) and 135 Tai Hang Road Government Quarters (42 flats), and on the other hand, included some surplus domestic flats with lower rental values for letting, such as The Crescent and Wylie Court. As a result, there is a decline in the rental income compared to that of 2018.

Regarding the rental income of non-domestic properties, the recent social incidents have dealt a blow to the retail and catering industries and caused further setback to Hong Kong's poor economy, adversely affecting the related rental income. The main reasons for the decrease in actual rental income of non-domestic properties in 2019 and the estimated rental income of the same in 2020 compared to that of 2018 are as follows:

- (i) Markedly lowered rental bids were received for tender invitations in 2019 upon the expiry of tenancies or termination of contracts of more valuable non-domestic properties such as shops, restaurants and fee-paying car parks. Some properties were not let out successfully; and
 - (ii) In August and October 2019, the Financial Secretary announced a series of measures to support enterprises, which include reducing the rental for catering establishments, retail stores, supermarkets, superstores, shopping mall and vending machines that are leased by GPA, as well as fee-paying public car parks under GPA's purview by 50% for 6 months with effect from October 2019. It was also announced in the 2020-21 Budget that the rent concession will be extended from April 2020 for 6 months. Because of the above measures, the overall rental income of non-domestic properties in 2019-20 and 2020-21 would decrease significantly.
- (2) GPA will continue to introduce appropriate commercial activities to suitable government properties to optimise their commercialisation potential and increase rental income in 2020-21. We will also continue to let out surplus government quarters at market rental to increase rental income.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)011****(Question Serial No. 1771)**Head: (51) Government Property AgencySubhead (No. & title): ()Programme: (3) Estate UtilisationControlling Officer: Government Property Administrator (Miss Leonia Tai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please advise this Committee of the following in table form: the address, floor area, rent and date of expiry/renewal of tenancy of the government properties currently leased to members of the community and major organisations, including non-governmental organisations (such as Heung Yee Kuk, major charitable organisations, the Community Chest and kaifong welfare associations) in all 18 districts across Hong Kong.

District Council district	Address	Name of individual/organisation	Floor area	Rent	Date of expiry/renewal of tenancy

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 31)Reply:

According to the established mechanism, policy bureaux / departments can seek assistance from the Government Property Agency (GPA) in leasing out Government premises directly to non-governmental organisations (NGOs) having regard to their policy objectives. As of March 2020, the number of tenancies leased out by GPA to NGOs exceeds 550. As the number of tenancies and the information involved are extensive, the relevant information is summarised in the table below:

District	No. of Tenancies	Major Tenant Categories	Area of Each Premises (m ²)	Rent	Term
Hong Kong Island	170	including charity organisations (e.g. Tung Wah Group of Hospitals, Po Leung Kuk), social welfare organisations (e.g. Caritas Hong Kong, The Salvation Army), local community bodies (e.g. district welfare associations), cultural and arts bodies (e.g. Fringe Club) etc.	approx. 35 to 16,500	The vast majority of the tenancies are leased out at nominal rent (generally at \$1 per annum).	Mostly 3-year fixed term and quarterly thereafter
Kowloon	175		approx. 34 to 11,500		
New Territories	210		approx. 11 to 35,500		
Total:	555				

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)012

(Question Serial No. 2682)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would the Government set out the figures in the table below.

Figures for January 2020 Quantity of anti-epidemic supplies provided by the Government Logistics Department (GLD) to individual departments

	Surgical mask	N95 mask	Protective clothing	Sterile supplies
Hong Kong Police Force				
Immigration Department				
Department of Health				
Education Bureau				
Chief Executive's Office				
Chief Secretary for Administration's Office and Financial Secretary's Office				
Food and Environmental Hygiene Department				
Other Government Departments				

Figures for February 2020 Quantity of anti-epidemic supplies provided by GLD to individual departments

	Surgical mask	N95 mask	Protective clothing	Sterile supplies
Hong Kong Police Force				
Immigration Department				
Department of Health				
Education Bureau				
Chief Executive's Office				
Chief Secretary for Administration's Office and Financial Secretary's Office				
Food and Environmental Hygiene Department				
Other Government Departments				

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.:17)

Reply:

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, the Government Logistics Department (GLD) and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity of anti-epidemic items used by individual departments.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)013****(Question Serial No. 2573)**Head: (59) Government Logistics DepartmentSubhead (No. & title): ()Programme: (1) ProcurementControlling Officer: Director of Government Logistics(Miss Mary CHOW)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide information on procurement of anti-epidemic items by the Government in the past 5 years.

Year	Surgical mask			N95 mask			Protective coverall suit		
	Unit price	Number of masks procured	Stock level	Unit price	Number of masks procured	Stock level	Unit price	Number of suits procured	Stock level
2015-2016									
2016-2017									
2017-2018									
2018-2019									
2019-2020									

Please provide information on the estimates for procurement of anti-epidemic items in the coming 5 years.

Year	Surgical mask			N95 mask			Protective coverall suit		
	Unit price	Number of masks to be procured	Stock level	Unit price	Number of masks to be procured	Stock level	Unit price	Number of suits to be procured	Stock level
2020-2021									
2021-2022									
2022-2023									
2023-2024									
2024-2025									

Asked by: Hon Tanya CHAN (LegCo internal reference no.: 18)

Reply:

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, the Government Logistics Department (GLD) and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the stock of anti-epidemic items, the procurement quantity and the value involved, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)014

(Question Serial No. 0438)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the following information about the procurement services of the Government Logistics Department:

1. In the past 3 financial years, did the Department set any targets for the stockpile of masks which meet the standard of surgical operations, or stockpile such masks in response to other departments' requests? If yes, what are the details? If no, what are the reasons?
2. How many surgical masks did the Department purchase, distribute and stockpile respectively in each of the past 3 financial years? What is the respective expenditure involved in purchasing masks? What is the estimated provision earmarked for purchasing masks in the coming financial year?
3. Did the Department help organisations other than government departments e.g. the Hospital Authority and the Hong Kong Housing Authority etc. to purchase masks in the past 3 financial years? If yes, what are the details?

Asked by: Hon CHIANG Lai-wan (LegCo internal reference no.: 14)

Reply:

1. The Government Logistics Department (GLD) is required to maintain a stock of 10 million surgical masks (masks) under the Government's current preparedness and response plans for infectious diseases.

2. With a sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of masks, the HKSAR Government considers that it is not appropriate at this stage to disclose more specific information about the stock of masks kept by individual departments, as well as the quantity and value of masks procured in the past few years. In 2020-21, \$14.4 million will be set aside in the estimates of expenditure by GLD for purchasing masks and other emergency items.
3. GLD undertakes procurement in order to meet the operational needs of Government departments. From 2017-18 to 2019-20, GLD did not procure masks for any organisation other than Government departments.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)015

(Question Serial No. 2822)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please advise the number of surgical masks that the Government Logistics Department attempted to order, the actual number of masks delivered and the amount involved since 1 December 2019.

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 3019)

Reply:

Since early January of this year, the Government Logistics Department (GLD) has adopted a multi-pronged approach through different channels and means for procuring masks and anti-epidemic items. The target is to acquire such items as soon as possible to meet the internal needs of the Government. Since early January this year, more than 20 million masks procured by GLD have been delivered.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items (including masks) will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items (including masks), the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments, the HKSAR Government considers that it is not appropriate at this stage to disclose more specific information about the procurement quantity, the actual number of masks delivered and the value involved, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)016

(Question Serial No. 3109)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide this Committee, in table form, with the quantity of protective items that were allocated through the Government Logistics Department (GLD) to the following parties in response to the novel coronavirus disease since December 2019:

- (1) Offices of Secretaries of Departments/Directors of Bureaux;
- (2) individual bureaux; and
- (3) individual departments.

What are the criteria and factors considered in determining the allocation amount and what are the uses of the items? Please reply by providing the following information:

Year/Department/Number of N95 masks allocated/Number of protective coverall suits allocated/Amount of bleach allocated/Number of surgical masks allocated/Reasons for being allocated the relevant amount of items and their uses

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 5)

Reply:

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, the Government Logistics Department (GLD) and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the consumption of anti-epidemic items of individual departments.

Taking into account advice from experts and in consideration of the stock level, the Government has set priorities for the use of anti-epidemic items. At present, for anti-epidemic items procured by GLD, priority will be accorded to meeting the needs of frontline staff involved in quarantine-related work (including medical and port health staff of the Department of Health and staff implementing quarantine orders) and maintenance of essential public services.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)017

(Question Serial No. 3120)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would the Government Logistics Department (GLD) provide a reply to this Committee by tabulating the following information, including: Year/Departments to which masks have been allocated/Number of masks allocated/Reasons for being allocated masks and their uses

- (1) Concerning CSI masks produced by the Correctional Services Department (CSD), the number of masks allocated to various departments by GLD in the past 3 years; the criteria and consideration factors in determining the number of masks allocated; and
- (2) Concerning the CSI masks produced by CSD, the number of masks allocated to various departments through GLD in response to the novel coronavirus disease since December 2019; and the criteria and factors considered in determining the number of masks allocated.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 16)

Reply:

From 2017 to 2019, the Government Logistics Department (GLD) procured an average of around 1.1 million masks produced by the Correctional Services Department (CSD) every month and issued roughly the same amount to Government departments per month for their use.

Since the outbreak of the epidemic, CSD has increased its output of masks from an average of around 1.1 million to around 2.5 million per month. Out of these 2.5 million masks, 0.7 million will be set aside for distribution to frontline cleansing workers engaged by Government contractors, while the remaining 1.8 million will be supplied to GLD for meeting the demand of Government departments.

Taking into account advice from experts and in consideration of the stock level, the Government has set priorities for the use of masks. Given the development of the epidemic, priorities will be accorded to meeting the needs of frontline staff taking part in quarantine-related work (including medical and port health staff of the Department of Health and staff implementing quarantine orders) and maintenance of essential public services as far as masks procured by GLD are concerned.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of mask, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the consumption of masks of individual departments.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)018

(Question Serial No. 1551)

Head: (59) Government Logistics Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. In response to the outbreak of the novel coronavirus infection, what is the number of masks to be provided to all civil servants in the coming year as estimated by the Civil Service Bureau? What is the estimated total expenditure involved?

Asked by: Hon LAM Cheuk-ting (LegCo internal reference no.: 1)

Reply:

The quantity of masks needed to be provided to civil servants by the Government in the coming year depends on the development of the epidemic. Currently, given the tight supply of masks worldwide, all government departments have stepped up efforts in reducing their demand for masks. With the \$1 billion earmarked under the Anti-epidemic Fund, the Government Logistics Department will continue its endeavour to source masks and other personal protective equipment items globally for use by government departments. In this regard, priority will be accorded to meeting the needs of frontline staff involved in quarantine-related work, execution of quarantine orders (including medical and port health staff of the Department of Health) and maintenance of essential public services. In addition, government departments will also procure masks on their own where necessary to meet internal operational needs.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)019

(Question Serial No. 1167)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

A) Please provide details on the quantity of smart electronic products procured by the Government in the past 3 years.

Type	Brand and model	Procurement quantity (and number of contracts)	Expenditure involved and average unit price	Government department which have been allocated most of the products and the number of products allocated	Expected service life
Smart mobile phone	e.g. Apple - iPhone 11				
Tablet computer					
Desktop computer					
Laptop computer					
Body-worn smart devices					

- B) What is the Government's current policy on smart electronic products, such as product life cycle, specifications of equipment to be procured and the conditions for replacement with the new generation equipment, etc.? What is the difference between the price of equipment procured through the Government Logistics Department and the retail price in the market?
- C) It is estimated that 10 000 smart phones will be purchased for supporting home quarantine measures under the Anti-epidemic Fund. What are the models and specifications of this batch of phones, the quantity of each model and the amount involved? How will the equipment concerned be handled when the epidemic is over?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 28)

Reply:

- A) The details on procurement of smart electronic products by the Government Logistics Department (GLD) for Government bureaux/departments (Government departments) in the past 3 years are as follows:

Year	Category	Number of contracts	Contract amount (\$ million)	Bureau/department
2017	Desktop personal computers and software	2	15.62	Inland Revenue Department Independent Commission Against Corruption
2017	Mobile devices	1	20.57	Hongkong Post
2017	Personal computer products and related services required by computer systems	2	13.01	Social Welfare Department
2018	Desktop personal computers and software	2	8.94	Lands Department

Year	Category	Number of contracts	Contract amount (\$ million)	Bureau/department
2019	Personal computers, hardware, software and related services	17	176.93	Transport Department Hong Kong Police Force Environmental Protection Department Planning Department Leisure and Cultural Services Department Legal Aid Department Inland Revenue Department Lands Department Fire Services Department Social Welfare Department Civil Engineering and Development Department Home Affairs Department Hongkong Post
2019	Mobile phones	4	28.1	Government departments

- B) Government departments procure smart electronic products to meet daily operational needs. In procuring the items required, Government departments will take into account various factors, including specifications of products available on the market, their service life and whether such products can support other existing equipment, etc. as well as ensuring that there are enough resources for the procurement.

Regardless of whether the procurement is conducted on behalf of bureaux/departments by GLD or direct by the Government departments concerned, the Stores and Procurement Regulations must be observed and the lowest offer which complies with the tendering terms and specifications, or the offer with the highest total score from the technical proposal and the price proposal should be accepted. Therefore, the final procurement price should reflect the reasonable price on the market.

- C) The Anti-epidemic Fund does not form part of the estimates for Government expenditures. GLD did not take part in the procurement of monitoring devices used in home quarantine measures.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)020

(Question Serial No. 1851)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement, (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please inform this Committee of the following regarding the procurement of surgical masks by the Government:

- (1) i) the models or specifications of masks procured; ii) quantity; iii) total expenditure and unit price; iv) suppliers; v) stock level in the past 3 years (2017/18, 2018/19, 2019/20);
- (2) the name of government departments and non-profit making organisations to which masks were supplied and the respective number of masks allocated (including those produced by the Correctional Services Department (CSD) and those procured from external sources) in the past 3 years (2017/18, 2018/19, 2019/20);

(Example) Surgical masks supplied to government departments and non-profit organisations:

	CSI masks produced by CSD (piece)	Masks procured from external sources (piece)
Department 1		
Department 2		
...		
Organisation 1		
Organisation 2		

- (3) the latest procurement criteria adopted in the light of tight global supply of masks.

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 6)

Reply:

From 2017 to 2019, the Government Logistics Department (GLD) procured an average of around 1.1 million masks produced by the Correctional Services Department (CSD) every month and issued roughly the same amount per month to Government departments for their use.

Since early January this year, GLD has adopted a multi-pronged approach through different channels and means for procuring masks and other anti-epidemic items. The target is to acquire such items as soon as possible to meet the internal needs of the Government. As long as the items offered by manufacturers and suppliers meet the specifications and the asking price is in line with the prevailing market price, GLD will place orders immediately. In addition, to reach out to more suppliers globally with a view to widening the sources of supply, GLD issued an open tender in end January for the procurement of masks. Since early January this year, more than 20 million masks procured by GLD have been delivered.

Since the outbreak of the epidemic, CSD has increased its output of masks from an average of around 1.1 million to around 2.5 million per month. Out of these 2.5 million masks, 0.7 million will be set aside for distribution to frontline cleansing workers engaged by Government contractors, while the remaining 1.8 million will be supplied to GLD for meeting the demand of Government departments.

With the rapid development of the epidemic, Government departments' demand for masks will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure masks through different channels and means; and will keep under review the stock position and demand for masks. Given the sharp increase in global demand for masks, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of masks, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity of masks used by individual departments, their stock level, suppliers, quantity procured and the value involved, etc.

From 2017 to 2019, GLD did not supply masks to non-profit making organisations.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)021

(Question Serial No. 0044)

Head: (59) Government Logistics Department

Subhead(No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding epidemic prevention and control, the Government indicated that it will proactively source anti-epidemic supplies worldwide. Please provide the specific details of, expenditure on, progress of and implementation timetable for the work concerned.

Asked by: Hon LEE Kok-long, Joseph (LegCo internal reference no.:1)

Reply:

Since early January this year, the Government Logistics Department (GLD) has directly procured masks and anti-epidemic items worldwide in accordance with the Stores and Procurement Regulations without going through any tendering procedures. As long as the items offered by manufacturers or suppliers meet the specifications and the asking price is in line with the prevailing market price, GLD will place orders immediately. In addition, to reach out to more suppliers globally with a view to widening the sources of supply, GLD issued an open tender to purchase 57 million masks in end January.

With the development of the epidemic, GLD has been working hard to procure anti-epidemic items worldwide since January 2020. To date, GLD has approached more than 600 suppliers from over 40 countries. Over 20 million masks procured by GLD have been delivered since early January this year.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose more specific information about the place of origin of the anti-epidemic items, suppliers concerned, quantity procured, value involved and delivery schedule, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)022

(Question Serial No. 1170)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Anti-epidemic Fund has set aside \$1 billion for the Government Logistics Department to purchase masks and other anti-epidemic supplies worldwide. What are the details on the procurement so far and what are the types, quantity and place of origin of the items respectively?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 43)

Reply:

The Anti-epidemic Fund (Fund) does not form part of the estimates for Government expenditure and is not directly related to Head 59.

As Government departments' demand for anti-epidemic items will vary depending on the rapid development of the epidemic, the Government Logistics Department (GLD) and other Government departments will keep under review the stock position and demand for these items. GLD will continue to make good use of the \$1 billion earmarked under the Fund to proactively procure anti-epidemic items by adopting a multi-pronged approach with maximum flexibility and sourcing worldwide. The types and quantity of anti-epidemic items to be procured will depend on actual requirements. As long as the items offered by suppliers meet the specifications and the asking price is in line with the prevailing market price, GLD will immediately place orders. With the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, it is not appropriate at this stage to disclose specific information about the procurement quantity, price and place of origin of the anti-epidemic items.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)023

(Question Serial No. 1206)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What is the total amount of stock kept by the Government at present in respect of masks and other anti-epidemic items? Please list separately the Department's stock of relevant items, the stock of individual departments and the Correctional Service Department's production capacity of masks. For how long can the total amount of stock mentioned above meet the demand of the departments? What are the details on allocation of masks and other anti-epidemic items to various government departments in the past 3 months?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 36)

Reply:

Currently, the Government Logistics Department (GLD) and other departments are making their best endeavours to procure anti-epidemic items through different channels and means. As at 21 March 2020, GLD has a stock of more than 20 million masks. Since the outbreak of the epidemic, the Correctional Services Department has increased its output of masks from an average of around 1.1 million to around 2.5 million per month. With the rapid development of the epidemic, Government departments' demand for anti-epidemic items (including masks) will vary depending on their needs arising from work related to preventing and combating the epidemic. GLD and other Government departments will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the stock of anti-epidemic items kept and the quantity of anti-epidemic items used, etc. by individual departments.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)024

(Question Serial No. 0767)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement, (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the duties of the Government Logistics Department (GLD) is to supply common-user items required by government departments to which the items will be delivered by suppliers directly on an as-and-when-required basis, to supply essential and emergency items to government departments in a cost-effective manner, and to assist government departments to manage their procurement and supplies activities effectively. In this connection, please inform this Committee of the following:

- a. Concerning the masks produced by the Correctional Services Department (CSI masks), please state in the table below the number of masks obtained, number of masks used and number of masks stored by GLD in each month of the past 3 years up to March of 2020.

Month/Year	Number of CSI masks obtained	Number of CSI masks drawn	Number of CSI masks stored

- b. Please provide in the table below the information on GLD's supply of masks which were produced by CSD (CSI masks) to government departments in each month of the past 3 years up to March of 2020, including the quantity and the value, etc.

Month/Year:				
Name of department	Number of CSI masks requested	Number of CSI masks provided by GLD	Number of requests made by the department	Value of CSI masks

- c. Please provide in the table below the information on GLD's supply of masks which were produced by CSD (CSI masks) to the Hospital Authority in each month of the past 3 years up to March of 2020, including the quantity and the value, etc.

Month/Year:	Number of CSI masks requested	Number of CSI masks provided by GLD	Number of requests made by the department	Value of CSI masks

- d. Please provide in the table below the information on GLD's supply of masks which were produced by CSD (CSI masks) to public organisations in each month of the past 3 years up to March of 2020, including the quantity and the value, etc.

Month/Year:				
Name of organisation	Number of CSI masks requested	Number of CSI masks provided by GLD	Number of requests made by the department	Value of CSI masks

- e. Please provide in the table below the information on GLD's supply or sale of masks which were produced by CSD (CSI masks) to other organisations in each month of the past 3 years up to March of 2020, including the quantity and the value, etc.

Month/Year:	Name of organisation	Number of CSI masks provided	Means of provision (e.g. sale or gift)	Value of CSI masks

- f. What departments and ranks of officers are responsible for deciding on GLD's supply or sale of masks produced by CSD (CSI masks) to other organisations? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon MO Claudia (LegCo internal reference no.: 14)

Reply:

From 2017 to 2019, the Government Logistics Department (GLD) procured an average of around 1.1 million masks produced by the Correctional Services Department (CSD) every month and issued roughly the same amount per month to Government departments for their use.

Since the outbreak of the epidemic, CSD has increased its output of masks from an average of around 1.1 million to around 2.5 million per month. Out of these 2.5 million masks, 0.7 million will be set aside for allocation to frontline cleansing workers engaged by Government contractors, while the remaining 1.8 million will be supplied to GLD for meeting the demand of Government departments.

With the rapid development of the epidemic, Government departments' demand for masks will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure masks through different channels and means; and will keep under review the stock position and demand for masks.

Given the sharp increase in global demand for masks, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of masks, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity of masks used, the stock level and the value involved, etc.

During 2017-2019, apart from Government departments, GLD did not supply or sell masks produced by CSD to any other organisation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)025

(Question Serial No. 2199)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the duties of the Government Logistics Department (GLD) is to supply common-user items required by government departments to which the items will be delivered by suppliers directly on an as-and-when-required basis, to supply essential and emergency items to government departments in a cost-effective manner, and to assist government departments to manage their procurement and supplies activities effectively. In this connection, please inform this Committee of the following:

- a. Please state in the table below the number, value and stock level of surgical masks procured by GLD in each month of the past 3 years

Month/Year	Number of surgical masks procured	Value of surgical masks procured	Stock level of surgical masks

- b. Please state in the table below the number, value and stock level of N95 masks procured by GLD in each month of the past 3 years.

Month/Year	Number of N95 masks procured	Value of N95 masks procured	Stock level of N95 masks

- c. Please state in the table below the number, value and stock level of protective gowns procured by GLD in each month of the past 3 years.

Month/Year	Number of protective gowns procured	Value of protective gowns procured	Stock level of protective gowns

- d. Please state in the table below the number, value and stock level of protective coverall suits procured by GLD in each month of the past 3 years.

Month/Year	Number of protective coverall suits procured	Value of protective coverall suits procured	Stock level of protective coverall suits

- e. Please state in the table below the number, value and stock level of face shields procured by GLD in each month of the past 3 years.

Month/Year	Number of face shields procured	Value of face shields procured	Stock level of face shields

- f. Please state in the table below the quantity, value and stock level of protective goggles procured by GLD in each month of the past 3 years.

Month/Year	Quantity of protective goggles procured	Value of protective goggles procured	Stock level of protective goggles

- g. Please state in the table below the quantity of surgical masks, N95 masks, face shields, protective goggles, protective gowns and protective coverall suits supplied by GLD to government departments in each month of the past 3 years up to March 2020.

Month/Year:						
Name of organisation	Surgical mask	N95 mask	Face shield	Protective goggles	Protective gown	Protective coverall suit

- h. Please state in the table below the quantity of surgical masks, N95 masks, face shields, protective goggles, protective gowns and protective coverall suits supplied by GLD to the Hospital Authority in each month of the past 3 years up to March 2020.

Month/Year:	Surgical mask	N95 mask	Face shield	Protective goggles	Protective gown	Protective coverall suit

- i. Please state in the table below the quantity of surgical masks, N95 masks, face shields, protective goggles, protective gowns and protective coverall suits supplied by GLD to public organisations in each month of the past 3 years up to March 2020.

Month/Year:						
Name of organisation	Surgical mask	N95 mask	Face shield	Protective goggles	Protective gown	Protective coverall suit

- j. Please state in the table below the quantity of surgical masks, N95 masks, face shields, protective goggles, protective gowns and protective coverall suits supplied or sold by GLD to other organisations in each month of the past 3 years up to March 2020, including quantity, utilisation, stock level and value.

Month/Year:								
Name of organisation	Means of provision (e.g. sale or gift)	Surgical mask	N95 mask	Face shield	Protective goggles	Protective gown	Protective coverall suit	Value

- k. What are the departments and ranks of officers responsible for deciding on GLD's supply or sale of surgical masks, N95 masks, face shields, protective goggles, protective gowns and protective coverall suits procured by GLD to other organisations? Please provide the ranks of officers involved in each decision, the date they made the decision and other relevant information.

- i. Did GLD recover any surgical masks, N95 masks, face shields, protective goggles, protective gowns and protective coverall suits from various government departments/organisations in the past 3 years? Please provide relevant information in the table below, including the dates, recovery quantity and the reasons for recovery, etc.

Month/ Year	Name of organisation	Surgical mask	N95 mask	Face shield	Protective goggles	Protective gown	Protective coverall suit	Reason for recovery

Asked by: Hon MO Claudia (LegCo internal reference no.: 28)

Reply:

Since early January this year, the Government Logistics Department (GLD) has adopted a multi-pronged approach through different channels and means to procuring masks and anti-epidemic items. The target is to acquire such items as soon as possible to meet the internal needs of the Government. As long as the items offered by manufacturers and suppliers meet the specifications and the asking price is in line with the prevailing market price, GLD will place orders immediately. In addition, to reach out to more suppliers globally with a view to widening the sources of supply, GLD issued an open tender in end January for the procurement of masks. Since early January this year, more than 20 million masks procured by GLD have been delivered.

From 2017 to 2019, GLD procured an average of around 1.1 million masks produced by the Correctional Services Department every month and issued roughly the same amount per month to Government departments for their use.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity of anti-epidemic items used by individual departments, procured quantity and the value involved, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)026

(Question Serial No. 1757)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Chief Secretary for Administration is responsible for co-ordinating major cross-bureaux policies. Will the Government provide details, in tabular form, of the following during the outbreak of the novel coronavirus epidemic:

1. the quantity of anti-epidemic equipment and gear allocated to various government departments:

Government department	Surgical mask	N95 mask	Protective gown	Protective coverall suits
Auxiliary Medical Service				
Civil Aid Service				
Correctional Services Department				
Customs and Excise Department				
Fire Services Department				
Government Flying Service				
Hong Kong Police Force				
Immigration Department				
Hospital Authority				
Department of Health				
Food and Environmental Hygiene Department				
Education Bureau				
Home Affairs Department				
...				

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 17)

Reply:

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items (including masks) will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, the Government Logistics Department (GLD) and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the consumption of anti-epidemic items of individual departments.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)027

(Question Serial No. 1787)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the recent complaints lodged by frontline healthcare staff and different discipline departments on various issues, including the use of only 1 N95 mask per day as required by hospitals, the downgrade and reuse of protective clothing and cleansing workers wearing sub-standard gowns, etc., I request your Department to give a breakdown on the allocation of various types of items to individual departments.

Month	Police Force	Food and Environmental Hygiene Department	Customs and Excise Department	Immigration Department	Social Welfare Department	Department of Health	Radio Television Hong Kong	Fire Services Department	Education Department
Protective Coverall Suit (Piece)									
N95 Mask (Piece)									
Bleach (Litre)									
Surgical Mask (Piece)									
Protective Gown (Piece)									
Protective Goggles (Pair)									
Plastic Gloves (Pair)									
Plastic Boots (Pair)									

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 47)

Reply:

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items (including masks) will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, the Government Logistics Department (GLD) and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the consumption of anti-epidemic items of individual departments.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)028****(Question Serial No.1789)**Head: (59) Government Logistics DepartmentSubhead (No. & title): ()Programme: (1) ProcurementControlling Officer: Director of Government Logistics (Miss Mary CHOW)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

To learn about procurement made by the Government in details, I request your Department to provide details by giving a breakdown on the procurement and the quantity of various items purchased in 2019 and the first 4 months of 2020.

Procurement quantity and amount

Month	Quantity	Amount (HKD)
Protective Coverall Suit (Piece)		
N95 Mask (Piece)		
Bleach (Litre)		
Surgical Mask (Piece)		
Protective Gown (Piece)		
Protective Goggles (Pair)		
Plastic Gloves (Pair)		
Plastic Boots (Pair)		

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 49)

Reply:

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, the Government Logistics Department (GLD) and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity and value of anti-epidemic items procured.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)029

(Question Serial No. 0463)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Anti-epidemic Fund has set aside \$1 billion for the Government Logistics Department (GLD) to procure anti-epidemic supplies. Meanwhile, according to the document on application for provision of the Anti-epidemic Fund submitted by the Government to the Finance Committee of the Legislative Council, the Government has exercised maximum flexibility in the procurement process, stating that 'as long as the items supplied meet the specifications and are sold at the prevailing market price, the Government will immediately purchase them directly and the principle of "the lowest bid wins" does not apply':

1. What are GLD's staff establishment, ranks and expenditure involved in procuring anti-epidemic supplies?
2. What are the procedures and decision mechanism adopted by GLD for purchasing masks e.g. what are the ranks of the officers responsible for making decisions on procurement? How did they 'exercise maximum flexibility'?
3. How much provision has been spent and how much protective equipment has been procured by GLD since allocation of provision? Please provide the figures by the type of equipment.
4. What is the highest, lowest and average price of various types of protective equipment since allocation of provision? Please provide the figures by the type of equipment.
5. At present, how many suppliers have been approached by GLD and how many masks are estimated to be purchased in the coming 2 months?

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: 13)

Reply:

1. As the Government Logistics Department (GLD) used existing manpower to procure anti-epidemic items and the officers concerned performed other duties at the same time, the breakdown of manpower and expenditure involved in procuring anti-epidemic items is not available.
2. Since early January this year, GLD has directly procured masks and anti-epidemic items worldwide in accordance with the Stores and Procurement Regulations without going through any tendering procedures. As long as the items provided by manufacturers or suppliers meet the specifications and the asking price is in line with the prevailing market price, GLD will place orders immediately. In addition, to reach out to more suppliers globally with a view to widening the sources of supply, GLD issued an open tender to purchase masks in end January.
3. and 4. The Anti-epidemic Fund (Fund) does not form part of the estimates for Government expenditures and is not directly related to Head 59. GLD and other Government departments will keep under review the stock position and the demand for anti-epidemic items. GLD will also continue to make good use of the \$1 billion earmarked under the Fund to proactively procure anti-epidemic items worldwide through adopting a multi-pronged approach. The type and quantity of anti-epidemic items to be procured will depend on actual requirements while the means of procurement will be the same as those mentioned in part 2 of the reply above.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on the needs arising from work related to preventing and combating the epidemic. GLD will keep under review the stock position and demand for these items. Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's work faces keen competition. To avoid undermining the bargaining power in the procurement of anti-epidemic items, it is not appropriate at this stage to reveal specific information about the quantity of anti-epidemic items procured, their prices and place of origin, etc.

5. Since January 2020, GLD has approached more than 600 suppliers from over 40 countries. The development of the epidemic has led to a drastic increase in local and overseas demand for masks. Hence, general supply of masks is very tight. Given the highly competitive global market situation, GLD is not able to estimate the number of masks that can be procured in the coming 2 months. Nevertheless, GLD will continue to make its best endeavours to procure.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)030

(Question Serial No. 0464)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement, (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the procurement and distribution of anti-epidemic items by the Government Logistics Department (GLD), please provide monthly figures for the matters below since January of this year:

1. How many anti-epidemic items have been procured by GLD from the Correctional Services Department and external sources? Please provide the figures by the type of items (e.g. masks, protective clothing and bleach, etc. of different specifications);
2. How many anti-epidemic items have been distributed by GLD to government departments, public organisations and other organisations? Please provide the quantity of various types of items distributed, with a breakdown by department and organisation;
3. What are the monthly stockpile and consumption of various types of anti-epidemic items in each government department?
4. Does GLD have any guidelines governing the distribution of anti-epidemic items to various departments? If yes, what are the details?
5. What are the criteria adopted currently for supply of anti-epidemic items to public organisations and other organisations?

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: 14)

Reply:

Since early January this year, the Government Logistics Department (GLD) has adopted a multi-pronged approach through different channels and means for procuring masks and anti-epidemic items. The target is to acquire such items as soon as possible to meet the internal needs of the Government. As long as the items offered by manufacturers and suppliers meet the specifications and the asking price is in line with the prevailing market price, GLD will place orders immediately. Since early January this year, more than 20 million masks procured by GLD have been delivered.

Since the outbreak of the epidemic, the Correctional Services Department (CSD) has increased its output of masks from an average of 1.1 million to around 2.5 million per month. Out of these 2.5 million masks, 0.7 million will be set aside for distribution to frontline cleansing workers engaged by Government contractors, while the remaining 1.8 million will be supplied to GLD for meeting the demand of Government departments.

Taking into account advice from experts and in consideration of the stock level, the Government has set priorities for the use of anti-epidemic items. For anti-epidemic items procured by GLD, priority will be accorded to meeting the needs of frontline staff involved in quarantine-related work (including medical and port health staff of the Department of Health and staff implementing quarantine orders) and maintenance of essential public services.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the stock position, procurement quantity and consumption etc. of anti-epidemic items.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)031

(Question Serial No. 0510)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Are there any specific indicators for the Government's work of procuring, maintaining, storing and distributing medical gear and masks each year? If yes, what are the contents? Have they been modified as compared with those formulated during and after SARS in 2003?
2. What is the total amount of medical gear and masks procured by the Government and what is the expenditure involved respectively in each of the past 5 years? What is the percentage of increase or decrease? What are the reasons for such increase or decrease?
3. What is the total amount of medical gear and masks procured by the Government and what is the expenditure involved respectively in the first 2 months of 2020? What is the amount of medical gear and masks procured successfully and solely through the Government Logistics Department (GLD)? What is its proportion as a percentage of the procurement quantity during the period concerned?
4. What is the definition of 'essential and emergency items'? Will the authorities communicate with the government departments concerned and conduct regular reviews? In the future, will GLD enhance its communication with various departments in the work of procuring, maintaining and storing 'essential and emergency' items, such that unexpected situations and possible emergencies can be handled timely by adjusting related work procedures and indicators?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 13)

Reply:

Essential items in the Controlling Officer's Report refer to items that are indispensable to departments' operations but may not be readily available on the market (such as forms, uniform items with the regional emblem printed thereon, national flag and regional flag, etc.). Emergency items refer to items required in departments' implementation of contingency plans, including personal protective equipment items (such as masks and protective gowns), cleansing materials (such as bleach and bleach powder) and medical supplies (such as disposable syringes), etc.

The quantity of essential and emergency items supplied by the Government Logistics Department (GLD) will be adjusted having regard to the estimated demand of Government departments and their previous consumption levels. The supply of such items will also need to support contingency plans formulated for unexpected situations and emergencies. The value of essential and emergency items procured by GLD in the past 5 years is as follows:

2015 - \$16.6 million
2016 - \$14.3 million
2017 - \$13.3 million
2018 - \$13.7 million
2019 - \$13.9 million

GLD is required to maintain a certain amount of emergency items, including 10 million masks under the Government's current preparedness and response plans for infectious diseases. This amount was worked out in consultation with the Food and Health Bureau (FHB). In light of changes in actual consumption levels, GLD will review the stock level in consultation with FHB.

Since early January this year, GLD has adopted a multi-pronged approach through different channels and means for procuring masks and other anti-epidemic items. The target is to acquire such items as soon as possible to meet the internal needs of the Government departments. Since early January this year, more than 20 million masks procured by GLD have been delivered.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items (including masks) will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items. As in the past, GLD will render its full support to meet Government departments' demand for emergency items required in unexpected situations.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of these items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity of the anti-epidemic items procured and the value involved, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)032

(Question Serial No. 2690)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Some time ago, a male Senior Immigration Officer, who has entered into marriage with his same-sex partner, requested the Inland Revenue Department (IRD) to apply the same taxation arrangements applicable to heterosexual spouses to his partner. The appeal was ultimately allowed by the Court of Final Appeal (CFA). In this regard, please advise on the IRD's current taxation arrangements for married same-sex couples. It is also noted that the IRD has recently revised its policy on relevant matters, what changes have been made?

Please tabulate the numbers of applications for assessment and related enquiries received by the IRD by month since the appeal was allowed by the CFA. How many applications for assessment filed by individuals in the capacity of a spouse of same-sex marriage have been accepted?

Before the policy revision, were there any monthly statistics compiled on the applications and enquiries made for joint submission of tax returns and joint assessment by same-sex couples who were also married overseas?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 25)

Reply:

Subsequent to the judgement of the Court of Final Appeal in *Leung Chun Kwong v Secretary for the Civil Service* (2019) 22 HKCFAR 127, the Inland Revenue Department (IRD) has enhanced the computer system by allowing a married person, whether in a heterosexual marriage or same-sex marriage, to elect for joint assessment or personal assessment jointly with the person's spouse; and to claim allowances or deductions under the Inland Revenue Ordinance in respect of the person's spouse. The relevant public forms, pamphlets, IRD Homepage and GovHK website materials have also been updated accordingly.

By 31 December 2019, the IRD has received 78 Tax Return – Individuals involving taxpayers with valid same-sex marriage. The IRD does not keep monthly statistics for the related applications / enquiries.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)033

(Question Serial No. 0985)

Head: (76) Inland Revenue Department

Subhead (No. & title): (000) Operating Expenses

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimated provision of the Inland Revenue Department (IRD) for Programme (1): Assessing Functions is \$1,319.6 million. In 2019-20, the IRD enhanced the quality and efficiency of its services through a wider use of information technology, upgrading internal computer systems and streamlining procedures. Services were also provided via eTAX at GovHK. As mentioned in "Matters Requiring Special Attention in 2020-21":

1. the IRD will "continue to promote the use of electronic services and encourage taxpayers to make greater use of eTAX services." Are there any specific ideas for promoting such services? Please provide the target details.
2. The IRD will also "continue to conduct the automatic exchange of financial account information with the relevant tax authorities." How many relevant tax authorities are currently working in collaboration with Hong Kong in keeping the "tax treaty network" in operation? What are the objectives and plans for further enhancing the work of "the automatic exchange of financial account information" in the coming year?
3. Are additional manpower and expenditure required for the relevant work?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 32)

Reply:

1&3. With a view to increasing usage rates of eTAX services, the Inland Revenue Department (IRD) will continue to launch a series of promotional activities in the financial year 2020-21, including seminars, posters, publicity leaflets, newspaper and electronic media advertisements, "GovHK Notifications" messages issued through smartphones, Internet publicity, promotional messages, as well as e-mails to civil servants and other organisations promoting eTAX services. Besides, the IRD will step up publicity effort to promote e-filing of Tax Return – Individuals by advertising through the electronic screens of about 580 commercial buildings in Hong Kong.

The estimated expenditure to be incurred on the promotion of electronic services is about \$880,000. The IRD will handle the promotion work through its existing establishment.

2&3. The IRD successfully conducted two rounds of automatic exchange of financial account information in tax matters (AEOI) with 45 and 51 tax jurisdictions in 2018 and 2019 respectively, covering the respective financial account information for 2017 and 2018. The next round of AEOI will take place in September 2020, covering financial account information for 2019. So far, 112 tax jurisdictions around the world have implemented AEOI or have a definitive plan for implementing AEOI. The IRD will continue to activate AEOI relationships with more tax jurisdictions and expects the number of Hong Kong's AEOI partners to increase gradually in the next few years.

The Tax Treaty Section of the IRD is responsible for the above work, which forms part of the regular duties of the IRD. Therefore, the manpower and expenditure involved have been included in the overall establishment and expenditure. The IRD will review the manpower arrangements from time to time and, where operational needs so require, apply for additional manpower and funding in accordance with the established procedures.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)034

(Question Serial No. 1064)

Head: (76) Inland Revenue Department

Subhead (No. & title): (000) Operating Expenses

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimated provision of the Inland Revenue Department (IRD) for Programme (1): Assessing Functions is \$1,319.6 million.

As mentioned in “Matters Requiring Special Attention in 2020-21”, the IRD will “strive to expand Hong Kong’s network of double taxation agreements”. Please advise on:

1. the number of tax jurisdictions that have signed a double taxation agreement with Hong Kong to date;
2. the objectives and details of the plan to expand the network of double taxation agreements in the coming year; and
3. whether additional manpower and expenditure are required for the relevant work.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 31)

Reply:

1. Hong Kong has so far signed Comprehensive Avoidance of Double Taxation Agreements (CDTAs) with 43 tax jurisdictions.
2. At present, Hong Kong is in CDTA negotiations with 14 tax jurisdictions, namely Bahrain, Bangladesh, Cyprus, Georgia, Germany, Israel, Lithuania, Maldives, Mauritius, North Macedonia, Norway, Nigeria, Serbia and Turkey. We will continue to proactively identify negotiation partners, in particular countries participating in the Belt and Road Initiative, with a view to bringing the total number of CDTAs to 50 by end-2022.

3. A Deputy Commissioner of the Inland Revenue Department (IRD) is responsible for overseeing the CDTA negotiations and leading the IRD's Tax Treaty Section to handle the related work. Since such work forms part of the regular duties of the IRD, the manpower and expenditure involved have been included in the overall establishment and expenditure of the IRD. The IRD will review the manpower arrangements from time to time and, where operational needs so require, apply for additional manpower and funding in accordance with the established procedures.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)035****(Question Serial No. 1139)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (2) CollectionControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the tax recovery actions taken over the past 3 years, will the Government advise by types of tax on the number of warning letters issued, the number of recovery notices issued to third parties (such as employers and banks), and the number of civil proceeding cases initiated by the Inland Revenue Department in the recovery actions? What is the percentage of the successful recovery actions (i.e. the taxpayers settled the payment for all outstanding tax).

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 8)Reply:

For the purposes of recovering tax in default, the Inland Revenue Department (IRD) takes prompt actions including imposition of surcharge, issuance of warning letters, issuance of recovery notices to third parties (such as employers and banks), and initiation of court proceedings. Statistics on different recovery actions taken by the IRD in the past 3 years are set out in the table below.

(1) Issuance of surcharge notices to taxpayers

Financial year	Types	5% surcharge	10% surcharge
		No. of charges involved (Note 1)	No. of charges involved (Note 1)
2016-17	Profits Tax	17 300	4 500
	Salaries Tax	173 200	13 500
	Property Tax	18 900	2 800
	Personal Assessment	15 400	1 000
	Total	224 800	21 800

Financial year	Types	5% surcharge	10% surcharge
		No. of charges involved (Note 1)	No. of charges involved (Note 1)
2017-18	Profits Tax	18 100	4 700
	Salaries Tax	194 300	13 000
	Property Tax	15 500	2 100
	Personal Assessment	14 900	1 000
	Total	242 800	20 800
2018-19	Profits Tax	22 300	5 200
	Salaries Tax	180 100	13 100
	Property Tax	16 600	2 200
	Personal Assessment	17 300	1 000
	Total	236 300	21 500

Note 1: Rounded to nearest hundred

(2) Issuance of recovery notices to third parties and initiation of court proceedings

Financial year	Total number of cases (Note 2)	
	Recovery Notice (Note 3)	Civil Jurisdiction Action (Note 3)
2016-17	141 000	1 800
2017-18	140 500	1 600
2018-19	142 900	1 800

Note 2: Rounded to nearest hundred

Note 3: The recovery action may involve different tax types. The IRD does not have statistical breakdown on tax recovery actions by different tax types.

The IRD does not keep statistics on the number of warning letters issued. As the above recovery actions can be taken concurrently, we are unable to calculate the success rate for each individual recovery action.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)036

(Question Serial No. 1159)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (3) Investigation and Field Audit

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- A) Regarding the tax investigation conducted by the Inland Revenue Department (IRD) over the past 3 years, please provide the number of investigation cases which were carried out on the IRD's own initiative; through random-checking, and upon receipt of complaints or informers' reports. Please set out the numbers of demand notes and the amounts of tax involved by tax types (e.g. profits tax, salaries tax, etc.).
- B) Regarding the business income of self-employed persons, freelancers and service providers such as private tutors, designers, construction workers etc., what measures were taken by the IRD to verify the information they reported on their tax returns? How many investigation cases were conducted for such purpose over the past 3 years? Did the IRD conduct research on the policy of investigation in order to better suit the diversified work models?
- C) In recent years there were increasingly more organisations and trade unions which sourced their funding by receiving donation. Did the IRD conduct self-initiated investigations into the tax status and incomes of such organisations or individuals? For example, there were organisations which in fact were not charitable institutions of a public character eligible for tax exemption under section 88 of the Inland Revenue Ordinance. How many cases of investigation were conducted by the IRD over the past 3 years? As there is a growth in the number of fund-raising activities, will the IRD carry out more self-initiated investigations?

Asked by: Hon LAM Kin-fung Jeffrey (LegCo internal reference no.: 7)

Reply:

A&B) The Inland Revenue Department (IRD) all along exerts efforts in combating tax evasion and countering tax avoidance schemes. In the financial years 2017-18 to 2019-20 (up to 29 February 2020), the number of cases completed and the amount of tax and penalties recovered by the IRD are as follows:

	2017-18	2018-19	2019-20 (Up to 29 February 2020)
Total number of cases completed	1 804	1 802	1 588
Back tax and penalties assessed (\$ million)	2,526	2,827	2,466

In addition to the routine examination and investigation carried out on its own initiative, the IRD also uses a computer-assisted risk-based case selection programme to facilitate the identification of high-risk cases for audit and investigation. In the above 3 financial years, a total of 80 cases out of a computer-selected sample of 307 cases and 346 cases out of 2 851 cases received from complaints or informers' reports have been identified respectively by the IRD for field audit and investigation.

The cases reviewed by the IRD involve all tax types, including profits tax, salaries tax and property tax. However, no statistical breakdown by tax types are kept. Moreover, the IRD does not keep statistical breakdown on the audit and investigation cases by the different nature of business involved.

C) Persons, including corporations and bodies of persons, carrying on any trade or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade or business. If a non-profit organisation or a trade union does not carry on any trade or business, the receipt of donations or gifts would not constitute any trading or business profits. Thus, they would not have any profits tax liabilities.

For revenue protection purposes, the IRD regularly conducts reviews on charitable institutions which have obtained tax exemption under section 88 of the Inland Revenue Ordinance in order to decide whether they have any profits tax liabilities.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)037

(Question Serial No. 1163)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

A) Please provide the details of the ad valorem stamp duty (AVD) collected in the past 3 years in the table below:

2017-18			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to the consideration of the property
\$2,000,000 or below			
\$2,000,001 to \$3,000,000			
\$3,000,001 to \$4,000,000			
\$4,000,001 to \$6,000,000			
\$6,000,001 to \$8,000,000			
\$8,000,001 to \$10,000,000			
\$10,000,001 to \$20,000,000			
\$20,000,001 to \$30,000,000			
\$30,000,001 to \$50,000,000			
\$50,000,001 to \$100,000,000			
Above \$100,000,000			

2018-19			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to the consideration of the property
\$2,000,000 or below			
\$2,000,001 to \$3,000,000			
\$3,000,001 to \$4,000,000			
\$4,000,001 to \$6,000,000			
\$6,000,001 to \$8,000,000			
\$8,000,001 to \$10,000,000			
\$10,000,001 to \$20,000,000			
\$20,000,001 to \$30,000,000			
\$30,000,001 to \$50,000,000			
\$50,000,001 to \$100,000,000			
Above \$100,000,000			

2019-20			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to the consideration of the property
\$2,000,000 or below			
\$2,000,001 to \$3,000,000			
\$3,000,001 to \$4,000,000			
\$4,000,001 to \$6,000,000			
\$6,000,001 to \$8,000,000			
\$8,000,001 to \$10,000,000			
\$10,000,001 to \$20,000,000			
\$20,000,001 to \$30,000,000			
\$30,000,001 to \$50,000,000			
\$50,000,001 to \$100,000,000			
Above \$100,000,000			

B) Please provide the information regarding the levy of AVD under Scale 1 and Scale 2 respectively after the introduction of the “double stamp duty” in the table below:

2016-17				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

2017-18 (From April 2017 to 18 January 2018)				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

2017-18 (From 19 January 2018 to 31 March 2018)				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

2018-19				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

2019-20				
Consideration or value of the property (whichever is the higher)	Transactions charged with stamp duty at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with stamp duty at Scale 2 rates	
	No. of transactions	Average amount of AVD levied (\$)	No. of transactions	Average amount of AVD levied (\$)
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$8,000,000				
\$8,000,001 to \$10,000,000				
\$10,000,001 to \$20,000,000				
\$20,000,001 to \$30,000,000				
\$30,000,001 to \$50,000,000				
\$50,000,001 to \$100,000,000				
Above \$100,000,000				

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.:21)

Reply:

A) Details on the ad valorem stamp duty (AVD) collected by Inland Revenue Department (IRD) in the past 3 financial years are set out as follows:

2017-18			
Consideration or value of the property (\$)	No. of cases (Notes 1 & 3)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	20 588	12,765	1.09%
2,000,001 to 3,000,000	8 721	59,018	2.27%
3,000,001 to 4,000,000	10 118	103,158	2.87%
4,000,001 to 6,000,000	21 311	174,320	3.49%
6,000,001 to 8,000,000	12 277	309,654	4.42%
8,000,001 to 10,000,000	8 255	421,379	4.73%
10,000,001 to 20,000,000	11 366	711,489	5.21%
20,000,001 to 30,000,000	2 825	1,499,555	6.22%
30,000,001 to 50,000,000	1 774	2,419,317	6.37%
50,000,001 to 100,000,000	814	4,602,271	6.82%
100,000,001 or above	318	26,085,815	7.68%

2018-19			
Consideration or value of the property (\$)	No. of cases (Notes 1 & 3)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	16 726	15,167	1.25%
2,000,001 to 3,000,000	6 653	66,328	2.57%
3,000,001 to 4,000,000	7 162	117,475	3.24%
4,000,001 to 6,000,000	19 303	191,793	3.73%
6,000,001 to 8,000,000	12 259	336,221	4.79%
8,000,001 to 10,000,000	8 129	483,007	5.41%
10,000,001 to 20,000,000	10 456	809,304	5.93%
20,000,001 to 30,000,000	2 292	1,679,527	6.93%
30,000,001 to 50,000,000	1 523	2,724,283	7.20%
50,000,001 to 100,000,000	718	5,245,423	7.71%
100,000,001 or above	339	21,854,433	8.48%

2019-20 (As at 29 February 2020)			
Consideration or value of the property (\$)	No. of cases (Notes 1 & 3)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	10 613	13,816	1.15%
2,000,001 to 3,000,000	5 025	62,353	2.37%
3,000,001 to 4,000,000	5 338	111,834	3.08%
4,000,001 to 6,000,000	17 483	180,709	3.50%
6,000,001 to 8,000,000	11 758	311,682	4.47%
8,000,001 to 10,000,000	8 024	421,220	4.72%
10,000,001 to 20,000,000	8 095	728,951	5.45%
20,000,001 to 30,000,000	1 390	1,588,358	6.48%
30,000,001 to 50,000,000	1 075	2,607,177	6.82%
50,000,001 to 100,000,000	501	4,678,011	7.04%
100,000,001 or above	181	18,397,539	7.93%

Note 1 : Each instrument stamped is counted as one separate case.

Note 2 : The analysis is based on AVD collected at the time of initial stamping, which represents the stated consideration in the instrument. The amount involved does not include any subsequent adjustment such as payment arising from further stamping (in case the stated consideration is below the market value of the property), refund (because of cancellation of the property transaction), or partial refund (for change of residential properties, or acquisitions of properties for redevelopment).

Note 3 : The figures computed do not include the stamp duty paid on deeds of gift which do not have “stated consideration”.

B) The Stamp Duty (Amendment) Ordinance 2018 was gazetted on 19 January 2018. Under the aforesaid Ordinance, Scale 1 rates are divided into Part 1 (a flat rate of 15%) and Part 2 (original Scale 1 rates) with effect from 5 November 2016. Unless otherwise specified in the Stamp Duty Ordinance, rate at Part 1 of Scale 1 applies to instruments of residential property while rates at Part 2 of Scale 1 apply to instruments of non-residential property.

The number of cases chargeable to Scale 1 and Scale 2 rates and the average amount of AVD collected in the past 3 financial years are set out below:

2017-18 (from April 2017 to 18 January 2018)				
Consideration or value of the property (\$)	Transactions charged at original Scale 1 rates (i.e. "double stamp duty" rate)		Transactions charged at Scale 2 rates	
	No. of transactions (Notes 1 & 4)	Average amount of AVD levied (\$) (Notes 2 & 4)	No. of transactions	Average amount of AVD levied (\$) (Notes 1 & 3)
2,000,000 or below	13 268	16,025	4 078	175
2,000,001 to 3,000,000	3 526	75,755	3 853	37,706
3,000,001 to 4,000,000	2 246	153,799	6 285	79,537
4,000,001 to 6,000,000	2 529	299,647	14 825	146,682
6,000,001 to 8,000,000	1 894	517,792	8 326	254,998
8,000,001 to 10,000,000	1 471	682,983	5 314	333,468
10,000,001 to 20,000,000	3 117	1,061,377	6 344	507,994
20,000,001 to 30,000,000	955	2,067,800	1 369	1,008,337
30,000,001 to 50,000,000	676	3,273,945	836	1,601,486
50,000,001 to 100,000,000	336	5,851,436	334	2,820,634
100,000,001 or above	181	37,181,924	88	9,115,775

2017-18 (from 19 January 2018 to 31 March 2018)				
Consideration or value of the property (\$)	Transactions charged at new Scale 1 rates (Note 5)		Transactions charged at Scale 2 rates	
	No. of transactions (Note 1)	Average amount of AVD levied (\$) (Note 2)	No. of transactions	Average amount of AVD levied (\$) (Notes 1 & 3)
2,000,000 or below	2 620	18,837	622	214
2,000,001 to 3,000,000	641	118,013	701	38,024
3,000,001 to 4,000,000	412	251,840	1 175	80,574
4,000,001 to 6,000,000	530	522,697	3 427	147,514
6,000,001 to 8,000,000	306	811,003	1 751	256,797
8,000,001 to 10,000,000	280	1,088,524	1 190	333,597
10,000,001 to 20,000,000	493	1,706,522	1 412	505,981
20,000,001 to 30,000,000	193	2,949,492	308	1,012,431
30,000,001 to 50,000,000	112	4,415,693	150	1,635,203
50,000,001 to 100,000,000	96	7,257,091	48	2,945,707
100,000,001 or above	32	19,177,138	17	8,794,375

2018-19				
Consideration or value of the property (\$)	Transactions charged at new Scale 1 rates (Note 5)		Transactions charged at Scale 2 rates	
	No. of transactions (Note 1)	Average amount of AVD levied (\$) (Note 2)	No. of transactions	Average amount of AVD levied (\$) (Notes 1 & 3)
2,000,000 or below	12 921	19,594	3 805	132
2,000,001 to 3,000,000	3 379	93,862	3 274	37,912
3,000,001 to 4,000,000	2 250	196,738	4 912	81,168
4,000,001 to 6,000,000	2 466	457,523	16 837	152,873
6,000,001 to 8,000,000	1 867	779,115	10 392	256,652
8,000,001 to 10,000,000	1 572	1,103,457	6 557	334,258
10,000,001 to 20,000,000	2 742	1,658,290	7 714	507,526
20,000,001 to 30,000,000	794	2,937,715	1 498	1,012,637
30,000,001 to 50,000,000	601	4,453,050	922	1,597,398
50,000,001 to 100,000,000	347	7,825,983	371	2,831,799
100,000,001 or above	191	32,220,741	148	8,476,291

2019-20 (As at 29 February 2020)				
Consideration or value of the property (\$)	Transactions charged at new Scale 1 rates (Note 5)		Transactions charged at Scale 2 rates	
	No. of transactions (Note 1)	Average amount of AVD levied (\$) (Note 2)	No. of transactions	Average amount of AVD levied (\$) (Notes 1 & 3)
2,000,000 or below	7 440	19,664	3 173	103
2,000,001 to 3,000,000	2 252	91,554	2 773	38,638
3,000,001 to 4,000,000	1 472	191,693	3 866	81,428
4,000,001 to 6,000,000	1 610	452,418	15 873	153,150
6,000,001 to 8,000,000	1 176	836,300	10 582	253,380
8,000,001 to 10,000,000	908	1,101,040	7 116	334,475
10,000,001 to 20,000,000	1 612	1,655,990	6 483	498,443
20,000,001 to 30,000,000	431	2,843,385	959	1,024,316
30,000,001 to 50,000,000	365	4,521,376	710	1,623,116
50,000,001 to 100,000,000	194	7,677,654	307	2,782,471
100,000,001 or above	89	28,117,678	92	8,994,361

Note 1: Each instrument stamped is counted as one separate case.

Note 2: The analysis is based on AVD collected at the time of initial stamping, which represents the stated consideration in the instrument. The amount involved does not include any subsequent adjustment such as payment arising from further stamping (in case the stated consideration is below the market value of the property), refund (because of cancellation of the property transaction), or partial refund (for change of residential properties, or acquisitions of properties for redevelopment).

Note 3: The transactions include some cases where residential property and non-residential property were acquired under a single instrument. The relevant instrument concerned was partly charged with stamp duty at Scale 2 rates in respect of the residential property and partly at Scale 1 rates in respect of the non-residential property. These cases are classified as “transactions charged with stamp duty at Scale 2 rates”.

Note 4: The Government introduced a new residential stamp duty (NRSD) on 4 November 2016 to increase the AVD rate for residential property transactions to a flat rate of 15% with effect from 5 November 2016. The aforesaid Ordinance was gazetted on 19 January 2018. For instruments of residential properties executed during the transitional period from 5 November 2016 to 18 January 2018, and have already been stamped before 19 January 2018, additional stamp duty (the difference between AVD calculated at NRSD and the original Scale 1 rates) is required to be paid on or before 20 February 2018. The number of cases shown for 5 November 2016 to 18 January 2018 includes cases which are subject to NRSD. The amounts of stamp duty levied as shown in the table only reflect AVD collected at the prevailing Scale 1 rates (i.e. original Scale 1 rates but not NRSD at 15%).

Note 5: Residential Property – Part 1 of Scale 1 rate at 15%, Non-Residential Property – original Scale 1 rates.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)038

(Question Serial No. 1164)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (2) Collection

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- A) Please advise on the number of applications for paying tax by instalments, the types of tax involved, the number of successful applications, the average number of days for vetting the applications, the average number of instalments, as well as the mean, the median, the 25th percentile and the 75th percentile values of repayment for the previous year.
- B) What information is required to apply for payment of tax by instalments? For those applications which were refused, please set out the grounds for refusal by type of tax.
- C) The Financial Secretary announced on 4 December 2019 that no surcharge would be imposed on the payment of tax by instalments. How many applications have been received for each type of tax so far? Please advise on the status of the vetting process.
- D) Members of the public and certain industries have raised concerns over the problems with the process of applying for payment of tax by instalments, such as the complicated procedures and the requirement of submission of a large number of documents. There is also a lengthy vetting process. Some taxpayers were even not issued with an approval letter before the due date and were asked by the Inland Revenue Department (IRD) to pay the tax first. The measure seems to do little to support enterprises and relieve people's burden. How will the IRD evaluate the effectiveness and efficiency of this instalment arrangement? For taxpayers who have submitted their applications but are unable to pay the tax by the due date, will the Government waive all late payment penalties (regardless of whether the applications are ultimately approved or not)?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 25)

Reply:

- A) Taxpayers who encounter financial difficulties in settling their tax bills on time may apply to the Inland Revenue Department (IRD) for payment of tax by instalments. The number of cases approved and amount of instalment payments by tax type in the financial year 2018-19 are provided in the table below.

Type of Tax	Number of demand notes approved for payment by instalments	Amount of tax involved (\$ million)
Profits Tax	800	289
Salaries Tax	3 160	189
Property Tax	90	2
Personal Assessment	190	12

The IRD does not kept statistics on the number of applications for instalment payments or conducted further analysis on cases approved. The IRD will normally provide a reply to applicants within 21 working days upon receipt of their applications.

- (B), (C) and (D)

Taxpayers applying for instalments must complete an application form stating the reasons for failing to pay tax on time and provide supporting information and documents, including a concrete repayment proposal, copies of bank statements/passbooks for the latest three months, details of income and expenditure and debts repayment for the latest three months. For applicant who is a business operator, further supporting documents such as management accounts for the latest three months and cash flow position and forecast may be required. The purpose of requesting documentary evidence from applicants is to ascertain the financial position of the applicant so that an appropriate instalment arrangement can be granted by the IRD.

In light of the prevailing economic condition and the possible financial difficulties faced by some taxpayers, the IRD announced in December 2019 that for taxpayers in financial difficulties who obtained IRD's approval for settlement of demand notes for salaries tax, profits tax and personal assessment issued between December 2019 and December 2020 for the year of assessment 2018/19 by instalments and provided that the instalment plans are duly adhered to, no surcharge will be imposed for a maximum period of one year counting from the due dates of the demand notes concerned. Up to 29 February 2020, the IRD received about 3 200 instalment applications, of which about 1 400 applications have been approved. The IRD will continue to make best efforts to process the remaining applications.

The IRD has on its website reminded taxpayers who apply for payment of tax by instalments to make application as early as possible before the due dates of the relevant demand notes. Pending the reply from the IRD, taxpayers can make payments in accordance with their payment proposals without paying the tax in full. If the application is not approved afterwards, the IRD will inform the taxpayers of the rejection in writing and the taxpayers will be requested to settle the tax on or before the due dates specified on the demand notes or within 14 days after the date of the rejection letters, during which the IRD will not impose the 5% surcharge.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)039

(Question Serial No. 2142)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Court of Final Appeal ruled on 6 June 2019 that the Inland Revenue Department (IRD) should allow same-sex couples who are married overseas to elect for joint assessment. In this regard, please inform this Committee of the IRD's follow up work in relation to this verdict, as well as the number of people filing tax returns as same-sex couples to date.

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 10)

Reply:

Subsequent to the judgement of the Court of Final Appeal in Leung Chun Kwong v Secretary for the Civil Service (2019) 22 HKCFAR 127, the Inland Revenue Department (IRD) has enhanced the computer system by allowing a married person, whether in a heterosexual marriage or same-sex marriage, to elect for joint assessment or personal assessment jointly with the person's spouse; and to claim allowances or deductions under the Inland Revenue Ordinance in respect of the person's spouse. The relevant public forms, pamphlets, IRD Homepage and GovHK website materials have also been updated accordingly.

By 31 December 2019, the IRD has received 78 Tax Return – Individuals involving taxpayers with valid same-sex marriage.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)040

(Question Serial No. 2175)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that the Government will introduce the measures of: “reducing salaries tax and tax under personal assessment for the year of assessment 2019/20 by 100 per cent, subject to a ceiling of \$20,000 ... This will benefit 1.95 million taxpayers”; and “reducing profits tax for the year of assessment 2019/20 by 100 per cent, subject to a ceiling of \$20,000”. In this regard, will the Government inform this Committee of the following:

1. If the reduction rates of salaries tax and tax under personal assessment for the year of assessment 2019/20 are respectively set at (i) 75 per cent and (ii) 100 per cent; and the ceilings of the reduction amounts are respectively capped at (a) \$20,000, (b) \$30,000, (c) \$40,000 and (d) \$50,000, what will be the respective estimated amounts of government revenue forgone as a result? How many taxpayers of Hong Kong will be benefited?
2. If the reduction rate of profits tax for the year of assessment 2019/20 is set at (i) 75 per cent and (ii) 100 per cent respectively; and the ceilings of the reduction amounts are respectively capped at (a) \$20,000, (b) \$30,000, (c) \$40,000 and (d) \$50,000, what will be the respective estimated amounts of government revenue forgone as a result? How many taxpayers of Hong Kong will be benefited?
3. The Financial Secretary, when being interviewed by the media after delivery of the Budget Speech, mentioned several times that the option of introducing new taxes, including sales tax, would not be ruled out. What research studies have been conducted by the Government in the past three years for broadening the tax base and the introduction of new taxes? What was the total amount of the separate costs involved (e.g. costs for hiring consultants to conduct research work)?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 74)

Reply:

- (1) and (2) It is proposed in the Budget that salaries tax, tax under personal assessment and profits tax for the year of assessment 2019/20 will be reduced by 100 per cent, subject to a ceiling of \$20,000 per case. The measures will benefit about 1.95 million payers of salaries tax and tax under personal assessment in Hong Kong and 141 000 tax-paying corporations and unincorporated businesses. The government revenue will be reduced by about \$20.8 billion. If the ceiling of tax reduction is to be set at a higher level, the overall number of taxpayers to be benefited will remain the same, but the individuals and enterprises chargeable to higher amounts of tax will enjoy greater amount of tax concessions, which in turn, will further reduce government revenue. Taking into account factors such as the needs and the views of various sectors of the community, the economic situation of Hong Kong and the financial burden of the Government, we considered that the tax concession measures announced in the Budget are appropriate.
- (3) To ensure fiscal sustainability, the Government has to, apart from containing expenditure growth, maintain the growth and vibrancy of the economy and identify new areas of economic growth to increase revenue. Besides, we may have to consider seeking new revenue sources or revising tax rates. The one-off relief measures may also have to be progressively reduced.

The Government maintains an open mind on seeking new revenue sources or revising tax rates, and there is no specific plan at this stage. We will take the views of different sectors into account thoroughly in considering any proposal.

Conducting research and study on tax policies is part of the daily work of the relevant staff of the department. No specific provision on expenditure has been made for this area of work in the past 3 years.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)041

(Question Serial No. 2219)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. According to the Stamp Duty Ordinance (SDO), the Central People's Government (CPG), the Government of HKSAR, any incorporated public officer or any person acting in his capacity as a public officer shall not be chargeable to stamp duty. If the offices of the CPG acquire an immovable property through a subsidiary company in Hong Kong and the property concerned is used as staff quarters of the offices, remission of the stamp duty payable under section 52 of the SDO will be granted. Please set out in a table the number of applications for remission of stamp duty submitted to the Financial Services and the Treasury Bureau and the figures on vetting such applications since 2012.

2. Regarding the properties acquired by the offices of the CPG in Hong Kong (including their subsidiaries and public officers) which were granted the remission of stamp duty, please set out in a table the respective numbers and geographical distribution of such properties in each year since 2012.

Asked by: Hon MO Claudia (LegCo internal reference no.: 48)

Reply:

Under section 41(1) of the Stamp Duty Ordinance (SDO), the Central People's Government (CPG), the Government of the Hong Kong Special Administrative Region (HKSAR) or any incorporated public officer or any person acting in his capacity as a public officer shall not be liable for the payment of stamp duty chargeable on any instrument. Therefore, the CPG is exempt from the payment of stamp duty for the acquisition of properties in Hong Kong. Before Hong Kong's return to China, the same exemption was also available to the British Government for the acquisition of properties in Hong Kong. Furthermore, under section 52(1) of the SDO, the Chief Executive may remit, wholly or in part, the stamp duty payable; or refund, wholly or in part, the stamp duty paid, in respect of any instrument chargeable with stamp duty.

The organs of the CPG in Hong Kong are exempt from the payment of stamp duty for the acquisition of properties in Hong Kong under section 41 of the SDO. There is no specified condition for such exemption. Where a CPG's organ in Hong Kong acquires a local property through its subsidiary company, section 41 is not directly applicable. With reference to the principles of section 41, the HKSAR Government will apply section 52(1) to remit the stamp duty chargeable on the relevant transaction instrument. To ensure the consistency of the exemption arrangement, remission of stamp duty on transaction instruments is granted under section 52(1) of the SDO for local properties acquired either by the CPG's organs in Hong Kong or through their subsidiary company.

Information of stamp duty remission accorded to the CPG's organs in Hong Kong or their subsidiary company in respect of local properties they acquired between the financial years 2015-16 and 2019-20 is tabulated as follows:

Financial Year	Organizations	Stamp duty involved (\$ million)	No. of immovable properties involved	District
2015-16	Ministry of Commerce of the People's Republic of China	3.6	8	3 (Southern) 5 (Eastern)
	Subsidiary company of a CPG's organ in Hong Kong	15.6	15	5 (Central and Western) 10 (Sha Tin)
2016-17	Subsidiary company of a CPG's organ in Hong Kong	8.4	8	6 (Central and Western) 2 (Kowloon City)
2017-18	-	0	0	0
2018-19	Subsidiary company of a CPG's organ in Hong Kong	47.9	25	23 (Central and Western) 2 (Sha Tin)
2019-20 (As at 29 February 2020)	Subsidiary company of a CPG's organ in Hong Kong	80.4	22	2 (Central and Western) 20 (Kwun Tong)

Note: To ensure quality and timely response to the question, we only provide the relevant information for the past five years.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)042****(Question Serial No. 1837)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: (1) Statutory Valuation and AssessmentsControlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)Director of Bureau: Secretary for Financial Services and the Treasury, Secretary for Transport and HousingQuestion:

Regarding the annual completion of domestic units, would the Administration advise the Committee of the following:

1. In respect of the first-hand units newly completed (medium/small premises and large premises) in the past 3 years, please list in the following table the number of units reported as (i) owner-occupied and (ii) let at the time of being assessed to rates, with breakdowns by region (Hong Kong Island, Kowloon and New Territories).

Newly completed first-hand units in 2019, 2018 and 2017

	Medium/small premises (owner-occupied)	Medium/small premises (let)	Large premises (owner-occupied)	Large premises (let)
Hong Kong Island				
Kowloon				
New Territories				

2. Please tabulate by region (Hong Kong Island, Kowloon and New Territories) the following data in respect of the newly completed first-hand units (medium/small premises and large premises) in the past 3 years: (i) completions, (ii) take-up and (iii) vacancy.

3. Please provide details on the establishment and the expenses involved in handling rates assessment of newly-completed domestic units under this programme.

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 10)

Reply:

1. Included in the Hong Kong Property Review published by the Rating and Valuation Department (RVD), the statistics on mode of occupation of private domestic units only cover newly completed domestic units assessed for rating purposes in the year and reported wholly occupied at the time of valuation; however, the domestic units were not necessarily completed in the year concerned. Statistics on mode of occupation of newly completed private domestic units (Note) assessed by RVD for rating purposes in 2017 and 2018 are shown below:

(No. of Units)

Year	Hong Kong				Kowloon				New Territories			
	Small/Medium Units		Large Units		Small/Medium Units		Large Units		Small/Medium Units		Large Units	
	Owner Occupied	Let	Owner Occupied	Let	Owner Occupied	Let	Owner Occupied	Let	Owner Occupied	Let	Owner Occupied	Let
2017	482	609	142	87	1 059	538	232	35	3 765	2 126	376	94
2018	302	615	33	20	1 760	1 264	42	4	4 750	2 043	197	37

RVD will announce the statistics for 2019 in the Hong Kong Property Review to be published in April 2020.

2. Statistics on the completions of private domestic units (Note) in 2017 and 2018 are tabulated below:

(No. of Units)

Year	Hong Kong		Kowloon		New Territories	
	Small/Medium Units	Large Units	Small/Medium Units	Large Units	Small/Medium Units	Large Units
2017	1 324	129	6 040	643	8 986	669
2018	2 852	578	5 623	208	10 388	1 319

RVD will announce the statistics for 2019 in the Hong Kong Property Review to be published in April 2020. RVD does not compile statistics on the take-up and vacancy of newly completed private domestic units by class.

3. In general, about 100 posts in RVD are involved in the assessment of newly-completed properties for rating purposes and the estimated emolument for 2019-20 is about \$42 million.

Note: Small/Medium units refer to those with a saleable area of less than 100 m² while Large units refer to those with a saleable area of 100 m² or above.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)043

(Question Serial No. 2407)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (1) Statutory Valuation and Assessments

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In 2020-21, the Rating and Valuation Department (RVD) will carry out the annual general revaluation to update rateable values to take effect from 1 April 2021. Would the Administration inform the Committee of the related work details, the number of properties involved, the timetable and the estimated expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 52)

Reply:

The Rating and Valuation Department (RVD) would carry out the general revaluation of rateable values of all tenements according to the Rating Ordinance. For the general revaluation of the 2021-22 rateable values, RVD will issue Requisition for Particulars of Tenements to rates/Government rent payers in August 2020 to collect rental information of properties of various categories. Starting from October 2020, RVD will analyse the rental information collected and reassess the rateable values of about 4.66 million tenements in the Valuation List and Government Rent Roll according to the prevailing market rents at the valuation reference date (which is usually fixed at 1 October in the year preceding the date on which the new Valuation List and Government Rent Roll take effect). It is expected that RVD will complete the revaluation work and declare the new Valuation List and Government Rent Roll in March 2021 for public inspection online. The estimated expenditure of the revaluation exercise is around \$44 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)044

(Question Serial No. 1772)

Head: (162) Rating and Valuation Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Collection and Billing of Rates and Government Rent, (4) Landlord and Tenant Services

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury / Secretary for Transport and Housing

Question:

- (a) In the following table, please indicate the original rates payable, the total amount of rates concession and the actual amount of rates in respect of all properties in Hong Kong in the past 5 years.

Year	Original rates payable	Amount of rates concession	Actual amount of rates

- (b) In the following table, please provide information on the top 100 ratepayers (ranking 1-10 and 11-100) who are expected to receive the largest amounts of rates concession in the past 5 years, including their respective original rates payable, the amount of rates concession and the total number of rateable properties held.

Year	Ratepayers holding the largest number of properties (excluding organisations providing subsidised housing)	Original rates payable	Amount of rates concession	Total number of rateable properties
	1			
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11-100			

- (c) What is the purpose of the rates concession policy? Have the authorities concerned evaluated and reviewed the effectiveness of this policy and what is the outcome?
- (d) Some citizens are concerned about fairness of the policy of rates concession which amount receivable rises with the number of properties held. How would the authorities concerned comment on this? What is the underlying principle of this policy?
- (e) In the following table, please indicate the number of properties (from 1 to 10 and above) held by the corresponding number of ratepayers in the past 5 years.

Year	Number of properties held	Number of ratepayers
	1	
	2	
	3	
	4	
	5	
	6	
	7	
	8	
	9	
	10 and above	

- (f) In the following table, please indicate the number of demand notes for rates and/or Government rent received at a single correspondence address (from 1 to 10 and above) and the corresponding number of correspondence addresses in the past 5 years.

Year	Number of demand notes for rates and/or Government rent received	Number of correspondence addresses
	1	
	2	
	3	
	4	
	5	
	6	
	7	
	8	
	9	
	10 and above	

- (g) Please state the number of ratepayers by individual and company that are using “Consolidated Demand for rates and/or Government Rent” in the past 5 years.

Year	Number of Individuals	Number of Companies

- (h) What is the number of Notice of New Letting or Renewal Agreement (Form CR109) received by the Rating and Valuation Department (RVD) under Part IV of the Landlord and Tenant (Consolidation) Ordinance in each of the past 5 years?

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 32)

Reply:

- a) In the past 5 financial years, the estimated rates payable and amount of rates concession, as well as the annual rates revenue as at the end of each year are tabulated as follows:

Financial Year	Rates payable (\$ billion)	Amount of rates concession (\$ billion)	Rates revenue as at year end (Note) (\$ billion)
2015-16	30.2	7.7	22.7
2016-17	31.8	10.6	21.3
2017-18	32.4	10.9	22.2
2018-19	34.5	17.8	17.2
2019-20	36.4	15.6	Figures not yet available

Note: As the rates revenue as at year end includes receipts of accrued arrears and the rates of new properties assessed during the year, it will be different from the result of deducting the rates concession from the estimated rates payable.

b) The estimated figures of the top 100 ratepayers receiving the largest amounts of rates concession in the past 5 financial years are set out in the following table:

Rate-payers (excluding organisations providing subsidised housing)	2015-16			2016-17			2017-18			2018-19			2019-20		
	(a) Rates payable (\$ million); (b) Amount of rates concession (\$ million); (c) No. of rateable tenements														
	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)
1	308.3	50.9	16 444	327.5	51.1	16 128	351.0	51.1	16 093	373.1	102.6	15 645	357.2	82.0	13 673
2	602.2	16.9	5 560	563.1	13.7	4 732	596.9	14.7	5 108	642.4	29.3	5 038	671.5	28.0	4 843
3	157.4	11.6	5 826	161.2	13.1	5 802	162.7	13.2	5 611	172.9	24.9	5 488	179.9	22.2	5 233
4	294.5	9.9	2 050	26.5	9.3	2 720	27.0	9.5	2 736	383.6	19.6	2 047	148.6	17.5	2 666
5	124.5	9.5	2 604	136.0	8.7	2 792	144.5	8.4	2 710	146.2	19.5	2 705	408.9	17.1	2 093
6	55.5	8.3	2 192	340.6	8.0	2 048	365.0	8.0	2 040	29.3	17.4	2 748	31.0	14.2	2 750
7	22.8	7.1	2 320	57.0	7.4	1 957	57.9	7.1	1 870	60.1	14.8	1 785	61.6	13.6	1 787
8	11.9	4.5	1 044	23.3	4.4	1 447	16.2	4.6	1 253	27.6	9.9	2 133	31.1	11.6	2 776
9	14.9	4.2	1 108	12.0	4.4	1 195	23.7	4.5	1 559	16.7	9.6	1 289	14.2	7.9	1 292
10	11.7	4.0	1 185	10.9	4.2	1 044	12.8	4.4	1 205	13.3	8.9	1 258	16.2	7.7	1 174
11 - 100	1,786.3	124.5	36 637	1,611.1	122.3	37 930	1,647.7	123.5	38 374	2,117.4	258.4	35 434	1,946.7	222.9	39 412
Total	3,389.9	251.4	76 970	3,269.2	246.5	77 795	3,405.4	248.9	78 559	3,982.6	514.9	75 570	3,866.9	444.5	77 699

c&d) The one-off rates concession aims to ease the financial burden of ratepayers. It is a relief measure with a wide class of beneficiaries, covering all ratepayers including public rental housing tenants and small and medium enterprise tenants. It is estimated to benefit about 3.35 million properties in 2020-21. Currently, rates concession is subject to a ceiling, thus having a regressive effect i.e. the higher the rateable value of a property, the smaller the proportion of rates that could be waived.

The Government reviewed the rates concession mechanism, and submitted a number of possible options for modifying the mechanism to the Panel on Financial Affairs on 18 December 2018. After considering the pros and cons of different options, most Members objected to modifying the existing rates concession mechanism. One of the main concerns was that tenants who were required to pay rates under the tenancy agreements would be affected and no longer be able to benefit from rates concession. As most Members had reservations about modifying the long-established rates concession mechanism, the Government continues to adopt the existing mechanism.

- e) The Rating and Valuation Department (RVD) does not compile statistics relating to the property portfolio of individual ratepayers.
- f) RVD does not compile statistics on the number of Demands for Rates and/or Government Rents by correspondence addresses of ratepayers.
- g) RVD does not maintain the breakdown by individual or company on the use of “Consolidated Demand for rates and/or Government Rent”. The number of consolidated accounts registered in the past 5 financial years are set out in the following table:

Year	Number of Consolidated Accounts
2015-16	1 890
2016-17	1 910
2017-18	1 950
2018-19	2 030
2019-20	2 070

- h) The number of Notices of New Letting or Renewal Agreement (Form CR109) processed by RVD in the past 5 years are listed below –

Year	No. of Form CR109 processed
2015-16	About 50 500
2016-17	About 54 500
2017-18	About 54 000
2018-19	About 55 000
2019-20 (up to end of February 2020)	About 50 000

RVD endorsed about 95% of the Notices each year. The remaining ones were withdrawn by the applicants and thus endorsement was not required.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)045

(Question Serial No. 0465)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (1) Statutory Valuation and Assessments

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the rates concession put forward in the Budgets in the past 5 years, please provide the following information:

1. (a) the amount of rates concession received and (b) the number of rateable properties held by each of the top 10 ratepayers receiving the largest amounts of rates concession each year;
2. the percentage of properties with rates paid by tenants each year in respect of the properties held by the top 10 ratepayers receiving the largest amounts of rates concession as mentioned above;
3. (a) the total amount of rates concession received and (b) the number of rateable properties held by the top 11th-100th ratepayers receiving the largest amounts of rates concession; and the percentage of properties with rates paid by tenants.

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: 15)

Reply:

1. The estimated figures of the top 10 ratepayers receiving the highest amounts of rates concession in the past 5 financial years are set out in the following table:

Ratepayers (excluding organisations providing subsidised housing)	2015-16		2016-17		2017-18		2018-19		2019-20	
	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1	50.9	16 444	51.1	16 128	51.1	16 093	102.6	15 645	82.0	13 673
2	16.9	5 560	13.7	4 732	14.7	5 108	29.3	5 038	28.0	4 843
3	11.6	5 826	13.1	5 802	13.2	5 611	24.9	5 488	22.2	5 233
4	9.9	2 050	9.3	2 720	9.5	2 736	19.6	2 047	17.5	2 666
5	9.5	2 604	8.7	2 792	8.4	2 710	19.5	2 705	17.1	2 093
6	8.3	2 192	8.0	2 048	8.0	2 040	17.4	2 748	14.2	2 750
7	7.1	2 320	7.4	1 957	7.1	1 870	14.8	1 785	13.6	1 787
8	4.5	1 044	4.4	1 447	4.6	1 253	9.9	2 133	11.6	2 776
9	4.2	1 108	4.4	1 195	4.5	1 559	9.6	1 289	7.9	1 292
10	4.0	1 185	4.2	1 044	4.4	1 205	8.9	1 258	7.7	1 174

2. Regarding the above-mentioned top 10 ratepayers, the percentage of the relevant tenancy agreements providing for tenants to pay rates is tabulated as follows:

	2015	2016	2017	2018	2019
	Percentage				
Rates paid by tenants	85	82	85	82	83

3. The estimated figures of the 11th to 100th ratepayers receiving the highest amounts of rates concession in the past 5 financial years are set out in the following table:

Year	Ratepayers ranked from 11th to 100th (excluding organisations providing subsidised housing)	
	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
2015-16	124.5	36 637
2016-17	122.3	37 930
2017-18	123.5	38 374
2018-19	258.4	35 434
2019-20	222.9	39 412

The Rating and Valuation Department does not maintain information concerning the tenancies of the tenements of the 11th to 100th ratepayers for the past 5 years.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)046****(Question Serial No. 2305)**

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (1) Statutory Valuation and Assessments

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would the Administration inform the Committee of the following:

1. the change in manpower involved in carrying out statutory valuation and assessments in the Rating and Valuation Department (RVD) in the past 3 years;
2. the number of domestic and non-domestic units in Hong Kong in the past 3 years, with breakdowns by floor area, rateable value or rates payable;
3. the number of domestic and non-domestic units in Hong Kong in the past 3 years, with breakdowns by floor area, rateable value or Government rent payable.

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 56)

Reply:

1. The staffing provision of the Rating and Valuation Department (RVD) for carrying out duties relating to the assessment of rates and Government rent in the past 3 years are tabulated below:

Financial Year	Number of Staff
2017-18	563
2018-19	581
2019-20	665

2. Statistics on the distribution of assessments in the Valuation List are published in the Annual Summary of the RVD available on RVD's website (www.rvd.gov.hk/en/about_us/annual_summary.html). Distribution of assessments in the past 3 years is shown below:

i. Domestic Assessments (by area and rateable value)

Year (as at 1 April of the year)	Classes A & B		Class C		Classes D & E	
	Number	Rateable Value (\$ billion)	Number	Rateable Value (\$ billion)	Number	Rateable Value (\$ billion)
2017	1 519 005	180.83	151 261	38.07	103 456	57.42
2018	1 537 498	196.71	152 683	40.85	105 580	61.12
2019	1 556 050	211.64	154 469	43.46	107 392	64.26

Notes:

Class A - Saleable area less than 40 m²

Class B - Saleable area of 40 m² to 69.9 m²

Class C - Saleable area of 70 m² to 99.9 m²

Class D - Saleable area of 100 m² to 159.9 m²

Class E - Saleable area of 160 m² or above

The above statistics include subsidised sale flats and those former public rental housing units sold under the Tenants Purchase Scheme, but exclude public rental housing units.

ii. Non-domestic Assessments (by rateable value) (Note 1)

Year (as at 1 April of the year)	Number of Assessment	Rateable Value (\$ billion)
2017	641 441	329.73
2018	649 435	345.66
2019	658 052	360.65

Note 1:

Non-domestic assessments include offices, shops and other commercial premises, factories, storage premises, industrial/office premises, car parking spaces and others.

3. Statistics on assessments in the Government Rent Roll published in the Annual Summary in the past 3 years are as follows:

Year (as at 1 April of the year)	Number of Assessments Not Exceeding Minimum Rateable Value (Note 2)	Assessments Above Minimum Rateable Value	
		Number	Rateable Value (\$ billion)
2017	153 820	1 776 669	389.35
2018	152 835	1 800 425	420.98
2019	152 595	1 823 398	448.70

Note 2:

Where the rateable value of a property does not exceed the current minimum rateable value of \$3 000, the rateable value for Government rent purposes is deemed by law to be \$1 and the Government rent payable would be \$0.03 per annum.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)047

(Question Serial No. 0984)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimate for 2020-21 is \$24 million (or 13.5%) higher than that for 2019-20. As shown in the Analysis of Financial and Staffing Provision on page 413, this is mainly due to the additional requirements for personal emoluments and air passenger departure tax administration fee and a net increase of 16 posts. However, it is indicated in Matters Requiring Special Attention in 2020-21 on page 412 that the Treasury Branch will basically continue with their work as stated in the previous year. With the number of departing air passengers significantly affected by the epidemic, would the Government explain the reasons for the increase of 13.5% in the provision?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 30)

Reply:

The estimate for 2020-21 under Programme (2) is \$24 million higher than the revised estimate for 2019-20. This is mainly due to the additional requirements for personal emoluments and air passenger departure tax administration fee. On the requirement for personal emoluments, there will be a net increase of 16 posts in 2020-21 under Programme (2) and the posts are mainly responsible for planning, co-ordinating and overseeing the implementation of the cash payout scheme. As for the estimate on air passenger departure tax administration fee, it is mainly calculated on the basis of the estimated number of departing air passengers. The actual amount of administration fee payable will be adjusted in accordance with the number of departing air passengers.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)048

(Question Serial No. 2574)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In 2016, the Government transferred the balance of the Land Fund to the newly established Future Fund, which was entrusted to the Hong Kong Monetary Authority (HKMA) for investment with a view to securing higher returns for our fiscal reserves through placement in longer-term investments, thereby enhancing public finance sustainability.

1. Please advise the accumulated balance, annual return rates, income, and allocations and proportions of the investment portfolios in respect of the Future Fund over the years. At the inception of the Fund, the Government highlighted its 2 features, namely "longer-term" and "higher returns". Please explain the differences between these 2 features of the Fund, which is placed with the Exchange Fund for investment purposes, in terms of returns and investment allocations. Are the investments of the Future Fund limited to the prevailing "portfolios" of the Exchange Fund? What are the respective proportions of shares, properties and bonds? Who are the stakeholders involved in advising, discussing and determining the investment portfolios, and what is the management process of the Future Fund?
2. It is mentioned in the latest Budget that part of the Future Fund will be used to set up the Hong Kong Growth Portfolio, which will become the Hong Kong version of Temasek, as recommended by a team of 4 experts and endorsed by the Government. Has this team been set up on a permanent basis? What is the appointment process and what are the terms of office of its members? Are they serving on a voluntary basis? Will the team be responsible for determining the mode of investment of the Fund and the Hong Kong Growth Portfolio? It is said that the Government will put in place a mechanism for the avoidance of conflicts of interests of senior government officials. How will the mechanism work?

3. Regarding the Hong Kong Growth Portfolio, please explain how its investment scope and proportions, investment return rate and payback period as planned are different from those of the prevailing “portfolios” of the Exchange Fund? Will the Government publicise the income of the Hong Kong Growth Portfolio annually? Will the management staff concerned be deployed within the HKMA or additional staff be recruited? The Government indicated that the Hong Kong Growth Portfolio will invest in projects with a “Hong Kong nexus”, and it has been reported that investments in projects in areas such as new economy, biotechnology as well as innovation and technology are planned. Please explain in detail? What will be the innovative approach to investment and its scope? Will direct shareholding or acquisition be pursued? Please explain whether the investment targets and policy benefits of the Portfolio will be aimed at nurturing start-ups in Hong Kong.
4. At the inception of the Future Fund, the Government remarked that it would provide periodic top-ups for the Fund. What are the previous and future plans? Has the Government thought about expanding the scale of the Fund and regarding its income as a major regular source of revenue for the Government in the future? Is the ten-year investment period coming to an end in 2025? Will there be any extension, or will it even become a permanent fund? In the long run, has the Government considered enacting a separate piece of legislation for regulating the operation of the Future Fund?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 19)

Reply:

This question is not directly related to Head 147.

1. and 4.

The Government established the Future Fund on 1 January 2016 for an initial period of 10 years up to 31 December 2025, with funding mainly from the balance in the Land Fund and a portion of actual surpluses. The Land Fund portion of the Future Fund was established on 1 July 1997 by Resolution of the Provisional Legislative Council, which stipulates that the Financial Secretary may, in his discretion, authorise and direct the investment of any assets of the Land Fund which are not immediately required to meet expenses in respect of the Land Fund at any time in such manner as he may determine. As for the part of the Future Fund made up by transfer from actual surpluses, the Financial Secretary may, pursuant to Section 26 of the Public Finance Ordinance (Cap. 2), authorise the investment of moneys forming part of the general revenue in such manner as he may determine.

Managed by the Hong Kong Monetary Authority (HKMA) by setting aside for placement with the Exchange Fund's Investment Portfolio and Long-Term Growth Portfolio, the Future Fund is placed with the Exchange Fund such that it can benefit from the Exchange Fund's established investment infrastructure and expertise. The Future Fund is subject to the same regime related to investment management and oversight by the Exchange Fund Advisory Committee. Separately, the HKMA has to consult the Financial Secretary and the Secretary for Financial Services and the Treasury once a year on the distribution of investment for the Future Fund. The Government considers the current arrangement as appropriate and effective.

The financial information of the Future Fund since its establishment is set out below:

	Injection Amount (\$ billion)	Distribution of Investment		Investment Income (\$ billion)	Composite Rate of Return (%)	Balance at End of Year (\$ billion)
		Proportion of Investment Portfolio (Note 1)	Proportion of Long-Term Growth Portfolio (Note 2)			
2016	224.5	80%	20%	10.1	4.5	234.6
2017	-	65%	35%	22.7	9.6	257.3
2018	-	50%	50%	16.4	6.1	273.7
2019	-	40%	60%	Note 3		

Note 1: The Investment Portfolio is invested primarily in the bond and equity markets of developed nations.

Note 2: Long-Term Growth Portfolio comprises asset classes including private equity (including infrastructure) and overseas real estate.

Note 3: The composite rate of return and investment income for 2019 are expected to be announced at the end of April 2020.

The Future Fund is a long-term investment tool and the Government will keep abreast of the market developments for achieving an ideal return for the Future Fund.

2. and 3.

In his 2019-20 Budget Speech, the Financial Secretary announced that he would invite several leaders from the financial services and business sectors to make recommendations on the investment strategies and portfolios of the Future Fund. Through a press release on 27 February 2019, the Government announced that Dr Victor Fung has been invited to lead the Group of Experienced Leaders (the Group) comprising Professor Lawrence Lau, Mr Peter Wong and Mr Norman Chan (the then Chief Executive of the Hong Kong Monetary Authority). All members served on a voluntary basis. The Group had already completed the work and tendered its recommendations to the Government.

The Financial Secretary later has announced in the 2020-21 Budget that the Government has accepted the recommendations put forward by the team and will start preparing for their implementation. The Future Fund would be used to set up the Hong Kong Growth Portfolio (HKGP) for direct investments in projects with a “Hong Kong nexus”. The purpose is to enhance returns, while also consolidating Hong Kong’s status as a financial, commercial and innovation centre, and raising Hong Kong's productivity and competitiveness in the long run. A project could be regarded as having a Hong Kong nexus if it would be undertaken by a Hong Kong-based company, or would take place in Hong Kong, or both, but merits and relevance of individual projects will also be considered. The Government plans to establish the HKGP with an initial allocation of 10% from the Future Fund (i.e. about \$22 billion)

The Government will establish a two-tier committee framework for the HKGP, including a Governance Committee for setting the basic parameters of the HKGP (including investment objectives, investment guidelines, scope, etc.) and providing strategic steer, as well as an Investment Committee for deciding on the appointment of general partners, who will be responsible for sourcing projects and making investments for the HKGP.

Under the recommended institutional setup, the Government would not be involved directly in the day-to-day vetting of investment projects and individual investment decisions of the HKGP. The Government would put in place an effective mechanism to avoid any potential, actual or perceived conflict of interest.

The Financial Services and the Treasury Bureau (Financial Services Branch), with the support of the Hong Kong Monetary Authority, will assist the Financial Secretary in pursuing the work for establishing the HKGP. Relevant work will be absorbed by the Bureau’s existing resources and manpower.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)049

(Question Serial No. 3168)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide:

1. the estimates of salary, benefits and allowances for the Secretary for Financial Services and the Treasury in the coming financial year; and
2. the estimates of salary, benefits and allowances for each of the other politically appointed officials in the coming financial year.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 9009)

Reply:

In 2020-21, the estimated expenditures on salary for the posts of the Secretary for Financial Services and the Treasury (SFST), the Under Secretary for Financial Services and the Treasury (USFST) and the Political Assistant (PA) to SFST are \$4.18 million, \$2.92 million and \$1.04 million respectively. In addition, the provision for Mandatory Provident Fund contribution for the posts of USFST and PA to SFST is \$18,000 each.

SFST, USFST and PA to SFST, as well as their dependants, are eligible for the medical and dental benefits available to civil servants and their dependents. SFST is provided with the free use at his discretion of a car and driver in Hong Kong. As for USFST and PA to SFST, their use of government cars is governed by rules and regulations applicable to civil servants at comparable levels. SFST, USFST and PA to SFST are not granted other allowances.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)050

(Question Serial No. 1258)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in "Matters Requiring Special Attention" under Programme (2) that the Branch will continue to align the growth of government expenditure with that of the economy and manage the allocation of resources having regard to established principles for the prudent management of public finance. In this connection, will the Government inform this Committee of whether this area of work includes the formulation of plans and setting of targets for cutting departmental expenses? If so, what are the specific details?

Asked by: Hon CHEUNG Wah-fung, Christopher (LegCo internal reference no.: 68)

Reply:

The estimate of expenditure for each bureau/department for 2020-21, including the analysis of changes in the financial and staffing provision for each programme, is set out in detail in their Controlling Officer's Reports. As stated in the Budget, government expenditure will enter a consolidation period in the coming years. As for future increase in spending, we should be more mindful of the Government's long-term affordability, and it should also be commensurate with the increase in revenue.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)051

(Question Serial No. 1259)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In response to the Organisation for Economic Co-operation and Development's plan to actively explore the proposal of setting rules for imposing a global minimum tax rate, the Financial Secretary intends to invite scholars, experts and members of the business community who are experienced in the fields of international taxation and economic development to tender advice on the matter. Will the Government inform this Committee:

1. of the specific details of the review plan, including the candidates, objectives, timetable and expenses involved; and
2. whether the study will cover the introduction of new taxes; if such study is undertaken, whether public consultation will be conducted and a target date be set for the implementation of the new tax regime?

Asked by: Hon CHEUNG Wah-fung, Christopher (LegCo internal reference no.: 69)

Reply:

The Organisation for Economic Co-operation and Development (OECD) is exploring the proposal of imposing a global minimum tax rate with a view to promoting fair taxation in the international community. Under this proposal, if the tax paid by a multinational corporation in Hong Kong is lower than the new global minimum tax rate, its parent company will be subject to additional taxes or defensive measures imposed by the jurisdiction where it is located. The OECD aims to finalise the key features of the proposal by early July this year and reach a consensus with respect to the proposal by the end of this year.

The Hong Kong Special Administrative Region Government has all along been keeping a close watch on the developments in relation to the OECD's setting of rules for imposing a global minimum tax rate, and sending delegates to attend the OECD's relevant meetings. The Financial Secretary also mentioned in the Budget Speech that the Government would invite scholars, experts and members of the business community who are experienced in the fields of international taxation and economic development to tender advice on the matter. This is to ensure that Hong Kong's tax regime not only is in line with new developments in the international tax scene, but also helps maintain our premier business environment and competitiveness. The Government is preparing for the setting up of the relevant panel. When devising corresponding measures, the Government will consider the views of the trade in detail, and report to the Legislative Council in a timely manner.

Since the implementation of international tax cooperation measures forms part of the regular duties of the Treasury Branch, the manpower and expenditure involved have been included in the overall establishment and expenditure, and no breakdown of the expenditure is available.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)052

(Question Serial No. 0224)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 36 of the Budget Speech that \$10,000 will be disbursed to Hong Kong permanent residents aged 18 or above, with a view to encouraging and boosting local consumption on the one hand, and relieving people's financial burden on the other. In this connection:

- 1) what plans does the Government have to boost local consumption and what will be the expenditure involved in reviving the catering business?
- 2) how can the Government ensure that members of the public will spend the \$10,000 cash payout locally and hence revive the retail and catering businesses etc.?
- 3) what is the estimated manpower requirement for the disbursement of the \$10,000 cash payout and the expenditure involved in developing facilities such as online systems?

Asked by: Hon CHEUNG Yu-yan, Tommy (LegCo internal reference no.: 18)

Reply:

- 1) & 2) The Government hopes that after the epidemic, the public will spend the funds released locally to help stimulate the economy (including the retail and catering sectors). The Government will also call on the business sector to launch complementary promotional activities.

- 3) To prepare for and implement the cash payout scheme, the Government needs to recruit on short-term basis about 100 additional staff in the Financial Services and the Treasury Bureau, the Treasury and the Immigration Department, develop relevant computer systems and other ancillary facilities, pay service fees to supporting organisations, implement promotional activities and allow for contingency expenses. A total of about \$1 billion has been set aside as administrative expenses.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)053

(Question Serial No. 2862)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. When did the Commerce and Economic Development Bureau start to directly engage in the procurement of masks and medical supplies since the outbreak of the novel coronavirus epidemic? How many procurements made have been successful so far? What are the quantity and the amount involved in each procurement? How many procurements were cancelled after the sellers accepted the orders? What are the quantity and amount involved?
2. What are the manpower and man-hour resources involved for the above work?
3. In the future, will the Bureau consider establishing a standing mechanism to make similar procurement when there is a special need or on a regular basis?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 37)

Reply:

1. Since early January 2020, the Government Logistics Department (GLD) has resorted to all possible means and channels to procure masks and other protective items. The objective is to secure such supplies as quickly as possible to meet the Government's operational requirements.

As far as masks are concerned, the GLD has got into contact with more than 600 suppliers from over 40 countries. Since early January this year, of the orders placed by the GLD, more than 20 million masks have been delivered to date. The Government's Economic and Trade Offices (ETOs) overseas have been referring overseas suppliers to the GLD and offering assistance in procurement.

With an upsurge in demand for personal protective equipment (PPE) around the globe, the Government is facing fierce competition in procurement efforts. The Government considers it inappropriate at this stage to disclose further information on PPE of individual departments, such as the places of origin, quantities procured and moneys involved, so as not to undermine the bargaining power of the GLD and other departments in the procurement of PPE.

- 2-3. The ETOs will continue to engage in the above work with existing manpower and resources. Leveraging on their networks and connections, they will assist the GLD in procuring PPE in the highly competitive international market.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)054

(Question Serial No. 2820)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the properties (including residential, shop space and office properties) held by the organs of the Central People's Government (CPG) in Hong Kong (including their subsidiary companies and public officers), please set out the respective numbers and geographical distribution of such properties as at the 2019-20 financial year.

	No. of residential properties	Geographical distribution	No. of shop space properties	Geographical distribution	No. of office properties	Geographical distribution
Liaison Office of the CPG in the Hong Kong Special Administrative Region						
Subsidiary company of a CPG's organ in Hong Kong						
Ministry of Commerce of the People's Republic of China						
Other organs						

Please tabulate the information on stamp duty remission accorded to the CPG's organs in Hong Kong or their subsidiary companies in respect of local properties they acquired between the financial years 2015-16 and 2019-20.

Financial year	Organisations	Stamp duty involved (\$ million)	No. of properties involved	Geographical distribution

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2069)

Reply:

The Inland Revenue Department does not maintain any information as requested in part 1 of the question.

Information of stamp duty remission accorded to the Central People's Government (CPG)'s organs in Hong Kong in respect of local properties they acquired or acquired through their subsidiary companies between the financial years 2015-16 and 2019-20 is tabulated as follows:

Financial Year	Organisations	Stamp duty involved (\$ million)	No. of properties involved	District
2015-16	Ministry of Commerce of the People's Republic of China	3.6	8	3 (Southern) 5 (Eastern)
	Subsidiary company of a CPG's organ in Hong Kong	15.6	15	5 (Central and Western) 10 (Sha Tin)
2016-17	Subsidiary company of a CPG's organ in Hong Kong	8.4	8	6 (Central and Western) 2 (Kowloon City)
2017-18	-	0	0	0
2018-19	Subsidiary company of a CPG's organ in Hong Kong	47.9	25	23 (Central and Western) 2 (Sha Tin)
2019-20 (as at 29 February 2020)	Subsidiary company of a CPG's organ in Hong Kong	80.4	22	2 (Central and Western) 20 (Kwun Tong)

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)055

(Question Serial No. 2821)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please tabulate the information of stamp duty remission accorded to the Central People's Government's organs in Hong Kong or their subsidiary companies in respect of local properties they acquired between the financial years 2015-16 and 2019-20.

Financial Year	Organisations	Stamp duty involved (\$ million)	No. of properties involved	District
2015-16				
2016-17				
2017-18				
2018-19				
2019-20				

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2070)

Reply:

Information of stamp duty remission accorded to the Central People's Government (CPG)'s organs in Hong Kong in respect of local properties they acquired or acquired through their subsidiary companies between the financial years 2015-16 and 2019-20 is tabulated as follows:

Financial Year	Organisations	Stamp duty involved (\$ million)	No. of properties involved	District
2015-16	Ministry of Commerce of the People's Republic of China	3.6	8	3 (Southern) 5 (Eastern)
	Subsidiary company of a CPG's organ in Hong Kong	15.6	15	5 (Central and Western) 10 (Sha Tin)
2016-17	Subsidiary company of a CPG's organ in Hong Kong	8.4	8	6 (Central and Western) 2 (Kowloon City)
2017-18	-	0	0	0
2018-19	Subsidiary company of a CPG's organ in Hong Kong	47.9	25	23 (Central and Western) 2 (Sha Tin)
2019-20 (as at 29 February 2020)	Subsidiary company of a CPG's organ in Hong Kong	80.4	22	2 (Central and Western) 20 (Kwun Tong)

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)056

(Question Serial No. 0421)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Treasury Branch's work under this Programme is to, among others, enhance tax transparency, combat tax evasion and minimise opportunities for tax avoidance. Please advise this Committee of how effective the work on combating tax evasion was in 2019-20, the expenditure involved, whether tax evasion cases are on a rising trend in recent years, and the people or sectors mainly involved in such cases. How many cases of objection to or appeal against assessment were there in the past year? What is the amount of tax held over and interest involved? For 2020-21, what are the specific plans for this aspect of work? Are there any performance indicators? What is the estimated expenditure involved? Is additional funding and manpower required for this purpose?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 25)

Reply:

One of the responsibilities of the Treasury Branch of the Financial Services and the Treasury Bureau is to formulate and co-ordinate policies to combat tax evasion, whereas the relevant implementation and law enforcement work is taken up by the Inland Revenue Department (IRD).

All along, the IRD has been implementing various measures to combat tax evasion and prevent loss of tax revenue. According to information available to the IRD, there is no indication that tax evasion cases are on the rise, nor is there sign that the problem is particularly serious for a particular group of persons or type of business. In the financial years 2019-20 and 2020-21, the number of field audit and investigation cases anticipated to be completed and the associated amount of back tax and penalty assessed by the IRD are as follows:

	2019-20 (Revised Estimate)	2020-21 (Estimate)
Cases completed	1 800	1 800
Total back tax and penalty assessed (\$ million)	2,500	2,500

The IRD does not maintain statistical records specifically for the objections or appeals lodged against the assessments raised on the findings from field audits and tax investigations.

The key performance measures of the IRD are set out in the Controlling Officer's Report of Head 76 – Inland Revenue Department.

In the financial year 2020-21, the establishment required (including the supporting departmental staff) for field audit and tax investigation is the same as that of 2019-20, while the provision will increase to \$261.8 million, or \$8.1 million (or 3.2%) more as compared with the revised estimate for 2019-20. The increase is mainly due to the salary increments for staff.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)057

(Question Serial No. 2849)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stipulated in Article 108 of the Basic Law, “the Hong Kong Special Administrative Region shall, taking the low tax policy previously pursued in Hong Kong as reference, enact laws on its own concerning types of taxes, tax rates, tax reductions, allowances and exemptions, and other matters of taxation.” However, in this financial year, the Government has taken a bold step by spending tens of billions to support our economic growth in light of the new epidemic. At the same time, the Financial Secretary has also pointed out there are serious uncertainties in our mid-term and long-term financial situation, with recurrent revenue failing to keep up with recurrent expenditure. Has the Government considered broadening our tax base to cope with cyclical fluctuations, introducing new taxes to increase government revenue, or even following the practices of Japan and some other developed countries by introducing a goods and services tax to boost recurrent government revenue?

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 27)

Reply:

To ensure fiscal sustainability, the Government has to, apart from containing expenditure growth, maintain the growth and vibrancy of the economy and identify new areas of economic growth to increase revenue. Besides, we may have to consider seeking new revenue sources or revising tax rates. The one-off relief measures may also have to be progressively reduced.

The Government maintains an open mind on seeking new revenue sources or revising tax rates at this stage. We are fully aware of the concerns of various sectors of the community over these issues. As such, we will take the views of different sectors into account thoroughly in considering any proposal.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)058****(Question Serial No. 2724)**

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the salaries, allowances, job-related allowances and related expenses to be incurred by the Office of the Secretary for Financial Services and the Treasury in 2020-21, please tabulate the following information:

- (1) the estimated expenditures on the (i) salaries, (ii) benefits and allowances, (iii) job-related allowances, (iv) Mandatory Provident Fund (MPF) contribution and (v) other allowances and contribution (please specify) of (a) the Secretary for Financial Services and the Treasury (SFST), (b) the Under Secretary for Financial Services and the Treasury (USFST) and (c) the Political Assistant (PA) to SFST in this financial year. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above;

	(i) Salaries	(ii) Benefits and allowances	(iii) Job-related allowances	(iv) MPF contribution	(v) Other allowances and contribution (please specify)
(a) SFST					
(b) USFST					
(c) PA to SFST					
(d) Total estimated expenditure of the Bureau					

- (2) the estimated expenditures on the benefits and allowances for (a) SFST, (b) USFST and (c) PA to SFST in this financial year, including the following four categories of expenditures: (i) their medical and dental benefits, (ii) the medical and dental benefits of their spouses, (iii) their leave passage allowances and (iv) the leave passage allowances of their spouses. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above;

	(i) Medical and dental benefits	(ii) Medical and dental benefits of spouses	(iii) Leave passage allowances	(iv) Leave passage allowances of spouses
(a) SFST				
(b) USFST				
(c) PA to SFST				
(d) Total estimated expenditure of the Bureau				

- (3) the estimated expenditures on the (i) government vehicle services and (ii) security arrangements for (a) SFST, (b) USFST and (c) PA to SFST in this financial year. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above;

	(i) Cars and chauffeur services	(ii) Security arrangements
(a) SFST		
(b) USFST		
(c) PA to SFST		
(d) Total estimated expenditure of the Bureau		

- (4) the estimated expenditures on the job-related allowances for (a) SFST, (b) USFST and (c) PA to SFST in this financial year, including the following two categories of expenditures: (i) official entertainment and (ii) passage for duty visits. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above; and

	(i) Official entertainment	(ii) Passage for duty visits
(a) SFST		
(b) USFST		
(c) PA to SFST		
(d) Total estimated expenditure of the Bureau		

- (5) the estimated expenditures on the end-of-contract gratuity for (a) SFST, (b) USFST and (c) PA to SFST upon the completion of their term of office, including the following two categories of expenditures: (i) end-of-contract gratuity and (ii) related allowances. If the above estimated expenditures of the three politically appointed officials are not included in their personal emoluments but are part of the estimated operating expenditure of the Bureau, please provide (d) the estimated expenditure of the Bureau on the items above.

	(i) End-of-contract gratuity	(ii) Related allowances
(a) SFST		
(b) USFST		
(c) PA to SFST		
(d) Total estimated expenditure of the Bureau		

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 66)

Reply:

In 2020-21, the estimated expenditures on salary for the posts of the Secretary for Financial Services and the Treasury (SFST), the Under Secretary for Financial Services and the Treasury (USFST) and the Political Assistant (PA) to SFST are \$4.18 million, \$2.92 million and \$1.04 million respectively. The provision for Mandatory Provident Fund contribution for the posts of USFST and PA to SFST is \$18,000 each. In addition, the provisions for official entertainment and overseas duty visits under SFST's Office are about \$130,000 and \$1.1 million respectively.

SFST, USFST and PA to SFST, as well as their dependants, are eligible for the medical and dental benefits available to civil servants and their dependents. SFST is provided with the free use at his discretion of a car and driver in Hong Kong. As for USFST and PA to SFST, their use of government cars is governed by rules and regulations applicable to civil servants at comparable levels. SFST, USFST and PA to SFST are not granted contract gratuities or other related allowances.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)059

(Question Serial No. 2736)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the cash payout scheme, will the Government advise this Committee of:

1. the date when the relevant government official(s) put forward the recommendation for the cash payout scheme and the date when it was decided to adopt this scheme;
2. the name of the official(s) making the recommendation for the cash payout scheme;
3. whether the views of the political parties in the Legislative Council are the most important factor in considering the adoption of the cash payout scheme.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 123)

Reply:

The Financial Secretary will conduct extensive consultations on the Budget each year and take into account the views received before drawing up the Budget initiatives. The Financial Secretary announced in his Budget Speech on 26 February 2020 the Cash Payout Scheme to disburse \$10,000 to each Hong Kong permanent resident aged 18 or above, with a view to encouraging and boosting local consumption on the one hand, and relieving people's financial burden on the other.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)060

(Question Serial No. 2743)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the cash payout scheme, please inform this Committee of the following:

1. What are the estimated workflow (including advance preparation, receipt of applications, disbursement of funds and retention period of cheques prior to forfeiture) and timeframe?
2. Will the Government follow the case of Scheme \$6,000 in 2011 to disburse an extra amount to those who voluntarily register at a later time? If yes, what will be the amount? If no, what are the reasons?
3. If banks are required to assist in processing the applications, will they charge a flat rate for all applications? If yes, how much will it be? If no, what are the reasons? Please provide the handling fee of all banks.
4. What will be the handling fee if cheques are to be sent by Hongkong Post?
5. Will additional staff be recruited to process the cash payout scheme? If yes, what are the number, their posts, salaries and contract period? If no, what are the reasons?

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 129)

Reply:

1. The Government is making preparations for the Cash Payout Scheme ("the Scheme"), including preparing the workflow, designing and developing the computer systems, discussing with relevant parties e.g. banks on the implementation details, formulating the publicity plan, etc. Details of the Scheme will be announced as soon as possible after obtaining funding approval. Our current target is to strive to commence registration in early July and start making payment during summer vacation.

2. We are in the course of devising the registration workflow and our main consideration is to implement the Scheme in a simple, convenient and secure manner. In view of the objective of the Scheme, we currently do not have plan to offer rewards to encourage the public to defer registration. Nevertheless, we will consider devising a registration by batches arrangement to spread out the registrants.
- 3.&4. According to the current plan, the public will not be required to pay a handling fee for registration and receiving payment through banks or Hongkong Post. The Government will pay service fees to banks or Hongkong Post, and the details will be worked out with the relevant parties.
5. When preparing the budget of the Scheme, the Government has set aside about \$1 billion to meet administrative expenses. These include employing, on short-term basis, about 100 additional staff in the Financial Services and the Treasury Bureau, the Treasury and the Immigration Department for assisting in preparing and implementing the Scheme, setting up related computer systems and other ancillary facilities, paying service fees to assisting agencies, conducting publicity and promotion, and contingency, etc. The Government will determine the remuneration of the staff required in accordance with the prevailing mechanism.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)061

(Question Serial No. 2748)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control, (3) Service Departments

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding Head 147, would the Government inform this Committee of the following:

1. For Programme (2), whether the current-term Government has determined on the minimum number of months of government expenditure that our fiscal reserves can afford? If yes, please provide the details. If no, what are the reasons?
2. For Programme (2), please set out in table form the comprehensive avoidance of double taxation agreements currently implemented (including year of implementation), signed but not yet implemented (including anticipated year of implementation) and under negotiation (including anticipated year of signing and implementation).
3. For Programme (2), please set out in table form the measures taken by the Government in the past 3 financial years to streamline financial regulations within the Government. In relation to these measures (if any), please provide the year of implementation, details and administrative expenses saved for the Government.
4. For Programme (3), please set out in table form the measures taken by the Government Property Agency pertaining to the refined leasing arrangements. In relation to these measures, please provide the details, the cases where tenants were given assistance, their address and whether rent reduction is involved (if yes, please set out the amount).
5. For Subhead 281, please set out the names of all airlines, helicopter companies and the Civil Aviation Department's agent receiving the relevant administration fees in the past 3 financial years. Please also provide the percentage of such administration fees to the air passenger departure tax collected by such airlines/companies for the Government under each airline/company by each year.

6. For the increase of a total of 22 posts under Programmes (2) and (3), please provide the post titles, salaries, duties and immediate supervisors of these posts.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 55)

Reply:

1. Article 107 of the Basic Law stipulates that “The Hong Kong Special Administrative Region shall follow the principle of keeping the expenditure within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product.” In compiling the estimates, the general principle of the Government’s expenditure policy is that, over time, the growth rate of expenditure should be commensurate with that of the economy. The Government aims to maintain adequate reserves in the long run. In fact, since 1997-98, the Government has been maintaining a steady level of fiscal reserves equivalent to 13 to 28 months of government expenditure.

2. As at March 2020, Hong Kong has signed 43 Comprehensive Avoidance of Double Taxation Agreements/Arrangements (CDTAs), of which 42 CDTAs have already entered into force. Details are as follows:

Country/Region	Effective From	
Belgium	Year of Assessment 2004/2005	
Thailand	Year of Assessment 2006/2007	
Mainland of China	Year of Assessment 2007/2008	
Luxembourg	Year of Assessment 2008/2009	
Vietnam	Year of Assessment 2010/2011	
Brunei	Year of Assessment 2011/2012	
United Kingdom		
Austria	Year of Assessment 2012/2013	
France		
Hungary		
Ireland		
Japan		
Liechtenstein		
Netherlands		
New Zealand		
Czech		Year of Assessment 2013/2014
Indonesia		
Malaysia		
Malta		
Portugal		
Spain		
Switzerland		

Country/Region	Effective From
Canada	Year of Assessment 2014/2015
Guernsey	
Jersey	
Kuwait	
Mexico	
Qatar	
Italy	Year of Assessment 2016/2017
South Africa	
United Arab Emirates	
Romania	1 January 2017
Korea	Year of Assessment 2017/2018
Russia	
Belarus	Year of Assessment 2018/2019
Latvia	
Pakistan	
Finland	
India	Year of Assessment 2019/2020
Saudi Arabia	
Cambodia	
Estonia	Year of Assessment 2020/2021
Macao Special Administrative Region	Pending

The CDTA between Hong Kong and the Macao Special Administrative Region has already been signed in November 2019. Both sides are now working on the procedures to implement the CDTA, which is expected to be in force at the earliest from the year of assessment 2021/2022.

Meanwhile, Hong Kong is conducting CDTA negotiations with 14 tax jurisdictions, namely Bahrain, Bangladesh, Cyprus, Georgia, Germany, Israel, Lithuania, Maldives, Mauritius, North Macedonia, Norway, Nigeria, Serbia and Turkey. We will strive to conclude the negotiation work and sign the agreements/arrangements as early as possible.

3. The Government reviews internal financial regulations from time to time. For the years between 2017 and 2019, the Financial Services and the Treasury Bureau (the Treasury Branch) consolidated or streamlined 49 Financial Circulars to 44, covering the work in areas such as government procurement, public works and management of funding schemes, so as to ensure that the relevant guidelines and requirements are up-to-date. Since the work is undertaken by existing staff of the Treasury Branch as part of their routine duties, it does not involve any additional expenditure.

4. In line with the Government's policy objective to build a caring society, the Government Property Agency (GPA) has implemented the "Socially Caring Leasing Arrangements" since 2019.

Under the arrangements, when leasing out government properties, GPA gives priority to non-government organisations (NGOs) and social enterprises (SEs) with policy support in leasing appropriate premises, and invites tenders from NGOs and SEs for leasing of commercial premises. In 2019, GPA directly leased a commercial premise to an NGO with policy support for non-profit-making use; and invited tenders from NGOs and SEs for leasing of 7 commercial premises, 2 of which were eventually rented by an NGO or SE. For the remaining premises which were not rented by any NGO or SE, GPA has resorted to open tender or quotation instead.

Moreover, under the relevant arrangements, GPA also incorporates tenancy provisions to facilitate business operations of small and medium-sized enterprises (SMEs) by providing longer and flexible tenure as well as rental arrangements pegged with the business turnover of tenants. In 2019, a total of 17 premises were leased out under the aforementioned enhanced tenancy provisions. Please refer to the Annex for details.

5. Under the Air Passenger Departure Tax Ordinance (Cap. 140), airlines and helicopter companies are responsible for collecting air passenger departure tax (APDT) from departing passengers and handling refunds of the APDT on behalf of the Government. The Government pays to the company concerned an administration fee (which is calculated as a specified percentage of the APDT) in respect of each passenger who has paid the APDT. The administration costs incurred for the collection of the APDT on behalf of the Government vary according to the passengers' mode of departure. The administration fee payable by the Government for passengers departing from the Hong Kong International Airport (HKIA) is 2.322% of the APDT, while that payable for those departing by helicopters is 1.24% of the APDT. For passengers who arrive at the HKIA SkyPier from the Mainland by sea for the purpose of transferring to an aircraft that departs from Hong Kong, the administration fee payable by the Government is 1% of the APDT.

Furthermore, the Civil Aviation Department has set up an APDT Counter at the HKIA, where a contractor, to whom service fees are paid by the Government, processes applications for exemption and refund of the APDT. The service concerned is acquired through open tender procedures, and the service fees are determined based on the tender results.

As about 100 airlines and helicopter companies are involved in the aforesaid mechanism, it takes considerable time to compile the statistics and prepare a breakdown of the administration fee paid to each airline and helicopter company in each year. The administration fees paid to airlines and helicopter companies and the service fees paid to the contractor in accordance with the aforesaid mechanism in the past 3 financial years are set out in the table below to ensure that the question raised is properly responded to in a timely manner:

	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Revised Estimate)
APDT Revenue (\$ million)	2,737	2,881	2,426
Administration Fees Paid to Airlines and Helicopter Companies (\$ million)	65.1	67.8	62.4
Service Fees Paid to Contractor (\$ million)	1.5	1.5	1.6

6. Details of the 22 new posts under Programme (2) and (3) are as follows:

	Rank	Number of officers	Notional annual mid-point salary	Rank of immediate supervisors	Duties
Programme (2)	Chief Executive Officer*	2	3,029,280	Administrative Officer Staff Grade C	To plan, co-ordinate and oversee the implementation of the cash payout scheme.
	Senior Executive Officer*	2	2,249,040	Chief Executive Officer	
	Executive Officer I*	3	2,422,620	Senior Executive Officer	
	Executive Officer II*	2	1,069,320	Senior Executive Officer	
	Assistant Clerical Officer*	4	1,155,360	Executive Officer I	
	Clerical Assistant*	2	451,080	Assistant Clerical Officer	
	Treasury Accountant	1	1,030,440	Chief Treasury Accountant	To assist in the management of the Capital Investment Fund and the Loan Fund.
Programme (3)	Principal Supplies Officer*	1	1,514,640	Principal Executive Officer	To co-ordinate the relevant bureaux and departments in implementing the pilot scheme on the government e-procurement platform and to handle the new work arising from the implementation of various government procurement measures.
	Senior Management Services Officer*	1	1,124,520	Principal Supplies Officer	
	Senior Executive Officer*	1	1,124,520	Principal Supplies Officer	
	Senior Executive Officer	1	1,124,520	Chief Executive Officer	
	Systems Manager*	1	1,124,520	Principal Supplies Officer	
	Analyst / Programmer I*	1	807,540	Systems Manager	

* 20 time-limited posts among them.

Properties leased out by Government Property Agency under Socially Caring Leasing Arrangement in 2019

	Property Address	Usage	Category of Tenant	Monthly Rent (Remark)
A	Government Property leased to Non-governmental Organisations (NGOs) or Social Enterprises (SEs)			
1.	G/F and cockloft, 65 Man Nin Street, Sai Kung, New Territories	Non-profit-making animal welfare services centre	NGO	nominal rent (with policy support)
2.	Unit 2, G/F, Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong	Retail / services	SE	\$3,000
3.	Portion of G/F and portion of the Upper Deck, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong	Western-style buffet restaurant	NGO	\$25,500
B	Introduction of longer and flexible tenancy term (i.e. option to renew for another 3 years after 3 years) and/or rental arrangements pegged with business turnover			
1.	Portion of 5/F and portion of 6/F, Police Headquarters, Arsenal House, 1 Arsenal Street, Wan Chai, Hong Kong	Government canteen	Majority of tenants are individuals or small and medium enterprises	\$22,500
2.	Portion of 1/F, Yuen Long Police Station, 246 Castle Peak Road, Yuen Long, New Territories	Government canteen		\$19,000
3.	Portion of G/F of the 2-storey government building within Tuen Mun Public Cargo Working Area, Area 16, Hoi Wah Road, Tuen Mun, New Territories	Government canteen		\$5,688
4.	Portion of 2/F, Passenger Terminal Building, Shenzhen Bay Port Hong Kong Port Area	Government canteen		monthly minimum rent of \$16,925 or 16% of gross monthly receipts, whichever is the higher

	Property Address	Usage	Category of Tenant	Monthly Rent (Remark)
5.	Portion of the Ground Mezzanine Floor, Lok Ma Chau Terminus, Lok Ma Chau Spur Line Control Point, New Territories	Government canteen	Majority of tenants are individuals or small and medium enterprises	monthly minimum rent of \$32,900 or 21% of gross monthly receipts, whichever is the higher
6.	Portion of 4/F, Castle Peak Bay Immigration Centre, 84 Castle Peak Road, Castle Peak Bay, New Territories	Government canteen		\$93,299
7.	Portion of 1/F, High Court Building, 38 Queensway, Hong Kong	Government canteen		monthly minimum rent of \$52,300 or 16% of gross monthly receipts, whichever is the higher
8.	Portion of 7/F, Tai Po Police Station, 4 On Po Lane, Tai Po, New Territories	Government canteen		\$12,888.20
9.	Portion of 4/F, Mong Kok Police Station, 142 Prince Edward Road West, Kowloon	Government canteen		\$5,000
10.	Portion of Level 0, Office Building, Civil Aviation Department Headquarters, 1 Tung Fai Road, Hong Kong International Airport , Lantau Island	Government canteen		\$30,000
11.	Portion of G/F, Block A, Government Dockyard, Ngong Shung Road, Stonecutters Island, Sham Shui Po, Kowloon	Government canteen		\$15,109
12.	Portion of 3/F and portion of 4/F, Administration Block, Fire and Ambulance Services Academy, 11 Pak Shing Kok Road, Pak Shing Kok, Tseung Kwan O, New Territories	Government canteen		monthly minimum rent of \$20,000 or 14% of gross monthly receipts, whichever is the higher
13.	Portion of G/F, Block A, 397 Clear Water Bay Road, Pik Uk Prison, Sai Kung, New Territories	Government canteen		\$41,668

	Property Address	Usage	Category of Tenant	Monthly Rent (Remark)
14.	Portion of 1/F, Lower Main Block, Wong Tai Sin Police Station, 2 Shatin Pass Road, Wong Tai Sin, Kowloon	Government canteen	Majority of tenants are individuals or small & medium enterprises	\$3,380
15.	121 Peak Road, Hong Kong	Restaurant		monthly minimum rent of \$230,000 or 25% of gross monthly receipts, whichever is the higher
16.	Unit No. 2, G/F, South Tower, West Kowloon Government Offices, 11 Hoi Ting Road, Yau Ma Tei, Kowloon	Convenience store or take-away store of pre-packaged food or drink		\$12,000
17.	G/F and cockloft, 67 Man Nin Street, Sai Kung, New Territories	Shop, services, eating outlet or office, or any combination thereof		\$30,000

Remark: According to the measures to support enterprises announced by the Financial Secretary in August and October 2019 respectively, tenants of catering establishments and retail shops leased by the Government Property Agency would receive rental reduction of 50% for a period of 6 months from October 2019 until March 2020. Subsequently, the Financial Secretary announced in the 2020-21 Budget the extension of the rental reduction for another 6 months from April 2020 until September 2020. Except Item A1 which is a property leased at nominal rent, the rental reduction applies to all of the above tenancies.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)062

(Question Serial No. 1144)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government has introduced a series of measures to support enterprises, safeguard jobs, stimulate the economy and smoothen livelihoods since the social and economic situations worsened last year. Please give details of each of the relief measures together with those announced in this Budget, including their target beneficiaries, contents of support, expenditures involved, government departments responsible for relevant projects and enquiry hotlines, as well as their current progress.

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 13)

Reply:

This question is not directly related to Head 147.

The details and progress of bureaux and departments' implementation of the four rounds of relief measures as announced by the Financial Secretary since last August are set out at the Appendix.

In addition, other entities, including the Hong Kong Housing Authority, the Hong Kong Housing Society, the Employees Retraining Board, the Travel Industry Council of Hong Kong, the Construction Industry Council and the Community Care Fund, etc., have launched a number of relief measures, such as rental concessions, in response to the Government's appeal. Please contact the relevant entities direct for details of those measures.

First round of relief measures:

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Increase the reductions of salaries tax, tax under personal assessment and profits tax for the year of assessment 2018/19 to 100% while retaining the ceiling of \$20,000	1,838	Around 1.43 million taxpayers	The Amendment Ordinance was passed by the Legislative Council. The tax reductions were reflected in the notices of assessment for the year of assessment 2018/19 issued by the Inland Revenue Department (IRD).	IRD 187 8022
Waive 27 groups of government fees and charges for 12 months to benefit a wide range of sectors including maritime, logistics, retail, catering, tourism, construction, agriculture and fisheries, etc.	1,569.3	Including about 9 600 licensed local vessels and 177 400 commercial vehicles, 25 400 ocean-going vessel arrivals and 87 700 high speed craft arrivals, 30 000 related businesses, etc.	The negative vetting procedure was completed. The 27 groups of waivers have been implemented progressively since 1 October 2019.	Note 1

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Reduce the rental for most short-term tenancies (STTs) of government land for business and community use under the Lands Department (LandsD), public market stalls leased by the Food and Environmental Hygiene Department (FEHD), catering establishments and retail stores leased by the Government Property Agency (GPA), public cargo working areas leased by the Marine Department (MD) and stalls/facilities in the 4 wholesale markets managed by the Agriculture, Fisheries and Conservation Department (AFCD) by 50% for six months	271.5	Including about 12 400 public market stalls, 110 operators of public cargo working areas and 2 550 other tenants	Implemented since 1 October 2019	LandsD 2231 3280 FEHD 2867 5150 GPA 3842 6762 MD 2852 4452 AFCD 2150 7001
Implement a fee review moratorium on government fees and charges set on a cost recovery basis starting from 15 August 2019 to 31 December 2020	Not applicable (N/A)	N/A	N/A	Financial Services and the Treasury Bureau (The Treasury Branch) (FSTB(TsyB)) 2810 3763

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
<p>Make further enhancements to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the SME Export Marketing Fund (EMF) and provide additional injections into these Funds to double the cumulative funding ceiling for each enterprise</p>	<p>2,000</p>	<p><u>BUD Fund</u> Non-listed Hong Kong enterprises <u>EMF</u> Hong Kong small and medium enterprises (SMEs)</p>	<p>The funding proposal has been approved by the Finance Committee (FC) and the enhancement measures have been implemented since 20 January 2020.</p>	<p><u>BUD Fund</u> Hong Kong Productivity Council 2788 6088 <u>EMF</u> Trade and Industry Department 2398 5127</p>
<p>Provide an extra allowance to social security recipients, the amount of which equals to one month of the standard rate Comprehensive Social Security Assistance payments/ Social Security Allowance. Similar arrangements will apply to recipients of the Working Family Allowance (WFA) and individual-based Work Incentive Transport Subsidy (WITS)</p>	<p>4,043</p>	<p>Around 1.33 million eligible social security recipients, 57 000 households receiving WFA and 32 000 individual-based WITS recipients</p>	<p>The funding proposal has been approved by the FC. The relevant beneficiaries have received the one-off extra allowance starting from 7 January 2020.</p>	<p>The Social Security Field Units of the Social Welfare Department (SWD) or the SWD hotline 2343 2255 Working Family and Student Financial Assistance Agency 2558 3000</p>

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Provide a grant of \$2,500 in the 2019/20 school year for each kindergarten, primary school and secondary day-school student	2,250	Around 900 000 students	<p>The funding proposal has been approved by the FC. Schools can collect the application forms from 9 January and submit them to the Education Bureau (EDB) two weeks or before after the date of class resumption. The EDB expects to start disbursing the grant in about six weeks after receiving the applications. In the light of the arrangement of class suspension due to the novel coronavirus epidemic, the EDB has extended the deadline for schools to submit application forms to two weeks after class resumption.</p> <p>The EDB has started disbursing the first batch of student grant from 28 February 2020 by direct deposit into the bank accounts specified by parents.</p>	Special Duties Office of the EDB 3850 2000
Pay one month's rent for lower-income tenants living in the public rental units of the Hong Kong Housing Authority (HKHA) and the Hong Kong Housing Society (HKHS)	1,433	Around 780 000 tenants	The funding proposal has been approved by the FC, and the rent for January 2020 has been paid for the tenants concerned.	HKHA 2712 2712 HKHS 2882 1717

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Provide a one-off electricity charges subsidy of \$2,000 to each residential electricity account	5,569	Over 2.7 million eligible residential accounts	The funding proposal has been approved by the FC. Starting from January 2020, the electricity charges subsidy will be credited to each residential electricity account for 12 consecutive months.	FSTB(TsyB) 2810 3824

Second round of relief measures:

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Reduce the rental for all tenants in EcoPark by 50% for six months	6.5	All tenants in EcoPark	Implemented since 1 October 2019	Environmental Protection Department 2872 1611
Reduce the rental for food trucks in government venues by 50% for six months	0.1	All food trucks	Implemented since 1 October 2019	Tourism Commission 2782 7892

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Introduce a new loan guarantee product under the SME Financing Guarantee Scheme (SFGS), under which the Government will provide for a 90% guarantee for approved loans, up to the maximum of \$6 million each, with a maximum loan guarantee period of 5 years and enhance the relief measure under 80% guarantee product of the SFGS	5,400	Non-listed Hong Kong enterprises	The arrangement of principal moratorium has come into effect from September 2019. The 90% Guarantee Product was approved by the FC and introduced on 16 December 2019.	HKMC Insurance Limited 2536 0392

Third round of relief measures:

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Reduce the rental for STTs for fee-paying public car parks and harbourfront recreational or event venues under the LandsD by 50% for six months	180	Around 240 tenants	Implemented with retrospective effect from 1 October 2019	LandsD 2231 3280
Reduce the rental for fee-paying public car parks under the GPA by 50% for six months	8	16 tenants	Implemented with retrospective effect from 1 October 2019	GPA 3842 6762

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Extend the coverage of the rental concession of 50% for six months for catering establishments and retail stores leased by the GPA to supermarkets, a shopping mall, etc.	18	27 tenants	Implemented with retrospective effect from 1 October 2019	GPA 3842 6762
Reduce the rental for fee-paying public car parks and catering and retail premises under the Leisure and Cultural Services Department (LCSD) by 50% for six months	71	Over 200 tenants	Implemented with retrospective effect from 1 October 2019	LCSD 2414 5555
Reduce the basic hire charges of facilities of civic centres managed by the LCSD by 50% for six months	23	Around 3 000 hirers	Implemented with retrospective effect from 1 October 2019	Enquiries on the reduction of hire charges for the facilities of civic centres managed by the LCSD can be directed to the booking offices of the respective civic centres
Reduce fees of short-term waivers and temporary waivers issued to most waiver holders by 50% for six months	170	Around 3 300 waiver holders	Implemented with retrospective effect from 1 October 2019	LandsD 2231 3280

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Provide a six-month fuel subsidy or a one-off subsidy for the transport trade	1,512	Around 61 000 taxi/red minibus drivers, 180 public transport operators, and owners of 140 000 commercial vehicles and vessels	The funding for the establishment of the Anti-epidemic Fund (AEF) was approved by the FC on 21 February 2020. The AEF will provide financial support for the FS's proposal to extend the fuel subsidy or one-off subsidy for the transport trade as announced on 22 October 2019.	MD (For the one-off non-accountable subsidy for local commercial mechanised vessels and cross-boundary ferries) 2852 4406 Transport Department (For the fuel subsidy or the one-off subsidy for vehicles / vessels other than local commercial mechanised vessels and cross-boundary ferries) 2804 2600
Provide a one-off survey fee subsidy for local commercial marine vessels	16.5	Around 6 300 local commercial marine vessels	The funding for the establishment of the AEF was approved by the FC on 21 February 2020 to introduce measures including the provision of a one-off survey fee subsidy for local commercial marine vessels.	MD 2852 4406

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Advance the phased payment or provide supplementary subsidy to social enterprises (SEs) which are within the funding period under the Enhancing Self-reliance through District Partnership Programme (ESRP) on a need basis	Unable to estimate as it depends on the number of applying SEs	Unable to estimate as it depends on the number of applying SEs	Implemented since 22 November 2019	ESRP Secretariat 2835 1383
Reduce the rental for catering and retail premises in country parks and special areas under the AFCD by 50% for six months	0.6	9 tenants	Implemented with retrospective effect from 1 October 2019	AFCD 2150 6890
Reduce the rental for the tenants of monthly parking spaces in the 4 wholesale markets under the AFCD by 50% for six months	4.3	1 227 tenants	Implemented with retrospective effect from 1 October 2019	AFCD 2150 7001

Fourth round of relief measures:

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Waive 75% of water and sewage charges for non-domestic households, subject to a monthly cap of \$20,000 and \$12,500 respectively per household per month (for four-monthly billed households, the respective caps for water and sewage charges is \$80,000 and \$50,000)	340	Around 250 000 non-domestic households	The relevant subsidiary legislation is being prepared.	Water Supplies Department's 24-hour Customer Services Hotline 2824 5000 Drainage Services Department's Customer Services Enquiries (Sewage Services Charges) 2834 9432
Provide an enhanced rates concession to all non-domestic properties. The exemption ceiling for each non-domestic property chargeable to rates will be increased from \$1,500 to \$5,000 for the fourth quarter of 2019-20.	594.7	Around 260 000 non-domestic properties	The legislative amendment exercise was completed. The enhanced rates concession has been reflected in the quarterly demand notes issued by the Rating and Valuation Department (RVD).	RVD 2152 0111
Waive the surcharge on tax outstanding for up to one year for taxpayers in need who applied and obtained approval for payment of tax by instalments. The waiver is applicable for the year of assessment 2018/19, and covers profits tax, salaries tax, and personal assessment.	Depend on the tax amount approved for payment by instalments	Taxpayers / enterprises who obtained approval for payment of tax by instalments	The IRD has started issuing tax demand notes for the year of assessment 2018/19 and will process applications for payment by instalment accordingly.	IRD 187 8022

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
Offer fees and rent reduction for cruise lines with liners docking at the Kai Tak Cruise Terminal and the Terminal's existing tenants for six months	30	Around 105 ship calls and 6 tenants	Implemented since 1 December 2019	Worldwide Cruise Terminals 3465 6898
<p>Introduce the following additional support measures for most of the STTs of government land and short-term and temporary waivers for varying the terms of the land grants under the LandsD issued for community and business use:</p> <p>(i) freeze the rent and waiver fee payable under the STTs/waivers from 1 October 2019 until 31 December 2020;</p> <p>(ii) suspend re-tendering of the STTs from 1 October 2019 until 31 December 2020, to allow the existing tenants to stay on under existing terms, unless termination is required for other policy considerations or initiated by the tenants themselves.</p>	164.9	Around 500 tenants and 1 300 waiver holders	Implemented with retrospective effect from 1 October 2019	LandsD (i) 2231 3280 (ii) 2231 3043

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
For stalls / facilities / carparks in the Cheung Sha Wan Wholesale Food Market and Western Wholesale Food Market managed by the AFCD, any monthly rental increase as a result of the rental review conducted between 1 October 2019 and 31 December 2020 will be waived until the next review	17	2 038 tenants	Implemented with retrospective effect from 1 October 2019	AFCD 2150 7001
For public cargo working areas managed by the MD, any monthly fee increase between 1 October 2019 and 31 December 2020 according to the Berth Licence Agreements, will be waived until the next adjustment cycle	2.4	110 operators	The annual monthly fee increase according to the Berth Licence Agreements on 1 April 2020 will be waived.	MD 2852 4452
Provide an electricity subsidy to each eligible non-residential electricity account holder to cover 75% of their monthly billed electricity charges, subject to a cap of \$5,000 per account per month for four months, i.e. \$20,000 in total per account	2,300	About 430 000 non-residential electricity account holders	The funding proposal was approved by the FC on 28 February 2020, and the subsidy has been disbursed to all eligible non-residential electricity accounts starting from 1 March 2020.	Environment Bureau 3509 8639

Measure	Financial implication (\$m)	Beneficiaries	Progress	Responsible bureau/ department/ entity and enquiry hotline
For the local recycling industry, the Advisory Committee on Recycling Fund will launch a one-time rental subsidy scheme to recycling enterprises through the Recycling Fund	100	About 500 recycling street-corner stores and 400 open recycling sites	The Recycling Fund has already started accepting applications.	Secretariat of the Recycling Fund 2788 5658
Enhance the Youth Employment and Training Programme (YETP) to assist young people to enter the labour market	14.3	Around 600 young people	The enhancement measures under “Career Kick-start” have been implemented in December 2019. As for the workplace attachment allowance payable to trainee, the enhanced rate has taken effect from 1 January 2020.	Labour Department (YETP offices) 2112 9932

The Financial Secretary has announced extension of relief measures in the Budget to support enterprises, safeguard jobs and relieve people’s burden. Details on the measures related to various bureaux/departments/entities and the beneficiaries of these measures are set out in the table below:

Measure ^{Note 2}	Financial implication (\$m)	Beneficiaries
Provide an equivalent of one month extra allowance to recipients of social security payments; and apply similar arrangements to recipients of individual-based WITS	4,225	Around 1.39 million eligible social security recipients and 27 000 individual-based WITS recipients
Provide electricity charge subsidy to non-residential electricity accounts for four more months	2,900	Around 430 000 non-residential electricity account holders

Measure ^{Note 2}	Financial implication (\$m)	Beneficiaries
Pay one month's rent for lower-income tenants living in the public rental units of the HKHA and the HKHS	1,829	Around 760 000 households living in HKHA's public rental units; and about 30 000 households living in public rental units of HKHS Group A estates and Elderly Persons' Flats of HKHS Group B estates
Provide rental subsidy for six more months for recycling enterprises through the Recycling Fund	100	Around 500 street-corner recycling stores and 400 open recycling sites
Reduce rental and fees by 50% for six more months for eligible tenants of government properties, lands and EcoPark, etc.	573	Around 16 800 tenants and operators
Waive 75% of water and sewage charges for non-domestic households for four months	340	Around 250 000 non-domestic households
Reduce fee by 50% for six more months for eligible operators of properties covered by short-term waivers	265	3 211 waiver holders
Reduce the basic hire charges by 50% for six more months for facilities of civic centres managed by the LCSD	23	Some 2 900 hirers of LCSD civic centre facilities
Reduce fees and rent for six more months for cruise lines and existing tenants of the Kai Tak Cruise Terminal	18	71 ship calls and 5 existing tenants

Note 1: Summary of Waiver of Fees and Charges

Measure	Responsible department/entity	Enquiry hotline
1. Port facilities and light dues payable for ocean-going vessels and high speed crafts	Marine Department	2852 3081
2. Permit to Remain fees payable by river-trade vessels		
3. Licence fees of all local vessels, namely Classes I (passenger), II (working), III (fishing) and IV (pleasure) vessels		
4. Vehicle Entry Ticket fee for the first hour payable by trucks entering the public cargo working areas		2852 3656
5. Operation Area Permit fee payable by the public cargo working areas operators		
6. Closed road permit fees for cross boundary goods vehicles, buses and hire cars	Transport Department	2804 2600
7. Vehicle licence fees for registered commercial vehicles		
8. Vehicle examination fees for registered commercial vehicles		

Measure	Responsible department/entity	Enquiry hotline
9. Fees payable for the new issue or renewal of Passenger Service Licence for eligible types of vehicles		
10. Fees payable for the new issue or renewal of Passenger Service Licence Certificate for eligible types of vehicles		
11. Fees payable for the new issue or renewal of Hire Car Permits		
12. Fees for new issue or renewal of a licence for fixed pitch hawker and itinerant hawker licence and fees for the allocation and use of fixed pitches	Food and Environmental Hygiene Department	2867 5935
13. Fees for new issue or renewal of a licence or provisional licence for general, marine restaurants, light refreshments restaurants and factory canteens		2867 5074
14. Fees for new issue or renewal of a liquor licence		
15. Fees for new issue or renewal of a restricted food permit		
16. Fees for new issue or renewal of a licence or provisional licence for fresh provision shops		
17. Fees for new issue or renewal of a licence or provisional licence for bakeries, siu mei and lo mei shops and composite food shops		
18. Fees for new issue or renewal of a licence or provisional licence for food factories, frozen confection factories, milk factories and cold stores		
19. Renewal fees of a licence for slaughterhouses		
20. Fees for grant or renewal of a marine fish culture licence and fees for renewal of a livestock keeping licence		Agriculture, Fisheries and Conservation Department
21. Trade effluent surcharge	Drainage Services Department	2159 3447
22. Fees for mine blasting certificate, licence/permit in respect of the storage and delivery of Category 1 dangerous goods explosives	Civil Engineering and Development Department	3842 7230
	Marine Department	2852 4372
23. Fees relating to registration of minor works contractors	Buildings Department (Registration Unit)	3842 5065
24. Fees for new issue or renewal of hotel/guesthouse licences	Home Affairs Department	2881 7034
25. Fees for new issue or renewal of licences and provisional licences for cinemas under the Places of Public Entertainment Regulations	Food and Environmental Hygiene Department	2867 5074
26. Fees payable for the new issue and renewal of a permit, provisional permit, licence and provisional licence for karaoke establishment	Food and Environmental Hygiene Department	2867 5074
	Home Affairs Department	2881 7034
27. Fees for new issue, renewal or duplicate of a licence for travel agents and fees for amending a licence for additional addresses	Travel Agents Registry	3151 7940

Note 2: For information on the responsible bureaux/departments/entities and their enquiry hotlines, please refer to the corresponding details in the first to fourth rounds of relief measures.

– End –

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)063

(Question Serial No. 1849)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office, (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the Supplement and Appendices of the 2019-20 Budget, a surplus of \$16.8 billion was forecasted for 2019-20, and there would be a deficit of about \$3.8 billion after netting out some \$20.6 billion brought back from the Housing Reserve. The deficit is significantly different from the revised forecast of a \$37.8 billion deficit announced recently. Please inform this Committee of the major reasons for the existence of an ultimate deficit difference of over \$30 billion in the 2019-20 Budget.

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 9)

Reply:

This question is not directly related to Head 147.

The 2019-20 revised estimate on government revenue is substantially lower than the original estimate by about \$58.8 billion. This is mainly because revenues from profits tax and salaries tax were affected by factors such as the economic condition, the enhanced tax concessions offered in the year and the deferred tax assessment cycle as compared with previous years.

As for government expenditure, the revised estimate is about \$3.6 billion higher than the original estimate. This is mainly due to the establishment of the \$30 billion Anti-epidemic Fund, partly offset by the decrease in capital works expenditure from the original estimate.

The above variations, together with the \$7.8 billion that the Government received from the issuance of green bonds, have turned a surplus of \$16.8 billion in the original estimate into a deficit of \$37.8 billion in the revised estimate for 2019-20.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)064

(Question Serial No. 1920)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government has earmarked \$1 billion for meeting the administration fees of the cash payout scheme. Will the Government inform this Committee of the following:

- (a) How many additional staff will have to be hired for handling the related administrative work?
- (b) Given Hong Kong's future position as an international innovation and technology centre, has the Government considered using innovative technologies such as a fully electronic means to streamline the relevant administrative procedure and thus achieve a saving in manpower cost?

Asked by: Hon LAU Kwok-fan (LegCo internal reference no.: 48)

Reply:

- (a) In order to prepare and implement the cash payout scheme ("the scheme"), the Government needs to recruit about 100 additional staff on short-term basis in various departments, including the Financial Services and the Treasury Bureau, the Treasury and the Immigration Department.
- (b) In devising the scheme, the Government's main considerations are to ensure its implementation in a convenient and secure manner. We are in the course of designing and developing relevant computer systems. The entire process will be conducted electronically as far as possible to facilitate registration and payment. Nonetheless, apart from encouraging the public to use online banking for registration, we also have to provide paper forms and related registration channels to cater for the needs of different people.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)065

(Question Serial No. 1680)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the Government's \$10,000 cash payout scheme, the Hong Kong Monetary Authority met with banks to discuss the payout details earlier. Members of the public need to register online or at bank branches beforehand. Trials will be conducted by banks in mid-June and the scheme is expected to be open for application in early July. Bank transfers will be made 2 weeks after public registration. The Financial Secretary said that, from the experience of the previous \$6,000 payout exercise, it will take banks 3 months to make the preparation. Could the Bureau co-ordinate with banks to further shorten the preparation time?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 42)

Reply:

After the Financial Secretary announced the cash payout scheme in the budget speech on 26 February, the Government has immediately started preparation work, including preparing the workflow, designing and developing the computer systems, discussing with relevant parties e.g. banks on the implementation details, formulating the publicity plan, etc. Carrying out these preparatory works during the vetting of the Appropriation Bill will enable the Government to commence registration on an early date and arrange payment as soon as possible upon funding approval. We will strive to commence registration in early July and start making payment during summer vacation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)066

(Question Serial No. 2613)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that the initiative to disburse \$10,000, which will benefit about 7 million people, involves an expenditure of about \$71 billion, meaning that the cost of administering the scheme is about \$1 billion. In this connection, would the Government provide this Committee with a breakdown of the expenditure of \$1 billion, including the number of additional staff to be recruited and their duties?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 104)

Reply:

When preparing the budget of the Cash Payout Scheme, the Government has set aside about \$1 billion to meet administrative expenses. These include employing, on short-term basis, about 100 additional staff in the Financial Services and the Treasury Bureau, the Treasury and the Immigration Department for assisting in preparing and implementing the Scheme, setting up related computer systems and other ancillary facilities, paying service fees to assisting agencies, conducting publicity and promotion, and contingency, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)067

(Question Serial No. 2624)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government inform this Committee of the numbers of local properties purchased or sold by the organs of the Central People's Government in Hong Kong or through their subsidiary companies and the amounts of stamp duty remitted in each year from 2010 to 2019?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 124)

Reply:

Information of stamp duty remission accorded to the Central People's Government (CPG)'s organs in Hong Kong in respect of local properties they acquired or acquired through their subsidiary companies between the financial years 2015-16 and 2019-20 is tabulated as follows:

Financial Year	Organisations	Stamp duty involved (\$ million)	No. of properties involved
2015-16	Ministry of Commerce of the People's Republic of China	3.6	8
	Subsidiary company of a CPG's organ in Hong Kong	15.6	15
2016-17	Subsidiary company of a CPG's organ in Hong Kong	8.4	8
2017-18	-	0	0
2018-19	Subsidiary company of a CPG's organ in Hong Kong	47.9	25
2019-20 (as at 29 February 2020)	Subsidiary company of a CPG's organ in Hong Kong	80.4	22

The Inland Revenue Department did not receive any application for stamp duty remission from the CPG's organs or their subsidiary companies in respect of sale of properties in Hong Kong in the past 5 financial years.

Note: To ensure timely and quality response to the question, we only provide the relevant information for the past 5 years.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)068

(Question Serial No. 2631)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in Matters Requiring Special Attention in 2020-21 that the Branch will continue to oversee the implementation of the Organisation for Economic Co-operation and Development standard for automatic exchange of financial account information in tax matters and the measures to tackle base erosion and profit shifting of enterprises. Will the Government inform this Committee of the specific work plans and expenditure involved?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 131)

Reply:

Hong Kong has committed to the Organisation for Economic Co-operation and Development (OECD) on the implementation of the automatic exchange of financial account information in tax matters (AEOI) and the minimum standards of the package for combating base erosion and profit shifting (BEPS) by enterprises. The Financial Services and the Treasury Bureau (The Treasury Branch) is responsible for policy matters in relation to international tax cooperation measures and overseeing their implementation by the Inland Revenue Department (IRD).

Regarding AEOI, the IRD conducted two rounds of AEOI with 45 and 51 tax jurisdictions in 2018 and 2019 respectively, covering the respective financial account information for 2017 and 2018. The next round of AEOI will take place in September 2020, covering the financial account information for 2019.

As regards measures to combat BEPS, multinational enterprise groups which are reporting entities shall file country-by-country (CbC) returns to the IRD annually starting from the 2018 accounting period. The IRD will conduct exchanges with other tax jurisdictions in end-March 2020 in respect of CbC returns of the 2018 accounting period.

In addition, the OECD is exploring the proposal of setting rules for imposing a global minimum tax rate. It aims to finalise the key features of the proposal by early July this year and reach a consensus with respect to the proposal by the end of this year. The Hong Kong Special Administrative Region Government will continue to keep a close watch on the latest developments of the relevant work, make assessments and devise corresponding measures. The Government will invite scholars, experts and members of the business community who are experienced in the fields of international taxation and economic development to tender advice on the matter. This is to ensure that Hong Kong's tax regime not only is in line with new developments in the international tax scene, but also helps maintain our premier business environment and competitiveness.

Since the implementation of international tax cooperation measures forms part of the regular duties of the Treasury Branch, the manpower and expenditure involved have been included in the overall establishment and expenditure, and no breakdown of the expenditure is available.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)069

(Question Serial No. 2632)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in Matters Requiring Special Attention in 2020-21 that the Government will continue to expand Hong Kong's network of comprehensive avoidance of double taxation agreements with trading partners, in particular countries participating in the Belt and Road Initiative. In this connection, please inform this Committee of the following:

1. What are the specific work plans and the expenditure involved?
2. Are there any specific indicators for performance evaluation regarding this item? If yes, what are the details? If no, what are the reasons?
3. Is there any progress for this item in the past 5 years? If yes, what are the details? If no, what are the reasons?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.:132)

Reply:

1. Hong Kong has so far signed Comprehensive Avoidance of Double Taxation Agreements (CDTAs) with 43 tax jurisdictions, among which 26 are countries participating in the Belt and Road Initiative. We will continue to proactively identify negotiation partners, in particular those participating in the Belt and Road Initiative, with a view to bringing the total number of CDTAs to 50 by end-2022.

At present, Hong Kong is in CDTA negotiations with 14 tax jurisdictions, namely Bahrain, Bangladesh, Cyprus, Georgia, Germany, Israel, Lithuania, Maldives, Mauritius, North Macedonia, Norway, Nigeria, Serbia and Turkey.

Since the expansion of the CDTA network forms part of the regular duties of the Treasury Branch, the manpower and expenditure involved have been included in the overall establishment and expenditure, and no breakdown of the expenditure is available.

2. Among the existing 43 CDTA partners of Hong Kong, 14 are among the top 20 major trading partners of Hong Kong, accounting for about 74% of Hong Kong's total trade in 2019. We shall continue to expand Hong Kong's CDTA network.
3. In the past five years, Hong Kong signed CDTAs with 11 tax jurisdictions, bringing the total number of CDTAs from 32 as at end-2014 to 43 as at end-2019. Those new CDTA partners are Romania (2015), Latvia, Russia (2016), Belarus, Pakistan, Saudi Arabia (2017), Finland, India (2018), Cambodia, Estonia and the Macao Special Administrative Region (2019).

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)070

(Question Serial No. 2633)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated under Matters Requiring Special Attention in 2020-21 that the Government will continue the drive to streamline financial regulations within the Government. In this connection, will the Government inform this Committee of:

1. the specific work plans and the expenditure involved?
2. whether there are specific indicators for performance evaluation? If yes, what are the details? If no, what are the reasons?
3. whether there was any progress in this area of work in the past 5 years? If yes, what are the details? If no, what are the reasons?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 133)

Reply:

The Government reviews internal financial regulations from time to time. For the years between 2015 and 2019, the Financial Services and the Treasury Bureau (the Treasury Branch) consolidated or streamlined 55 Financial Circulars to 44, covering the work in areas such as government procurement, public works and management of funding schemes, so as to ensure that the relevant guidelines and requirements are up-to-date. Since the work is undertaken by existing staff of the Treasury Branch as part of their routine duties, it does not involve any additional expenditure. In the coming year, the Treasury Branch will continue to make the best use of its existing resources to review and suitably streamline the internal financial regulations of the Government from time to time.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)071

(Question Serial No. 2634)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

A number of measures to relieve people's burden are mentioned in the Budget Speech. In this connection, please inform this Committee of:

1. the amounts of government revenue forgone as a result of the reduction in salaries tax and tax under personal assessment as well as the numbers of taxpayers benefited in each of the past 10 financial years; and
2. the amounts of government revenue forgone as a result of the rates waiver for the whole year in respect of residential properties and the numbers of residential properties involved in each of the past 10 financial years.

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 501)

Reply:

1. In the past 5 years of assessment (Note 1), the amounts of one-off tax reduction under salaries tax and tax under personal assessment and the numbers of taxpayers benefited are tabulated below:

Year of Assessment	Amount of Tax Reduction		Actual Number of Taxpayers Assessed	
	Salaries Tax (\$ billion)	Tax under Personal Assessment (\$ billion)	Salaries Tax (million)	Tax under Personal Assessment (million)
2013/14	9.2	0.7	1.70	0.12
2014/15	16.2	1.3	1.79	0.13
2015/16	17.1	1.4	1.85	0.13
2016/17	16.7	1.3	1.77	0.13
2017/18	22.7	2.0	1.87	0.14

The amount of tax reduction is related to the ceiling of one-off tax reduction in the respective year of assessment.

Note 1: To ensure quality and timely response to the question, and in view of the outstanding assessment work for the 2018/19 year of assessment, we only provide relevant information for five years of assessment starting from 2013/14.

2. In the past 5 financial years (Note 2), the estimated numbers of domestic properties in the Valuation List to enjoy rates concession and the concession amounts (including the anticipated concession amounts for newly assessed properties in the financial year) are tabulated as follows:

Financial Year	Amount of Rates Concession (\$ billion)	Number of Domestic Properties (million)
2015-16	6.4	2.74
2016-17	9.2	2.76
2017-18	9.5	2.80
2018-19	14.9	2.84
2019-20	13.0	2.88

Note 2: To ensure quality and timely response to the question, we only provide relevant information for the past 5 financial years.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)072

(Question Serial No. 0837)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards the government procurement policy, will the Government inform this Committee of the following:

- a. in respect of the measures implemented by the Government since April 2019 to enhance protection of the employment terms and conditions as well as labour benefits of non-skilled workers, please state the number of non-skilled workers engaged by the service contractors (contractors) of the 4 major procuring government departments (namely (a) the Food and Environmental Hygiene Department, (b) the Leisure and Cultural Services Department, (c) the Government Property Agency, and (d) the Housing Department). Please provide in Table 1 a breakdown by type of service (i.e. (I) cleansing, (II) security and (III) others) and the range of hourly wages as pledged in the contracts;

Table 1

Type of service	Procuring department	Range of hourly wages pledged (\$)							Total
		37.5	37.6 to 39.5	39.6 to 41.5	41.6 to 43.5	43.6 to 45.5	45.6 to 47.5	47.6 or above	
(I)	(a)								
	(b)								
	(c)								
	(d)								
	Sub-total								
.....									
All types	(a)								
	(b)								
	(c)								
	(d)								
	Total								

- b. whether the Government knows if the new measures have been implemented in all government outsourced service contracts and if not, the details, the schedule for switching to new contracts and the number of non-skilled workers who have yet to benefit from the new measures. Please provide a breakdown by department and by type of work;
- c. regarding “b.” above, whether the Government has received complaints from workers engaged under government outsourced service contracts since the introduction of the new measures. Please provide a breakdown by number and by type;
- d. with regard to the 10 new initiatives to benefit livelihoods announced by the Government in mid-January, which include improving remuneration packages for employees under government outsourced service contracts, what concrete measures have been introduced by the Government to enhance protection of the interests and rights of workers engaged under government outsourced service contracts following the announcement of the new initiatives, and the details of such concrete measures, if any; and
- e. whether the Government will, prior to the completion of the next review on the effectiveness of the government outsourcing policy, consider more factors relating to labour interests and rights and have them incorporated into the scope of review, including changing the technical to price weighting in the marking scheme for evaluating tenders to 70:30, changing the time frame for receiving contract gratuities by allowing workers to receive their contract gratuities on a proportional basis so long as they have worked, and paying extra wages to workers working under inclement weather conditions etc.

Asked by: Hon MAK Mei-kuen, Alice (LegCo internal reference no.: 32)

Reply:

- a. Since 1 April 2019, the Government has introduced new measures regarding government service contracts that rely heavily on the deployment of non-skilled workers (referred to as “relevant contracts” hereunder). The new measures include: a non-skilled worker with no less than one year’s service under a Standard Employment Contract of a government service contract will be entitled to a contractual gratuity being 6% of the total wages earned; a non-skilled worker with no less than one month’s service will be entitled to statutory holiday pay; and the amount of wages for a non-skilled worker who is required to work when typhoon signal no. 8 or above is in force should be at least 150% of the originally entitled wages.

Information on the committed hourly wages pledged by government service contracts tendered and awarded by the Food and Environmental Hygiene Department (“FEHD”), the Leisure and Cultural Services Department (“LCSD”) and the Housing Department (“HD”) (being the executive arm of the Housing Authority (“HA”)) since the implementation of the new measures and up to 31 December 2019, is at the Annex. The Government Property Agency (“GPA”) did not award relevant contracts during the period.

- b. All non-skilled workers engaged under relevant contracts tendered and awarded since 1 April 2019 benefit from the new measures.

In addition, to enable more non-skilled workers to benefit from the new measures, the Government announced on 18 January 2019 that transitional arrangements would be in place for service contracts at tendering stage or already awarded during the period between the announcement of the new measures in the Policy Address on 10 October 2018 and 31 March 2019. As for remaining service contracts, departments will invite tenders when existing contracts expire with a view to awarding new contracts; the tenders will have the new measures incorporated, so that all non-skilled workers engaged under government service contracts will benefit from the new measures alike.

- c. FSTB does not keep statistics on the complaints received by government departments on this subject.
- d. & e. The Chief Executive announced on 14 January 2020 that the Labour and Welfare Bureau will complete by the end of 2020 a review on the enhanced protection for non-skilled workers engaged under government service contractors, and will consider further improvement measures on the employment terms and conditions of employees under government outsourced service contracts.

**Service contracts that rely heavily on the deployment of non-skilled workers
tendered and awarded from 1 April 2019 to 31 December 2019**

Number of non-skilled workers

Types of service	Procuring department	Range of committed hourly wage under the contracts (\$)							Total
		37.5	37.6-39.5	39.6-41.5	41.6-43.5	43.6-45.5	45.6-47.5	47.6 or above	
Cleansing	FEHD	0	0	442	666	117	682	898	2 805
	LCSD	0	4	165	0	45	0	0	214
	HD ^{Note 1}	13	310	48	63	257	335	390	1 416
	Sub-total	13	314	655	729	419	1 017	1 288	4 435
Security	FEHD	0	11	66	0	0	0	34	111
	LCSD	0	139	79	9	0	0	0	227
	HD ^{Note 1}	0	218	367	239	275	61	788	1 948
	Sub-total	0	368	512	248	275	61	822	2 286
Others (Venue management)	LCSD	0	0	11	0	0	0	12	23
	Sub-total	0	0	11	0	0	0	12	23
All types	FEHD	0	11	508	666	117	682	932	2 916
	LCSD	0	143	255	9	45	0	12	464
	HD ^{Note 1}	13	528	415	302	532	396	1 178	3 364
	Total	13	682	1 178	977	694	1 078	2 122	6 744

Notes:

1. HD is the executive arm of HA. HD figures represent information on the service contracts procured by HD on behalf of HA.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)073

(Question Serial No. 2835)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Secretary (FS) mentioned in his Budget Speech that “we may need to consider seeking new revenue sources or revising tax rates”. In what aspects is the Government now considering seeking additional revenue sources? Are proposals such as taxing heat-not-burn tobacco products and increasing the receipts from betting duty under consideration?

The FS said that the possibility of introducing sales tax could not be ruled out, and he would invite the business sector, tax experts and scholars to explore the matter and engage the public in thorough discussions. Please provide more details of the plan, including the manpower and expenditure involved.

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 2)

Reply:

To ensure fiscal sustainability, the Government has to, apart from containing expenditure growth, maintain the growth and vibrancy of the economy and identify new areas of economic growth to increase revenue. Besides, we may have to consider seeking new revenue sources or revising tax rates.

The Government maintains an open mind on seeking new revenue sources or revising tax rates, and there is no specific plan at this stage. We are fully aware of the concerns of various sectors of the community over these issues. As such, we will take the views of different sectors into account thoroughly in considering any proposal.

Formulating revenue policies is part of the routine duties of the Treasury Branch of the Financial Services and the Treasury Bureau. The existing work is carried out by staff within the establishment of our Bureau.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)074

(Question Serial No. 2842)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Secretary mentioned in his Budget Speech that “I have decided to disburse \$10,000 to Hong Kong permanent residents aged 18 or above. This measure, which involves an expenditure of about \$71 billion, is expected to benefit about seven million people”. What are the manpower and administrative expenses involved in fully implementing the measure?

Taking the \$4,000 disbursement through the Caring and Sharing Scheme in 2018 as a basis for comparison, it benefitted about 2.8 million people and incurred total administrative expenses of some \$300 million. In other words, the administrative expenses per capita were around \$107. Will the Government undertake to reduce the administrative expenses per capita for this exercise and improve the administrative efficiency? If yes, what is the percentage of the estimated reduction in expenses if work effectiveness is audited under the value-for-money principle? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 104)

Reply:

When preparing the budget of the Cash Payout Scheme, the Government has set aside about \$1 billion to meet administrative expenses. These include employing, on short-term basis, about 100 additional staff in the Financial Services and the Treasury Bureau, the Treasury and the Immigration Department for assisting in preparing and implementing the scheme, setting up related computer systems and other ancillary facilities, paying service fees to assisting agencies, conducting publicity and promotion, and contingency, etc. The figure on administrative expenses is only an initial estimation. The Government will handle the relevant expenditures in accordance with the principle of prudent financial management to ensure proper use of public funds.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)075****(Question Serial No. 0928)**

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that \$10,000 will be disbursed to Hong Kong permanent residents aged 18 or above. Please provide the following information regarding the scheme:

- What is the number of beneficiaries? Please provide a breakdown by age group?
- Between the expenditure of about \$71 billion involved, how much will be spent on the actual payouts to members of the public and administrative work?

Asked by: Hon POON Siu-ping (LegCo internal reference no.: 37)

Reply:

According to the estimation made by the Immigration Department based on information currently available, the number of beneficiaries by age group is as follows:

Age	Number of Beneficiaries
65 or above	around 1.7 million
55 to 64	around 1.4 million
45 to 54	around 1.3 million
30 to 44	around 1.6 million
18 to 29	around 1 million
Total	around 7 million

When preparing the budget of the cash payout scheme, the Government estimated that there would be about 7 million beneficiaries, involving disbursement of about \$70 billion. In addition, the Government has reserved about \$1 billion to meet administrative expenses. These include additional staffing for different departments, setting up related computer systems and other ancillary facilities, paying service fees to assisting agencies, conducting publicity and promotion, and contingency, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)076

(Question Serial No. 0006)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Administration fill out the table provided below about total government expenditure in each of the financial years since 2016/17?

	a) Total government expenditure and (% of GDP)	b) Recurrent expenditure and (% of government expenditure)	c) Actual cost of inflation incurred and (% of government expenditure)	d) Civil Service Emoluments plus Emoluments of principal officials and (% of government expenditure)	e) Administrative expenses excluding (d) and (% of government expenditure)	f) Recurrent expenditure after deducting (c), (d) and (e) and (% of government expenditure)	g) Recurrent expenditure after deducting (c), (d) and (e) and (% of GDP)
16/17							
17/18							
18/19							
19/20							
20/21							

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 6)

Reply:

The government expenditure for the financial years 2016-17 to 2020-21 is set out below:

	(a) Total government expenditure and (% of GDP)	(b) Recurrent expenditure and (% of government expenditure)	(d) Civil Service Emoluments plus Emoluments of principal officials and (% of government expenditure)	(e) Other recurrent expenditure excluding (d) and (% of government expenditure)
2016-17	\$462.0 billion (18.6%)	\$344.6 billion (74.6%)	\$71.8 billion (15.5%)	\$272.8 billion (59.1%)
2017-18	\$470.9 billion (17.7%)	\$361.8 billion (76.8%)	\$74.6 billion (15.8%)	\$287.2 billion (61.0%)
2018-19	\$531.8 billion (18.8%)	\$403.0 billion (75.8%)	\$79.3 billion (14.9%)	\$323.7 billion (60.9%)
2019-20 (Revised Estimate)	\$611.4 billion (21.3 %)	\$442.4 billion (72.4%)	\$88.0 billion (14.4%)	\$354.4 billion (58.0%)
2020-21 (Original Estimate)	\$731.1 billion (25.1 %)	\$486.6 billion (66.6%)	\$92.1 billion (12.6%)	\$394.5 billion (54.0%)

As the Government does not have the information on the actual cost of inflation incurred (part (c) of the question), it is not able to provide the recurrent expenditure after deducting the actual cost of inflation incurred and its percentage of government expenditure and GDP (parts (f) and (g) of the question).

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)077

(Question Serial No. 0032)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In paragraph 175 and 176 of the Budget speech, the Financial Secretary has mentioned that "in the next few years, the annual capital works expenditure is expected to reach \$100 billion on average, and the annual total construction output will increase to around \$300 billion." and "The deficits are mainly caused by the fact that government revenue cannot keep up with drastic increases in government expenditure, especially recurrent expenditure." In this regard, will the Administration inform this Council what kind of measures will it adopt in order to broaden its sources of income and economize on expenditure? How will the SAR Government regain its budget balance with managing public finances prudently and keeping expenditure within the limits after the current epidemic?

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 23)

Reply:

The significant rise in government expenditure over the years was for enhancing services and increasing investment in various areas of the community. As mentioned in the Budget Speech, in the coming years, government expenditure will enter a consolidation period. As for future increase in spending, the Government should be more mindful of its long-term affordability. It should also be commensurate with the increase in revenue. The Government needs to maintain the growth and vibrancy of our economy and identify new areas of economic growth, with a view to increasing our revenue. Besides, the Government may need to consider seeking new revenue sources or revising tax rates. The one-off relief measures may also have to be progressively reduced.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)078

(Question Serial No. 2392)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

For the Treasury Branch, the provision for 2020-21 under this Programme is \$24 million (13.5%) higher than the revised estimate for 2019-20. This is mainly due to the additional requirements for personal emoluments and air passenger departure tax administration fee. Will the Government provide the details including the reason of the increase in the air passenger departure tax administration fee?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 37)

Reply:

The estimate for 2020-21 under Programme (2) is \$24 million higher than the revised estimate for 2019-20. This is mainly due to the additional requirements for personal emoluments and air passenger departure tax administration fee. On the requirement for personal emoluments, there will be a net increase of 16 posts in 2020-21 under Programme (2) and the posts are mainly responsible for planning, co-ordinating and overseeing the implementation of the cash payout scheme. As for the estimate on air passenger departure tax administration fee, it is mainly calculated on the basis of the estimated number of departing air passengers. The actual amount of administration fee payable will be adjusted in accordance with the number of departing air passengers.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)079

(Question Serial No. 0776)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Secretary mentioned in the Budget Speech that the Government would disburse \$10,000 to Hong Kong permanent residents aged 18 or above. This measure, involving an expenditure of about \$71 billion, is expected to benefit about 7 million people. What are the estimated administrative expenses involved?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 3)

Reply:

When preparing the estimates for the cash payout scheme, the Government has reserved about \$1 billion for administrative expenses. These include the additional staffing for different departments, setting up related computer systems and other ancillary facilities, paying service fees to assisting agencies, conducting publicity and promotion, and contingency, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)080

(Question Serial No. 2375)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As indicated in the Budget Speech, rates for non-domestic properties and residential properties will be waived to support enterprises and safeguard jobs and to relieve people's burden respectively. Why has the Government not decided to waive Government rent for the above two types of properties as a whole?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 2)

Reply:

The Budget proposed waiving rates for four quarters of 2020-21. The ceiling is \$1,500 per quarter for each rateable domestic property. In order to provide stronger support to businesses amid the economic downturn, the ceiling is \$5,000 per quarter for the first and second quarters and is \$1,500 per quarter for the third and fourth quarters for each rateable non-domestic property. This measure will benefit about 3.35 million properties.

As Article 121 of the Basic Law stipulates the obligation to pay Government rent for the land leases concerned, the Government has to uphold the Basic Law requirement and is therefore unable to provide any form of concession on Government rent.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)081

(Question Serial No. 0505)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that in response to the use of tax policy in the international community as a means of competition, the Organisation for Economic Co-operation and Development (OECD) is actively exploring the proposal of setting rules for imposing a global minimum tax rate. In this connection, please advise this Committee of:

- 1) the progress in respect of the proposal, the stage the proposal has reached and the estimated date of implementation;
- 2) whether the Government has conducted assessment of the impact on Hong Kong if the proposal is implemented; and
- 3) the details of whether the Government is prepared for the implementation of the proposal.

Asked by: Hon TIEN Puk-sun, Michael (LegCo internal reference no.: 14)

Reply:

The Organisation for Economic Co-operation and Development (OECD) is exploring the proposal of imposing a global minimum tax rate with a view to promoting fair taxation in the international community. Under this proposal, if the tax paid by a multinational corporation in Hong Kong is lower than the new global minimum tax rate, its parent company will be subject to additional taxes or defensive measures imposed by the jurisdiction where it is located. The OECD aims to finalise the key features of the proposal by early July this year and reach a consensus with respect to the proposal by the end of this year.

The imposition of a global minimum tax rate may undermine the attractiveness of Hong Kong's low tax policy to multinational corporations. It will also bring additional tax burden and compliance costs to multinational corporations, and affect their incentives for investing and operating in Hong Kong.

The Hong Kong Special Administrative Region Government has all along been keeping a close watch on the developments in relation to the setting of rules for imposing a global minimum tax rate, and sending delegates to attend the OECD's relevant meetings so as to grasp the latest situation and devise corresponding measures. The Government will invite scholars, experts and members of the business community who are experienced in the fields of international taxation and economic development to tender advice on the matter. This is to ensure that Hong Kong's tax regime not only is in line with new developments in the international tax scene, but also helps maintain our premier business environment and competitiveness.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)082

(Question Serial No. 0507)

Head: (147) Government Secretariat: Financial Services and The Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What is the specific timetable for the cash payout scheme? What procedures can commence in tandem with the deliberation of the Budget to facilitate early disbursement of cash to the public?

Asked by: Hon TIEN Puk-sun, Michael (LegCo internal reference no.: 15)

Reply:

The Government has started preparation work for the cash payout scheme, including preparing the workflow, designing and developing the computer systems, discussing with relevant parties e.g. banks on the implementation details, formulating the publicity plan, etc. Carrying out these preparatory works during the vetting of the Appropriation Bill will enable the Government to commence registration on an early date and arrange payment as soon as possible upon funding approval. We will strive to commence registration in early July and start making payment during summer vacation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)083

(Question Serial No. 0450)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraphs 180-182 of the Budget Speech that the Organisation for Economic Co-operation and Development (OECD) “is actively exploring the proposal of setting rules for imposing a global minimum tax rate” and the Financial Secretary (FS) “will invite scholars, experts and members of the business community who are experienced in the fields of international taxation and economic development to tender advice on the matter. This is to ensure that Hong Kong’s tax regime is not only in line with new developments in the international tax scene, but also helps us maintain our premier business environment and competitiveness”:

1. Has the Government conducted an initial assessment on the impacts of the OECD’s setting of a minimum tax rate on the economy of Hong Kong? For example, when are the rules expected to be set, which Hong Kong legislation will need to be amended, which sectors will be most affected, etc.;
2. As the Government is preparing legislation for “providing tax relief to promote the development of marine insurance and underwriting of specialty risks in Hong Kong”, will the drafting of the legislation be affected? And when will the legislation be tabled at the Legislative Council (LegCo);
3. Regarding FS’s proposal to invite experts and scholars to tender advice, what are the details of the specific work? For example, when will invitations be extended, how advice will be put forward, etc.;
4. Have the Financial Services and the Treasury Bureau, the Tax Policy Unit under the FS and different government departments embarked on any relevant studies? If so, what are the staff establishment and the expenditure involved? Is there any plan to report the progress of these studies to the LegCo and different sectors?

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: 10)

Reply:

The Organisation for Economic Co-operation and Development (OECD) is exploring the proposal of imposing a global minimum tax rate with a view to promoting fair taxation in the international community. Under this proposal, if the tax paid by a multinational corporation in Hong Kong is lower than the new global minimum tax rate, its parent company will be subject to additional taxes or defensive measures imposed by the jurisdiction where it is located. The OECD aims to finalise the key features of the proposal by early July this year and reach a consensus with respect to the proposal by the end of this year.

The imposition of a global minimum tax rate may undermine the attractiveness of Hong Kong's low tax policy to multinational corporations. It will also bring additional tax burden and compliance costs to multinational corporations, and affect their incentives for investing and operating in Hong Kong.

The Hong Kong Special Administrative Region Government has all along been keeping a close watch on the developments in relation to the OECD's setting of rules for imposing a global minimum tax rate, and sending delegates to attend the OECD's relevant meetings. The Financial Secretary (FS) also mentioned in the Budget Speech that the Government would invite scholars, experts and members of the business community who are experienced in the fields of international taxation and economic development to tender advice on the matter. This is to ensure that Hong Kong's tax regime not only is in line with new developments in the international tax scene, but also helps maintain our premier business environment and competitiveness. The Government is preparing for the setting up of the relevant panel. When devising corresponding measures, the Government will consider the views of the trade in detail, and report to the Legislative Council (LegCo) in a timely manner.

Since the work mentioned above forms part of the regular duties of the Tax Policy Unit under the FS's Office, the Financial Services and the Treasury Bureau (The Treasury Branch) and the Inland Revenue Department, the manpower and expenditure involved have been included in the overall establishment and expenditure, and no breakdown of the expenditure is available.

In addition, the Government tabled at the LegCo in December 2019 the Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Bill 2019, which provides tax relief for promoting the development of marine insurance and underwriting of specialty risks in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)084

(Question Serial No. 0458)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Please list the respective salary expenses for the Secretary for Financial Services and the Treasury (SFST), the Under Secretary for Financial Services and the Treasury as well as the Political Assistant to the SFST in 2020-21.
2. What are the staff establishment and salary expenses of the SFST's Office and their percentage share in the salary expenses of the entire Head in 2020-21?
3. As the work of the SFST's Office includes "the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions", please provide the respective numbers of (a) District Council (DC) meetings and (b) other community functions attended by the SFST in the past year, and the anticipated number of his attendances at DC meetings in 2020-21.

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: 12)

Reply:

1. In 2020-21, the estimated expenditures on salary for the posts of the Secretary for Financial Services and the Treasury (SFST), the Under Secretary for Financial Services and the Treasury (USFST) and the Political Assistant (PA) to SFST are \$4.18 million, \$2.92 million and \$1.04 million respectively.

2. In 2020-21, in addition to SFST, USFST and PA to SFST, there are 8 more civil servants in the establishment of SFST's Office under Programme (1) to provide support to the office, comprising 1 Administrative Officer Staff Grade C, 1 Senior Executive Officer, 1 Personal Assistant, 1 Senior Personal Secretary, 1 Personal Secretary I, 1 Personal Chauffeur and 2 Clerical Assistants. The estimated expenditure on salary for these staff is \$6.61 million, representing about 3.1% of the expenditure on salary under this Head.
3. In 2019-20, SFST visited the Wan Chai District, the Central and Western District and the Sham Shui Po District to exchange views with the District Councillors/members of the local communities. In 2020-21, SFST will continue to conduct such visits to listen to the views of District Councillors as and when necessary.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)085

(Question Serial No. 0462)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The work under Programme (2) is to, among others, “maintain a simple and low tax system which encourages investments and facilitates businesses”. Nevertheless, the Financial Secretary pointed out in paragraph 178 of his speech that the Government “may need to consider seeking new revenue sources or revising tax rates”.

1. Has the Financial Services and the Treasury Bureau or the Tax Policy Unit under the Financial Secretary planned to commence or already commenced the work in relation to considering seeking new revenue sources or revising tax rates? If yes, what are the ranks of the officers responsible for the work, as well as the manpower and expenditure involved?
2. Is there any initial direction being considered within the Government? How would the Government strike a balance between maintaining a simple and low tax system and seeking new revenue sources?

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: 11)

Reply:

To ensure fiscal sustainability, the Government has to, apart from containing expenditure growth, maintain the growth and vibrancy of the economy and identify new areas of economic growth to increase revenue. Besides, we may have to consider seeking new revenue sources or revising tax rates.

Formulating revenue policies is part of the routine duties of the Treasury Branch of the Financial Services and the Treasury Bureau. The existing work is carried out by staff within the establishment of our Bureau.

The Government maintains an open mind on seeking new revenue sources or revising tax rates, and there is no specific plan at this stage. We are fully aware of the concerns of various sectors of the community over these issues. As such, we will take the views of different sectors into account thoroughly in considering any proposal.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)086

(Question Serial No. 0466)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With regard to the “continuation to align the growth of government expenditure with that of the economy and manage the allocation of resources having regard to established principles for the prudent management of public finances” and the “package of 10 new livelihood initiatives” (new initiatives) put forward by the Chief Executive on 14 January this year:

1. Has the government expenditure set out in the Medium Range Forecast of the Budget included the additional expenditure incurred by the various items of the new initiatives?
2. If yes, please provide the following information in respect of each of the new initiatives: (a) the financial years in which the expenditure is expected to be expended/incurred, and (b) the amount of expenditure to be incurred.

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: 16)

Reply:

This question is not directly related to Head 147.

The package of 10 new initiatives put forward by the Chief Executive on 14 January 2020 to benefit livelihoods is preliminarily estimated to involve a total recurrent expenditure of over \$10 billion. This preliminary estimate of expenditure has been included in the Medium Range Forecast under the 2020-21 Budget. The bureaux/departments concerned are contemplating the implementation arrangements and details of the initiatives, including further assessing the relevant financial implications, with a view to implementing the initiatives progressively starting from the financial year 2021-22.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)087

(Question Serial No. 0467)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (3) Service Departments

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in Matters Requiring Special Attention that the Treasury Branch will “work with relevant bureaux and departments to ensure that government policy objectives (e.g. promoting pro-innovation government procurement, a socially caring leasing or procurement arrangement, and the ‘single site, multiple use’ initiative) are met through the central support services”. Regarding the above-mentioned policy objectives:

1. What are the staff establishment and expenditure of the Treasury Branch for the relevant tasks?
2. What are the details of the 3 policy objectives mentioned above? Apart from these 3 policy objectives, are there any other important tasks of a similar nature?
3. What are the roles and positioning of the Treasury Branch in the delivery of these policy objectives? For example, what role does the Treasury Branch play in “socially caring leasing”?

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: 17)

Reply:

Financial Services and the Treasury Bureau (The Treasury Branch) is responsible for formulating and co-ordinating policies and actions to ensure the efficient and cost-effective delivery of central support services under its purview, in order to enable government departments to maintain and upgrade the level and quality of the services they provide to the public in an efficient and cost-effective manner.

The Treasury Branch has introduced a pro-innovation procurement policy with effect from 1 April 2019 to encourage tenderers to submit innovative proposals. The new policy provides an enabling environment for start-ups and small and medium-sized enterprises (“SMEs”), and help tenderers with innovative proposals to stand a better chance of winning government contracts. Embracing innovation has been added as one of the principles in procurement. When conducting procurement, government departments will adopt a wider use of marking schemes to compare bids on both quality and price. The new policy also increases the weighting for quality in tender evaluation, and requires that certain marks will have to be set aside for assessing innovative suggestions, so that innovative tenders will stand a better chance of success. In addition, the new policy requires that, as a general rule, departments should not set tenderers’ experience as an essential requirement for participating in procurement unless absolutely necessary and with prior approval. This new requirement will help minimise entry barriers and encourage the participation of SMEs and start-ups.

In line with the Government’s policy objective to build a caring society, the Treasury Branch formulated the Socially Caring Leasing Arrangements to be implemented by the Government Property Agency (“GPA”). When assisting government departments to lease government properties, GPA gives priority to non-government organisations (“NGOs”) and social enterprises (“SEs”) with policy support in leasing appropriate premises. GPA also incorporates tenancy provisions to facilitate business operations of small and medium-sized enterprises (“SMEs”) by providing longer and flexible tenure as well as rental arrangements pegged with the business turnover of tenants. GPA has implemented the relevant leasing arrangements since 2019, so as to promote a caring culture and better support NGOs, SEs and SMEs.

The Chief Executive stated in the 2018 Policy Agenda that the Government will pursue more vigorously the “single site, multiple use” model in multi-storey development on government land in order to consolidate and provide more Government, Institution or Community (“G/IC”) facilities, and make optimal use of limited land resources. In this regard, the Development Bureau and the Treasury Branch jointly provide policy support, facilitating GPA to collaborate with relevant departments, steer and take forward multi-storey development projects with cross-bureaux facilities, and expedite their delivery through enhancing internal co-ordination.

The aforementioned work is part of the Treasury Branch’s regular duties. The manpower and expenditure involved are absorbed under the overall establishment and expenditure of the Treasury Branch. No breakdown of the expenditure is available.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)088

(Question Serial No. 0468)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to page 413 of the Estimates of Expenditure, provision for 2020–21 under Programme (2) is \$24.0 million (13.5%) higher than the revised estimate for 2019–20. “This is mainly due to the additional requirements for personal emoluments and air passenger departure tax administration fee”. Moreover, according to page 416 of the Estimates of Expenditure, “provision of \$69,891,000 under Subhead 281 Air passenger departure tax administration fees is for the payment to airlines, helicopter companies and the Civil Aviation Department’s agent in respect of the collection of air passenger departure tax and the processing of exemption and refund applications related thereto.”

1. What are the current manpower and expenditure for Subhead 281? Have there been any significant changes in the manpower and expenditure involved in the past 5 years?
2. What were the original and revised estimates for Subhead 281 for each of the past 5 years?
3. In the past 5 years, what were the respective amounts within the annual revised estimates for agent payments in respect of the collection of departure tax and the processing of related exemption and refund applications?
4. What were the annual amounts of air passenger departure tax collected from passengers in the past 5 years? What were the annual administration fees in the same period?

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: 18)

Reply:

1. Handling the policy issues pertaining to air passenger departure tax (APDT) is part of the routine work of the Treasury Branch under the Financial Services and the Treasury Bureau and is undertaken by existing staff. We do not maintain separate statistics on the manpower and expenditure involved. The expenditure under Subhead 281 is for payment of administration fees to airlines, etc. The routine work of handling payment of the APDT administration fees is undertaken by the Civil Aviation Department (CAD).
- 2 and 3. Under the Air Passenger Departure Tax Ordinance (Cap. 140), airlines and helicopter companies are responsible for collecting APDT from departing passengers and handling refunds of the APDT on behalf of the Government. The Government pays to the company concerned an administration fee (which is calculated as a specified percentage of the APDT) in respect of each passenger who has paid the APDT. The administration costs incurred for the collection of the APDT on behalf of the Government vary according to the passengers' mode of departure. The administration fee payable by the Government for passengers departing from the Hong Kong International Airport (HKIA) is 2.322% of the APDT, while that payable for those departing by helicopters is 1.24% of the APDT. For passengers who arrive at the HKIA SkyPier from the Mainland by sea for the purpose of transferring to an aircraft that departs from Hong Kong, the administration fee payable by the Government is 1% of the APDT.

Furthermore, the CAD has set up an APDT Counter at the HKIA, where a contractor, to whom service fees are paid by the Government, processes applications for exemption and refund of the APDT. Such service is acquired through open tender procedures, and the service fees are determined based on the tender results.

Under the aforesaid mechanism, the approved and revised estimates for APDT administration fees under Subhead 281, as well as the amounts for payment of administration fees to airlines and helicopter companies and payment of service fees to the contractor in the revised estimates in the past 5 financial years are set out below –

	2015-16	2016-17	2017-18	2018-19	2019-20
Approved estimate (\$ million)	59.1	63.0	66.2	69.1	73.2
Revised estimate (\$ million)					
Administration Fees Paid to Airlines and Helicopter Companies	59.0	61.8	65.4	68.8	62.4
Service Fees Paid to the Contractor	1.4	1.4	1.5	1.5	1.6
Total	60.4	63.2	66.9	70.3	64.0

4. The amount of the APDT collected by the Government, the total amount of administration fees paid to airlines and helicopter companies and the service fees paid to the contractor by the Government in the past 5 financial years are set out below –

	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Revised Estimate)
Amount of the APDT Collected (\$ million)	2,516	2,598	2,737	2,881	2,426
Amount of Administration Fees Paid to Airlines and Helicopter Companies (\$ million)	60.2	62.4	65.1	67.8	62.4
Amount of Service Fees Paid to the Contractor (\$ million)	1.4	1.4	1.5	1.5	1.6

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)089

(Question Serial No. 2435)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Despite the reduction in salaries tax and tax under personal assessment for 2019-20 by 100% as announced by the Financial Secretary, many members of the public have reflected that the reduction, subject to a ceiling of \$20,000, is insufficient for them to overcome their hardship brought by the epidemic. The Financial Secretary must have heard the voices of dissatisfaction from the public when attending radio programmes.

Will the Financial Secretary consider raising the reduction ceiling in response to the public's views so that people can keep more money in their pockets to further relieve their burden?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 6)

Reply:

The Budget proposed reducing salaries tax and tax under personal assessment for the year of assessment 2019/20 by 100%, subject to a ceiling of \$20,000 for each case. The measure will benefit about 1.95 million taxpayers in Hong Kong and about 67% of taxpayers need not pay the salaries tax or tax under personal assessment. The Budget also proposed other measures to relieve people's burden, such as rates concession and disbursing \$10,000 to Hong Kong permanent residents aged 18 or above.

In drawing up fiscal measures, the Government will consider factors such as the needs and opinions of various sectors of the community, the economic situation in Hong Kong and the financial implications on the Government. At this stage, we do not intend to adjust the reduction ceilings of salaries tax and tax under personal assessment.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)090

(Question Serial No. 2436)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Of the owners of the 2.93 million domestic properties benefitting from the waiving of rates for 2020-21, how many have to pay Government rent? Will the Secretary consider paying Government rent on behalf of the owner-occupiers of those properties to relieve their financial burdens?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 7)

Reply:

The Budget proposed waiving rates in respect of domestic properties for four quarters of 2020-21, subject to a ceiling of \$1,500 per quarter for each rateable property. This measure will benefit about 2.93 million domestic properties.

According to the record of the Rating and Valuation Department, around 2.06 million domestic properties are currently required to pay Government rent under the Government Rent (Assessment and Collection) Ordinance (Cap. 515). As Article 121 of the Basic Law stipulates the obligation to pay Government rent for the land leases concerned, the Government has to uphold the Basic Law requirement and is therefore unable to provide any form of concession (including payment by the Government on behalf of rent payers) on Government rent.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)091

(Question Serial No. 2462)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Secretary mentioned in paragraph 182 of his Budget Speech that he would invite scholars, experts and members of the business sector to tender advice on ensuring that Hong Kong's tax regime would continue to help us maintain our premier business environment and competitiveness. However, the Secretary also said during a media interview that he would not rule out the possibility of introducing a sales tax. Such a remark has brought about serious repercussions. In this connection, will the Secretary advise this Committee whether he has assessed, and will continue to assess, the impacts of the introduction of the sales tax on our retail trade as well as the overall economy which have already been hard hit by the black-clad rioters and the epidemic recently?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 40)

Reply:

To ensure fiscal sustainability, the Government has to, apart from containing expenditure growth, maintain the growth and vibrancy of the economy and identify new areas of economic growth to increase revenue. Besides, we may have to consider seeking new revenue sources or revising tax rates. The one-off relief measures may also have to be progressively reduced.

The Government maintains an open mind on seeking new revenue sources or revising tax rates at this stage. We are fully aware of the concerns of various sectors of the community over these issues. As such, we will take the views of different sectors into account thoroughly in considering any proposal.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)092

(Question Serial No. 0314)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the 2020-21 Budget Speech that the Government may need to consider seeking new revenue sources or revising tax rates. In this connection, would the Government inform this Committee of the specific tasks in terms of seeking new revenue sources or revising tax rates? Will the Government consider introducing new taxes, such as goods and services tax?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 5)

Reply:

To ensure fiscal sustainability, the Government has to, apart from containing expenditure growth, maintain the growth and vibrancy of the economy and identify new areas of economic growth to increase revenue. Besides, we may have to consider seeking new revenue sources or revising tax rates. The one-off relief measures may also have to be progressively reduced.

The Government maintains an open mind on seeking new revenue sources or revising tax rates at this stage. We are fully aware of the concerns of various sectors of the community over these issues. As such, we will take the views of different sectors into account thoroughly in considering any proposal.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)093

(Question Serial No. 0315)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Organisation for Economic Co-operation and Development (OECD) is actively exploring the proposal of setting rules for imposing a global minimum tax rate. In view of this, what corresponding measures and policies will be devised to maintain the premier business environment and competitiveness of Hong Kong as an international financial centre? If there are such measures and policies, what are the specific details? If not, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 6)

Reply:

The Organisation for Economic Co-operation and Development (OECD) is exploring the proposal of imposing a global minimum tax rate with a view to promoting fair taxation in the international community. Under this proposal, if the tax paid by a multinational corporation in Hong Kong is lower than the new global minimum tax rate, its parent company will be subject to additional taxes or defensive measures imposed by the jurisdiction where it is located. The OECD aims to finalise the key features of the proposal by early July this year and reach a consensus with respect to the proposal by the end of this year.

The imposition of a global minimum tax rate may undermine the attractiveness of Hong Kong's low tax policy to multinational corporations. It will also bring additional tax burden and compliance costs to multinational corporations, and affect their incentives for investing and operating in Hong Kong.

The Hong Kong Special Administrative Region Government has all along been keeping a close watch on the developments in relation to the setting of rules for imposing a global minimum tax rate, and sending delegates to attend the OECD's relevant meetings so as to grasp the latest situation and devise corresponding measures. The Government will invite scholars, experts and members of the business community who are experienced in the fields of international taxation and economic development to tender advice on the matter. This is to ensure that Hong Kong's tax regime not only is in line with new developments in the international tax scene, but also helps maintain our premier business environment and competitiveness.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)094

(Question Serial No. 0317)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the 2020-21 Budget Speech that the Government expects that the one-off relief measures may also have to be progressively reduced in the future. In this connection, would the Government inform this Committee of the one-off measures that will be selected for reduction in the event that reduction of such measures is needed?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 8)

Reply:

This question is not directly related to Head 147.

Apart from taking into account the current economic environment, social needs and public views, the Government would carefully consider the prevailing fiscal position and long-term fiscal sustainability in formulating budget measures (including one-off relief measures). At this stage, it is premature and inappropriate to predict possible one-off relief measures in future.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)095

(Question Serial No. 2300)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office, (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Since reunification, the Government's recurrent expenditure increased from \$150 billion to \$440 billion in 2019-20. It started to rise from \$150 billion to \$200 billion in the first decade after reunification, further increased to \$300 billion over the following 7 years (i.e. in 2014-15) and to \$400 billion after the following 4 years (i.e. in 2018-19). In the coming year (i.e. in 2020-21), it will reach almost \$500 billion.

1. Please tabulate briefly the distribution and share of the Government's recurrent expenditure in each of the years during the period, the main reasons for the increase/decrease in expenditure in major areas or the relationship between resource redeployment and specific policy initiatives.
2. Apart from considering seeking new revenue sources or revising tax rates, will the Government study how to increase its future recurrent expenditure in a way that responds to the needs of the society and is commensurate with the growth in its revenue? If yes, when is the study expected to be conducted? If not, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 41)

Reply:

This question is not directly related to Head 147.

1. For the historical data on the Government's recurrent expenditure by policy area group for the 23 years from 1997-98 to 2020-21, please refer to "(D) Recurrent Expenditure: By Policy Area Group" on page 9 of the "Financial Statistics" available on the website of this bureau (<https://www.fstb.gov.hk/tb/en/financial-statistics.htm>).

The Government's recurrent expenditure covers that of all government bureaux/departments. In this regard, "recurrent expenditure" generally refers to the provision under subhead 000 Operational Expenses of the head concerned, encompassing personal emoluments, personnel related expenses, general departmental expenses and subventions. Expenses of policy initiatives within the purview of individual bureaux/departments, such as the Kindergarten Education Scheme (Education Bureau (Head 156)), the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme (Social Welfare Department (Head 170)), and payment of recurrent subvention to the Hospital Authority (Food and Health Bureau (Health Branch) (Head 140)), are generally categorised as subventions under the recurrent expenditure of the bureaux/departments concerned.

Changes in the recurrent expenditure of a bureau/department reflect mainly its operational needs, including the resources required for putting in place new measures and improving existing services, as well as other contributory factors such as changes in prices and in the number of beneficiaries. Where there is an increase or decrease of 10% or more in the estimate of an individual subhead of a bureau/department when compared against the revised estimate of the previous year, the controlling officer concerned must provide descriptions of and explanations for the change under the Controlling Officer's Report of that year's estimate.

2. Apart from taking into account the current economic environment, social needs and public views, the Government would carefully consider the prevailing fiscal position and long-term fiscal sustainability in preparing budgets. As stated in the Budget, government expenditure will enter a consolidation period in the coming years. As for future increase in spending, we should be more mindful of the Government's long-term affordability, and it should also be commensurate with the increase in revenue.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)096

(Question Serial No. 0476)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 174 of the Budget Speech that “the Government will have to draw on the fiscal reserves to meet the funding already earmarked for a number of large-scale projects, for example the two 10-year Hospital Development Plans amounting to about \$500 billion in total”.

1. Please give details of the funding earmarked by the Government in the Budgets from 2008-09 to 2020-21, including project descriptions, the amounts earmarked and the amounts used.
2. As regards the projects with funding earmarked, what are the estimated amounts to be reflected in the government expenditures in 2020-21 and 2021-22? How much will fall under recurrent and non-recurrent expenditures?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 3)

Reply:

This question is not directly related to Head 147.

Earmarked funding is a non-recurrent arrangement, and it mainly displays the financial commitments by the Government on the relevant policies. The details of the items with funding earmarked in the fiscal reserves since 2008-09 are set out in the Appendix.

There is no new funding earmarked in the 2020-21 Budget.

Budget Year	Item (Funding Earmarked)	Latest position
2019-20	Take forward the first batch of projects under the “single site, multiple use” initiative (\$22 billion earmarked)	<ul style="list-style-type: none"> • The first batch of projects under the “single site, multiple use” initiative includes the redevelopment of Tuen Mun Clinic, development of a proposed ambulance depot near Sheung Wan Fire Station, and consolidation of several government sites in Tsuen Wan town centre, as well as the construction of joint-user buildings for community facilities at the former Anderson Road Quarry site, Tseung Kwan O town centre and Shan Mei Street in Shatin. • Specifically, the Government will make use of multi-storey buildings to accommodate and consolidate different public facilities, with a view to optimising the use of limited land resources for the provision of more “Government, Institution or Community” facilities to meet community needs for public services. We will finalise the mix of community facilities in the relevant projects, taking into account the views of stakeholders. • Upon the completion of the planning, detailed design and district consultation of these public works projects, the Government will seek funding from the Legislative Council (LegCo) in accordance with established procedures. Therefore, the funding earmarked is yet to be reflected in the expenditures under the capital works programme in the respective years.

Budget Year	Item (Funding Earmarked)	Latest position
2019-20	Enhance or refurbish campus facilities (such as laboratories) of universities funded by the University Grants Committee (UGC) (\$16 billion earmarked)	<ul style="list-style-type: none"> • The Education Bureau (EDB) will seek the funding earmarked from the LegCo having regard to the progress of the respective works projects of individual universities. • The EDB plans to submit to the LegCo the funding applications for two relevant works projects, namely the Information Technology Building at University Drive of The University of Hong Kong (HKU) and the Centralised General Research Laboratory Complex (Block 2) of The Chinese University of Hong Kong (CUHK), as soon as possible and to submit the funding applications for the remaining projects in subsequent years. There is no estimated expenditure for the above two projects in 2020-21. • Moreover, under the same item with funding earmarked, some minor works will be conducted under the block vote, with an estimated expenditure of about \$60 million for 2020-21. • The planned expenditure for 2021-22 in respect of the entire project is yet to be confirmed.
2019-20	Set up a public healthcare stabilisation fund (\$10 billion earmarked)	<ul style="list-style-type: none"> • To facilitate better resource planning by the Hospital Authority (HA), the current-term Government has adopted a triennium funding arrangement to increase progressively the recurrent funding for the HA having regard to population growth and demographic changes. However, in view of the importance of public healthcare and the need to save for rainy days, the Government has earmarked \$10 billion to set up a public healthcare stabilisation fund, which could be used to meet any additional expenditure of the HA arising from unexpected circumstances in case the Government is unable to fully cope with such additional funding requirement in the future. Details of the relevant expenditure are subject to future circumstances.

Budget Year	Item (Funding Earmarked)	Latest position
2019-20	Develop new harbourfront promenades and open space, and improve harbourfront facilities (\$6 billion earmarked)	<ul style="list-style-type: none"> • The \$6 billion was earmarked for the costs of taking forward the design and construction of nine major harbourfront projects. In the coming two years, we will focus our efforts on pursuing the detailed design or other advance works for five of these projects, including the harbourfront projects in Wanchai, Causeway Bay, Eastern District and Tsuen Wan as well as the Boardwalk underneath the Island Eastern Corridor. We will also take forward the minor harbourfront enhancement projects in Wanchai, Causeway Bay and Tsuen Wan. • It is estimated that the above work will involve a total expenditure of about \$100 million under the Capital Works Reserve Fund (CWRF) block allocations in 2020-21 and 2021-22.

Budget Year	Item (Funding Earmarked)	Latest position
2018-19	<p>Support the second ten-year hospital development plan, improve the clinic facilities in the Department of Health (DH), and upgrade and increase healthcare teaching facilities</p> <p>(\$300 billion earmarked)</p>	<p><u>The second ten-year hospital development plan</u></p> <ul style="list-style-type: none"> The second ten-year hospital development plan is expected to cover 19 works projects, involving about \$270 billion. There will be a planned capacity of over 9 000 additional beds and other additional hospital facilities that will largely meet the projected service demand up to 2036. The Food and Health Bureau (FHB) and the HA briefed the LegCo Panel on Health Services in April 2019 on the preparatory work of the second ten-year hospital development plan. <p><u>Improve the clinic facilities in the DH</u></p> <ul style="list-style-type: none"> The DH has set up an inter-departmental task force to review the conditions of its clinics. The task force will work on the scopes of works for the clinics requiring improvement, their priorities and specific schedules, taking into account factors such as the years of completion, levels of deterioration of the clinics as well as the feasibility of carrying out improvement works. <p><u>Upgrade and increase healthcare teaching facilities</u></p> <ul style="list-style-type: none"> HKU, CUHK and The Hong Kong Polytechnic University have proposed short, medium and long-term works projects with a view to renovating their existing teaching facilities and constructing new buildings so that more spaces for teaching, learning, research and student-related support can be provided. We briefed Members at the joint meeting of the LegCo Panel on Health Services and Panel on Education on 21 January 2019. For the short-term renovation works projects, we have obtained funding from the CWRP block allocations for 2018-19 last year, involving an estimated expenditure of about \$70 million in 2020-21. As for other medium and long-term works projects, we plan to submit funding proposals to the LegCo Public Works Subcommittee (PWSC) and Finance Committee (FC) by batches from 2019-20 legislative session onwards.

Budget Year	Item (Funding Earmarked)	Latest position
2018-19	<p>Launch the first phase development of the Hong Kong-Shenzhen Innovation and Technology Park (the Park) in the Lok Ma Chau Loop (\$20 billion earmarked)</p>	<ul style="list-style-type: none"> • The development of the Lok Ma Chau Loop is a huge and long-term project. The resources earmarked will be used to support the first stage development of the Park, including site formation, provision of infrastructure, superstructure works and its initial operation. • The Hong Kong-Shenzhen Innovation and Technology Park Limited is now taking forward the technical feasibility study and economic impact analysis study of Batch 1 development of the Park. • We will seek funding from the LegCo in due course for implementation of the Main Works Package 1 of the Lok Ma Chau Loop development and construction works of the first batch of buildings of the Park. Subject to the funding approval in the current legislative session, the expenditure of the Main Works Package 1 involved in 2020-21 is expected to be around \$9.8 million.

Budget Year	Item (Funding Earmarked)	Latest position
2018-19	Improve and develop cultural facilities in the coming ten years (\$20 billion earmarked)	<p><u>New Territories East Cultural Centre</u></p> <ul style="list-style-type: none"> The pre-construction activities for the New Territories East Cultural Centre, with funding approved by the FC in June 2018, have already been commenced. <p><u>Construction of the Heritage Conservation and Resource Centre</u></p> <ul style="list-style-type: none"> The pre-construction activities for the Heritage Conservation and Resource Centre, with funding approved by the FC in June 2018, have already been commenced. <p><u>Expansion of the Hong Kong Science Museum (HKScM) and the Hong Kong Museum of History (HKMH)</u></p> <ul style="list-style-type: none"> The pre-construction activities for the expansion of the HKScM and the HKMH were supported by the LegCo Panel on Home Affairs on 9 December 2019, with funding approval submitted to the PWSC and the FC. Subject to the approval by the FC, the project is expected to commence in the third quarter of 2020 for completion in the fourth quarter of 2022. Other projects under planning include: expansion of the Hong Kong City Hall, renovation of the Hong Kong Cultural Centre, upgrading of the Tai Po Civic Centre, renovation and improvement project for the Sai Wan Ho Civic Centre, Yau Ma Tei Theatre phase II development and renovation of the Tsuen Wan Public Library. Regarding the above items with funding earmarked, the expenditure involved in 2020-21 and 2021-22 is estimated to be around \$67.5 million and \$58 million respectively.

Budget Year	Item (Funding Earmarked)	Latest position
2018-19	Support the abolition of the Mandatory Provident Fund (MPF) “offsetting” arrangement (\$15 billion earmarked)	<ul style="list-style-type: none"> • The policy bureaux and departments concerned will continue with the preparatory work for the abolition of the “offsetting” arrangement, including mapping out the operation details of the related supporting measures, such as assisting employers to set up a designated saving account under his/her own name and commencing the drafting of the relevant enabling legislation, etc. • The Government will strive to introduce the enabling bill to the LegCo by the end of 2020 with a view to securing its passage by 2022, and implement the abolition of “offsetting” arrangement two years after the passage of the enabling bill and upon the full operation of the eMPF Platform for MPF registered schemes.
2018-19	Provide financial support to scientific research centres operated by non-profit making scientific research institutions in the two research clusters (\$10 billion earmarked)	<ul style="list-style-type: none"> • The FC has approved the transfer of the amount to the Innovation and Technology Fund. • The Government is pressing ahead with the establishment of the two “InnoHK research clusters” in the Hong Kong Science Park – one on healthcare technologies (“Health@InnoHK”) and the other on artificial intelligence and robotics technologies (“AIR@InnoHK”). A total of 65 proposals have been received from world renowned universities and research institutes from Hong Kong, overseas and the Mainland. After a rigorous assessment process, we are following up with the universities and institutes concerned. The first batch of R&D laboratories are expected to be set up progressively this year.

Budget Year	Item (Funding Earmarked)	Latest position
2018-19	Funding support for Hong Kong Science and Technology Parks Corporation (HKSTPC) to build research and development infrastructure and facilities, and to enhance support for its tenants and incubatees (\$10 billion earmarked)	<ul style="list-style-type: none"> • The FC has approved the transfer of the amount to the Capital Investment Fund. The first phase funding support (\$2 billion) has been provided to the HKSTPC as equity injection in 2018-19. New and enhancement measures have been implemented by the HKSTPC to strengthen its support for tenants and incubatees, including the expansion of the Incubation Programme so as to increase its funding amount, the expansion of the Corporate Venture Fund, the provision of subsidies or rent reduction to tenants, and the provision of accommodation for talents in the field of innovation and technology. The HKSTPC is working on the details of other measures, to be rolled out progressively. • Subject to the utilisation of the provision, we will decide on the next phase of the capital injection schedule.
2018-19	Development of district facilities (\$8 billion earmarked)	<ul style="list-style-type: none"> • The funding proposals for three major works projects in Eastern District, Islands District and Yuen Long District, for which support from the PWSC of the LegCo has been secured, are pending scrutiny by the FC. Also, support from the LegCo Panel on Home Affairs has been secured for the major works project in Southern District; the relevant funding proposal will soon be submitted to the PWSC and the FC for scrutiny. Meanwhile, three minor works projects in Wanchai District, Sai Kung District and Tuen Mun District, as well as the replacement of escalators in markets in Central and Western District, are underway. Other district works projects are currently at the planning stage. The departments concerned will conduct feasibility studies on the relevant projects. • The estimated expenditures for 2020-21 and 2021-22 are \$110 million and \$199 million respectively.

Budget Year	Item (Funding Earmarked)	Latest position
2018-19	Implement the Market Modernisation Programme (MMP) over the next 10 years (\$2 billion earmarked)	<ul style="list-style-type: none"> • The work concerned has been commenced. The first project is the overhaul of the Aberdeen Market. As at the end of January 2020, existing tenants have basically made their decisions about whether to stay or to leave. In early February, the Food and Environmental Hygiene Department and the Architectural Services Department (ASD) consulted the Southern District Council on the preliminary project scope and the work progress. ASD is preparing to commence work, such as developing the detailed design of the layout plan and drawing up tender documents, as early as possible. Should all relevant work proceed smoothly, we expect to submit the funding proposal to the LegCo in the 2020-21 legislative session, and aim to commence the overhaul works in 2021. This project will serve as a model for the implementation of the programme for other markets in future. • Apart from the Aberdeen Market, we propose to carry out improvement works for six markets in the first phase of the MMP, including a fundamental overhaul for three public markets in Kowloon and the New Territories, as well as minor refurbishment and improvement works for 3 public markets in different districts in Hong Kong, Kowloon and the New Territories. Moreover, we will strive to implement fast-track improvement projects for no fewer than five markets.
2018-19	Optimise the use of vacant government sites and school premises (\$1 billion earmarked)	<ul style="list-style-type: none"> • Funding has been approved by the FC. The Development Bureau announced on 21 February 2019 that applications for subsidies would be accepted henceforth. • As at 31 January 2020, the Government has cumulatively disbursed \$1.1 million. • The amounts of funding earmarked for 2020-21 and 2021-22 are \$206 million and \$150 million respectively.

Budget Year	Item (Funding Earmarked)	Latest position
2018-19	Youth development (\$1 billion earmarked)	<ul style="list-style-type: none"> The CE announced in the 2018 Policy Address and Policy Agenda that \$500 million would be allocated to implement a series of new programmes and measures in support of the work of the Youth Development Commission (YDC), so as to support youth innovation and entrepreneurship; facilitate upward mobility; promote youth life planning work; and strengthen communication with young people. The YDC is actively following up the various youth development measures. The expenditures concerned will be reflected in the estimates of the relevant years.
2018-19	Strengthen support for ethnic minorities (EMs) (\$500 million earmarked)	<ul style="list-style-type: none"> The CE announced in the 2018 and the 2019 Policy Addresses two rounds of new initiatives on support for EMs, covering areas such as education, employment, health, social welfare and social integration. Details of these measures are set out in the relevant leaflet of 2018 (https://www.policyaddress.gov.hk/2018/eng/pdf/Leaflet_support.pdf) and in Chapter 6 of the Supplement to the 2019 Policy Address (https://www.policyaddress.gov.hk/2019/eng/pdf/supplement_6.pdf) respectively. Of the new initiatives announced in the 2018 Policy Address, 11 have been rolled out, details of which are set out in Chapter 6 of the Supplement to the 2019 Policy Address. Details of the expenditures and the estimates are reflected in the controlling officers' reports of the policy bureaux/departments concerned.

Budget Year	Item (Funding Earmarked)	Latest position
2018-19	Provide subsidies for drugs for treating uncommon diseases (\$500 million earmarked)	<ul style="list-style-type: none"> • The review on the means test mechanism for Samaritan Fund and Community Care Fund Medical Assistance Programmes conducted by the consultants commissioned by the HA has been completed. Based on the review findings, the Government and the HA have introduced enhancement measures since early 2019, including modifying the calculation of patients' household annual disposable financial resources for drug subsidy applications by counting only 50% of the net assets, as well as confining the definition of "household" adopted for financial assessment to cover only core family members living and having direct financial connection with the patients concerned. It is expected that the enhancement measures will significantly alleviate the financial burden on patients (including those suffering from uncommon diseases) and their families arising from drug expenditure. • At present, the resources of the Samaritan Fund and Community Care Fund are still sufficient to meet the additional expenditures arising from the enhancement measures. The Government and the HA will review the overall effectiveness and financial implications of the enhancement measures one year after their implementation, as well as other measures to support patients suffering from uncommon diseases, with a view to putting forward suggestions on the appropriate use of the funding earmarked of \$500 million.
2018-19	Funding support for Cyberport to enhance support for start-ups and to promote the development of digital technology ecosystem (\$200 million earmarked)	<ul style="list-style-type: none"> • Funding was approved by the FC and funds were injected in 2018-19. • In 2018, Cyberport increased the financial subsidy under the Cyberport Incubation Programme from \$330,000 to \$500,000 and introduced the Easy Landing Scheme and the Overseas/Mainland Market Development Support Scheme.

Budget Year	Item (Funding Earmarked)	Latest position
2018-19	Promote the development of e-sports (\\$100 million earmarked)	<ul style="list-style-type: none"> • Funding was approved by the FC and funds were injected in 2018-19. • \$50 million was used to set up an e-sports venue in Cyberport. The venue commenced operation in July 2019. The remaining \$50 million was used to support the development of the industry through the E-sports Internship Scheme and the E-sports Industry Facilitation Support Scheme, which were launched in April 2019.
2017-18	Strengthen elderly services and rehabilitation services for persons with disabilities (\\$30 billion earmarked)	<ul style="list-style-type: none"> • Since October 2017, the Government announced various enhancement measures on elderly services and rehabilitation services for persons with disabilities. The relevant expenditure will be included in the estimates of the corresponding financial years. Around \$19.4 billion has so far been included in the 2018-19 to 2020-21 Estimates and in the respective Medium Range Forecasts.
2017-18	Launch 26 sports and recreation facilities projects in different districts (\\$20 billion earmarked)	<ul style="list-style-type: none"> • The Government is actively taking forward the Five-Year Plan for Sports and Recreational Facilities. In the past three legislative sessions, funding applications in respect of ten projects were approved by the FC. The relevant pre-construction activities/works have already been commenced. • Two open space projects, which have secured support from the PWSC of the LegCo, are pending approval by the FC. Moreover, funding applications in respect of four other projects under the Five-Year Plan will be submitted to the PWSC and the FC. We hope Members would approve these livelihood items promptly. We will continue to make preparation and submit funding applications for other projects under the Five-Year Plan. • The estimated costs for 2020-21 and 2021-22 are about \$800 million and \$1.31 billion respectively.

Budget Year	Item (Funding Earmarked)	Latest position
2017-18	Support innovation and technology development in Hong Kong (\$10 billion earmarked)	<ul style="list-style-type: none"> • The work to establish the next generation government cloud infrastructure and big data analytics platform is near completion. It is expected to come into operation in the third quarter of 2020. • The system design and development of the iAM Smart Platform (formerly known as electronic identity (eID)) is under way. We expect to launch the iAM Smart Platform and commence the iAM Smart user registration in the fourth quarter of 2020. • The Multi-functional Smart Lampposts pilot scheme was launched in 2019. In response to the concerns raised by some people, OGCIO decided not to proceed with the activation of certain functions of these Lampposts involving personal data privacy in July 2019 and set up the Smart Lampposts Technical Advisory Ad Hoc Committee to review matters on personal privacy protection and related technology issues. The Committee submitted a report to the Government in March 2020 and unanimously agreed that the Government should continue to take forward the Smart Lampposts pilot scheme so as to support smart city development and facilitate 5G mobile network implementation in Hong Kong. It also said that the Government should consider using more privacy-friendly technologies as substitutes for cameras and Bluetooth detectors.

Budget Year	Item (Funding Earmarked)	Latest position
2017-18	Education (\$18.7 billion earmarked)	<ul style="list-style-type: none"> • The Committee on Professional Development of Teachers and Principals has been planning suitable projects under the T-excel@hk strategic work plan with the funding, which includes learning circles, professional study tours, scholarship schemes, professional study leave schemes and school-based training, etc. In view of the positive response from the industry, the EDB will continue to implement these projects and plan diversified professional development projects to benefit more teachers and principals in the 2019/20 school year. • As for the Research Endowment Fund, an injection of \$23 billion has been made to generate investment income. The income generated from \$3 billion and the remaining \$20 billion of the injection will be used to provide non-means-tested grants for local students enrolled in UGC-funded research postgraduate programmes and research funding for the higher education sector respectively. • The funding earmarked has been fully deployed for the above projects.
2016-17	Implement HA's first ten-year hospital development plan (\$200 billion earmarked)	<ul style="list-style-type: none"> • The FC has so far approved \$47.7 billion for launching 14 hospital development / redevelopment projects, accounting for 24% of the total funding earmarked. • The FHB plans to submit funding proposals for four works projects in the 2019-20 legislative session, involving a total of about \$22.7 billion. • The estimated expenditure on the various projects under the first ten-year hospital development plan in 2020-21 amounts to about \$5.4 billion in total.

Budget Year	Item (Funding Earmarked)	Latest position
2016-17 and 2015-16	Improve retirement protection for the elderly in need (\$50 billion earmarked)	<ul style="list-style-type: none"> The Government announced in January 2017 measures to strengthen the retirement protection system, including measures to enhance the Old Age Living Allowance and improve healthcare for elderly persons. The above retirement protection measures will incur an estimated additional recurrent expenditure of over \$90 billion in the first ten years. The expenditure incurred has been and will continue to be included in the estimates of the corresponding financial years.
2011-12	Injection to the Health and Medical Research Fund (\$1 billion earmarked)	<ul style="list-style-type: none"> In 2011, the FC approved the establishment of the Health and Medical Research Fund and created a new commitment of \$1.415 billion for the Fund. The commitment included a dedicated provision of \$1 billion as earmarked in the 2011-12 Budget. In 2016, the FC approved to increase the commitment for the Fund by \$1.5 billion for meeting the continued operational need of the Fund for the 5 years from 2017-18 to 2021-22 and for expanding the subsidy scope of the Fund. As at end March 2019, the Fund has provided subsidy of about \$1.6 billion. As most of the research projects are funded on a reimbursement basis, \$662 million of the approved funding has yet been reimbursed, accounting for 34% of the cash balance of \$1.938 billion of the Fund. The uncommitted fund balance, at about \$1.3 billion, will continue to be used to support the operation of the Fund for the three years from 2019-20 to 2021-22.

Budget Year	Item (Funding Earmarked)	Latest position
2008-09	Provide subsidy for the elderly in need to carry out maintenance or safety improvement works for their self-occupied properties (\$1 billion earmarked)	<ul style="list-style-type: none"> • In 2008, the FC approved a new commitment of \$1 billion for implementing the Building Maintenance Grant Scheme for Elderly Owners administered by the Hong Kong Housing Society (HKHS). • The grant scheme is still in operation. As at 31 January 2020, the Government has provided grants totalled \$885 million to the HKHS for implementing the scheme and meeting the cash flow requirement of the scheme. The remaining commitment has been included in the 2020-21 Estimate. As at 31 January 2020, the grants made or committed to be made by the HKHS totalled around \$697 million.

Budget Year	Item (Funding Earmarked)	Latest position
2008-09	Implement healthcare reform (\\$50 billion earmarked)	<ul style="list-style-type: none"> • In 2016, the FC approved the establishment of a \$10 billion fund (the Fund) for the HA to use its investment returns to operate various clinical Public-Private Partnership (PPP) programmes. The programmes cover services such as general outpatient clinic, radiological investigation, cataract surgeries, haemodialysis, patient empowerment, infirmary service, colon assessment and glaucoma treatment. The HA will explore more PPP initiatives after considering the views of stakeholders and the financial position of the Fund. Moreover, the Government has also offered a loan of \$4.03 billion to the CUHK for developing a non-profit-making private teaching hospital. • Meanwhile, starting from 1 April 2019, the Government has offered tax deductions for eligible premiums paid on authorised products under the Voluntary Health Insurance Scheme (VHIS), i.e. Certified Plans. It is expected that the uptake of Certified Plans will gradually increase. By the third year of VHIS implementation, about 1 million taxpayers and their specified relatives will enjoy the tax deduction. The estimated tax revenue forgone would be about \$800 million. • As usual, the Government will continue to implement the existing measures and provide funding to support healthcare reform measures on a need basis.

Note: The above has not taken into account the \$82.4 billion earmarked in the 2019-20 Budget for supporting the development of public housing.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)097

(Question Serial No. 0489)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (3) Service Departments

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In February, the Government said that it would look for sources of supply through referrals from the SAR Government's Overseas Economic and Trade Offices (ETOs) and individuals with the aim of procuring anti-epidemic resources as soon as possible.

1. How many sources of supply have the ETOs approached and referred to the Government respectively since the beginning of this year? Please provide the above information with breakdown by each ETO;
2. Among the ETOs' referrals, how many of them successfully enabled the Government to procure anti-epidemic resources in the end? Please advise on (a) the procurement value and (b) the procured quantity of each type of anti-epidemic resources regarding each successful procurement with breakdown by each ETO;
3. Given that \$1 billion has been earmarked in the Anti-epidemic Fund for global procurement of anti-epidemic equipment, how will the ETOs step up their assistance in the Government's procurement? What are the related manpower and resources for such work?
4. What are the quantities of anti-epidemic resources that the ETOs are expected to successfully procure in the coming 2 months?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 9)

Reply:

- 1-2 Since early January 2020, the Government Logistics Department (GLD) has resorted to all possible means and channels to procure masks and other protective items. The objective is to secure such supplies as quickly as possible to meet the Government's operational requirements.

As far as masks are concerned, the GLD has got into contact with more than 600 suppliers from over 40 countries. Since early January this year, of the orders placed by the GLD, more than 20 million masks have been delivered to date. The Government's Economic and Trade Offices (ETOs) overseas have been referring overseas suppliers to the GLD and offering assistance in procurement.

With an upsurge in demand for personal protective equipment (PPE) around the globe, the Government is facing fierce competition in procurement efforts. The Government considers it inappropriate at this stage to disclose further information on PPE of individual departments, such as the places of origin, quantities procured and moneys involved, so as not to undermine the bargaining power of the GLD and other departments in the procurement of PPE.

- 3-4 The ETOs will continue to engage in the above work with existing manpower and resources. Leveraging on their networks and connections, they will assist the GLD in procuring PPE in the highly competitive international market.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)098

(Question Serial No. 0509)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (the Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the major tasks of the Treasury Branch is to continue “to co-ordinate the resource allocation, Estimates compilation and Budget preparation processes”.

It is very often to find in the Budgets in recent years that items involving a huge amount of money are included in the operating accounts of some policy bureaux or departments and the funding of which is sought in the context of the Appropriation Bills. For example, in the Budget last year, the funding requirements for a centralised platform for the administration of Mandatory Provident Fund registered schemes amounting to \$3.36 billion was included in the 2019 Appropriation Bill. This year, the cash payout scheme involving an expenditure of about \$71 billion and the Fire Safety Improvement Works Subsidy Scheme involving an additional commitment of \$3.5 billion will be included in the 2020 Appropriation Bill. In addition, the Financial Secretary will also include the replacement of equipment for law enforcement departments such as the Police and the Customs under Subhead 603 Plant, vehicles and equipment, with the expenditure estimates of the aforementioned replacement of equipment included in the Appropriation Bill for voting:

1. How many items amounting to over \$30 million were charged to the operating accounts of various heads so that the funding of which is sought in the context of the Appropriation Bills in each of the past 5 years? Please provide the details of individual items such as item names, approved commitments and the heads involved with breakdown by years.
2. What was the provision under Subhead 603 Plant, vehicles and equipment between various heads in the past 5 years?
3. What are the legal and policy bases for the Financial Secretary and the Treasury Branch to include a particular provision in the Appropriation Bills? What mechanisms are in place to decide whether to include a particular item in the Appropriation Bills?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 13)

Reply:

1. Items exceeding \$30 million under the Operating Account for each head included in the Estimates for approval by the Legislative Council (LegCo) in the context of the Appropriation Bill in the past 5 years are set out at **Annex A**.
2. Items under Subhead 603 “Plant, vehicles and equipment” for each head included in the Estimates for approval by LegCo in the context of the Appropriation Bill in the past 5 years are set out at **Annex B**.
3. The arrangements to include in the draft Estimates funding proposals for creation of commitments or increases in approved commitments under the General Revenue Account for scrutiny and approval by LegCo in the context of the Appropriation Bill are in line with the requirements under sections 5 and 6 of the Public Finance Ordinance. Such arrangements were already explained to the Finance Committee (FC) by the Government in early 2015.

In deciding whether a funding proposal should be included in the Estimates of Expenditure or be submitted to the FC for approval, the Government takes into account a host of factors, including the appropriation account and amount involved and the specific details and implementation timetable of the proposal. In either case, the Government will ensure public accountability and high transparency.

**Items exceeding \$30 million under the Operating Account for each head included
in the Estimates for approval by the Legislative Council
in the context of the Appropriation Bill in the past 5 years^{Note}**

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2015-16	44	700 (880) Enhancement and Extension of the Cleaner Production Partnership Programme	150,000
	44	700 (881) Grant for the operators of the projects under the Restored Landfill Revitalisation Funding Scheme	40,000
	47	700 (894) Enriched IT Programme in Secondary Schools	75,000
	53	700 (897) Operations Consultancy for the Multi-purpose Sports Complex at Kai Tak	40,000
	55	700 (480) Film Development Fund (Increase in commitment by \$200 million)	200,000
	55	700 (897) Hong Kong Design Centre (Increase in commitment by \$80 million)	80,000
	95	700 (836) Renewal of permanent exhibitions of Hong Kong Science Museum	76,000
	95	700 (837) Renewal of permanent exhibition and Historical Trail of Hong Kong Museum of Coastal Defence	30,800

Note Items in the Estimates with the remark “included in the Estimates for approval by the Legislative Council in the context of the Appropriation Bill” include funding proposals for creation of new commitments/increases in approved commitments under the (i) non-recurrent operating account and (ii) capital account. In response to the question asking for information about the operating account, items in respect of creation of new commitments/increases in approved commitments under the non-recurrent operating account are set out at Annex A. Besides, the operating account also covers recurrent expenditure, which usually forms part of the operational expenses and is not itemised.

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2015-16	95	700 (838) Renewal of permanent exhibition of Hong Kong Museum of History	466,000
	95	700 (839) Renewal of permanent exhibitions of Hong Kong Heritage Museum	43,500
	141	700 (876) Child Development Fund (Increase in commitment by \$300 million)	300,000
	156	700 (848) Implementation of the Fourth Strategy on Information Technology in Education	105,000
	170	700 (470) Partnership Fund for the Disadvantaged (Increase in commitment by \$400 million)	400,000
	170	700 (811) Short-term food assistance (Increase in commitment by \$200 million)	200,000

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2016-17	53	700 (894) Youth Development Fund	300,000
	53	700 (895) Art Development Matching Grants Pilot Scheme	300,000
	55	700 (866) CreateSmart initiative (Increase in commitment by \$400 million)	400,000
	63	700 (892) Enhancing Self-Reliance Through District Partnership Programme (2016-17 to 2019-20)	150,000
	148	700 (887) Establishment of an independent Insurance Authority	450,000
	148	700 (888) Pilot programme to enhance talent training for the insurance sector and the asset and wealth management sector	100,000
	148	700 (889) Exit package for Insurance Officer Grade officers	31,200
	156	700 (813) Grant to the Vocational Training Council for implementing the Pilot Training and Support Scheme (Increase in commitment by \$144 million)	144,000
	156	700 (896) Pilot Scheme on Promoting Interflows between Sister Schools in Hong Kong and the Mainland	200,000
	158	700 (884) Monitoring and Verification Services Consultancy for the detailed design and construction stages of the Three-Runway System Project	184,400
159	700 (870) Conservation and Revitalisation of Historic Buildings (Increase in commitment by \$100 million)	100,000	

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2016-17	186	700 (890) Upgrading public transport ancillary facilities to benefit passengers through provision of one-off subsidy to franchised bus operators for installing seats and display panels for provision of real-time bus arrival information at bus stops/termini	88,270

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2017-18	53	700 (808) International Youth Exchange Programme	100,000
	53	700 (824) Multi-Faceted Excellence Scholarship (Increase in commitment by \$200 million)	200,000
	106	825 (801) Contribution to the 11th replenishment of the Asian Development Fund	137,165
	138	700 (801) Subsidy for property owners to participate in Smart Tender scheme	300,000
	156	700 (917) One-off grant for the promotion of Chinese history and culture	125,000
	156	700 (805) Seventh Matching Grant Scheme for the self-financing post-secondary education sector	500,000
	170	700 (521) Enhancing employment of people with disabilities through small enterprise project (Increase in commitment by \$100 million)	100,000
	170	700 (802) Additional provision for social security recipients 2017	3,490,000
	173	700 (801) Additional provision for Low-income Working Family Allowance recipients	72,686

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2018-19	44	700 (801) Countryside Conservation Office	500,000
	53	700 (809) Promotion of collaboration between arts groups and schools	30,240
	53	700 (876) Cantonese Opera Development Fund (Increase in commitment by \$70 million)	70,000
	53	700 (895) Art Development Matching Grants Pilot Scheme (Increase in commitment by \$500 million)	500,000
	55	700 (866) CreateSmart Initiative (Increase in commitment by \$1 billion)	1,000,000
	90	700 (802) Additional provision for Work Incentive Transport Subsidy Scheme recipients 2018	53,000
	95	700 (841) Enriching collections of Hong Kong Museum of Art by accepting two major donations	39,400
	95	700 (851) Renewal of the Telecommunications Gallery of the Hong Kong Science Museum	40,000
	138	700 (802) Operation Building Bright 2.0	3,000,000
	140	700 (802) Chinese Medicine Development Fund	500,000
	141	700 (876) Child Development Fund (Increase in commitment by \$300 million)	300,000
	148	700 (802) Funding for promoting and facilitating the development of the financial services sector	500,000
148	700 (804) Provision to the Insurance Authority	200,000	

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2018-19	148	700 (805) Contribution to the Asian Infrastructure Investment Bank Project Preparation Special Fund	78,000
	151	700 (801) Fire Safety Improvement Works Subsidy Scheme	2,000,000
	152	700 (804) Funding for Competition Commission's litigation work	238,346
	156	700 (806) Enhancing the professional development of teachers and principals	500,000
	156	700 (935) Injection into HKSAR Government Scholarship Fund	800,000
	170	700 (470) Partnership Fund for the Disadvantaged (Increase in commitment by \$400 million)	400,000
	170	700 (803) Additional provision for social security recipients 2018	7,447,000
	170	700 (804) One-off support grant for needy students in the 2018/19 School Year	142,000
	170	700 (811) Short-term food assistance (Increase in commitment by \$447 million)	447,000
	170	700 (812) Injection into Trust Fund for Severe Acute Respiratory Syndrome 2018	50,000
	170	700 (813) Innovation and Technology Fund for Application in Elderly and Rehabilitation Care	1,000,000
	170	700 (814) Arts Development Fund for Persons with Disabilities	250,000
	173	700 (802) Additional provision for Low-income Working Family Allowance/Working Family Allowance recipients 2018	325,804

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2018-19	173	700 (803) One-off support grant for needy students in the 2018/19 School Year	600,000
	173	700 (804) Caring and Sharing Scheme	11,316,000
	190	700 (932) Provision of non-means-tested studentships for local students enrolled in University Grants Committee-funded research postgraduate programmes	70,000

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2019-20	44	700 (803) Trial of retrofitting Euro IV and V double-deck franchised buses with enhanced selective catalytic reduction systems	38,180
	53	700 (894) Youth Development Fund (Increase in commitment by \$300 million)	300,000
	55	700 (480) Film Development Fund (Increase in commitment by \$1 billion)	1,000,000
	140	700 (803) Hong Kong Genome Project	682,000
	148	700 (803) Provision of seed capital to the Financial Reporting Council	400,000
	148	700 (807) Funding requirements for a centralised platform for the administration of Mandatory Provident Fund registered schemes	3,367,150
	152	700 (805) Establishment of the Travel Industry Authority	350,000
	155	700 (802) City Innovation and Technology Grand Challenge	500,000
	156	700 (801) Pilot Subsidy Scheme for Students of Professional Part-time Programmes (Increase in commitment by \$234 million)	234,000
	156	700 (841) Pilot incentive to employers participating in the workplace assessment under the Training and Support Scheme	108,000
156	700 (842) School-based professional support services to schools on Chinese learning and teaching for non-Chinese speaking students	45,000	

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2019-20	158	700 (807) Maritime and Aviation Training Fund (Increase in commitment by \$200 million)	200,000
	159	700 (803) Strengthening cost management and uplifting performance of public works projects	69,500
	170	700 (805) Additional provision for social security recipients 2019	3,842,000
	170	700 (806) One-off support grant for needy students in the 2019/20 School Year	168,000
	173	700 (805) Individual-based Work Incentive Transport Subsidy	705,000
	173	700 (806) Additional provision for Working Family Allowance recipients 2019	130,000
	173	700 (807) One-off support grant for needy students in the 2019/20 School Year	725,000
	186	700 (892) Provision of subsidy to the franchised bus companies on the installation of appropriate safety devices on existing buses	500,000
	190	700 (801) Eighth Matching Grant Scheme	2,500,000

**Items under Subhead 603 “Plant, vehicles and equipment” for each head included
in the Estimates for approval by the Legislative Council
in the context of the Appropriation Bill in the past 5 years**

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2015-16	31	603 (833) Replacement of one high speed pursuit craft (CE15)	26,294
	31	603 (834) Replacement of one high speed pursuit craft (CE17)	26,293
	31	603 (835) Replacement of one high speed pursuit craft (CE18)	26,293
	45	603 (8EX) One replacement crash fire tender R12	15,000
	45	603 (8EY) One replacement jackless snorkel R34	13,862
	95	603 (850) Replacement of stage automation system at the Auditorium of Kwai Tsing Theatre	25,000
	100	603 (832) Replacement of hydrographic survey launch "Hydrographic 2"	43,500
	122	603 (89L) Replacement of 18 police launches	658,410
	122	603 (89M) Acquisition of barge operating platform for the Marine Region	35,762

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2016-17	22	603 (811) Procurement of one patrol vessel (Increase in commitment by \$3,950,000)	3,950
	31	603 (882) Replacement of one mobile X-ray vehicle scanning system for Kwai Chung Customhouse (AM5529)	46,872
	31	603 (883) Replacement of one mobile X-ray vehicle scanning system for Kwai Chung Customhouse (AM5530)	46,872
	45	603 (8BY) Replacement of Fireboat No. 7 (Increase in commitment by \$13,260,000)	13,260
	45	603 (8CQ) Replacement of diving support speedboat No. 2 (Increase in commitment by \$8 million)	8,000
	45	603 (8CR) Replacement of diving support speedboat No. 3 (Increase in commitment by \$8 million)	8,000
	45	603 (8F4) One replacement crash fire tender R32	13,199
	45	603 (8F5) One replacement aerial ladder platform F722	16,940
	45	603 (8F6) Acquisition of a fireboat	125,000
	45	603 (8F7) Acquisition of a fast rescue vessel	40,000
	70	603 (827) Replacement of Immigration Launch No. 6 (Increase in commitment by \$2,680,000)	2,680
	100	603 (874) Replacement of patrol launch "Marine 5"	14,850
	100	603 (875) Replacement of patrol launch "Marine 6"	14,850
	100	603 (876) Replacement of patrol launch "Marine 8"	14,850

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2016-17	100	603 (893) Replacement of hydrographic survey launch "Hydro 1" (Increase in commitment by \$4,215,000)	4,215
	122	603 (877) Replacement of five high-speed interceptor craft for the Marine Region (Increase in commitment by \$12,310,000)	12,310
	122	603 (89U) Replacement of inshore patrol launch PL40 for the Marine Region	35,556
	122	603 (89V) Replacement of inshore patrol launch PL41 for the Marine Region	35,556
	122	603 (89W) Replacement of inshore patrol launch PL42 for the Marine Region	35,556
	122	603 (89X) Replacement of inshore patrol launch PL43 for the Marine Region	35,556
	122	603 (89Y) Replacement of inshore patrol launch PL44 for the Marine Region	35,556
	122	603 (89Z) Replacement of inshore patrol launch PL45 for the Marine Region	35,556
	122	603 (8A0) Replacement of police launch PL60 for the Marine Region	92,427
	122	603 (8A1) Replacement of police launch PL61 for the Marine Region	92,427
	122	603 (8A2) Replacement of police launch PL62 for the Marine Region	92,427
	122	603 (8A3) Replacement of police launch PL63 for the Marine Region	92,428
	122	603 (8A4) Replacement of police launch PL64 for the Marine Region	92,428

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2016-17	122	603 (8A5) Replacement of police launch PL65 for the Marine Region	92,428
	122	603 (8A6) Acquisition of mobile response and command platform for the Marine Region	144,385
	160	603 (899) Production equipment for enhancement of Digital Terrestrial Television service	15,530

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2017-18	30	603 (803) Replacement and enhancement of the closed circuit television system for Tung Tau Correctional Institution	15,940
	30	603 (804) Replacement and enhancement of the closed circuit television system for Tai Lam Correctional Institution	24,510
	30	603 (805) Replacement and enhancement of the closed circuit television system for Tong Fuk Correctional Institution	35,274
	31	603 (801) Replacement of one mobile X-ray vehicle scanning system at Shenzhen Bay Control Point (AM5531)	48,006
	31	603 (802) Replacement of one mobile X-ray vehicle scanning system at Shenzhen Bay Control Point (AM5532)	48,006
	45	603 (8F8) Replacement of Fireboat No. 2	97,500
	60	603 (801) Procurement of one Bridge Inspection Vehicle for Tsing Ma Control Area	13,780
	60	603 (802) Procurement of one Bridge Inspection Vehicle for Tsing Sha Control Area	13,780
	70	603 (801) Replacement of Immigration Launch No. 4	19,710
	95	603 (801) Replacement of planetarium show production and projection system in Space Theatre of Hong Kong Space Museum	16,500
	95	603 (859) Replacement of air conditioning system at Hong Kong Coliseum	27,600
	95	603 (860) Replacement of CCTV system at Hong Kong Central Library	11,182

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2017-18	95	603 (861) Replacement of high efficiency chiller (water-cooled centrifugal chiller No.1) at Sha Tin Town Hall	12,860
	95	603 (862) Replacement of chiller water plant at Ma On Shan Sports Centre cum Public Library	12,000
	186	603 (856) Replacement of high voltage and low voltage power supply system in the Tseung Kwan O Tunnel	70,560
	186	603 (857) Replacement of manual toll collection system and installation of e-payment system in Tate's Cairn Tunnel	27,050
	186	603 (858) Replacement of automatic fire alarm system in Cheung Tsing Tunnel	26,334
	186	603 (859) Replacement of automatic fire alarm system in the Kai Tak Tunnel	22,680
	186	603 (860) Replacement of low voltage power supply system in the Kai Tak Tunnel	35,280

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2018-19	30	603 (801) Replacement and enhancement of the closed circuit television system for Pik Uk Prison	37,409
	39	603 (801) Replacement of Control System for Main Pumps at Tseung Kwan O Pumping Station	16,000
	45	603 (8F9) Replacement of Command Boats No. 1	120,000
	45	603 (8FA) Replacement of Command Boats No. 2	120,000
	95	603 (807) Replacement of chiller system at Tuen Mun Cultural Complex	33,060
	95	603 (831) Replacement of unit cooler system with automatic control at Cold Film Store on 1/F at Hong Kong Film Archive	20,880
	95	603 (832) Replacement of chillers and cooling tower system at Sha Tin Town Hall	22,000
	95	603 (840) Replacement of chiller system at R/F air conditioning plant room of Hong Kong Museum of History	40,000
	122	603 (859) Replacement of fast pursuit craft PV36 for the Small Boat Division of the Marine Region (Increase in commitment by \$2.2 million)	2,200
	122	603 (860) Replacement of fast pursuit craft PV37 for the Small Boat Division of the Marine Region (Increase in commitment by \$2.2 million)	2,200
	122	603 (894) Replacement of fast pursuit craft PV30 for the Small Boat Division of the Marine Region (Increase in commitment by \$2.2 million)	2,200

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2018-19	122	603 (895) Replacement of fast pursuit craft PV31 for the Small Boat Division of the Marine Region (Increase in commitment by \$2.2 million)	2,200
	122	603 (896) Replacement of fast pursuit craft PV32 for the Small Boat Division of the Marine Region (Increase in commitment by \$2.2 million)	2,200
	122	603 (897) Replacement of fast pursuit craft PV33 for the Small Boat Division of the Marine Region (Increase in commitment by \$2.2 million)	2,200
	122	603 (898) Replacement of fast pursuit craft PV34 for the Small Boat Division of the Marine Region (Increase in commitment by \$2.2 million)	2,200
	122	603 (899) Replacement of fast pursuit craft PV35 for the Small Boat Division of the Marine Region (Increase in commitment by \$2.2 million)	2,200
	122	603 (8A7) Replacement of high speed assault craft Y1 for the Special Duties Unit	52,700
	122	603 (8A8) Replacement of high speed assault craft Y2 for the Special Duties Unit	52,700
	122	603 (8A9) Replacement of high speed assault craft Y3 for the Special Duties Unit	52,700
	122	603 (8AA) Replacement of high speed assault craft Y4 for the Special Duties Unit	26,300
	122	603 (8AB) Replacement of high speed assault craft Y5 for the Special Duties Unit	26,300
	122	603 (8AC) Replacement of high speed assault craft Y6 for the Special Duties Unit	26,300

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2018-19	186	603 (863) Replacement of Fire Service System at Tseung Kwan O Tunnel	13,507
	186	603 (864) Replacement of Uninterruptible Power Supply Systems at Various Locations in Tsing Ma Control Area	11,897
	186	603 (865) Replacement of Uninterruptible Power Supply Systems at Various Locations in Lion Rock Tunnel	11,930
	186	603 (866) Replacement of Closed Circuit Television System in the Cross-Harbour Tunnel	10,810
	186	603 (867) Replacement of High Voltage Power Supply System in the Cheung Tsing Tunnel, Tsing Ma Control Area	50,400
	186	603 (870) Replacement of Network for the Central Monitoring System in Tsing Sha Control Area	44,000
	186	603 (871) Replacement of High Voltage Power Supply System in the Kai Tak Tunnel	33,900
	186	603 (872) Replacement of Environmental Monitoring System for Aberdeen Tunnel	12,600
	186	603 (873) Replacement of Environmental Monitoring System for Lion Rock Tunnel	12,600
	186	603 (882) Replacement of Air-conditioning Systems and Equipment in the Administration Buildings in the Tsing Ma Control Area	14,520
	186	603 (883) Procurement of New Generation of Parking Meter System and the Associated Equipment	304,000

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2019-20	30	603 (806) Replacement and enhancement of the closed circuit television system for Cape Collinson Correctional Institution	55,450
	30	603 (807) Replacement and enhancement of the closed circuit television system for Hei Ling Chau Correctional Institution	108,211
	30	603 (808) Replacement and enhancement of the closed circuit television system for Hei Ling Chau Addiction Treatment Centre	98,701
	30	603 (809) Replacement and enhancement of the closed circuit television system for Lai Sun Correctional Institution	40,944
	30	603 (810) Installation of Electric Locks Security System in Pik Uk Correctional Institution	219,400
	31	603 (803) Replacement and enhancement of equipment for Automatic Vehicle Clearance Support System for Goods Vehicles at Lok Ma Chau Control Point, Man Kam To Control Point, Sha Tau Kok Control Point and Shenzhen Bay Control Point	113,400
	31	603 (804) Replacement and enhancement of closed circuit television system at Customs Headquarters Building	21,559
	33	603 (802) Replacement of the hydrographic survey vessel "Port Works 5"	35,120
	45	603 (8FB) One replacement crash fire tender R22	10,496
	45	603 (8FC) One replacement crash fire tender R42	10,496
	45	603 (8FD) Acquisition of a high reach extendable turret for the Airside Fire Station (West Support Area) for Three-Runway System	12,775

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2019-20	45	603 (8FE) Acquisition of two rapid intervention vehicles for the Airside Fire Station (West Support Area) for Three-Runway System	20,892
	95	603 (863) Replacement of lighting bar winching system at Hong Kong Coliseum	39,210
	95	603 (864) Replacement of chiller system at Hong Kong Cultural Centre	20,000
	95	603 (865) Replacement of dehumidifier system for Cold Film Stores on 1/F – 4/F at Hong Kong Film Archive	22,736
	95	603 (866) Replacement of the filtration and sterilisation system at the Tsing Yi Swimming Pool	10,552
	95	603 (867) Replacement of chiller system at Tsuen Wan Town Hall	26,500
	95	603 (868) Replacement of air conditioning system for the Redoubt at Hong Kong Museum of Coastal Defence	16,704
	95	603 (869) Replacement of stage lighting dimmer system with installation of computerised lighting system at Grand Theatre of Hong Kong Cultural Centre	14,500
	100	603 (802) Replacement of patrol launch “Marine 28”	41,910
	100	603 (803) Replacement of patrol launch “Marine 30”	41,910
	100	603 (805) Replacement of patrol launch “Marine 203”	41,910
	100	603 (806) Replacement of hydrographic survey launch “Hydro 3”	15,100

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2019-20	100	603 (832) Replacement of hydrographic survey launch "Hydro 2" (Increase in commitment by \$35 million)	35,000
	122	603 (89L) Replacement of 18 police launches (Increase in commitment by \$485,724,000)	485,724
	122	603 (8A0) Replacement of police launch PL60 for the Marine Region (Increase in commitment by \$63,337,000)	63,337
	122	603 (8A1) Replacement of police launch PL61 for the Marine Region (Increase in commitment by \$63,337,000)	63,337
	122	603 (8A2) Replacement of police launch PL62 for the Marine Region (Increase in commitment by \$63,337,000)	63,337
	122	603 (8A3) Replacement of police launch PL63 for the Marine Region (Increase in commitment by \$63,336,000)	63,336
	122	603 (8A4) Replacement of police launch PL64 for the Marine Region (Increase in commitment by \$63,336,000)	63,336
	122	603 (8A5) Replacement of police launch PL65 for the Marine Region (Increase in commitment by \$63,336,000)	63,336
	166	603 (801) Procurement of a flight simulator training device	400,000
	186	603 (894) Replacement of fire service system at the Cross-Harbour Tunnel	29,800
	186	603 (895) Replacement of central control and monitoring system in the Tate's Cairn Tunnel	29,610

Financial Year	Head	Subhead (Item No.)/ Description	Creation of commitment/ Increase in approved commitment (\$'000)
2019-20	186	603 (89A) Replacement of tunnel ventilation system at the Aberdeen Tunnel	70,810
	186	603 (89B) Replacement of tunnel ventilation system at the Kai Tak Tunnel	169,000
	186	603 (89C) Implementation of free-flow tolling system at government tolled tunnels and roads	945,980
	186	603 (89D) Provision of real-time arrival information for green minibus	31,000
	186	603 (89E) Replacement of public address systems at the Kai Tak Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Cross-Harbour Tunnel, Tseung Kwan O Tunnel and Eastern Harbour Crossing	10,960

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)099

(Question Serial No. 0549)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 36 of the Budget Speech that the Government will “disburse \$10,000 to Hong Kong permanent residents aged 18 or above, with a view to encouraging and boosting local consumption on the one hand, and relieving people’s financial burden on the other. This measure, which involves an expenditure of about \$71 billion, is expected to benefit about seven million people”:

1. How is the estimated number of seven million beneficiaries derived?
2. Regarding Hong Kong permanent residents who are not currently living in Hong Kong, please provide figures for the following categories: (a) residing in Taiwan or overseas, (b) residing in the Mainland, (c) working in Taiwan or overseas, (d) working in the Mainland, (e) studying in Taiwan or overseas, (f) studying in the Mainland, and (g) others.
3. Given that the cash payout scheme is aimed at “encouraging and boosting local consumption” and “relieving people’s financial burden”, why are Hong Kong permanent residents aged below 18 not covered by the scheme?
4. Has the Government explored the feasibility of disbursing \$10,000 to Hong Kong permanent residents aged below 18? If yes, what are the details?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 24)

Reply:

1. The number of beneficiaries is estimated by the Immigration Department based on the available information.
2. The Immigration Department does not keep relevant statistics on Hong Kong permanent residents who are residing outside Hong Kong
3. and 4. The Laws of Hong Kong treats people who are aged 18 or above as adults. In view of the purpose of the cash payout scheme and the amount involved, we consider it reasonable to set the qualifying age at 18 or above.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)100

(Question Serial No. 0983)

Head: (188) Treasury

Subhead (No. & title): ()

Programme: (1) Central Accounting, Collections and Payments

Controlling Officer: Director of Accounting Services (Charlix Wong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimate for 2020-21 is \$31.4 million higher than that for 2019-20, representing an increase of 19.2%. As shown in the Indicators, the number of cases regarding payments to creditors is estimated to be 816 000 in 2020, a reduction of 95 cases as compared with 816 095 in 2019. In addition, as a result of the rates concessions, there is a reduction in the number of cases regarding revenue collections through agents. Would the Treasury advise the reasons for the 19.2% increase in provision given an estimated reduction in the level of services?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 25)

Reply:

The increase in the 2020-21 estimate over the revised estimate for 2019-20 is mainly due to the operating expenses required for the Treasury to assist in preparing for and serving as paymaster for the implementation of the cash payout scheme.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)101

(Question Serial No. 1060)

Head: (188) Treasury

Subhead (No. & title): ()

Programme: (3) Accounting and Financial Information Systems

Controlling Officer: Director of Accounting Services (Charlix Wong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimate for 2020-21 is \$28.7 million higher than that for 2019-20, representing an increase of 21.4%. As shown in the Indicators “providing professional support and advisory services to bureaux/departments on accounting, costing and financial management matters” on page 915, the estimate of the number of requests to be handled in 2020 is 810, as compared with 1 017 requests handled in 2018 and 805 in 2019. Would the Treasury advise the reasons for the 21.4% increase in provision given the reduction in the level of services?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 26)

Reply:

The increase in the 2020-21 estimate over the revised estimate for 2019-20 is mainly due to the operating expenses required for the Treasury to assist in preparing for and serving as paymaster for the implementation of the cash payout scheme.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)102

(Question Serial No. 2779)

Head: (188) Treasury

Subhead (No. & title): (000) Operational expenses

Programme: (4) Management of Funds

Controlling Officer: Director of Accounting Services (Charlix Wong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is a global trend to take into account environmental, social and governance (ESG) factors in the investment process. In managing the Exchange Fund, the Hong Kong Monetary Authority also takes into consideration the ESG factors in the selection, appointment and monitoring of its external investment managers. Given that the Treasury is responsible for managing the investment portfolios of the Grant and Subsidized Schools Provident Funds, the Quality Education Fund, the Sir David Trench Fund for Recreation, the Beat Drugs Fund, the AIDS Trust Fund, the HKSAR Government Scholarship Fund and the Self-financing Post-secondary Education Fund, does it take into account the ESG factors when managing the funds and communicating with the portfolio managers in order to improve the investment returns of the funds and mitigate the risks involved and at the same time set an example for the investment market? If yes, what is the specific way of doing it? If no, what are the reasons?

Asked by: Hon CHEUNG Wah-fung, Christopher (LegCo internal reference no.: 70)

Reply:

Regarding the funds of which the investments are managed by the Treasury, the investment guidelines provided to the investment managers set out the investment restrictions on certain types of assets which are not consistent with the investment philosophy of the funds in terms of environmental, social and governance (ESG) factors. In formulating the investment strategies, apart from conducting financial analyses, investment managers also take into account the growth potential, long-term business sustainability and corporate governance, including the ESG factors. The Treasury will continue to move with times in formulating and refining investment strategies.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)103

(Question Serial No. 2741)

Head: (188) Treasury

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Director of Accounting Services (Charlix Wong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In respect of Head 188, please advise this Committee of the following:

1. as regards the increase of 52 posts in 2020-2021, please provide the details, including the respective Programme(s) these posts belong to, the post titles, the salaries, the functions, the nature of work, the immediate supervisors, the officers under their supervision and the posts of these officers;
2. as regards the payment of salaries and allowances to civil servants working for the Grant and Subsidized Schools Provident Funds and the Self-financing Post-secondary Education Fund under Subhead 003, please set out, by fund, the posts and the number of civil servants receiving the salaries and allowances, the total amount of allowances for those ranks and the total expenditure in the past 3 financial years;
3. as regards the collection of agents' commission and expenses under Subhead 187, please set out, in table form, the details, including the company names, the number of persons served, the total commission, the proportion of the commission in the transaction amount and the total expenses;
4. as regards "effecting payments to creditors within 30 calendar days after receipt of goods/services or invoices by bureau/departments" under Programme (1), please explain the reasons for the decrease in the percentage for 2020 compared with 2019;
5. as regards the various housing benefit schemes mentioned under Programme (2), please set out, in table form and by department, the numbers of civil servants of directorate, senior, middle and junior ranks participating in those schemes in each department and the proportion of these civil servants in their respective ranks in each department;

6. as regards the passage allowances mentioned under Programme (2), please set out, in table form and by department, the numbers of civil servants of directorate, senior, middle and junior ranks who have applied for those allowances in each department, the proportion of these civil servants in their respective ranks and the total amounts for their respective ranks in each department;

7. as regards “providing preliminary response to requests for accounting and financial support and advisory services within 3 working days” under Programme (3), please explain the reasons for the decrease in the planned percentage for 2020;

8. as regards “ensuring that computer services are provided efficiently and with minimal interruptions” under Programme (3), please explain the reasons for the decrease in the two target percentages for 2020;

9. as regards Programme (4), please explain the reasons for setting the strategic target investment return at 2% above the Consumer Price Index B (CPI(B)); the reasons for not setting the target return with Composite CPI, CPI(A) or CPI(C), and for not setting it at a percentage other than 2% above the CPI(B);

10. as regards Programme (4), please set out, in table form, the proportions in the investment portfolios of all the funds managed in the past 3 financial years, including bonds, fixed deposits, equities (local, the Mainland, Europe, the United States, others), Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REITs) and others (please set out);

11. as regards Programme (4), please set out, in table form, the total fixed salaries and total commissions of the portfolio managers of each fund, as well as their remunerations apart from total fixed and total commissions (including but not limited to allowances) in the past 3 financial years.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 44)

Reply:

1. The 52 additional posts in 2020-21 are distributed among Programme (1) Central Accounting, Collections and Payments; Programme (2) Payment of Salaries, Pensions and Benefits; and Programme (3) Accounting and Financial Information Systems. These posts are mainly for assisting in the preparation for and serving as paymaster for the implementation of the cash payout scheme as well as for meeting operational needs. Details of the posts are as follows:

Rank	Number of posts	Notional annual mid-point salary value of the posts (\$)
Senior Systems Manager	1	1,514,640
Assistant Computer Operation Manager	1	807,540
Senior Computer Operator	1	613,140
Computer Operator I	1	441,180
Computer Operator II	1	306,540
Senior Executive Officer	3	1,124,520
Executive Officer I	5	807,540
Executive Officer II	3	534,660
Clerical Officer	7	463,140
Assistant Clerical Officer	24	288,840
Clerical Assistant	3	225,540
Assistant Supplies Officer	1	441,180
Workman II	1	179,340

2. The total expenditure incurred by the Grant and Subsidized Schools Provident Funds and the Self-financing Post-secondary Education Fund under Subhead 003 Recoverable salaries and allowances (General) in the past 3 financial years are as follows:

Fund	Total expenditure (\$ million)		
	2016-17	2017-18	2018-19
Grant and Subsidized Schools Provident Funds	6.3	6.2	6.3
Self-financing Post-secondary Education Fund	0.7	1.1	1.2

The provision under Subhead 003 is for the relevant part of the salaries and allowances paid to the civil servants responsible for the management of the Grant and Subsidized Schools Provident Funds and the Self-financing Post-secondary Education Fund. Such provision will be reimbursed to the Government by the relevant Funds. The expenditure incurred in a year is calculated on a proportional basis having regard to the actual management work performed for the Funds in that year using the cost accounting method.

3. The provision under Subhead 187 Agents' commission and expenses is for commission and other expenses in respect of payments made through banks and other agencies. Specific details about the agents' commission and expenses could not be provided as they involve market-sensitive information.

4. The planned target of 98% in respect of the performance measure “effecting payments to creditors within 30 calendar days after receipt of goods/services or invoices by bureaux/departments” for 2020 is in line with the corresponding performance target. The actual performance of 99% for 2019 was higher than the target. The Treasury and all bureaux/departments will, as always, strive to achieve performance standards which are higher than the planned targets.
5. The civil service housing benefits schemes processed by the Treasury are Home Purchase, Accommodation Allowance, Home Financing, Private Tenancy Allowance, Rent Allowance, Non-accountable Cash Allowance and Housing Loan Schemes. The analysis of the number of recipients of the above housing benefits schemes in 2019 is tabulated at Annex I.
6. The 2019-20 Revised Estimates of passages allowances processed by the Treasury is \$138.3 million (see Head 46: General Expenses of the Civil Service - Subhead 022: Passages). The analysis of the number of recipients in 2019 is tabulated at Annex II.
7. The planned target of 95% in respect of the performance measure “providing preliminary response to requests for accounting and financial support and advisory services within three working days” for 2020 is in line with the corresponding performance target. The actual performance of 99% for 2019 was higher than the target. The Treasury will, as always, strive to achieve performance standards which are higher than the planned targets.
8. The two planned targets under the performance measure “ensuring that computer services are provided efficiently and with minimal interruptions” for 2020 are in line with the corresponding performance targets. The actual performance of 99.9% and 96.8% for 2019 was higher than its corresponding targets set of 99.5% and 92% respectively. The Treasury will, as always, strive to achieve performance standards which are higher than the planned targets.
9. Adopting the strategic target investment return of 2% above the Consumer Price Index B is the long-term investment target of the two Schools Provident Funds. Investments of the two Schools Provident Funds are made according to the investment objectives and instructions set by their Boards of Control using prudent and diversified investment strategies having regard to the market development, with reports regularly made to the Boards of Control. The Boards of Control of the two Schools Provident Funds will conduct regular reviews of the investment targets, strategies and asset allocations.

10. For proper management of investment risks, the Treasury has all along been adopting prudent and diversified investment strategies in the investment of the Funds it managed. Proportion of assets for the Funds' investment portfolios will change from time to time in response to factors such as market conditions and cash flow requirements. Overall speaking, investment in securities (including equities and bonds) accounted for about 80% of the investments of the Funds managed by the Treasury in the past 3 years, while the rest are mainly deposits placed with banks and the Exchange Fund. The governing committees for the respective Funds or the investment committees under them will continue to review and refine the investment strategies, asset allocation and other investment issues on a regular basis and whenever necessary having regard to the market conditions, in order to strike a balance between investment risks and returns.

11. Investment activities in respect of the investment portfolios of the Funds managed by the Treasury are mainly carried out by portfolio managers engaged under outsourced service contracts. The Treasury does not have information about the fixed salaries and commissions received by the portfolio managers, or their remuneration other than fixed salaries and commissions. Specific details about the fee structure and arrangements in the service contracts with the portfolio managers could not be provided as they involve market-sensitive information.

**Number of recipients of civil service housing benefits schemes
processed by the Treasury in 2019**

Bureau/Department	Number of recipients
Chief Executive's Office	15
Agriculture, Fisheries and Conservation Department	209
Architectural Services Department	400
Audit Commission	43
Auxiliary Medical Service	8
Buildings Department	442
Census and Statistics Department	160
Civil Aid Service	7
Civil Aviation Department	204
Civil Engineering and Development Department	467
Companies Registry	39
Correctional Services Department	568
Customs and Excise Department	515
Department of Health	922
Department of Justice	281
Drainage Services Department	254
Electrical and Mechanical Services Department	542
Environmental Protection Department	335
Fire Services Department	727
Food and Environmental Hygiene Department	1 041
Government Flying Service	40
Government Laboratory	98
Government Logistics Department	62
Government Property Agency	49
Government Secretariat: Civil Service Bureau	123
Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	61
Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	17
Government Secretariat: Constitutional and Mainland Affairs Bureau	49
Government Secretariat: Development Bureau (Planning and Lands Branch)	42
Government Secretariat: Development Bureau (Works Branch)	82
Government Secretariat: Education Bureau	1 043
Government Secretariat: Environment Bureau	9
Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	25
Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	44
Government Secretariat: Food and Health Bureau (Food Branch)	13
Government Secretariat: Food and Health Bureau (Health Branch)	31
Government Secretariat: Home Affairs Bureau	57

**Number of recipients of civil service housing benefits schemes
processed by the Treasury in 2019**

Bureau/Department	Number of recipients
Government Secretariat: Innovation and Technology Bureau	24
Government Secretariat: Innovation and Technology Commission	70
Government Secretariat: Labour and Welfare Bureau	21
Government Secretariat: Office of the Government Chief Information Officer	94
Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	79
Government Secretariat: Overseas Economic and Trade Offices	24
Government Secretariat: Security Bureau	33
Government Secretariat: Transport and Housing Bureau (Transport Branch)	53
Highways Department	449
Home Affairs Department	285
Hong Kong Monetary Authority	2
Hong Kong Observatory	46
Hong Kong Police Force	2 441
Hospital Authority	76
Housing Department	1 445
Immigration Department	768
Independent Commission Against Corruption	274
Information Services Department	79
Inland Revenue Department	364
Intellectual Property Department	29
Invest Hong Kong	10
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	7
Judiciary	219
Labour Department	380
Lands Department	600
Land Registry	69
Legal Aid Department	93
Leisure and Cultural Services Department	784
Marine Department	159
Office for Film, Newspaper and Article Administration	18
Office of the Communications Authority Trading Fund	59
Official Receiver's Office	49
Planning Department	159
Post Office	612
Public Service Commission Secretariat	5
Radio Television Hong Kong	92
Rating and Valuation Department	187
Registration and Electoral Office	29

**Number of recipients of civil service housing benefits schemes
processed by the Treasury in 2019**

Bureau/Department	Number of recipients
Secretariat, Commissioner on Interception of Communications and Surveillance	6
Social Welfare Department	970
Trade and Industry Department	65
Transport Department	289
Treasury	54
University Grants Committee	10
Water Supplies Department	459
Working Family and Student Financial Assistance Agency	121
Total	21 185
Percentage in respect of the total number of civil servants	12%

**Number of recipients of the passage allowances
processed by the Treasury in 2019**

Bureau/Department	Number of recipients
Chief Executive's Office	5
Agriculture, Fisheries and Conservation Department	21
Architectural Services Department	67
Audit Commission	12
Auxiliary Medical Service	4
Buildings Department	41
Census and Statistics Department	20
Civil Aid Service	2
Civil Aviation Department	28
Civil Engineering and Development Department	74
Companies Registry	8
Correctional Services Department	95
Customs and Excise Department	83
Department of Health	120
Department of Justice	81
Drainage Services Department	32
Electrical and Mechanical Services Department	66
Environmental Protection Department	78
Fire Services Department	130
Food and Environmental Hygiene Department	47
Government Flying Service	13
Government Laboratory	8
Government Logistics Department	15
Government Property Agency	8
Government Secretariat: Civil Service Bureau	43
Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	26
Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	11
Government Secretariat: Constitutional and Mainland Affairs Bureau	76
Government Secretariat: Development Bureau (Planning and Lands Branch)	12
Government Secretariat: Development Bureau (Works Branch)	24
Government Secretariat: Education Bureau	135
Government Secretariat: Environment Bureau	7
Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	13
Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	16
Government Secretariat: Food and Health Bureau (Food Branch)	6
Government Secretariat: Food and Health Bureau (Health Branch)	10
Government Secretariat: Home Affairs Bureau	16

**Number of recipients of the passage allowances
processed by the Treasury in 2019**

Bureau/Department	Number of recipients
Government Secretariat: Innovation and Technology Bureau	15
Government Secretariat: Innovation and Technology Commission	10
Government Secretariat: Labour and Welfare Bureau	11
Government Secretariat: Office of the Government Chief Information Officer	17
Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	25
Government Secretariat: Security Bureau	21
Government Secretariat: Transport and Housing Bureau (Transport Branch)	25
Government Secretariat: Overseas Economic and Trade Offices	41
Highways Department	64
Home Affairs Department	42
Hong Kong Observatory	11
Hong Kong Police Force	712
Hospital Authority	27
Housing Department	166
Immigration Department	100
Independent Commission Against Corruption	34
Information Services Department	15
Inland Revenue Department	41
Intellectual Property Department	14
Invest Hong Kong	3
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	7
Judiciary	130
Labour Department	38
Lands Department	71
Land Registry	5
Legal Aid Department	17
Leisure and Cultural Services Department	52
Marine Department	34
Office for Film, Newspaper and Article Administration	2
Office of the Communications Authority	15
Official Receiver's Office	9
Planning Department	35
Post Office	52
Public Service Commission Secretariat	1
Radio Television Hong Kong	8
Rating and Valuation Department	24
Registration and Electoral Office	1
Social Welfare Department	93

**Number of recipients of the passage allowances
processed by the Treasury in 2019**

Bureau/Department	Number of recipients
Trade and Industry Department	13
Transport Department	31
Treasury	10
University Grants Committee	1
Water Supplies Department	48
Working Family and Student Financial Assistance Agency	14
Total	3 558
Percentage in respect of the total number of civil servants	2%

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)104

(Question Serial No. 3848)

Head: (25) Architectural Services Department

Subhead (No. & title): ()

Programme: (2) Facilities Upkeep

Controlling Officer: Director of Architectural Services (Mrs Sylvia LAM)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under this Programme, the Government mentioned that provision for 2020-21 is \$118.4 million (9.8%) higher than the revised estimate for 2019-20. This is mainly due to the increased provision required for personal emoluments, departmental expenses, personnel related expenses and maintenance of government buildings. There will be a net increase of 18 posts in 2020-21. Will the Government advise this Committee on:

1. the post titles, responsibilities and estimated expenditure on emoluments of the net increase of 18 posts in 2020-21?
2. the reason for the increase in provision for the maintenance of government buildings in 2020-21 compared to that of 2019-20. What is the operating expenditure on the maintenance of government buildings in 2020-21?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 145)

Reply:

1. In 2020-21, the details on the 18 posts increased under Programme (2) of the Architectural Services Department (ArchSD) are as follows:

Name of Project	Rank	Number of post	Estimated expenditure on emoluments# (\$ million)
Enhanced Public Toilet Refurbishment Programme	Maintenance Surveyor	2	4.735
	Clerk of Works	1	
	Works Supervisor I	1	
	Building Services Engineer / Assistant Building Services Engineer	1	
	Building Services Inspector	1	
New projects on condition survey and renovation works for government premises	Senior Maintenance Surveyor	1	4.397
	Maintenance Surveyor	1	
	Structural Engineer / Assistant Structural Engineer	1	
	Clerk of Works	1	
	Technical Officer / Assistant Technical Officer (Structural)	1	
Projects related to combating climate change	Senior Maintenance Surveyor	1	3.282
	Maintenance Surveyor	1	
	Clerk of Works	1	
Implementing Water Safety Plan in government premises	Clerk of Works	1	1.032
	Technical Officer / Assistant Technical Officer (Architectural)	1	
Projects related to Smart Library System	Maintenance Surveyor	1	1.030
Projects on energy saving and renewable energy	Assistant Clerk of Works	1	0.463
	Total	18	14.939

Notional annual mid-point salary in 2020-21

2. In 2020-21, the provision is \$118.4 million higher than the revised estimate for 2019-20 under Programme (2) of the ArchSD. This is mainly due to additional posts, inflation adjustment and the increase in the area of properties requiring maintenance, so there is a need for increased provision. The details are as follows:

Subhead	Increased amount (\$ million)
Personal emoluments	51.7
Personnel related expenses	6.7
Departmental expenses	12.5
Other charges: maintenance of government buildings	47.5
Total	118.4

The estimated expenditure on the maintenance of government buildings in 2020-21 is \$856.2 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)105

(Question Serial No. 4383)

Head: (25) Architectural Services Department

Subhead (No. & title): ()

Programme: (2) Facilities Upkeep

Controlling Officer: Director of Architectural Services (Mrs Sylvia LAM)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please list the annual costs incurred in the maintenance and repair for each of the official residences and their scope of works covered in the past 3 financial years.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 349)

Reply:

The costs incurred by the Architectural Services Department (ArchSD) for the facilities upkeep for the official residences of the Chief Executive, the Chief Secretary for Administration, the Financial Secretary and the Secretary for Justice from 2017-18 to 2019-20 are as follows:

Official Residences	Financial Year (\$ 0,000) ¹		
	2017-18	2018-19	2019-20 (as at February 2020)
Official Residence of the Chief Executive ² Floor Area: 8 990m ²	596 ³	97	193
Official Residence of the Chief Secretary for Administration ² Floor Area: 1 342m ²	127	30	133
Official Residence of the Financial Secretary ² Floor Area : 890m ²	71	17	34
Official Residence of the Secretary for Justice Floor Area: 457m ²	3	221 ⁴	46

Note 1: As the costs for most of the works projects are not settled within the same year, the figures shown in the table reflect the total costs in terms of cash flows of the relevant years. Maintenance works for government buildings are funded under Head 25 Subhead 000 while refurbishment and improvement works are funded under the Capital Works Reserve Fund. The cost figures shown in the table include the costs of all three categories of works.

Note 2: Apart from being the official residence of the Chief Executive, the Government House is also a declared monument of over 160 years old and enjoys protection under the Antiquities and Monuments Ordinance. The official residences of the Chief Secretary for Administration and the Financial Secretary are Grade 2 historic buildings with 69 and 85 years of history respectively. Appropriate facilities upkeep is necessary for the proper conservation of these historic buildings.

Note 3: After the Chief Executive of the preceding term moved out of his official residence in late June 2017, the ArchSD made use of the transition period to conduct necessary maintenance works to the building facilities and building services therein which were affected by normal wear and tear as well as ageing. Works included repairing the internal and external walls of the main building, wooden doors and wooden windows, etc.; replacing the tennis court floor mat; refurbishing part of the air-conditioning system; improving the security system and adding green features and seats to the tennis court.

Note 4: A number of buildings and facilities at the Secretary for Justice's official residence have been in use for many years and are showing signs of wear and tear. In February 2018, the official residence underwent necessary repairs, replacement of dilapidated facilities, renovation and slope reinforcement works (reinforcing 2 slopes falling short of the safety standards within the official residence).

The major works projects undertaken at each of these official residences in the past 3 years (as at February 2020) are as follows:

Official Residences	Major Works Projects
Official Residence of the Chief Executive	Finishing works for internal and external walls and interior fitting-out works; improvement works for air-conditioning and security systems; road resurfacing works; statutory tests for electrical installations; replacement of tennis court floor mat; improvement and greening works for one of the tennis courts; replacement of carpets and curtains in the sitting room and ballroom, etc.
Official Residence of the Chief Secretary for Administration	Repairing loose plastering and spalled concrete and fixing deteriorating paint of the main building; replacement of worn out wood flooring of staircase and carpets; replacement of ageing water mains; as well as air conditioning maintenance works; security improvement works; statutory tests for electrical installations, etc.
Official Residence of the Financial Secretary	Waterproofing works for roof; barrier improvement works, etc.
Official Residence of the Secretary for Justice	Slope reinforcement works; waterproofing works for roof; finishing works for internal and external walls and interior fitting-out works; statutory tests for electrical installations, etc.

Apart from the above major works projects, ArchSD also undertakes routine maintenance works covering water pipes, woodwork, doors and windows, carpets, paint works, roofing, waterproofing, cement plastering and termite control for the official residences. The categories and number of works are too numerous to itemise in full. As with other government buildings, facilities upkeep works for official residences are also carried out as and when necessary.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4217)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement, (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What were the numbers of cases of selling illicit cigarettes through telephone ordering detected, quantities of illicit cigarettes seized and numbers of persons arrested by the Customs and Excise Department (C&ED) in the past 5 years? What are the estimated provision and number of officers to be deployed for combating telephone ordering of illicit cigarettes by C&ED in 2020-21?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 182)

Reply:

The relevant information on cases of telephone ordering of illicit cigarettes detected by C&ED in the past 5 years is as follows:

	2015	2016	2017	2018	2019
Number of cases	452	428	426	412	430
Quantity of illicit cigarettes seized (million sticks)	1.4	3.8	4.6	5	2.8
Number of persons arrested	465	441	439	417	432

In 2020-21, C&ED will continue to deploy 26 officers dedicated to combating telephone ordering of illicit cigarettes, involving about \$11.22 million of salary expenditure.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)107

(Question Serial No. 4222)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement, (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What were the actual quantities of illicit cigarettes seized by the Customs and Excise Department (C&ED) at various control points, the numbers of officers and the actual expenditures involved in the past 5 years? How many officers will be deployed by C&ED to combat illicit cigarette activities and what are the details of expenditure in 2020-2021?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 187)

Reply:

The quantities of illicit cigarettes seized by C&ED at various control points in the past 5 years are as follows:

	2015	2016	2017	2018	2019
Quantity of illicit cigarettes (million sticks)	38.4	50.9	44.2	31.9	40.8

Since the front-line officers stationed at various control points are also tasked with clearance duties in addition to combating illicit cigarette activities, C&ED cannot separately provide the number of officers and the actual expenditure involved.

Apart from intercepting illicit cigarettes at various control points, C&ED is also committed to combating the storage, distribution and peddling (including telephone ordering) of illicit cigarettes. In 2020-21, C&ED will continue to deploy 61 officers to combat illicit cigarette activities, involving approximately \$26.27 million of salary expenditure.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)108

(Question Serial No. 6790)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

How many officers will be deployed by the Customs and Excise Department (C&ED) at various control points in Hong Kong to intercept dutiable commodities and what is the estimated provision involved in 2020-2021?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 189)

Reply:

In 2020-21, C&ED's estimated expenditure under Programme (1) "Control and Enforcement" is \$4,165.9 million, involving 6 154 posts. Since the Customs officers deployed at various entry and exit points are also tasked with clearance duties apart from intercepting dutiable commodities, C&ED cannot quantify the relevant number of officers and expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)109

(Question Serial No. 5427)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the measures to facilitate driving for eligible disabled persons, will the Government please provide the following information:

1. The quantities of fuel involved and the loss of revenue in waiving the duty payable on hydrocarbon oil for disabled persons in the past 5 years;
2. The numbers of prosecutions and convictions for abusing duty exemption of hydrocarbon oil for disabled persons in the past 5 years.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 1338)

Reply:

1. The quantities of dutiable fuel and the amounts of duty involved in waiving the duty payable on hydrocarbon oil for disabled persons in the past 5 years are as follows:

	2015	2016	2017	2018	2019
Quantity of hydrocarbon oil (million litres)	1.68	1.7	1.76	1.71	1.67
Amount of duty involved (\$ million)	10.18	10.3	10.67	10.36	10.12

2. In the past 5 years, the Customs and Excise Department instigated prosecution against 1 case of abusing duty exemption of hydrocarbon oil for disabled persons, and the 2 persons involved were convicted.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)110

(Question Serial No. 6539)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please advise this Committee in table form of all the brands of the cigarettes seized in anti-illicit-cigarette enforcement actions in 2019-20 and their corresponding percentages.

Cigarette brand	Percentage

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 214)

Reply:

According to the Dutiable Commodities Ordinance (Cap. 109), all cigarettes are subject to duty at the rate of \$1,906 for each 1 000 sticks. The Customs and Excise Department does not have a breakdown by brands in respect of the cigarettes seized.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)111

(Question Serial No. 4278)

Head: (51) Government Property Agency

Subhead (No. & title): ()

Programme: (3) Estate Utilisation

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. What expenditure did Government Property Agency incur for reviewing under-utilised sites managed by government bureaux and departments in the past 5 years?
2. Please tabulate the exact locations, areas, idle periods, current land uses and planned uses in respect of all under-utilised sites currently managed by government bureaux and departments:

Bureaux/ Departments	Site Location	Site Area	Idle Period	Current Land Use	Planned Use

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 244)

Reply:

1. Government Property Agency (GPA) has been reviewing sites of government bureaux and departments (B/Ds) with existing manpower along with other duties and does not have the breakdown of such expenditure.

2. GPA continues to review under-utilised sites managed by the B/Ds and, if conditions permit, assists the relevant B/Ds in releasing such sites for alternative uses or disposal as appropriate. In 2019, under GPA's arrangement, two government sites which were found suitable for alternative uses or disposal were handled in accordance with the aforesaid mechanism. Details of these sites are as follows:

Managing B/D for Original Use	Location of Site	Site area (m²) (approx.)	Idle Period	Original Use	Planned Use	B/D to which the relevant site has been handed over
GPA	135 Tai Hang Road	3 990	2 months	Quarters	Residential use	Lands Department
GPA	5-7 Yip Shing Street	1 500	12 years	Industrial use	Temporary transitional housing	Lands Department

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)112

(Question Serial No. 4903)

Head: (51) Government Property Agency

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the work in relation to the Code on Access to Information, will the Government advise this Committee on the following:

- 1) Concerning the requests for information under the Code on Access to Information received by the Government Property Agency (GPA) from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

- 2) Concerning the requests for information under the Code on Access to Information received by the GPA from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

- 3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

- 4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of the Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

- (b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

- (c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

- 5) Please state in table form the number of those, among the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code on Access to Information, on which the Privacy Commissioner for Personal Data was consulted when they were being handled in the past 5 years. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 473)

Reply:

During the period from October 2018 to September 2019, the Government Property Agency (GPA) did not receive any request under the Code on Access to Information (the Code) for which only part of the required information was provided, and refused a request for information in 2019.

On the refusal case mentioned above, in accordance with paragraph 2.6(f) of the Code, GPA refused to provide the applicant with information on the allocation of premises to departments. The decision was made by an officer at point two of the Directorate Pay Scale with a “harm or prejudice” test conducted which ascertained that the harm or prejudice that could result from disclosure of the information would outweigh the public interest in disclosure of the information in this case.

During the period from 2015 to September 2019, GPA received in May 2018 a request for review amongst the requests for information under the Code. For this case, GPA provided part of the required information. Subsequently, the applicant requested GPA for a review of the relevant decision. GPA upheld the original decision after an officer at point two of the Directorate Pay Scale had reviewed the case.

During the period from 2016 to September 2019, the numbers of written requests for which the information requested was provided within 10 days, 11 to 21 days and 22 to 51 days from date of receipt of a request were 47, 7 and 9 respectively. A request had to be transferred to another department during the period and hence the information could not be provided by GPA. Another request was refused under the exemption provision in Part 2 of the Code.

During the period from 2016 to September 2019, the main reason for not providing the information requested within 21 days from date of receipt of the requests was that longer time was required to handle the information which was complex and detailed.

During the period from 2016 to September 2019, there were two cases where information could not be provided within 51 days from date of receipt of the requests. The main reason was that the cases involved a large amount of information of third parties and a longer time was required for conducting an extensive search of files.

During the period from 2016 to September 2019, GPA did not consult the Privacy Commissioner for Personal Data on cases where requests for information were refused.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)113

(Question Serial No. 5403)

Head: (51) Government Property Agency

Subhead (No. & title): ()

Programme: (1) Acquisition and Allocation

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide a list of government-owned properties which are currently being used for social welfare purpose.

Social welfare use	Address

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 1248)

Reply:

According to the information provided by bureaux/departments to the Government Property Agency, the number of government-owned properties being used for social welfare purposes is set out below:

District	Services for the Elderly	Services for Young People	Family and Child Welfare	Rehabilitation Services	Others	Total (by District)
Central & Western	12	3	16	3	16	50
Wan Chai	11	1	5	1	7	25
Eastern	11	10	38	1	13	73
Southern	4	2	3	2	2	13
Yau Tsim Mong	15	4	12	2	22	55
Sham Shui Po	5	3	10	2	14	34

District	Services for the Elderly	Services for Young People	Family and Child Welfare	Rehabilitation Services	Others	Total (by District)
Kowloon City	8	5	18	4	9	44
Wong Tai Sin	5	2	13	5	10	35
Kwun Tong	9	4	6	3	26	48
Tsuen Wan	10	7	3	2	6	28
Tuen Mun	2	4	13	14	47	80
Yuen Long	4	1	9	3	7	24
North	1	0	4	0	4	9
Tai Po	11	5	16	3	10	45
Sai Kung	4	3	8	3	2	20
Sha Tin	4	4	4	1	8	21
Kwai Tsing	2	4	7	4	6	23
Islands	1	0	1	1	8	11
Total :						638

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)114

(Question Serial No. 5620)

Head: (51) Government Property Agency

Subhead (No. & title): (000) Operational expenses

Programme: (2) Property Management

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government has implemented a series of improvement measures since April 2019 to enhance the protection of the employment terms and conditions as well as labour benefits of non-skilled workers engaged by government service contractors. In this connection, would the Government inform this Committee of:

1. the (i) technical weighting in tender evaluation, (ii) weighting of wage level as an assessment criterion in the technical assessment, and (iii) detailed calculation method for the assessment of wage level adopted by the Government Property Agency in procuring government service contracts that rely heavily on the engagement of non-skilled employees; and
2. the estimated additional expenditure to be incurred for implementing these improvement measures in the coming year?

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 860)

Reply:

1. The improvement measures concerned are applicable to government service contracts which heavily rely on the engagement of non-skilled workers and tendered on or after 1 April 2019. In compliance with the improvement measures, the technical and price weightings of the tender assessment for the relevant service contracts adopted by Government Property Agency (GPA) are 60% and 40% respectively while the weighting of the wage level for the non-skilled workers as an assessment criterion in the technical assessment is 26%. A tender proposing a higher committed wage level for the non-skilled workers would score a higher mark proportionally. We have also incorporated into the relevant service contracts new measures to enhance the labour benefits as well as the protection of the employment terms and conditions of non-skilled workers. The new measures include: a non-skilled worker with no less than one year's service under a Standard Employment Contract will be entitled to a contractual gratuity being 6% of the total wages earned; a non-skilled worker with no less than one month's service will be entitled to statutory holiday pay; and the amount of wages for a non-skilled worker who is required to work when typhoon signal no. 8 or above is in force should be at least 150% of the originally entitled wages. After the implementation of the improvement measures, GPA has awarded a total of six outsourced service contracts which heavily rely on the engagement of non-skilled workers in 2019-20, with commencement in 2020-21.
2. The total contract fees for the service contracts commencing in 2020-21 will be higher than that in 2019-20, as the new contracts have higher committed wage levels for the non-skilled workers as well as the incorporation of new measures to enhance the labour benefits as well as the protection of the employment terms and conditions of non-skilled workers, which will increase the overall costs and contract fees. As the contracts concerned do not provide a breakdown of the cost involved for each improvement measure, GPA is unable to provide the relevant figures.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)115

(Question Serial No. 6045)

Head: (51) Government Property Agency

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the Government Property Agency (GPA) obtained from the Government Logistics Department (GLD) each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

- b. Please set out the quantity, value, stock and consumption of surgical masks that the GPA obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Consumption

- c. Please set out the quantity, value, stock and consumption of N95 masks that the GPA obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks procured (value)	Stock	Consumption

- d. Please set out the quantity, value, stock and consumption of gowns that the GPA obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Consumption

- e. Please set out the quantity, value, stock and consumption of protective coverall suits that the GPA obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Consumption

- f. Please set out the quantity, value, stock and consumption of face shields that the GPA obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of face shields procured	Value of face shields procured	Stock of face shields

- g. Please set out the quantity, value, stock and consumption of goggles that the GPA obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of goggles procured	Value of goggles procured	Stock of goggles

- h. Did the GPA supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations in the past 3 years? If yes, please provide the relevant information, including the quantity, consumption and stock, in the following table:

Month/Year	Name of organisations	Manner of provision (e.g. sold or supplied for free)	Surgical masks	N95 masks	Face shields	Goggles	Gowns	Protective coverall suits	Value

- i. If the GPA is to supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations, what are the departments and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon MO Claudia (LegCo internal reference no.: 134)

Reply:

The demand for personal protective equipment (PPE) of government departments changes in accordance with the efforts in curbing and combating the rapid development of the pandemic situation. The Government Logistics Department (GLD) and other government departments are all out to procure PPE through different channels and means. They will also continually review the stock levels and quantities needed.

With an upsurge in demand for PPE around the globe, the SAR Government is facing keen competition in its procurement. The SAR Government considers it unsuitable at this stage to disclose detailed information about the stock levels, quantities procured and amounts paid as well as consumption etc. in respect of PPE of individual departments so as not to undermine the bargaining power of different departments in their procurement.

The Government Property Agency has not supplied or sold PPE to other organisations.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6564)

Head: (51) Government Property Agency

Subhead (No. & title): (000) Operational expenses

Programme: (1) Acquisition and Allocation

Controlling Officer: Government Property Administrator (Miss Leonia Tai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please inform this Committee of the following information on the allocation of disciplined services quarters:

- (1) Please provide, in table form, the respective percentages of: (a) Correctional Services Department officers; (b) Customs and Excise Department officers; (c) Fire Services Department officers; (d) Government Flying Service officers; (e) Hong Kong Police Force officers; (f) Immigration Department officers; and (g) Independent Commission Against Corruption (ICAC) officers allocated with disciplined services quarters against the total number of officers allocated with disciplined services quarters in the past 3 years.

	Percentage against the total no. of officers allocated with disciplined services quarters
(a) Correctional Services Department officers	
(b) Customs and Excise Department officers	
(c) Fire Services Department officers	
(d) Government Flying Service officers	
(e) Hong Kong Police Force officers	
(f) Immigration Department officers	
(g) ICAC officers	
	100

- (2) Please provide, in table form, the respective numbers of units in disciplined services quarters allocated to (a) Correctional Services Department officers; (b) Customs and Excise Department officers; (c) Fire Services Department officers; (d) Government Flying Service officers; (e) Hong Kong Police Force officers; (f) Immigration Department officers; and (g) ICAC officers, as well as (h) the total number of disciplined

services quarters units in the past 3 years.

	No. of disciplined services quarters units
(a) Correctional Services Department officers	
(b) Customs and Excise Department officers	
(c) Fire Services Department officers	
(d) Government Flying Service officers	
(e) Hong Kong Police Force officers	
(f) Immigration Department officers	
(g) ICAC officers	
(h) Total no. of disciplined services quarters units	

- (3) Please provide, in table form, (a) the addresses and (i) number of vacant units in disciplined services quarters in the 2019-20 financial year, and (ii) their planned uses for 2020-21.

	(i) No. of vacant units	(ii) Planned use for 2020-21
(a) *Addresses*		

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 227)

Reply:

- (1) The numbers of Disciplined Services Quarters (DSQs) units under respective Disciplined Services Departments (DSDs) in the recent 3 years and the percentages against the total number are as follows:

	No. of DSQs units (Percentage against the total no. of DSQs units)		
	28 February 2018	28 February 2019	29 February 2020
(a) Hong Kong Police Force	12 387 (54.9%)	12 376 (54.2%)	12 363 (52.9%)
(b) Fire Services Department	4 097 (18.1%)	4 106 (18.0%)	4 185 (17.9%)
(c) Correctional Services Department	2 459 (10.9%)	2 454 (10.7%)	2 571 (11.0%)
(d) Customs & Excise Department	1 704 (7.5%)	1 843 (8.1%)	1 949 (8.4%)
(e) Immigration Department	1 621 (7.2%)	1 740 (7.6%)	1 971 (8.4%)
(f) Independent Commission Against Corruption	236 (1.1%)	243 (1.1%)	245 (1.1%)
(g) Government Flying Service	70 (0.3%)	70 (0.3%)	72 (0.3%)
Total	22 574 (100%)	22 832 (100%)	23 356 (100%)

- (2) DSDs are responsible for the allocation of DSQs. Hence, the Government Property Agency does not have the information regarding the numbers of officers with quarters allocated by these departments.
- (3) As at 29 February 2020, information on temporarily vacant DSQs units pending allocation is as follows:

	(i) No. of units	(ii) Planned use for 2020-21
Sha Tin District	6	DSQs
Eastern District	5	
Central and Western District	4	
Tuen Mun District	3	
Wan Chai District	2	
Kowloon City District	2	

(The above table does not include not yet occupied quarters units which are under allocation or newly allocated.)

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)117

(Question Serial No. 3813)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (3) Land Transport

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the indicator of this Programme, the number of additional vehicles in 2020 is 49, representing an increase of 19 vehicles when compared with 30 vehicles in 2019. Would the Government advise the reasons why the number of additional vehicles in 2020 is greater than that in 2019? What is the recurrent expenditure on additional vehicles in 2020?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 120)

Reply:

The number of additional vehicles procured by the Government varies each year depending on the operational needs of various bureaux and departments. The main reason for increase in the number of additional vehicles in 2020 as compared with that in 2019 is that more vehicles are required by bureaux and departments to cope with additional work and emergencies. As the recurrent expenditure on additional vehicles is borne by the bureaux or departments concerned, the Government Logistics Department does not have the relevant information.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3814)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The number of contracts handled in 2019 under this Programme is 221, which is greater than 168 in 2018. Would the Government inform this Committee of:

- (1) The reasons why the number of contracts handled in 2019 is greater than that in 2018. Please also list the name of every contract handled in 2019, the contract value involved and the supplier to which each contract was awarded.
- (2) The Government stated that the contract value and the number of contracts in 2020 have been worked out on the basis of the forecast returns of major procurement submitted by other government departments and the contract information kept by the Government Logistics Department. Would the Government provide the estimated contract value and the number of contracts in respect of individual departments?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 121)

Reply:

- (1) The number of contracts handled by the Government Logistics Department (GLD) each year may increase or decrease depending on the requirements of bureaux/departments. In 2019, the number of contracts handled by GLD was 221 (of which 183 were newly concluded contracts and 38 involved contract variations). Information on the name of the newly concluded contracts, the contract value involved and the contract suppliers is available on the GLD website

(<https://pcms2.gld.gov.hk/iprod/#/scn00202?departmentCode=06&contractAwardYear=2019&keyWords=>).

- (2) The contract value and the number of contracts in 2020 were worked out based on the forecast returns of major procurement submitted by other Government departments and the contract information kept by GLD. The estimated number of contracts in 2020 is as follows:

Bureaux/department	Number of contracts
Involving bureaux/departments	24
Government Logistics Department	10
Electrical and Mechanical Services Trading Fund	14
Civil Aviation Department	8
Drainage Services Department	8
Leisure and Cultural Services Department	7
Correctional Services Department	5
Department of Health	5
Fire Services Department	5
Hong Kong Police Force	5
Hong Kong Observatory	4
Government Property Agency	3
Marine Department	3
Environmental Protection Department	2
Social Welfare Department	2
Buildings Department	1
Civil Engineering and Development Department	1
Government Flying Service	1
Hongkong Post	1
Water Supplies Department	1
Total	110

As setting out the estimated value of each contract will affect the tender price of the items, it is not appropriate for GLD to disclose such information.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)119

(Question Serial No. 3865)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would the Government provide figures on the following:

Figures on anti-epidemic supplies successfully procured in January 2020

Place of manufacture	Surgical mask	N95 mask	Protective clothing	Sterile supplies

Figures on anti-epidemic supplies successfully procured in February 2020

Place of manufacture	Surgical mask	N95 mask	Protective clothing	Sterile supplies

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 167)

Reply:

Since early January this year, the Government Logistics Department (GLD) has been adopting a multi-pronged approach through various means and channels for procuring masks and other anti-epidemic items. The target is to acquire such items as soon as possible. As long as the items offered by manufacturers or suppliers meet the specifications and the asking price is in line with the prevailing market price, GLD will place orders immediately. Since early January this year, more than 20 million masks procured by GLD have been delivered.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity of anti-epidemic items procured, etc.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4895)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the work in relation to the Code on Access to Information (the Code), will the Government advise this Committee on the following:

1) Concerning the requests for information under the Code received by the Government Logistics Department (GLD) from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details on how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2) Concerning the requests for information under the Code received by GLD from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details on how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

3) Any person who believes that a department has failed to comply with any provision of the Code may ask the department to review the situation. Please advise this Committee on, in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of Guidelines on Interpretation and Application of the Code, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Concerning the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code, please state in table form the number of cases in which the Privacy Commissioner for Personal Data (PCPD) was consulted when they were being handled in the past 5 years. For cases in which advice had been sought, was it fully accepted in the end? For cases where the advice of the PCPD was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 465)

Reply:

1) During the period from October 2018 to September 2019, among the requests for information received under the Code on Access to Information (the Code) by GLD, there were 4 cases in which only some of the required information could be provided. The details are as follows:

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.
The current number of designated vehicle models and the vehicle models procured by the Government under designated contracts (2019)	Refused to provide information to the applicant pursuant to paragraph 2.14 of the Code.	Yes	Yes, relevant factors have been taken into account when handling the application.
Tender document and details of the contract awarded in designated tendering exercise (2019)	Refused to provide the applicant with information that falls under the category of commercial confidence under paragraph 2.16 of the Code.	Yes	Yes, relevant factors have been taken into account when handling the application.
The number of tenders received, the assessment criteria for evaluation of tenders, the marks obtained by each tenderer, the tender prices and the contract terms of the contracts awarded in 3 designated tendering exercises (2019)	Some information does not exist; refused to provide the applicant with information that falls under the category of commercial confidence under paragraph 2.16 of the Code.	Yes	Yes, relevant factors have been taken into account when handling the application.

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.
Information on the recruitment exercises for the post of Assistant Supplies Officer in 2017 and 2019 as well as the establishment and strength of the Supplies Grades (2019)	Refused to provide the applicant with the information which will soon be published, or the disclosure of which will be premature in relation to a planned announcement or publication under paragraph 2.17 of the Code.	Yes	Yes, relevant factors have been taken into account when handling the application.

- 2) During the period from October 2018 to September 2019, among the requests for information under the Code received by GLD, there was no refusal case.
- 3) During the period from 2015 to September 2019, GLD did not receive any request for review under the Code.
- 4a) During the period from 2016 to September 2019, the number of written requests for which the information requested was provided within 10 days, 11 to 21 days and 22 to 51 days from date of receipt of a request was 245, 51 and 1 respectively. During the same period, GLD referred 14 cases to another department which possessed the information requested.
- 4b) During the period from 2016 to September 2019, there was 1 case in which the reply could not be given by GLD within 21 days from the date of receipt of the request because more time was required for seeking legal advice.

- 4c) During the period from 2016 to September 2019, there was no case in which the reply could not be made by GLD within 51 days from the date of receipt of the request.
- 5) During the period from 2015 to September 2019, GLD did not refuse any request for information under the exemption provisions in Part 2 of the Code.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)121

(Question Serial No. 5425)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (3) Land Transport

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- 1) Please set out in tabular form the current number of electric vehicles purchased by government departments and their main uses.
- 2) Please set out in tabular form the number of electric vehicles purchased by government departments in each of the past 5 years.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 1331)

Reply:

- 1) As at end December 2019, details of the use of electric vehicles by government departments are tabulated as follows:

Bureau/Department	Number of electric vehicles purchased	Main uses
Hong Kong Police Force	101	Transportation of officers to carry out duties, e.g. performing patrol and traffic duties, response to emergency calls and other special operations, etc.
Water Supplies Department	14	Transportation of officers to carry out duties, e.g. meter reading and on-site inspection
Electrical and Mechanical Services Department	13	Transportation of officers to carry out duties, e.g. on-site inspection and delivery of equipment
Agriculture, Fisheries and Conservation Department	9	Transportation of officers to carry out duties, e.g. performing patrol duties in country parks and conservation areas and delivery of equipment

Bureau/Department	Number of electric vehicles purchased	Main uses
Hongkong Post	9	Transportation of officers to carry out mail delivery work
Buildings Department	8	Transportation of officers to carry out duties, e.g. on-site inspection
Lands Department	7	Transportation of officers to carry out duties, e.g. inspection of government sites, carrying out land and squatter control duties and delivery of equipment
Drainage Services Department	6	Transportation of officers and equipment to carry out duties, e.g. on-site inspection
Fire Services Department	6	Transportation of officers and equipment to carry out duties, e.g. inspection of fire safety facilities
Customs and Excise Department	6	Transportation of officers to carry out customs and excise duties, e.g. inspection of border control points, delivery of documents and exhibits
Transport Department	6	Transportation of officers and delivery of equipment to carry out duties, e.g. driving tests, on-site inspection, tunnel traffic control and maintenance work
Food and Environmental Hygiene Department	5	Transportation of officers to carry out duties, e.g. provision of environmental hygiene services, law enforcement and monitoring of food safety
Leisure and Cultural Services Department	5	Transportation of officers to carry out duties, e.g. inspection of leisure and cultural venues
Civil Aviation Department	5	Transportation of officers to carry out duties, e.g. attending meetings and on-site inspection
Housing Department	4	Transportation of officers to carry out duties, e.g. inspection of estates
Environmental Protection Department	2	Transportation of officers to carry out duties, e.g. attending meetings and official functions, on-site inspection and handling complaints
Social Welfare Department	2	Transportation of officers to carry out duties, e.g. inspection of social welfare service institutions and facilities
Civil Engineering and Development Department	2	Transportation of officers to carry out duties, e.g. on-site inspection
Labour Department	2	Transportation of officers to attend meetings and official functions

Bureau/Department	Number of electric vehicles purchased	Main uses
Working Family and Student Financial Assistance Agency	2	Transportation of officers to attend meetings and official functions
Government Logistics Department	2	Provision of transportation services to government departments for carrying out their duties and delivering documents
Administration Wing	1	Transportation of officers to carry out duties, e.g. delivering documents
Commerce and Economic Development Bureau	1	Transportation of officers to attend meetings and official functions
Chief Executive's Office	1	Transportation of officers to attend meetings and official functions
Correctional Services Department	1	Transportation of officers to carry out duties, e.g. inspection of correctional institutions
Department of Health	1	Transportation of officers to carry out duties, e.g. inspection of clinics
Environment Bureau	1	For use by the Secretary for the Environment
Immigration Department	1	Transportation of officers to carry out duties, e.g. delivering documents and supporting internal work at the airport
Highways Department	1	Transportation of officers to carry out duties, e.g. on-site inspection
Home Affairs Bureau	1	Transportation of officers to attend meetings and official functions
Office of the Communications Authority	1	Transportation of officers to attend meetings and official functions
Planning Department	1	Transportation of officers to carry out duties, e.g. inspection of new development areas

- 2) A total of 56 electric vehicles were purchased by government departments in the past 5 years, details of which are as follows:

Bureau/Department	2015	2016	2017	2018	2019
Agriculture, Fisheries and Conservation Department	-	1	1	-	-
Customs and Excise Department	2	2	-	-	-
Commerce and Economic Development Bureau	-	-	1	-	-

Bureau/Department	2015	2016	2017	2018	2019
Administration Wing	1	-	-	-	-
Drainage Services Department	7	-	-	-	-
Electrical and Mechanical Services Department	1	7	1	-	3
Environment Bureau	1	-	-	-	-
Food and Environmental Hygiene Department	2	-	-	1	-
Fire Services Department	2	1	-	-	-
Government Logistics Department	-	1	1	-	1
Hongkong Post	-	1	-	-	-
Immigration Department	-	-	1	-	-
Labour Department	-	1	-	-	-
Lands Department	1	-	-	-	-
Leisure and Cultural Services Department	2	-	-	1	-
Office of the Communications Authority	-	-	1	-	-
Working Family and Student Financial Assistance Agency	1	-	-	-	-
Transport Department	-	1	-	-	-
Water Supplies Department	1	-	1	1	-
Civil Aviation Department	-	-	-	1	-
Chief Executive's Office	-	-	-	1	-
Environmental Protection Department	-	-	-	1	-
Highways Department	-	-	-	1	-
Radio Television Hong Kong	-	-	-	-	1
Social Welfare Department	-	-	-	-	1

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 5429)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please inform this Committee of the following information on confiscated goods received from various departments in each of the past 5 years:

Department

Quantity of confiscated goods

Quantity of goods with value below \$200

Quantity of goods with value between \$201 and \$500

Quantity of goods with value between \$501 and \$1,000

Quantity of goods with value between \$1,001 and \$10,000

Quantity of goods with value above \$10,000

Auction proceeds

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 1340)

Reply:

The Government Logistics Department (GLD) is responsible for auctioning the items confiscated by various departments under the law. Due to the wide variety of the confiscated items, their different conditions, degree of wear and tear, and denominations, GLD cannot provide the details as requested in the question.

The proceeds from the confiscated items auctioned by GLD for various departments in the past 5 years are recorded by the number of lots (instead of the quantity of individual items). The information is tabulated as follows:

Department	Auction proceeds (HK\$) [Number of lots]				
	2015	2016	2017	2018	2019
Customs and Excise Department	35,457,100 [172]	20,893,050 [89]	22,307,170 [115]	14,666,000 [91]	37,612,200 [118]
Hong Kong Police Force	1,722,360 [125]	2,584,070 [114]	2,103,240 [141]	1,434,130 [86]	357,020 [69]
Food and Environmental Hygiene Department	230,900 [42]	163,500 [29]	121,500 [18]	141,500 [23]	80,760 [17]
Lands Department	102,100 [9]	49,100 [6]	238,670 [31]	61,550 [22]	138,420 [58]
Independent Commission Against Corruption	1,200 [4]	- [-]	850 [2]	- [-]	- [-]
Immigration Department	196,000 [1]	- [-]	1,800 [1]	- [-]	- [-]
Housing Department	18,500 [2] (Note)	- [-]	9,200 [1]	- [-]	1,900 [2]
Office of the Communication Authority	- [-]	- [-]	- [-]	- [-]	18,500 [2]
Transport Department	4,600 [3]	2,300 [3]	1,850 [3]	19,350 [11]	54,750 [15]
Companies Registry	59,000 [1]	- [-]	7,800 [1]	5,100 [1]	- [-]
Marine Department	- [-]	182,000 [3]	- [-]	- [-]	- [-]

Note:

One of the auctions held for the Housing Department in 2015 involved items confiscated by the Housing Department and the Food and Environmental Hygiene Department.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 5493)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please advise:

1. the monthly amount of protective equipment, including surgical masks, N95 masks, face shields and protective clothing, etc., allocated to various government departments from 1 December of last year to the present;
2. the amount of the above-mentioned protective equipment to be allocated to various government departments in the coming 3 months; and
3. the weekly stock of the above-mentioned protective equipment from December of last year to the present.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 955)

Reply:

1. and 2. With the rapid development of the epidemic, Government departments' demand for anti-epidemic items (including masks) will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, the Government Logistics Department (GLD) and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items. Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the consumption and stock level of anti-epidemic items of individual departments.

3. As far as masks procured by GLD are concerned, GLD maintains a regular stock of 10 million masks under the Government's current preparedness and response plans for infectious diseases, whereas the average monthly demand for masks from Government departments before the outbreak of the epidemic was about 1.1 million.

With the development of the epidemic, the quantity of masks used by Government departments has multiplied. Following GLD's enhanced procurement efforts, we have a stock of around 20 million masks as at 21 March 2020, which is estimated to be able to meet the operational needs of Government departments for roughly more than 2 months.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)124

(Question Serial No. 6780)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Matters requiring special attention in 2020-21 mentioned 'continue to promote occupational safety and health in the civil service'. Please advise:

1. How many masks were distributed by the Bureau to civil servants of various departments in the past year?
2. Did the Bureau set aside any provision for purchasing masks and other anti-epidemic supplies, or request the Government Logistics Department to purchase such supplies for use by civil servants in the coming year? If yes, what is the expenditure involved?

Asked by: Hon CHIANG Lai-wan (LegCo internal reference no.: 13)

Reply:

In 2019, the Government Logistics Department (GLD) issued an average of about 1.1 million masks produced by the Correctional Services Department to Government departments per month.

In 2020-21, GLD will set aside \$14.4 million in the estimates of expenditure for procuring masks and other emergency items.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4504)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 38 of the Budget Speech, the Government is sourcing anti-epidemic supplies worldwide. In this connection, please advise this Committee of how the Government is sourcing anti-epidemic supplies worldwide by giving an account of (1) whether the following means were adopted in sourcing the supplies: (a) online tendering, (b) placing orders online, (c) approaching local suppliers by phone or through the Internet, (d) approaching overseas suppliers by phone or through the Internet, (e) sending officers to source the items required locally, (f) sending officers to source the items required overseas, (g) receiving offers from sellers and (h) others (please specify); (2) the names of the sellers concerned; and (3) the anti-epidemic items purchased and their quantity, price and shipping fees.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 74)

Reply:

Since early January this year, the Government Logistics Department (GLD) has adopted a multi-pronged approach through different channels and means for procuring masks and other anti-epidemic items. The target is to acquire such items as soon as possible to meet the internal needs of the Government. As long as the items offered by manufacturers and suppliers meet the specifications and the asking price is in line with the prevailing market price, GLD will place orders immediately. We have approached more than 600 suppliers from over 40 countries by phone, email and facsimile. The Economic and Trade Offices of the HKSAR Government and some individuals have actively rendered their support by referring overseas suppliers to us. Some suppliers also have taken the initiative to contact the Government regarding the supply of anti-epidemic items. In addition, to reach out to more suppliers globally with a view to widening the sources of supply, GLD issued an open tender in end January for the procurement of masks.

Since early January this year, more than 20 million masks procured by GLD have been delivered.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the suppliers of anti-epidemic items, quantity procured and value involved, etc.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4509)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government Logistics Department (GLD) provide this Committee in table form with the quantity of the protective items distributed through GLD to various departments in the past 3 years; the criteria and consideration factors in determining the distribution amount as well as the uses of the items. Please reply by providing the following information, including: Year/Department/Number of N95 masks allocated/Number of protective coverall suits allocated/Amount of bleach allocated/Number of surgical masks allocated/Reasons for being allocated the relevant amount of items and their uses

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 79)

Reply:

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, the Government Logistics Department (GLD) and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the consumption of anti-epidemic items of individual departments.

Taking into account advice from experts and in consideration of the stock level, the Government has set priorities for the use of anti-epidemic items. At present, for items procured by GLD, priority will be accorded to meeting the needs of frontline staff involved in quarantine-related work, execution of quarantine orders (including medical and port health staff of the Department of Health) and maintenance of essential public services.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4537)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the following information:

- (1) the quantity of bottled drinking water purchased by various Government offices and the respective expenses in the past 5 years; and
- (2) the quantity of bottled drinking water purchased by government departments and organisations for the activities they held and the respective expenses in the past 5 years.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 118)

Reply:

- (1) Details on procurement of distilled water by the Government Logistics Department (GLD) in the past 5 years are as follows:

Contract period	Estimated contract quantity	Contract amount (HK\$)
18.9 litre bottled distilled water for daily consumption by staff in various bureaux/departments		
23 June 2015 to 22 June 2017	3 103 983 carboys	58,091,240.00
23 June 2017 to 22 June 2019	3 201 267 carboys	74,350,100.00
23 June 2019 to 22 June 2021	3 300 000 carboys	95,800,000.00

Contract period	Estimated contract quantity	Contract amount (HK\$)
Bottled distilled water of other volume (0.8 litre and 4.5 litre) (Note 1)		
29 December 2017 to 28 December 2018	(i) 0.8 litre: 80 000 bottles (ii) 4.5 litre: 32 220 bottles	914,125.00
4 January 2019 to 3 July 2020 (Note 2)	(i) 0.8 litre: 80 000 bottles (ii) 4.5 litre: 32 380 bottles	917,125.00

Note 1: Under the Enhanced Water Quality Monitoring Programme, if the test results confirmed that the drinking water supplied to particular users is contaminated by metals, the Government will take into account individual circumstances and provide bottled distilled water to the parties concerned as an interim mitigation measure.

Note 2: The contract period was extended according to the terms of the contract.

- (2) With effect from July 2013, Government bureaux/departments may take into account their actual operational needs to procure directly goods (such as drinking water) that are not items held in GLD's unallocated stock or not covered by bulk contracts arranged by GLD. The ceiling for the amount of such procurement has been increased from HK\$5 million to HK\$10 million with effect from April 2019. GLD does not have information on the quantity of bottled drinking water purchased directly by bureaux/departments and the associated expenses.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4958)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please advise in table form the quantity of the following items procured by the Government Logistics Department (GLD) last year:

- 1) N95 mask;
- 2) Blue protective clothing;
- 3) Personal protective equipment i.e. products of the Tyvek series of Dupont (including face shields/goggles, gloves, shoe covers and white waterproof protective gowns); and
- 4) the number of CSI masks allocated by the Correctional Services Department to GLD last year.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 598)

Reply:

In 2019, the Government Logistics Department (GLD) procured an average of around 1.1 million masks produced by the Correctional Services Department every month and issued roughly the same amount to government departments per month for their use.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, the Government Logistics Department (GLD) and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity of anti-epidemic items procured.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)129

(Question Serial No. 4959)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide in table form

1. the monthly amount requested (estimated demand)
2. the monthly amount allocated

in respect of medical anti-epidemic items (including N95 masks, blue protective clothing, personal protective equipment (PPE) items i.e. products of the Tyvek series of Dupont (including face shields/goggles, gloves, shoe covers and white waterproof protective gowns) and CSI masks allocated by the Correctional Services Department) concerning the Police Force, the Fire Services Department and the Immigration Department since 2019;

and advise what organisation guidelines/scientific basis were cited by the Government Logistics Department (GLD) to measure government departments' demand for PPE items and to formulate criteria on which GLD decided the quantity/ratio of items to be allocated (please specify the information cited and the criteria adopted by GLD for making decisions).

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 599)

Reply:

Taking into account advice from experts and in consideration of the prevailing stock level, the Government has set priorities for the use of anti-epidemic items. Currently for anti-epidemic items procured by the Government Logistics Department (GLD), priority will be accorded to meeting the needs of frontline staff involved in quarantine-related work (including medical and port health staff of the Department of Health and staff implementing quarantine orders) and maintenance of essential public services. In allocating anti-epidemic items, the Government will take into account the risks involved in the posts

and work of the officers concerned instead of which Government departments they come from.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items. Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity of anti-epidemic items used by individual departments.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)130

(Question Serial No. 6046)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the Government Logistics Department (GLD) obtained each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

- b. Please set out the quantity, value, stock and consumption of surgical masks that GLD obtained or procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Consumption

- c. Please set out the quantity, value, stock and consumption of N95 masks that GLD obtained or procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks procured (value)	Stock	Consumption

- d. Please set out the quantity, value, stock and consumption of gowns that GLD obtained or procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Consumption

- e. Please set out the quantity, value, stock and consumption of protective coverall suits that GLD obtained or procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Consumption

- f. Please set out the quantity, value, stock and consumption of face shields that GLD obtained or procured each month in the past 3 years in the following table:

Month/Year	No. of face shields procured	Value of face shields procured	Stock of face shields	Consumption

- g. Please set out the quantity, value, stock and consumption of protective goggles that GLD obtained or procured each month in the past 3 years in the following table:

Month/Year	Quantity of protective goggles procured	Value of protective goggles procured	Stock of protective goggles	Consumption

Asked by: Hon MO Claudia (LegCo internal reference no.: 135)

Reply:

During 2017 to 2019, the Government Logistics Department (GLD) procured an average of around 1.1 million masks produced by the Correctional Services Department every month and issued roughly the same amount to Government departments per month for their use.

With the rapid development of the epidemic, Government departments' demand for anti-epidemic items will vary depending on their needs arising from work related to preventing and combating the epidemic. Currently, GLD and other Government departments are making their best endeavours to procure anti-epidemic items through different channels and means; and will keep under review the stock position and demand for these items.

Given the sharp increase in global demand for anti-epidemic items, the HKSAR Government's procurement work faces keen competition. To avoid undermining the bargaining power of GLD and other departments in the procurement of anti-epidemic items, the HKSAR Government considers that it is not appropriate at this stage to disclose specific information about the quantity of anti-epidemic items used, the stock level, procurement quantity and the value involved, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)131

(Question Serial No. 6762)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the implementation of the Voluntary Health Insurance Scheme (VHIS), please provide in table form the numbers of tax deduction claims received, tax deduction claims approved and the amount of tax deducted, as well as the manpower and expenditure involved in handling tax deduction claims in the past 2 years.

Asked by: Hon CHAN Han-pan (LegCo internal reference no.: 51)

Reply:

Qualifying premiums paid under the Voluntary Health Insurance Scheme (VHIS) policy is tax deductible and the deduction is applicable to a year of assessment commencing on or after 1 April 2019 (i.e. year of assessment 2019/20 onwards). The Inland Revenue Department (IRD) will issue the Tax Returns – Individuals for the year of assessment 2019/20 soon for taxpayers to make the first application. The required statistical information for the year of assessment 2019/20 will only be available after taxpayers have filed the tax returns and the assessment work is completed by the IRD.

Processing of tax deduction claims is part of the IRD officers' daily work. The IRD does not have specific breakdown on manpower and expenditure for handling the above work.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)132

(Question Serial No. 4104)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Please provide this Committee the number of Tax Returns-Individuals (BIR60) and Property Tax Returns (BIR57 and BIR58) issued by the Inland Revenue Department (IRD) involving letting properties in the past five years in the table below:

Financial year	No. of Tax Returns-Individuals (BIR60)	No. of BIR60 involving letting solely-owned properties

Financial year	No. of Property Tax Returns (BIR57)	No. of BIR57 involving letting jointly owned or co-owned properties

Financial year	No. of Property Tax Returns (BIR58)	No. of BIR58 involving letting properties held by corporation and bodies of persons

2. The Bureau, in a reply to the question (FSTB(Tsy)022) raised by Hon CHAN Tanya in the last financial year, pointed out that “if there is a change in ownership of a property during a year, the rental income of the property concerned may be reported in more than one tax return (BIR60 / BIR57 / BIR58)”. Please provide the number of Tax Returns-Individuals (BIR60) and Property Tax Returns (BIR57 and BIR58) which involves letting of properties and there is a change in ownership of the property reported in more than one tax return. Please set out in the tables below:

Financial year	For the tax return BIR60 involving letting of properties, number of case involved “a change in ownership during a year, the rental income of the property concerned may be reported in more than one tax return”

Financial year	For the tax return BIR57 involving letting of properties, number of case involved “a change in ownership during a year, the rental income of the property concerned may be reported in more than one tax return”

Financial year	For the tax return BIR58 involving letting of properties, number of case involved “a change in ownership during a year, the rental income of the property concerned may be reported in more than one tax return”

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 65)

Reply:

3. The following table sets out the numbers of Tax Returns-Individuals (BIR60) and Property Tax Returns (BIR57 and BIR58) issued by the Inland Revenue Department (IRD) and the respective numbers of tax returns BIR60 / BIR57 / BIR58 involving letting properties in the past 5 years (Note 1):

Financial Year	No. of Tax Returns – Individuals (BIR60) (Notes 2 & 3)	No. of BIR60 involving solely-owned letting properties (Note 2)
2014/15	2 770 000	123 000
2015/16	2 830 000	130 000
2016/17	2 930 000	140 000
2017/18	2 920 000	146 000
2018/19	2 990 000	158 000

Financial Year	No. of Property Tax Returns (BIR57) (Notes 2 & 4)	No. of BIR57 involving jointly owned or co-owned letting properties (including at least one individual owner) (Note 2)
2014/15	152 000	129 000
2015/16	150 000	130 000
2016/17	150 000	131 000
2017/18	149 000	130 000
2018/19	151 000	131 000

Financial Year	No. of Property Tax Returns (BIR58) (Notes 2 & 4)	No. of BIR58 involving letting properties held by corporation and bodies of persons (Note 2)
2014/15	9 000	6 000
2015/16	9 000	6 000
2016/17	10 000	6 000
2017/18	10 000	6 000
2018/19	10 000	6 000

Note 1: As the assessment work for the year of assessment 2018/19 is still in progress, we provide the relevant information for the past 5 financial years starting from 2014/15.

Note 2: Tax Return – Individuals (BIR60) allows individual taxpayer to report his / her employment income, rental income from solely-owned properties (i.e. 100% ownership), profits from sole proprietorship businesses, and election for Personal Assessment (if applicable). If a taxpayer is the sole owner of one or more than one property, he/she has to report in BIR 60 the rental income derived from all solely-owned properties during a year of assessment (i.e. from 1 April in a year to 31 March in the next). If there is a change in ownership of a property during a year, the rental income of the property concerned may be reported in more than one tax return (BIR60 / BIR57 / BIR58).

Note 3: The IRD may not issue Tax Return-Individuals (BIR60) to an individual annually if the individual does not have any chargeable income. Such individuals include owner with no rental income from his/her solely-owned property.

Note 4: The IRD may not issue Property Tax Returns (BIR57 / BIR58) to property owners annually if the properties jointly owned or co-owned or held by corporations and bodies of persons are not let out for rental purpose.

4. The IRD does not have the relevant statistics.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)133

(Question Serial No. 4107)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In reply to enquiries made by a Councillor (LC Paper No. CB(1)562/12-13(01)), the Inland Revenue Department (IRD) had indicated that it had been keeping watch on suspected speculation cases involving share transfer of “property holding companies” to ensure that profits derived from property speculations were duly taxed. In this connection, we would like to ask the Government to provide:

- 1) the number of cases involving share transfer of “property holding companies”, suspected speculation cases, follow-up cases, completed review cases, cases subject to profits tax and the amount of tax involved (\$ million) as recorded by the IRD over the past 5 years in the table below:

Financial Year	Number of cases involving share transfer of “property holding companies”	Number of suspected speculation follow-up cases	Number of completed review cases	Cases subject to profits tax	
				Number of cases	Amount of tax assessed (\$ million)

- 2) the number of cases (to be set out by year and property type) where exemption from Buyer’s Stamp Duty (BSD) was granted to the acquisition or transfer of a residential property between associated bodies corporate as recorded by the IRD over the past 5 years and the amount of BSD exempted.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 68)

Reply:

- 1) As not each and every transfer of shares in a company which owns a property would constitute speculation, for the purposes of identifying property speculation cases, the Inland Revenue Department (IRD) only collects statistics on transfers of shares in which property constituted the principal asset of the company. As such, the IRD cannot provide the total number of transfer of shares in a company which owns a property. In the past 5 financial years, the statistics on the number of suspected speculation follow-up cases and completed review cases involving share transfer of property holding companies as recorded by the IRD are shown in the table below:

Financial Year	Number of suspected speculation follow-up cases	Number of completed review cases	Cases subject to profits tax	
			Number of cases	Amount of tax assessed (\$ million)
2015-16	746	729	42	20.7
2016-17	871	853	36	15.7
2017-18	1 414	1 359	31	29.7
2018-19	1 324	908	6	3.7
2019-20 (as at 29 February 2020)	751	274	0	0

When stamping the transfer of shares in private companies, the Stamp Office of IRD will screen out cases in which properties constituted the principal assets of the company and refer these cases to the Profits Tax Unit for review. The Profits Tax Unit will examine each case and the relevant facts thoroughly, including the length of the holding period of the shares, the motive for acquiring the shares and the financial arrangements entered into, and determine whether the share transfer amounts to a trading activity and is subject to profits tax.

The above figures only show the IRD's effort in detecting property speculation cases for the purpose of levying profits tax. They do not represent a full picture of all property speculation cases handled by the IRD as some taxpayers may have reported their property speculation gains in their tax returns and paid the tax accordingly. The IRD does not maintain statistics on the tax assessments made ultimately or the amount of tax assessed from these cases.

- 2) The number of applications for exemption from buyer's stamp duty (BSD) for transfer of residential properties between associated bodies corporate and the amount of BSD involved for each of the financial years from 2015-16 to 2019-20 are as follows:

Financial year	Number of Applications	Amount of BSD involved (\$ million)
2015-16	223	1,335
2016-17	162	1,039
2017-18	223	1,243
2018-19	206	2,440
2019-20 (as at 29 February 2020)	160	2,144

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)134

(Question Serial No. 4158)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The sources of citizens' income are vital for maintaining a sound tax base and keeping public finances healthy on the whole. Will the Government provide this Committee the following figures based on the data collected from the "Tax Return – Individuals" (BIR60): regarding the individuals who elected for personal assessment over the past 5 years, what are the respective total amounts of their salary income, rental income (from letting their solely- owned properties) and income from profits of their sole proprietorship businesses; what is the percentage of each kind of income to the aggregate income? Please list the figures in the table below.

Year	Salary income		Rental income from letting out solely-owned properties		Profits from sole proprietorship businesses	
	Total amount	Percentage to the aggregate income	Total amount	Percentage to the aggregate income	Total amount	Percentage to the aggregate income

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 123)

Reply:

The amount of salaries income, rental income from solely-owned properties, and profits / losses of sole proprietorship businesses assessed under personal assessment in the past 5 years of assessment (Note 1) and the respective percentages are tabulated below:

Year of assessment	Income assessed under personal assessment (Note 2)							
	Chargeable salaries income		Assessable value of solely-owned properties		Net assessable profits of sole proprietorship businesses		Total	
	Amount (\$million)	% to total	Amount (\$million)	% to total	Amount (\$million)	% to total	Amount (\$million)	% to total
2013/14	45,493	58%	11,308	14%	22,398	28%	79,199	100%
2014/15	48,062	58%	12,609	15%	22,804	27%	83,475	100%
2015/16	52,033	57%	14,370	16%	25,115	27%	91,518	100%
2016/17	54,862	56%	15,366	16%	27,382	28%	97,610	100%
2017/18	61,806	57%	17,361	16%	29,095	27%	108,262	100%

Note 1: As the assessment work for the year of assessment 2018/19 is still in progress, we provide the relevant information for the past 5 years of assessment starting from 2013/14.

Note 2: For years of assessment up to 2017/18, if a married couple is not living apart from each other and both of them have assessable income, they must elect personal assessment jointly if they wish to be assessed under personal assessment.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)135

(Question Serial No. 4170)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the numbers of properties solely owned and jointly owned or co-owned by individuals over the past 5 years.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 135)

Reply:

According to the information obtained by the Inland Revenue Department (IRD) when administering the Inland Revenue Ordinance (Cap. 112), the numbers of properties solely owned and jointly-owned or co-owned by individuals from the financial years 2014-15 to 2018-19 are as follows (as at the end of each financial year (i.e. 31 March)) :

Number of Property	2014-15	2015-16	2016-17	2017-18	2018-19
	Number of People *				
1	1 580 232	1 590 447	1 604 461	1 615 719	1 629 451
2	294 237	294 731	293 675	290 589	287 551
3	88 908	89 234	89 308	87 790	86 623
4	36 006	36 637	36 815	36 493	36 046
5	17 275	17 340	17 587	17 444	17 276
6 to 10	21 797	22 468	22 968	22 973	22 888
11 to 30	6 029	6 347	6 590	6 732	6 881
31 to 50	562	558	591	594	621
51 to 90	231	236	236	243	259
91 to 100	13	12	14	13	14
101 or above	34	34	34	36	35

- * Each individual owner of a jointly-owned or co-owned property is regarded as owning one property. Therefore, the total number of people would be larger than the total number of properties.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)136

(Question Serial No. 4916)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the work in relation to the Code on Access to Information (the Code), will the Government advise this Committee on the following:

1) Concerning the applications for access to information under the Code received by the Inland Revenue Department (IRD) from October 2018 to present, in which only some of the required information was provided, please state in table form: (i) the content of the requests for which only some of the required information was provided; (ii) the reasons for providing some of the information only; (iii) whether the decisions on withholding some of the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Code's Guidelines on Interpretation and Application (the Guidelines)); (iv) whether the decisions on withholding some of the information were made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) whether the decisions on withholding some of the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines)	(iv) whether the decisions on withholding some of the information were made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) whether the decisions on withholding some of the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines)	(iv) whether the decisions on withholding some of the information were made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details

2) Concerning the applications for access to information under the Code received by the IRD from October 2018 to present, for which the required information was not provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decisions on withholding the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines); (iv) whether the decisions on withholding the information were made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) whether the decisions on withholding the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines)	(iv) whether the decisions on withholding the information were made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) whether the decisions on withholding the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines)	(iv) whether the decisions on withholding the information were made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details

3) Any person who believes that a department has failed to comply with any provision of the Code may ask the department to review the situation. Please advise this Committee on, in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received that year, in which further information was disclosed after review; and (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received that year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of the Code's Guidelines, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code	Number of applications which were withdrawn since the applicants did not accept the charge and indicated that they did not wish to proceed with the applications
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code	Number of applications which were withdrawn since the applicants did not accept the charge and indicated that they did not wish to proceed with the applications
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code	Number of applications which were withdrawn since the applicants did not accept the charge and indicated that they did not wish to proceed with the applications
2020					
2019					
2018					
2017					
2016					

(b) Cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason(s)

(c) Cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason(s)

5) Please tabulate the numbers of cases in the past 5 years, among those in which requests for information were refused under the exemption provisions in Part 2 of the Code, on which the Privacy Commissioner for Personal Data was consulted during the handling process. For cases on which advice had been sought, was the advice fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or only partially accepted, what were the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reason(s) for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 486)

Reply:

1 & 2) The Inland Revenue Department (IRD) processes applications for access to information in accordance with the Code on Access to Information (the Code). Where a decision is made not to provide all or part of the information requested, the IRD will explain to the applicant in writing the reasons for the refusal, citing the relevant paragraphs in Part 2 of the Code. From October 2018 to September 2019, among the applications for access to information under the Code processed by the IRD, the details of the requests (1) for which only some of the required information was provided; and (2) which were refused, are stated below:

(1) Requests for which only some of the required information was provided

Content of the requests for which only some of the information required was provided	Reasons for providing some of the information only	Whether the decisions on withholding some of the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application (the Guidelines))	Whether the decisions on withholding some of the information were made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from the disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details
October to December 2018			
Nil			
January to September 2019			
Application for access to the tax information submitted to the IRD by a company before and after the applicant became a partner of that company (Note: The applicant was not an authorised representative prior to becoming a partner)	Paragraph 2.18 of the Code – “Legal restrictions”	Yes	The disclosure was prohibited by section 4 of the Inland Revenue Ordinance (IRO) (Cap. 112).
Request for access to a copy of a letter sent to the IRD by a person (the sender) on a specified date and request for the information about the applicant’s appointment of a tax representative (Note: The applicant was not an authorised representative of the sender)	Paragraph 2.18 of the Code – “Legal restrictions”	Yes	The disclosure was prohibited by section 4 of the IRO (Cap. 112).
Request for access to information on double stamp duty related to	Paragraph 2.10 of the Code –	Yes	The IRD had weighed the public interest in disclosure of the information against

<p>Content of the requests for which only some of the information required was provided</p>	<p>Reasons for providing some of the information only</p>	<p>Whether the decisions on withholding some of the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application (the Guidelines))</p>	<p>Whether the decisions on withholding some of the information were made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from the disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details</p>
<p>acquiring multiple residential properties under a single instrument for 2013-14</p> <p>(Note: Some of the requested information involve internal discussion on government policy)</p>	<p>“Internal discussion and advice”</p>		<p>the harm or prejudice that could result from the disclosure, and considered that the harm which might be caused by disclosing certain part of the requested information to be extremely serious.</p>
<p>Request for access to the information on the exemption of stamp duty granted to a certain type of institutions</p>	<p>Paragraph 2.14 of the Code – “Third party information”; and paragraph 2.15 of the Code – “Privacy of the individual”</p>	<p>Yes</p>	<p>The IRD had weighed the public interest in disclosure of the information against the harm or prejudice that could result from the disclosure, and considered that the harm which might be caused by disclosing certain part of the requested information to be extremely serious.</p>

(2) Requests which were refused

Content of the requests refused	Reasons for refusal	Whether the decisions on withholding the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines)	Whether the decisions on withholding the information were made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from the disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details
October to December 2018			
Request for access to statistical data on financial account information exchanged between Hong Kong and other tax jurisdictions under the arrangement of “automatic exchange of financial account information in tax matters” (including the numbers of financial accounts involved, and the amounts and types of assets involved)	Paragraph 2.4 of the Code – “External affairs”; and paragraph 2.9 of the Code – “Management and operation of the public service”	Yes	The IRD had weighed the public interest in disclosure of the information against the harm or prejudice that could result from the disclosure, and considered that the harm which might be caused by disclosing the requested information to be extremely serious.
January to September 2019			
Request for access to profits tax information of a corporate business from its incorporation to its deregistration and dissolution (Note: The applicant was not an authorised representative)	Paragraph 2.18 of the Code – “Legal restrictions”	Yes	The disclosure was prohibited by section 4 of the IRO (Cap. 112).
Request for access to profits tax information of a corporate business from its	Paragraph 2.18 of the Code –	Yes	The disclosure was prohibited by section 4 of

Content of the requests refused	Reasons for refusal	Whether the decisions on withholding the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines)	Whether the decisions on withholding the information were made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from the disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details
incorporation to its deregistration and dissolution (Note: The applicant was not an authorised representative)	“Legal restrictions”		the IRO (Cap. 112).
Request for access to profits tax information of a corporate business from its incorporation to its deregistration and dissolution (Note: The applicant was not an authorised representative)	Paragraph 2.18 of the Code – “Legal restrictions”	Yes	The disclosure was prohibited by section 4 of the IRO (Cap. 112).
Request for access to profits tax information of a corporate business from its incorporation to its deregistration and dissolution (Note: The applicant was not an authorised representative)	Paragraph 2.18 of the Code – “Legal restrictions”	Yes	The disclosure was prohibited by section 4 of the IRO (Cap. 112).
Request for access to information of a company on records of the Tax Reserve Certificates (TRCs) purchased by the company and balance of the related TRC account	Paragraph 2.18 of the Code – “Legal restrictions”	Yes	The disclosure was prohibited by section 4 of the IRO (Cap. 112).

Content of the requests refused	Reasons for refusal	Whether the decisions on withholding the information were made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines)	Whether the decisions on withholding the information were made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from the disclosure (according to paragraph 2.1.1 of the Guidelines); and if so, the details
(Note: The applicant was not an authorised representative)			
Request for access to information (including the name/address/telephone number and fax number) on businesses which were issued the business registration certificate during a specified period (Note: The applicant was not an authorised representative)	Paragraph 2.18 of the Code – “Legal restrictions”	Yes	The disclosure was prohibited by section 4 of the Business Registration Ordinance (Cap. 310).

Note: Pursuant to the Official Secrecy Provision under section 4 of the IRO, the IRD is prohibited from disclosing any information on tax cases to unauthorized third party.

3) Any applicant who is dissatisfied with the IRD’s decision may request a review under the Code. From January 2015 to September 2019, the numbers of cases received by the IRD from applicants for departmental review in accordance to the Code are listed below:

Year in which review cases were processed	Number of review cases received	Number of cases, among the review cases received that year, in which further information was disclosed after review
2015	1	0
2016	0	0
2017	0	0
2018	4	0

Year in which review cases were processed	Number of review cases received	Number of cases, among the review cases received that year, in which further information was disclosed after review
2019 (up to 30 September 2019)	1	0

The above review decisions were made by directorate officers of a rank level above D2.

4) When processing the applications for access to information under the Code, the IRD will provide a reply within the target response time set out in the Code. From January 2015 to September 2019, the breakdowns of the applications received by response time (Note 1) are listed below:

(a)(i) Within 10 days from date of receipt of a written request:

Year in which applications for access to information were processed	Number of cases in which the information requested was provided	Number of cases in which the information requested could not be provided since third party information was involved	Number of cases in which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of cases in which the requests for information were refused under the exemption provisions in Part 2 of the Code (Note 2)	Number of cases in which the applications were withdrawn since the applicants did not accept the charge and indicated that they did not wish to proceed with the applications
2015	786	0	0	3	0
2016	903	0	0	7	0
2017	852	0	0	10	0
2018	970	1	0	6	0
2019 (up to 30 September 2019)	996	0	0	9	0

(ii) Within 10 to 21 days from date of receipt of a written request:

Year in which applications for access to information were processed	Number of cases in which the information requested was provided	Number of cases in which the information requested could not be provided since third party information was involved	Number of cases in which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of cases in which the requests for information were refused under the exemption provisions in Part 2 of the Code (Note 2)	Number of cases in which the applications were withdrawn since the applicants did not accept the charge and indicated that they did not wish to proceed with the applications
2015	11	0	0	1	0
2016	7	0	0	0	0
2017	4	0	0	2	0
2018	10	0	0	2	0
2019 (up to 30 September 2019)	6	0	0	0	0

(iii) Within 21 to 51 days from date of receipt of a written request:

Year in which applications for access to information were processed	Number of cases in which the information requested was provided	Number of cases in which the information requested could not be provided since third party information was involved	Number of cases in which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of cases in which the requests for information were refused under the exemption provisions in Part 2 of the Code (Note 2)	Number of cases in which the applications were withdrawn since the applicants did not accept the charge and indicated that they did not wish to proceed with the applications
2015	1	0	0	0	0
2016	0	0	0	0	0
2017	0	0	0	0	0
2018	0	0	0	0	0

Year in which applications for access to information were processed	Number of cases in which the information requested was provided	Number of cases in which the information requested could not be provided since third party information was involved	Number of cases in which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of cases in which the requests for information were refused under the exemption provisions in Part 2 of the Code (Note 2)	Number of cases in which the applications were withdrawn since the applicants did not accept the charge and indicated that they did not wish to proceed with the applications
2019 (up to 30 September 2019)	0	1	0	1	0

Note 1: Some cases may involve more than one category

Note 2: Include cases in which the requests for information were refused in part or in whole under the exemption provisions in Part 2 of the Code

(b) In the past 5 years, there were 2 cases for which the IRD was unable to provide a reply within 21 days from the date of receipt of the request. The details of the information requested are as follows:

Date of receipt of the application for access to information	Subject of information requested	Specific reason(s)
29 July 2015	Personal tax information of the applicant	The applicant's proof of identity (as requested by the IRD) was not received until the 24 th day after the date of receipt of the application. (Note: The IRD replied to the applicant in relation to the tax information requested on the 29 th day after the date of receipt of the application i.e. 26 August 2015.)
5 March 2019	Information on stamp duty exemption granted to a certain	The handling process took time given the complexity of the

Date of receipt of the application for access to information	Subject of information requested	Specific reason(s)
	type of institutions	information requested and that third party information was involved. (Note: The IRD replied to the applicant in relation to the information requested on the 35 th day after the date of receipt of the application i.e. 8 April 2019.)

(c) In the past 5 years, there was no case in which the IRD was unable to provide a reply within 51 days from the date of receipt of the request.

5) In the past 5 years, there was no case in which the IRD had to seek advice from the Privacy Commissioner for Personal Data in relation to the requests received under the Code.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6655)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Please set out the numbers of residential unit transactions carried out through “the transfer of shares in property holding companies” in the past 5 years.
2. What measures are currently taken by the relevant department to ensure that the above residential unit transactions which are carried out through “the transfer of shares in property holding companies” are registered in the Government’s property transaction records? What are the administrative costs and manpower expenses involved in implementing such measures?

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2048)

Reply:

1. Under the Stamp Duty Ordinance, transfers of Hong Kong shares have to be stamped and the amount of stamp duty chargeable on the transfer instrument is based on the consideration of the shares transferred. The Stamp Office does not collate statistics for each stamping request for transfer of shares in a property holding company.
2. For the purpose of identifying speculation of properties through transfer of company shares, the Stamp Office, in the course of processing stamping requests, will screen out cases in which properties constitute the principal asset of a company and refer the case to the Profits Tax Unit for follow up actions, so as to determine whether the share transfer amounts to a trading activity and is subject to profits tax.

Processing stamping requests for transfer of shares is part of the daily work of the Stamp Office and no provision is specifically made for this area of work.

- End -

FSTB(Tsy)138

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6071)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the Inland Revenue Department (IRD) obtained through the Government Logistics Department (GLD) each month over the past 3 years in the following table:

Month/ Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

- b. Please set out the quantity, value, stock and the quantity of consumption of surgical masks that the IRD obtained from the GLD or procured each month over the past 3 years in the following table:

Month/ Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Quantity of consumption

- c. Please set out the quantity, value, stock and the quantity of consumption of N95 respirators (commonly called the "N95 masks") that the IRD obtained from the GLD or procured each month over the past 3 years in the following table:

Month/ Year	No. of N95 respirators obtained from GLD (value)	No. of N95 respirators procured (value)	Stock	Quantity of consumption

- d. Please set out the quantity, value, stock and the quantity of consumption of gowns that the IRD obtained from the GLD or procured each month over the past 3 years in the following table:

Month/ Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Quantity of consumption

- e. Please set out the quantity, value, stock and the quantity of consumption of protective coverall suits that the IRD obtained from the GLD or procured each month over the past 3 years in the following table:

Month/ Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Quantity of consumption

- f. Please set out the quantity, value, stock and the quantity of consumption of face shields that the IRD obtained from the GLD or procured each month over the past 3 years in the following table:

Month/ Year	No. of face shields procured	Value of face shields procured	Stock of face shields	Quantity of consumption

- g. Please set out the quantity, value, stock and the quantity of consumption of goggles that the IRD obtained from the GLD or procured each month over the past 3 years in the following table:

Month/ Year	No. of goggles procured	Value of goggles procured	Stock of goggles	Quantity of consumption

- h. Did the IRD provide or sell any surgical masks, N95 respirators, face shields, goggles, gowns and protective coverall suits to other organisations over the past 3 years? If so, please set out in the following table the relevant information, including the quantities, quantities of consumption and stock:

Month/ Year	Name of organisations	Manner of provision (e.g. by way of sale or supplied for free)	Surgical masks	N95 respirators	Face shields	Goggles	Gowns	Protective coverall suits

i. If the IRD is to provide or sell surgical masks, N95 respirators, face shields, goggles, gowns and protective coverall suits to other organisations, what are the departmental sections and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved, the date and other relevant information regarding each decision made on providing or selling the said supplies to other organisations.

Asked by: Hon MO Claudia (LegCo internal reference no.: 160)

Reply:

As the epidemic is evolving swiftly, the demand for personal protective equipment (PPE) (including masks) by government departments keeps changing to meet the latest anti-epidemic needs. The Government Logistics Department and other government departments are now actively sourcing PPE through various channels and means, and would keep reviewing the PPE stock and the demand.

In view of the drastic increase in the global demand for PPE, the HKSAR Government is facing intense competition in procurement. The HKSAR Government considered it not appropriate at this stage to disclose specific information on the latest and the last few years' PPE stock level, the suppliers involved, the quantity procured and the respective values, as well as the consumption level, etc., in order to avoid jeopardising the bargaining power of government departments when procuring PPE.

Inland Revenue Department has neither provided nor sold any PPE to other organisations.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)139

(Question Serial No. 6292)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the property units that have been charged with property tax by the Government over the past 5 years, please provide a breakdown of the number of property units by property types (public rental housing, Home Ownership Scheme flats, private housing, village houses, small houses, etc.) for each year.

Asked by: Hon SHIU Ka-chun (LegCo internal reference no.: 171)

Reply:

The Inland Revenue Department (IRD) does not maintain the statistics requested. The numbers of property tax assessments made by the IRD in the past 5 financial years are tabulated below:

Financial year	2014-15	2015-16	2016-17	2017-18	2018-19
Number of assessments [^]	573 000	599 000	625 000	629 000	677 000

[^]Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)140

(Question Serial No. 6293)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the number of sub-divided housing units (commonly known as sub-divided flats) that have been charged with property tax by the Government over the past 5 years.

Asked by: Hon SHIU Ka-chun (LegCo internal reference no.: 172)

Reply:

The Inland Revenue Department (IRD) does not maintain the statistics requested. The numbers of property tax assessments made by the IRD in the past 5 financial years are tabulated below:

Financial year	2014-15	2015-16	2016-17	2017-18	2018-19
Number of assessments [^]	573 000	599 000	625 000	629 000	677 000

[^]Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)141

(Question Serial No. 3840)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (2) Collection and Billing of Rates and Government Rent

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please inform the Committee of the post titles and duties of the 27 new posts to be created under this programme in 2020-21, and the estimated expenditure on emoluments in 2020-21.

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 137)

Reply:

In 2020-21, 29 permanent non-directorate posts would be created in the Rating and Valuation Department, with details as tabulated below:

Area of Work	Posts	Estimated expenditure for salaries (\$ million)	
To prepare for the introduction of "Special Rates" on vacant first-hand private residential units	15 permanent posts including:	6.7	
	Senior Valuation Surveyor		1
	Accounting Officer I		1
	Executive Officer I		1
	Senior Clerical Officer		1
	Clerical Officers		2
	Assistant Clerical Officers		6
	Clerical Assistants		2
To handle the rising workload so as to protect Government revenue and to enhance existing services	14 permanent posts including:	5.5	
	Valuation Surveyor		1
	Senior Valuation Officers		3
	Valuation Officers		8
	Assistant Clerical Officer		1
Clerical Assistant	1		

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4111)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the reply from the Rating and Valuation Department (RVD) to Hon To Kun-sun, James (Reply serial no. FSTB(Tsy)055) last year, the RVD has since August 2016, based on information provided by the Buildings Department (BD), collected rental information in respect of subdivided properties with a view to reflecting their market rental value in annual revaluations.

In the following table, please provide details of information supplied by the BD on subdivided properties, the number of subdivided properties with known addresses, the geographical distribution of subdivided properties, and the number of subdivided properties revalued in each of the past 5 years.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 73)

Reply:

The Buildings Department (BD) has started providing the Rating and Valuation Department (RVD) with addresses of properties with identified subdivided units since August 2016. After sorting the property list, removing duplicated cases and matching with RVD's records of tenements, RVD would, having regard to the work priorities, send Requisition for Particulars of Tenements to parties concerned in order to collect rental information of the subdivided units. Starting from 2017-18, RVD has followed up and assessed the rateable values of the properties concerned at the time of the annual revaluation taking into account their actual states and the rental data collected. The relevant figures are tabulated below:

Year of Assessment	Number of matched tenements with subdivided units identified by BD (Note 1)	District	Number of matched tenements with their values reflected in the Valuation List from that year upon revaluation (Note 2)	
2017-18	4 674	Central & Western	341	983
		Wan Chai	193	
		Eastern	223	
		Southern	60	
		Yau Tsim Mong	921	
		Kowloon City	462	
		Sham Shui Po	1 053	
		Kwun Tong	321	
		Wong Tai Sin	33	
		Tsuen Wan	473	
		Kwai Tsing	167	
		Tuen Mun	111	
		Yuen Long	222	
		North	22	
		Sha Tin	35	
		Tai Po	35	
		Sai Kung	1	
		Island	1	
	Total	4 674		
2018-19	1 514	Central & Western	120	985
		Wan Chai	68	
		Eastern	76	
		Southern	34	
		Yau Tsim Mong	290	
		Kowloon City	84	
		Sham Shui Po	240	
		Kwun Tong	95	
		Wong Tai Sin	29	
		Tsuen Wan	199	
		Kwai Tsing	95	
		Tuen Mun	59	
		Yuen Long	58	
		North	9	
		Sha Tin	22	
Tai Po	36			
	Total	1 514		

Year of Assessment	Number of matched tenements with subdivided units identified by BD (Note 1)	District	Number of matched tenements with their values reflected in the Valuation List from that year upon revaluation (Note 2)	
2019-20	696	Central & Western	31	1 154
		Wan Chai	26	
		Eastern	51	
		Southern	8	
		Yau Tsim Mong	187	
		Kowloon City	48	
		Sham Shui Po	108	
		Kwun Tong	45	
		Wong Tai Sin	16	
		Tsuen Wan	40	
		Kwai Tsing	24	
		Tuen Mun	15	
		Yuen Long	52	
		North	2	
		Sha Tin	6	
		Tai Po	37	
	Total	696		
2020-21	1 235	Central & Western	72	644
		Wan Chai	65	
		Eastern	123	
		Southern	27	
		Yau Tsim Mong	235	
		Kowloon City	174	
		Sham Shui Po	225	
		Kwun Tong	104	
		Wong Tai Sin	10	
		Tsuen Wan	65	
		Kwai Tsing	29	
		Tuen Mun	17	
		Yuen Long	48	
		North	6	
		Sha Tin	6	
		Tai Po	29	
	Total	1 235		
Total	8 119		3 766	

Note 1: The annual General Revaluation work has to be commenced prior to that year of assessment. For instance, the revaluation work for 2017-18 started in the third quarter of 2016 and the work in respect of matching the tenements was completed in the preceding year (i.e. 2016-17).

Note 2: The Valuation List upon revaluation contains new rateable values which take effect on 1 April of that year of assessment. For instance, the effective date for 2017-18 was 1 April 2017.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)143

(Question Serial No. 4146)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Please provide a breakdown of the number of domestic properties and non-domestic properties held by individual ratepayers and corporate ratepayers each year in the following table:

Year	Individual		Corporation	
	No. of domestic properties held	No. of non-domestic properties held	No. of domestic properties held	No. of non-domestic properties held

2. Further to the question above, please provide a breakdown of the number of domestic properties and non-domestic properties held by (1) individual ratepayers (Hong Kong permanent residents), (2) individual ratepayers (non-Hong Kong permanent residents), (3) corporate ratepayers (local corporations) and (4) corporate ratepayers (non-local corporations) each year in the following table:

Year	Individual (Hong Kong permanent residents)		Individual (non-Hong Kong permanent residents)		Corporation (local)		Corporation (non-local)	
	No. of domestic properties held	No. of non-domestic properties held	No. of domestic properties held	No. of non-domestic properties held	No. of domestic properties held	No. of non-domestic properties held	No. of domestic properties held	No. of non-domestic properties held

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 109)

Reply:

1. The Rating and Valuation Department (RVD) has no breakdown of statistics by the types of property held by individual ratepayers.
2. RVD does not maintain information on the status of ratepayers, and therefore cannot provide the statistics requested.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4891)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the work in relation to the Code on Access to Information, will the Administration advise this Committee of the following:

1) Concerning the requests for information under the Code on Access to Information received by the Rating and Valuation Department (RVD) since October 2018 for which only part of the required information has been provided, please state in table form: (i) the content of the requests for which only part of the required information has been provided; (ii) the reasons for providing part of the information only; (iii) whether the decision on withholding part of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding part of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests for which only part of the required information was provided	(ii) Reasons for providing part of the information only	(iii) Whether the decision on withholding part of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding part of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only part of the required information was provided	(ii) Reasons for providing part of the information only	(iii) Whether the decision on withholding part of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding part of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2) Concerning the requests for information under the Code on Access to Information received by the RVD from October 2018 to present for which the requests for information have been refused, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years: (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information which could not be provided	Number of requests for which the information requested could not be provided but needed a transfer to another department holding the information	Number of requests refused under the exemption provisions in Part 2 of the Code	Number of applications withdrawn by the applicants who did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information which could not be provided	Number of requests for which the information requested could not be provided but need a transfer to another department holding the information	Number of requests refused under the exemption provisions in Part 2 of the Code	Number of applications withdrawn by the applicants who did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information which could not be provided	Number of requests for which the information requested could not be provided but needed a transfer to another department holding the information	Number of requests refused under the exemption provisions in Part 2 of the Code	Number of applications withdrawn by the applicants who did not accept the charge
2020					
2019					
2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Please state in table form the number of those, among the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code on Access to Information, on which the Privacy Commissioner for Personal Data was consulted when they were being handled in the past 5 years. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 461)

Reply:

1&2) The Rating and Valuation Department (RVD) processes applications for access to information in accordance with the Code on Access to Information (the Code). Where a decision is made not to provide all or part of the information requested, the RVD will explain to the applicant in writing the reason(s) for the refusal, citing the relevant paragraph(s) in Part 2 of the Code. From October 2018 to September 2019, among the applications for access to information under the Code processed by the RVD, the details of the requests (1) for which only part of the required information was provided; and (2) which were refused are as follows:

(1) Requests for which only part of the required information was provided

Content of the requests for which only part of the required information was provided	Reasons for providing part of the information only	Whether the decision on withholding part of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application (the Guidelines))	Whether the decision on withholding part of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines). If yes, please provide the details.
October to December 2018			
Rates and Government rent information of properties owned by the applicant and his neighbours	Paragraph 2.18 of the Code – Legal restrictions (Note 1)	Yes	Subject to legal restrictions
January to September 2019			
Nil			

(2) Requests which were refused

Content of the requests refused	Reasons for refusal	Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines)	Whether the decision on withholding the information was subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighed any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines). If yes, please provide the details.
October to December 2018			
Information the department collected by statutory requisition forms (Information was not provided by the applicant)	Paragraph 2.18 of the Code – Legal restrictions (Note 1)	Yes	Subject to legal restrictions
January to September 2019			
Records of area calculation of a property	Paragraph 2.18 of the Code – Legal restrictions (Note 1)	Yes	Subject to legal restrictions
Rental information of some properties	Paragraph 2.15 of the Code – Privacy of the individual	Yes	The RVD had weighed the public interest in disclosure of the information against any harm or prejudice that could result from the disclosure, and considered that the harm or prejudice that could result from the disclosure of the information outweighed the public interest in it.

Note 1: The disclosure of information obtained under the Rating Ordinance (Cap. 116) and the Government Rent (Assessment and Collection) Ordinance (Cap. 515) is restricted to the statutory specified person, and the applicant concerned is not a statutory specified person.

- 3) From 2015 to September 2019, the relevant cases processed by the RVD are tabulated below:

Year in which review cases were processed	Number of review cases processed	Number of cases, among the review cases processed in the year, in which further information was disclosed after review	Whether the decisions on review were made at the directorate (D1 or D2) level
2015	0	Not applicable	Not applicable
2016	0	Not applicable	Not applicable
2017	0	Not applicable	Not applicable
2018	1	0	Yes
2019 (up to 30 September 2019)	0	Not applicable	Not applicable

- 4) When processing applications for access to information under the Code, the RVD will provide a reply within the target response time set out in the Code. From 2015 to September 2019, the breakdowns of applications received by the RVD by the response time are set out below:

(a) (i) Within 10 days from date of receipt of a written request:

Year in which cases were processed	Number of requests for which the information requested was provided	Number of requests involving third party information which could not be provided	Number of requests for which the information requested could not be provided but needed a transfer to another department holding the information requested	Number of requests refused under the exemption provisions in Part 2 of the Code	Number of applications withdrawn by the applicants who did not accept the charge, and indicated that they did not wish to proceed with the applications
2015	11	0	0	1	0
2016	6	0	0	0	0
2017	5	0	0	4	0
2018	10	0	0	3	0
2019 (up to 30 September 2019)	7	0	0	2	0

(ii) Within 11 to 21 days from date of receipt of a written request:

Year in which cases were processed	Number of requests for which the information requested was provided	Number of requests involving third party information which could not be provided	Number of requests for which the information requested could not be provided but needed a transfer to another department holding the information requested	Number of requests refused under the exemption provisions in Part 2 of the Code	Number of applications withdrawn by the applicants who did not accept the charge, and indicated that they did not wish to proceed with the applications
2015	1	0	0	1	0
2016	2	0	0	0	0
2017	4	0	0	0	0
2018	9 (Note 2)	0	0	4	0
2019 (up to 30 September 2019)	0	0	0	0	0

(iii) Within 22 to 51 days from date of receipt of a written request:

Year in which cases were processed	Number of requests for which the information requested was provided	Number of requests involving third party information which could not be provided	Number of requests for which the information requested could not be provided but needed a transfer to another department holding the information requested	Number of requests refused under the exemption provisions in Part 2 of the Code	Number of applications withdrawn by the applicants who did not accept the charge, and indicated that they did not wish to proceed with the applications
2015	0	0	0	1	0
2016	0	0	0	0	0
2017	0	0	0	0	0
2018	4 (Note 2)	0	0	0	0
2019 (up to 30 September 2019)	0	0	0	0	0

Note 2: Including cases for which only part of the required information was provided.

- (b) In the past 5 years, cases for which the RVD could not provide a reply within 21 days from the date of receipt of a request are as follows:

Year in which cases were processed	Subject of information requested	Specific reason
2015	Documents relating to an application for rates exemption	The handling process took time as the application involved records of other Government departments
2018	Departmental internal instructions relating to interim valuation and deletion of rating assessments	Legal advice had to be sought
2018	Rating valuation records of a property	Legal advice had to be sought
2018	Rating valuation records of a property	Legal advice had to be sought
2018	Rates and Government rent information of properties owned by the applicant and his neighbours	The application was submitted by the agent for the applicant by email while the agent was unable to provide the RVD with the authorisation letter from the applicant within 21 days from the date of receipt of the request.

- (c) In the past 5 years, all cases processed by the RVD were replied within 51 days from the date of receipt of the requests.
- 5) In the past 5 years, there was no case in which the RVD had to seek advice from the Privacy Commissioner for Personal Data in relation to the requests received under the Code.

- End -

FSTB(Tsy)145

CONTROLLING OFFICER'S REPLY

(Question Serial No. 5431)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (2) Collection and Billing of Rates and Government Rent

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- (a) Please provide information on the top 1 000 ratepayers (excluding organisations providing subsidised housing) expected to receive the largest amount of rates concession in the coming year and in the past 5 years.

Ratepayer(s) (excluding organisations providing subsidised housing)	2015-16		2016-17		2017-18		2018-19		2019-20		2020-21	
	Amount of rates concession	Number of rateable properties held	Amount of rates concession	Number of rateable properties held	Amount of rates concession	Number of rateable properties held	Amount of rates concession	Number of rateable properties held	Amount of rates concession	Number of rateable properties held	Amount of rates concession	Number of rateable properties held
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11-100												
100-1000												

- (b) Please provide information, by property type, on the top 10 payers (excluding organisations providing subsidised housing) expected to receive the largest amount of rates concession in the coming year and in the past 5 years.

Ratepayers (excluding organisations providing subsidised housing)	Amount of rates concession	Total number of rateable properties held	Number of private domestic premises	Number of car parking spaces	Number of shops and commercial premises	Number of offices	Number of industrial premises	Number of non-domestic premises
2015-16	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							

Ratepayers (excluding organisations providing subsidised housing)	Amount of rates concession	Total number of rateable properties held	Number of private domestic premises	Number of car parking spaces	Number of shops and commercial premises	Number of offices	Number of industrial premises	Number of non-domestic premises
2016-17	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							
2017-18	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							
2018-19	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							
2019-20	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							
2020-21	1							
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 1342)

Reply:

- (a) The Rating and Valuation Department (RVD) only maintains information on the top 100 ratepayers receiving the highest amounts of rates concession. From 2015-16 to 2020-21, the estimated figures of the top 100 ratepayers receiving the highest amounts of rates concession are set out in following table:

Ratepayers (excluding organisations providing subsidised housing)	2015-16		2016-17		2017-18		2018-19		2019-20		2020-21	
	Amount of Rates Concession (\$ million)	No. of Rateable Tenements	Amount of Rates Concession (\$ million)	No. of Rateable Tenements	Amount of Rates Concession (\$ million)	No. of Rateable Tenements	Amount of Rates Concession (\$ million)	No. of Rateable Tenements	Amount of Rates Concession (\$ million)	No. of Rateable Tenements	Amount of Rates Concession (\$ million)	No. of Rateable Tenements
1	50.9	16 444	51.1	16 128	51.1	16 093	102.6	15 645	82.0	13 673	96.3	12 693
2	16.9	5 560	13.7	4 732	14.7	5 108	29.3	5 038	28.0	4 843	44.9	5 635
3	11.6	5 826	13.1	5 802	13.2	5 611	24.9	5 488	22.2	5 233	27.9	5 249
4	9.9	2 050	9.3	2 720	9.5	2 736	19.6	2 047	17.5	2 666	22.0	2 574
5	9.5	2 604	8.7	2 792	8.4	2 710	19.5	2 705	17.1	2 093	21.4	1 955
6	8.3	2 192	8.0	2 048	8.0	2 040	17.4	2 748	14.2	2 750	17.5	1 819
7	7.1	2 320	7.4	1 957	7.1	1 870	14.8	1 785	13.6	1 787	14.8	2 746
8	4.5	1 044	4.4	1 447	4.6	1 253	9.9	2 133	11.6	2 776	13.5	3 007
9	4.2	1 108	4.4	1 195	4.5	1 559	9.6	1 289	7.9	1 292	10.5	947
10	4.0	1 185	4.2	1 044	4.4	1 205	8.9	1 258	7.7	1 174	10.2	1 416
11 - 100	124.5	36 637	122.3	37 930	123.5	38 374	258.4	35 434	222.9	39 412	277.4	35 110
Total	251.4	76 970	246.5	77 795	248.9	78 559	514.9	75 570	444.5	77 699	556.4	73 151

(b) RVD has no breakdown of statistics by the types of property held by individual ratepayers.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)146

(Question Serial No. 5432)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (1) Statutory Valuation and Assessments

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the past 5 years, how did the Government calculate the vacancy rate of residential flats? Which department was responsible for the task? What was the frequency of site inspections? What was the amount of public money involved?

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.:1343)

Reply:

The Rating and Valuation Department (RVD) conducts vacancy survey at the end of each year to provide a snapshot of the vacancy position of various types of private properties. In this survey, properties which are not physically occupied or which are under decoration would be treated as vacant. The vacancy survey includes a full survey of residential units completed within three calendar years at the time of survey, and a random sample covering 3% of the remaining residential units. RVD will provide the relevant vacancy data in its Hong Kong Property Review

RVD's vacancy survey is undertaken by an outsourced contractor selected in accordance with established tender procedures. Total expenditure on the survey in the past 5 years is as follows:

Financial Year	Expenditure (\$ million)
2015-16	1.72
2016-17	1.68
2017-18	1.72
2018-19	1.76
2019-20	1.87

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)147

(Question Serial No. 5434)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (2) Collection and Billing of Rates and Government Rent

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the rates concession measures in recent years, please tabulate the number of properties and the amount of rates concession involved in respect of the top 100 organisations anticipated to receive the largest amount of rates concession this year and in the past 2 years.

Ratepayer(s)	2018-2019		2019-2020		2020-2021	
	Amount of Rates Concession (\$ million)	Number of Rateable Properties	Amount of Rates Concession (\$ million)	Number of Rateable Properties	Amount of Rates Concession (\$ million)	Number of Rateable Properties
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11-100						
Total						

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.:1345)

Reply:

From 2018-19 to 2020-21, the estimated figures of the top 100 ratepayers receiving the highest amounts of rates concession are set out in the following table:

Ratepayers (excluding organisations providing subsidised housing)	2018-19		2019-20		2020-21	
	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1	102.6	15 645	82.0	13 673	96.3	12 693
2	29.3	5 038	28.0	4 843	44.9	5 635
3	24.9	5 488	22.2	5 233	27.9	5 249
4	19.6	2 047	17.5	2 666	22.0	2 574
5	19.5	2 705	17.1	2 093	21.4	1 955
6	17.4	2 748	14.2	2 750	17.5	1 819
7	14.8	1 785	13.6	1 787	14.8	2 746
8	9.9	2 133	11.6	2 776	13.5	3 007
9	9.6	1 289	7.9	1 292	10.5	947
10	8.9	1 258	7.7	1 174	10.2	1 416
11 - 100	258.4	35 434	222.9	39 412	277.4	35 110
Total	514.9	75 570	444.5	77 699	556.4	73 151

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)148

(Question Serial No. 6656)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (3) Provision of Valuation and Property Information Services

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please tabulate the total number of private domestic properties held under different types of ownership in the past 5 years.

Year	Properties held by individuals	Properties held under joint ownership	Properties held by companies	Properties held under other types of ownership
2019				
2018				
2017				
2016				
2015				

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2049)

Reply:

The Rating and Valuation Department (RVD) does not maintain ownership records of rateable properties. If necessary, RVD would obtain owners' records from the Land Registry to discharge our responsibilities.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)149

(Question Serial No. 6087)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the Rating and Valuation Department (RVD) obtained from the Government Logistics Department (GLD) each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

b. Please set out the quantity, value, stock and consumption of surgical masks that the RVD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Consumption

c. Please set out the quantity, value, stock and consumption of N95 masks that the RVD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks procured (value)	Stock	Consumption

d. Please set out the quantity, value, stock and consumption of gowns that the RVD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Consumption

e. Please set out the quantity, value, stock and consumption of protective coverall suits that the RVD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Consumption

f. Please set out the quantity, value, stock and consumption of face shields that the RVD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of face shields procured	Value of face shields procured	Stock of face shields	Consumption

g. Please set out the quantity, value, stock and consumption of goggles that the RVD obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of goggles procured	Value of goggles procured	Stock of goggles	Consumption

h. Did the RVD supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations in the past 3 years? If yes, please provide the relevant information, including the quantity, consumption and stock, in the following table:

Month/Year	Name of organisations	Manner of provision (e.g. sold or supplied for free)	Surgical masks	N95 masks	Face shields	Goggles	Gowns	Protective coverall suits

i. If the RVD supplied or sold surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations, what were the departments and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon Claudia MO (LegCo internal reference no.: 176)

Reply:

As the epidemic is evolving swiftly, the demand for personal protective equipment (PPE) (including masks) by government departments keeps changing to meet the latest anti-epidemic needs. The Government Logistics Department and other government departments are now actively sourcing PPE through various channels and means, and would keep reviewing the PPE stock and the demand.

In view of the drastic increase in the global demand for PPE, the HKSAR Government is facing intense competition in procurement. The HKSAR Government considered it not appropriate at this stage to disclose specific information on the latest and the last few years' PPE stock level, the suppliers involved, the quantity procured and the respective values, as well as the consumption level, etc., in order to avoid jeopardising the bargaining power of government departments when procuring PPE

The Rating and Valuation Department has neither provided nor sold PPE to other organisations.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)150

(Question Serial No. 6291)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (2) Collection and Billing of Rates and Government Rent

Controlling Officer: Commissioner of Rating and Valuation (CHOI Lap Yiu)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide information on the number of properties held by the top 100 owners holding the largest number of properties in Hong Kong and the annual rates payable in the last 5 years.

Owners	Number of properties held	Annual rates payable
1-10		
11-20		
21-30		
...		
81-90		
91-100		

Asked by: Hon SHIU Ka-chun (LegCo internal reference no.:170)

Reply:

In terms of assessment and collection of rates, the Rating and Valuation Department (RVD) has information on ratepayers, but does not maintain ownership records of the properties concerned. If necessary, RVD would obtain owner's records of individual properties from the Land Registry to discharge our responsibilities.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)151

(Question Serial No. 6813)

Head: (106) Miscellaneous Services

Subhead (No. & title): (284) Compensation

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With regard to accidents involving the Government and third party injuries, please list the types of cases, the number of claims and compensation cases, as well as the amounts of compensation involved between 2015-16 and 2019-20.

Asked by: Hon IP Kin-yuen (LegCo internal reference no.: 173)

Reply:

Between the 2015-16 and 2019-20 financial years, the number of claims and compensation cases, as well as the total amount of compensation arising from accidents involving the Government and third party injuries were as follows:

Financial year	2015-16	2016-17	2017-18	2018-19	2019-20
Number of claims	74	75	79	68	75
Number of compensation cases (Note)	45	36	26	19	20
Total amount of compensation (\$'000)	18,190	8,410	4,550	3,520	19,030

Note: The number of compensation cases included part of the claims made against the Government in or before the relevant financial year.

The major types of cases included compensation for public injuries caused by government vehicles in traffic accidents, and for those injuries arising from the use of public facilities and services.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4938)

Head: (106) Miscellaneous Services

Subhead (No. & title): (284) Compensation

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury
(Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Has the Department of Justice made provision for possible compensation claims from persons who are in custody and not on bail as court hearings of their cases are delayed as a result of the epidemic? If yes, please advise on the estimated total amount of such provision. If no, please advise on the type of expenses under which the relevant expenditure will be categorised in the event of such claims?

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 578)

Reply:

For persons who are in custody and not on bail as court hearings of their cases are delayed as a result of the epidemic, the Government has not made provision for possible compensation claims lodged by them. Generally speaking, claims brought against the Government, other than compensation connected with land, public works and mail, and for government employees under the Employees' Compensation Ordinance (Cap. 282), will be settled by using the provision under Head 106 Miscellaneous Services Subhead 284 Compensation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)153

(Question Serial No. 3795)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government advise this Committee of the administration fees, service charges payable to banks, staff establishment and estimated expenditure on salaries of the cash payout scheme under Item 801 in 2020-21?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 102)

Reply:

When preparing the budget of the Cash Payout Scheme, the Government has set aside about \$1 billion to meet administrative expenses. These include employing, on short-term basis, about 100 additional staff in the Financial Services and the Treasury Bureau, the Treasury and the Immigration Department for assisting in preparing and implementing the scheme, setting up related computer systems and other ancillary facilities, paying service fees to assisting agencies, conducting publicity and promotion, and contingency, etc. The figure is only a preliminary estimation. The Government will handle the relevant expenditures in accordance with the principle of prudent financial management to ensure proper use of public funds.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)154

(Question Serial No. 3895)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government set out in table form the respective staff establishment and estimated full-year expenditure on salaries of A, B, C, H and G Divisions under the Deputy Secretary for Financial Services and the Treasury (Treasury) (1) in 2020-21?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 197)

Reply:

The estimated staff establishment of five Divisions under the Deputy Secretary for Financial Services and the Treasury (Treasury) (1) in 2020-21 and related salary expenditure are tabulated as follows-

	Staff establishment	Salary expenditure
A Division	14 posts	\$15.04m
B Division	13 posts	\$14.24m
C Division	15 posts	\$15.22m
H Division	15 posts	\$13.46m
G Division	45 posts	\$20.90m
Total	102 posts	\$78.86m

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)155

(Question Serial No. 3990)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government inform this Committee of the estimated annual salary expenditure for the Secretary for Financial Services and the Treasury in 2020-21?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 271)

Reply:

The estimated expenditure on salary for the post of the Secretary for Financial Services and the Treasury in 2020-21 is \$4.18 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)156

(Question Serial No. 4105)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the properties acquired by the offices of the Central People's Government (CPG) in Hong Kong (including their subsidiary companies and public officers) to which the Financial Services and the Treasury Bureau has granted remission of stamp duty in the past 5 years, please provide in table form the number of such properties, their geographical location, amount of stamp duty remitted and names of such offices of the CPG in Hong Kong (including their subsidiary companies and public officers).

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 66)

Reply:

Information of stamp duty remission accorded to the Central People's Government (CPG)'s organs in Hong Kong in respect of local properties they acquired or acquired through their subsidiary companies between the financial years 2015-16 and 2019-20 is tabulated as follows:

Financial Year	Organisations	Stamp duty involved (\$ million)	No. of properties involved	District
2015-16	Ministry of Commerce of the People's Republic of China	3.6	8	3 (Southern) 5 (Eastern)
	Subsidiary company of a CPG's organ in Hong Kong	15.6	15	5 (Central and Western) 10 (Sha Tin)
2016-17	Subsidiary company of a CPG's organ in Hong Kong	8.4	8	6 (Central and Western) 2 (Kowloon City)
2017-18	-	0	0	0
2018-19	Subsidiary company of a CPG's organ in Hong Kong	47.9	25	23 (Central and Western) 2 (Sha Tin)
2019-20 (as at 29 February 2020)	Subsidiary company of a CPG's organ in Hong Kong	80.4	22	2 (Central and Western) 20 (Kwun Tong)

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)157

(Question Serial No. 4106)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

At present, all unlisted companies in Hong Kong are required to have the contract notes and instruments of transfer of their shares stamped at the Stamp Office. Such companies and their subsidiaries should also complete form IRSD102 of the Inland Revenue Department to declare to the Government if they have acquired any property, their interest in the property and the details of their investments. In this connection, please advise on the following:

1) Please set out in table form the numbers of cases applying for stamping of share transfers by unlisted companies in each of the past 5 years and the amounts of stamp duty which were to be paid by such companies.

Financial year	Number of documents stamped	Stamp duty collected (\$ million)

2) In applying for stamping of share transfers, unlisted companies holding a property/properties are required to complete form IRSD102. Please set out in table form the number of form IRSD102 received by the department concerned in the past 5 years and their percentage in the total number of applications for stamping of share transfers from unlisted companies.

Financial year	Number of form IRSD102 received	Percentage in the total number of applications for stamping of share transfers from unlisted companies

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 67)

Reply:

1. The number of documents stamped for share transfers and amount of stamp duty collected from unlisted companies for the financial years from 2015-16 to 2019-20 are as follows:

Financial year	Number of documents stamped	Stamp duty collected (\$ million)
2015-16	624 747	889
2016-17	606 819	987
2017-18	712 956	905
2018-19	696 826	1,094
2019-20 (as at 29 February 2020)	572 037	913

2. The number of form IRSD102 received by the Inland Revenue Department and the percentage to the numbers of cases applying for stamping of share transfer by unlisted companies for the financial years from 2015-16 to 2019-20 are as follows:

Financial year	Number of form IRSD102 received	Percentage to the numbers of cases applying for stamping of share transfer by unlisted companies
2015-16	2 311	0.4%
2016-17	2 961	0.5%
2017-18	3 396	0.5%
2018-19	3 400	0.5%
2019-20 (as at 29 February 2020)	2 819	0.5%

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)158

(Question Serial No. 4162)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please set out in the table below the number of properties with the Buyer's Stamp Duty (BSD) paid being refunded by the Stamp Office due to redevelopment, the distribution of these properties by district and the total amount of BSD paid that has been refunded in each of the past 5 years.

Year	Number of properties	Distribution of properties by district	Total amount of BSD paid that has been refunded

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 127)

Reply:

The numbers of properties with Buyer's Stamp Duty (BSD) paid being refunded by the Stamp Office in a particular year due to redevelopment, the distribution of these properties by district and the amounts of BSD paid that have been refunded in the past 5 financial years are tabulated as follows:

Financial year	Number of properties	District	Amount of BSD paid that has been refunded (\$ million)
2015-16	59	Central and Western	200.8
	56	Kowloon City	83.0
	14	Tsuen Wan	5.0
	10	Yau Tsim Mong	38.8
	8	Eastern	148.6
	4	Sham Shui Po	1.0
	3	Wan Chai	3.7
2016-17	49	Central and Western	856.6
	31	Eastern	69.6
	15	Kowloon City	47.1
	9	Sham Shui Po	7.5
	1	Yau Tsim Mong	0.9
2017-18	113	Kowloon City	140.8
	106	Yau Tsim Mong	52.9
	100	Sham Shui Po	30.6
	25	Central and Western	98.1
	16	Wong Tai Sin	10.0
	4	Wan Chai	172.0
	2	Southern	154.2
	2	Sai Kung	80.1
	1	Eastern	1.5
2018-19	109	Wan Chai	240.4
	108	Yau Tsim Mong	245.5
	62	Central and Western	260.6
	46	Sham Shui Po	35.7
	40	Kowloon City	208.0
	24	Eastern	50.4
	3	Southern	262.5
	2	Sai Kung	10.9
2019-20 (as at 29 February 2020)	96	Central and Western	292.1
	58	Sham Shui Po	118.2
	35	Kowloon City	90.1
	8	Yau Tsim Mong	5.6
	6	Wan Chai	107.0
	3	Eastern	26.8
	2	Sha Tin	60.4

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)159

(Question Serial No. 4305)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Does the Government have any corresponding measures to facilitate the collection of \$10,000 by Hong Kong residents serving sentences outside Hong Kong, or allow other persons or organisations to help them collect the money?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 271)

Reply:

The Financial Secretary announced in his Budget Speech on 26 February 2020 to disburse \$10,000 to each Hong Kong permanent resident aged 18 or above. Any person who is eligible may make registration. The Government will provide different channels to facilitate the public to make registration. Details of the scheme will be announced as soon as possible after funding approval. If eligible persons encounter difficulties during registration, they or their families may contact the relevant departments. The Government will endeavour to provide assistance as appropriate.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4455)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the work in relation to the Code on Access to Information, will the Government advise this Committee on the following:

1) Concerning the requests for information under the Code on Access to Information received by the Financial Services and the Treasury Bureau (The Treasury Branch) from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2) Concerning the requests for information under the Code on Access to Information received by the Financial Services and the Treasury Bureau (The Treasury Branch) from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Please state in table form the number of those, among the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code on Access to Information, on which the Privacy Commissioner for Personal Data was consulted when they were being handled in the past 5 years. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 360)

Reply:

1 & 2. The Treasury Branch (TsyB) provided the required information for all requests for information under the Code on Access to Information received during the period from October 2018 to September 2019. There was no request for which only part of the required information was provided or the required information was refused to be provided.

3. During the period from 2015 to September 2019, TsyB received one request for review in 2017. The case was reviewed by an officer at the directorate (D3) level. Although the information requested by the applicant could not be provided after the review, other relevant information was furnished to the applicant.

4(a). During the period from 2016 to September 2019, the numbers of written requests with the information requested was provided by TsyB within 10 days, 11 to 21 days and 22 to 51 days from the date of receipt of a request were 13 (and one other request was transferred to another department which held the information under request for processing), 9 and 1 respectively. TsyB did not have other types of cases mentioned in the question.

4(b). During the period from 2016 to September 2019, there was only one occasion that TsyB could not provide the information requested within 21 days from the date of receipt of a request, as it took time to confirm the details of the information requested with the applicant.

4(c). During the period from 2016 to September 2019, TsyB provided the information requested for all requests within 51 days from the date of receipt of a request.

5. During the period from 2016 to September 2019, TsyB did not consult the Privacy Commissioner for Personal Data on cases where requests for information were refused.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)161

(Question Serial No. 6411)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards the cash disbursement of \$10,000 to all Hong Kong permanent residents, what is the total number of Hong Kong permanent residents based on the data of the Census and Statistics Department? How many among them are not of Chinese nationality? Based on the above, what is the projected total amount to be disbursed under the cash disbursement plan?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 350)

Reply:

According to the estimation made by the Immigration Department based on available information, the number of people meeting the two eligibility criteria of reaching the age of 18 and having Hong Kong permanent resident status is about 7 million, of which about 260,000 are non-Chinese nationals. The amount involved will be about \$2.6 billion if all of them have registered under the Cash Payout Scheme.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6737)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

After the release of the Budget, the Financial Secretary said during a media interview that the introduction of a sales tax would not be ruled out. When did the Government conduct a study to explore the introduction of a sales tax recently? What are the preliminary plans and the results of the study? Is there any timetable for the introduction of a sales tax or will there be a new round of study and consultation?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 378)

Reply:

To ensure fiscal sustainability, the Government has to, apart from containing expenditure growth, maintain the growth and vibrancy of the economy and identify new areas of economic growth to increase revenue. Besides, we may have to consider seeking new revenue sources or revising tax rates. The one-off relief measures may also have to be progressively reduced.

The Government maintains an open mind on seeking new revenue sources or revising tax rates at this stage. We are fully aware of the concerns of various sectors of the community over these issues. As such, we will take the views of different sectors into account thoroughly in considering any proposal.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 5782)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Chief Executive announced in the 2018 Policy Address that the Government would introduce new measures to enhance the protection of non-skilled workers engaged under government contracts. They include the following: (1) a non-skilled worker with no less than 1 year's continuous service under a Standard Employment Contract of a government service contract would be entitled to a contractual gratuity being 6% of the total wages earned; (2) a non-skilled worker with no less than 1 month's service would be entitled to statutory holiday pay; and (3) the amount of wages for a non-skilled worker who is required to work when typhoon signal no. 8 or above is in force should be at least 150% of the originally entitled wages.

Has the Government put in place measures to ensure that all non-skilled workers engaged under government contracts are aware of the arrangements? If yes, what are the details?

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 187)

Reply:

Since 1 April 2019, the Government has introduced new measures regarding government service contracts that rely heavily on the deployment of non-skilled workers (referred to as "relevant contracts" hereunder). The new measures include: a non-skilled worker with no less than one year's service under a Standard Employment Contract ("SEC") of a government service contract will be entitled to a contractual gratuity being 6% of the total wages earned; a non-skilled worker with no less than one month's service will be entitled to statutory holiday pay; and the amount of wages for a non-skilled worker who is required to work when typhoon signal no. 8 or above is in force should be at least 150% of the originally entitled wages.

To implement such measures, the Government has revised the terms in the relevant contracts, as well as the SECs that government service contractors shall sign with their non-skilled workers. This would ensure that government service contractors adopt the aforementioned terms of employment on a contractual basis so as to benefit the workers. The Government has also outlined the new measures and explained details to the general community through press conferences, Legislative Council papers and replies to media enquiries, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)164

(Question Serial No. 6825)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please set out the monthly salaries, allowances and other expenses of the Secretary in the past 5 years, the monthly pension he will receive on retirement and the total expenditure on his pension.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 1311)

Reply:

The expenditure on monthly salary and Mandatory Provident Fund contribution for the post of the Secretary for Financial Services and the Treasury (SFST) in the past 5 years are tabulated as follows -

Date	Monthly Salary (\$)	Monthly expenditure on Mandatory Provident Fund contribution (\$)
2015-16	298,115	1,500
2016-17	298,115	
2017-18	298,115 (April to June 2017)	
	333,900 (July 2017 to March 2018)	Not Applicable
2018-19	333,900 (April to June 2018)	
	340,250 (July 2018 to March 2019)	
2019-20	340,250 (April to June 2019)	
	348,100 (July 2019 to March 2020)	

In accordance with the remuneration package of the politically-appointed officials of the Hong Kong Special Administrative Region Government, except for his entitlement to government contribution to MPF (if applicable), SFST will not be granted end-of-contract gratuity.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 5608)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (the Treasury Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the estimated expenditure and work plan for the new item “801 Cash payout scheme”? Why is it necessary to seek funding for this item from the Legislative Council (LegCo) in the context of the Appropriation Bill? While this is not a new arrangement, why is funding not separately sought from the Finance Committee of the LegCo?

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 845)

Reply:

The Financial Secretary announced in his Budget Speech to disburse \$10,000 to each Hong Kong permanent resident aged 18 or above, which is expected to benefit about seven million people involving an expenditure of about \$71 billion.

The arrangement to include in the draft Estimates funding proposals including the Cash Payout Scheme for creating commitments under the General Revenue Account for scrutiny and approval by the Legislative Council (LegCo) in the context of the Appropriation Bill is in line with the requirements under sections 5 and 6 of the Public Finance Ordinance. The Government has also included the necessary provision for this proposal under the respective heads and sub-heads of expenditure, as well as provided appropriate information in the Controlling Officer's Report to facilitate Members' consideration.

Following the announcement of the Budget Speech, the Government has immediately started preparation work for the cash payout scheme, including preparing the workflow, designing and developing the computer systems, discussing with relevant parties e.g. banks on the implementation details, formulating the publicity plan, etc. Carrying out these preparatory works during the vetting of the Appropriation Bill will enable the Government to commence registration on an early date and arrange payment as soon as possible upon funding approval. We will strive to commence registration in early July and start making payment during summer vacation.

As it will take time to prepare for the implementation of the Cash Payout Scheme, seeking funding from the Finance Committee of the LegCo for the Scheme separately will not expedite the implementation timetable.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)166

(Question Serial No. 5108)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What is the expenditure on engaging dedicated personnel to manage and maintain the Secretary's personal social media platforms, including Facebook fan page, Instagram and website?

- a. What were the number of staff responsible for maintaining the Secretary's social media platforms and the expenditure on each of the staff members (in terms of annual salary) in the past 3 years?
- b. Were outside companies engaged to assist in maintaining the social media platforms in the past 3 years? If yes, what were the expenditure and companies involved?
- c. What were the number of advertisements posted on social media and the annual expenditure on such advertisements in the past year?

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 1148)

Reply:

The Secretary for Financial Services and the Treasury has not created any personal account on the social media. However, the Bureau has created an account (www.facebook.com/fstbhc) on Facebook, a free social networking platform, to promote the activities or policies of the Bureau (including those of the Secretary). As the work of maintaining this Facebook account is carried out by in-house staff of the Bureau as part of their day-to-day duties, no additional cost has been incurred.

Over the past year, the Treasury Branch has not posted any advertisements on the social media.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6836)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Although Hong Kong is ranked third globally among 190 economies according to the World Bank's Doing Business 2020 Report released in 2019, the Purchasing Managers' Index of Hong Kong fell sharply from 46.8 in January to 33.1 in February which is at its worst in 21.5 years.

In this connection, please advise on:

Regarding SMEs, they are subject to a tax rate of 8.25%, which is lower than the 16.5% of ordinary enterprises, with a view to encouraging them to do business in Hong Kong. In the review of the tax system, how will we strike a balance between the low tax rates for facilitating business and treasury need in the long term?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 39)

Reply:

To reduce the tax burden on enterprises, especially small and medium enterprises (SMEs) and startup enterprises, the Government has implemented the two-tiered profits tax rates regime since the year of assessment 2018/19. The profits tax rate for the first \$2 million profits of corporations has been lowered to 8.25% while profits beyond that amount continues to be subject to the tax rate of 16.5%. For unincorporated businesses (i.e. partnerships and sole proprietorships), the two-tiered tax rates are correspondingly set at 7.5% and 15%. In the formulation of the two-tiered profits tax rates regime, efforts have been made to strike a balance between facilitating business and protecting revenue. To ensure that the tax benefits mainly target at SMEs, the two-tiered profits tax rates apply to only one enterprise nominated among connected entities.

To ensure fiscal sustainability, the Government has to, apart from containing expenditure growth, maintain the growth and vibrancy of the economy and identify new areas of economic growth to increase revenue. Besides, we may have to consider seeking new revenue sources or revising tax rates. The one-off relief measures may also have to be progressively reduced.

The Government maintains an open mind on seeking new revenue sources or revising tax rates at this stage. We are fully aware of the concerns of various sectors of the community over these issues. As such, we will take the views of different sectors into account thoroughly in considering any proposal.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)168

(Question Serial No. 4092)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the reports of the Director of Audit submitted every year on the accounts and the results of value-for-money audits of the Government and other organisations which are within the purview of public audit, the Government has always agreed with the reports and promised to make improvements accordingly. Many of these promises have however failed to be fully delivered. In this connection, will the Government advise on the following:

1. Will there be any mechanism to review how a government department carry out the improvement proposals made by the audit reports and to oversee the follow-up action taken? If yes, what are the details? If no, what are the reasons?
2. Will a department head be held accountable for his/her department's failure to effectively carry out the improvement proposals made by the audit reports? If yes, what are the details? If no, what are the reasons?

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 70)

Reply:

The Government has been working closely with the Director of Audit (D of Audit) and the Public Accounts Committee (PAC), and responding to their recommendations in a positive and constructive manner. As regards the recommendations made by the D of A and PAC have been accepted by the Government, relevant heads of bureaux/departments and/or public organisations will take ownership of the follow-up actions.

After the PAC has submitted its report to the Legislative Council (LegCo), the Government will submit a Government Minute (GM) to the LegCo for tabling within three months. In the GM, the Government will indicate the actions it has taken or proposes to take to rectify and improve any irregularities or value-for-money deficiencies which have been identified by the PAC or D of Audit. Relevant bureaux/departments and/or public organisations will implement PAC's recommendations as expeditiously as possible.

After reporting in the GM, the Government will provide annual updates on the progress made through the submission of Annual Progress Reports to the PAC until all the recommendations have been fully implemented.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)169

(Question Serial No. 6809)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

How will the Government ensure the revenue generated from the sale of land will be sufficient to fund its increased expenditure in fighting the recent epidemic?

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 33)

Reply:

This question is not directly related to Head 147.

The revenue generated from the land sale is part of the revenue under the Capital Works Reserve Fund (CWRF) and is not directly related to the expenditure on anti-epidemic work. According to the Resolution of the Legislative Council on the CWRF, the Financial Secretary may direct that the surpluses or a part of the surpluses of the CWRF be transferred into the general revenue account. As always, the Government will allocate its resources flexibly to address needs and will make good use of the fiscal reserves to ensure the smooth implementation of Government work and services.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)170

(Question Serial No. 6811)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Chief Secretary for Administration is responsible for coordinating major cross-bureaux policies. Will the bureaux concerned provide details, in tabular form, of the following during the outbreak of the novel coronavirus epidemic:

1. Additional expenditure incurred by various government departments in coping with the epidemic.

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 17)

Reply:

This question is not directly related to Head 147.

The Government sought a provision from the Finance Committee of the Legislative Council of \$30 billion to set up the Anti-epidemic Fund in February 2020 to enhance the capability of government bureaux and departments as well as other relevant parties in combating the novel coronavirus epidemic, and to provide assistance or relief to enterprises and members of the public hard hit by the present epidemic or affected by anti-epidemic measures.

Besides, government bureaux and departments will take into account their policy and operational needs to implement different measures to combat the epidemic. The related expenditure has been reflected in the estimate of expenditure for 2020-21 of the bureaux and departments concerned.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)171

(Question Serial No. 4045)

Head: (147) Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): ()

Programme: (3) Service Departments

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In connection with “the new measures for enhancing the protection of non-skilled workers engaged under government service contracts”,

1. please provide the following information: (a) the total expenditure on the contracts, (b) the average expenditure, (c) the total number of contracts and (d) the total number of workers involved, since the implementation of the new measures;
2. please provide a breakdown by department of the 4 types of statistical figures mentioned above;
3. please also state the estimated number of new contracts to which the new measures will be applicable in 2020-21, with a breakdown by department.

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 66)

Reply:

- 1&2. Since 1 April 2019, the Government has introduced new measures regarding government service contracts that rely heavily on the deployment of non-skilled workers (referred to as “relevant contracts” hereunder). The new measures include: a non-skilled worker with no less than one year’s service under a Standard Employment Contract of a government service contract will be entitled to a contractual gratuity being 6% of the total wages earned; a non-skilled worker with no less than one month’s service will be entitled to statutory holiday pay; and the amount of wages for a non-skilled worker who is required to work when typhoon signal no. 8 or above is in force should be at least 150% of the originally entitled wages.

Since there is a large number of government departments engaged in the relevant contracts, we focus on the four major procuring departments in the interest of a timely reply, namely, the Food and Environmental Hygiene Department (“FEHD”), the Leisure and Cultural Services Department (“LCSD”), the Government Property Agency (“GPA”) and the Housing Department (“HD”) (being the executive arm of the Housing Authority (“HA”)). On broad estimates, the number of non-skilled workers engaged in the relevant contracts under these four departments accounts for over 80% of the total number of non-skilled workers engaged in the relevant contracts of the Government.

The number of relevant contracts tendered and awarded by FEHD, LCSD and HD (on behalf of HA) during the period between 1 April and 31 December 2019, the number of non-skilled workers involved and the total contract value, are set out in the ensuing table.

	Number of relevant contracts	Number of non-skilled workers involved	Total contract value (\$ million)
FEHD	26	2 916	1,782.8
LCSD	14	473	208.0
HD	49	3 364	2,796.7

GPA did not award relevant contracts during the period.

3. There are respectively 54, 51, 1 and 109 relevant contracts tendered and awarded by FEHD, LCSD, GPA and HD (on behalf of HA) that will expire in the year 2020-21. In other words, it is estimated that not less than 215 relevant contracts in that year will be tendered with the new measures in place.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6793)

Head: (186) Transport Department

Subhead (No. & title): ()

Programme: (2) Licensing of Vehicles and Drivers

Controlling Officer: Commissioner for Transport (Ms Mable CHAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding measures taken by the Government to facilitate driving by eligible persons with disabilities, will the Government provide the following information:

The numbers of applications for exemption from payment of motor vehicles first registration tax on the ground of disability made at the time of purchase of motor vehicles, the numbers of approved applications, the numbers of rejected applications and the reasons, as well as the amounts of the tax forgone in the past five years.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 1338)

Reply:

In accordance with sections 2 and 5 of the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330), a disabled person meeting the relevant definition may be exempted from the first registration tax on the first \$300,000 of the taxable value of a motor vehicle for which the disabled person is applying for first registration, on the condition that the disabled person is able to satisfy the Commissioner for Transport that he is fit to drive that vehicle, and he has not registered a motor vehicle subject to the exemption of the motor vehicles first registration tax within the previous 5 years. In accordance with section 2 of the Road Traffic Ordinance (Cap. 374), disabled person means a person who is the holder of a certificate signed by or on behalf of the Director of Health or the Hospital Authority stating that such person is suffering from a permanent disease or physical disability that causes him considerable difficulty in walking.

All applicants meeting the above requirements have been granted exemption from payment of the applicable motor vehicles first registration tax in the past 5 years, without rejected applications. The numbers of approved cases and the amounts of tax exempted are tabulated below:

Year	Number of approved cases	Amount of tax exempted (\$ million)
2015	167	17.7
2016	159	15.9
2017	176	18.9
2018	162	18.3
2019	147	15.4

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4915)

Head: (188) Treasury

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Director of Accounting Services (Charlix Wong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the work in relation to the Code on Access to Information, will the Government advise this Committee on the following:

1) Concerning the requests for information under the Code on Access to Information received by the Treasury from October 2018 to present for which only some of the required information has been provided, please state in table form: (i) the content of the requests for which only some of the required information has been provided; (ii) the reasons for providing some of the information only; (iii) whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding some of the information was made subject to a "harm or prejudice test", i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2019

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) Whether the decision on withholding some of the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding some of the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

2) Concerning the requests for information under the Code on Access to Information received by the Treasury from October 2018 to present for which the required information has not been provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; (iii) whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application); (iv) whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application)? If yes, please provide the details of how the requests have been handled eventually.

From October to December 2018

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) Whether the decision on withholding the information was made at the directorate (D1 or D2) level (according to paragraph 1.8.2 of the Guidelines on Interpretation and Application)	(iv) Whether the decision on withholding the information was made subject to a “harm or prejudice test”, i.e. whether the public interest in disclosure of such information outweighs any harm or prejudice that could result from disclosure (according to paragraph 2.1.1 of the Guidelines on Interpretation and Application). If yes, please provide the details.

3) Any person who believes that a department has failed to comply with any provision of the Code on Access to Information may ask the department to review the situation. Please advise this Committee in each of the past 5 years, (i) the number of review cases received; (ii) the number of cases, among the review cases received in the year, in which further information was disclosed after review; (iii) whether the decisions on review were made at the directorate (D1 or D2) level.

Year in which review cases were received	(i) Number of review cases received	(ii) Number of cases, among the review cases received in the year, in which further information was disclosed after review	(iii) Whether the decisions on review were made at the directorate (D1 or D2) level
2015			
2016			
2017			
2018			
2019			

4) With reference to the target response times set out in paragraphs 1.16.1 to 1.19.1 of Guidelines on Interpretation and Application of the Code on Access to Information, please advise this Committee on the following information by year in table form (with text descriptions).

(a) Within 10 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 10 to 21 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

Within 21 to 51 days from date of receipt of a written request:

	Number of requests for which the information requested was provided	Number of requests involving third party information for which the information requested could not be provided	Number of requests for which the information requested could not be provided since the requests had to be transferred to another department which held the information under request	Number of requests for information which were refused under the exemption provisions in Part 2 of the Code on Access to Information	Number of applications which the applicants indicated that they did not wish to proceed with and withdrew since they did not accept the charge
2020					
2019					
2018					
2017					
2016					

(b) cases in which information could not be provided within 21 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

(c) cases in which information could not be provided within 51 days from date of receipt of a request in the past 5 years:

Date	Subject of information requested	Specific reason

5) Please state in table form the number of those, among the cases in which requests for information were refused under the exemption provisions in Part 2 of the Code on Access to Information, on which the Privacy Commissioner for Personal Data was consulted when they were being handled in the past 5 years. For cases on which advice had been sought, was it fully accepted in the end? For cases where the advice of the Privacy Commissioner for Personal Data was not accepted or was only partially accepted, what are the reasons?

Date	Subject	Particular exemption provision in Part 2 of the Code on Access to Information under which requests for information were refused	Whether the advice of the Privacy Commissioner for Personal Data was fully accepted	Reasons for refusing to accept or only partially accepting the advice of the Privacy Commissioner for Personal Data

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 485)

Reply:

1 and 2) For information requests under the Code on Access to Information received by the Treasury between October 2018 and September 2019, there were no cases where only some of the required information was provided or information request refused.

3) A case for review was received by the Treasury in 2015. After considering the supplementary information submitted by the applicant, the Treasury provided the applicant with the information requested. The decision was made by a directorate officer at D2 level.

4a) For written requests for information received by the Treasury between 2016 and September 2019, 12 requests were met within 10 days from the date of receipt, 10 requests between 11 and 21 days and 2 requests between 22 and 51 days. There were no cases of information request refused under the exemption provisions in Part 2 of the Code on Access to Information.

4b) For cases where the information requested was not provided by the Treasury within 21 days from the date of receipt between 2016 and September 2019, the main reason was that the information requested was complicated and took time to gather.

4c) All information requests received by the Treasury between 2016 and September 2019 were met within 51 days from the date of receipt.

5) For information requests received by the Treasury between 2016 and September 2019, none of them was rejected under the exemption provisions in Part 2 of the Code on Access to Information.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)174

(Question Serial No. 6093)

Head: (188) Treasury

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Director of Accounting Services (Charlix Wong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- a. Please set out the quantity, value and stock of surgical masks produced by the Correctional Services Department (CSI masks) that the Treasury obtained from the Government Logistics Department (GLD) each month in the past 3 years in the following table:

Month/Year	No. of CSI masks obtained	Value of CSI masks obtained	Stock of CSI masks

- b. Please set out the quantity, value, stock and consumption of surgical masks that the Treasury obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of surgical masks obtained from GLD (value)	No. of surgical masks procured (value)	Stock	Consumption

- c. Please set out the quantity, value, stock and consumption of N95 masks that the Treasury obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of N95 masks obtained from GLD (value)	No. of N95 masks procured (value)	Stock	Consumption

- d. Please set out the quantity, value, stock and consumption of gowns that the Treasury obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of gowns obtained from GLD (value)	No. of gowns procured (value)	Stock	Consumption

- e. Please set out the quantity, value, stock and consumption of protective coverall suits that the Treasury obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of protective coverall suits obtained from GLD (value)	No. of protective coverall suits procured (value)	Stock	Consumption

- f. Please set out the quantity, value, stock and consumption of face shields that the Treasury obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of face shields procured	Value of face shields procured	Stock of face shields	Consumption

- g. Please set out the quantity, value, stock and consumption of goggles that the Treasury obtained from the GLD or procured each month in the past 3 years in the following table:

Month/Year	No. of goggles procured	Value of goggles procured	Stock of goggles	Consumption

- h. Did the Treasury supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations in the past 3 years? If yes, please provide the relevant information, including the quantity, consumption and stock, in the following table:

Month/Year	Name of organisations	Manner of provision (e.g. sold or supplied for free)	Surgical masks	N95 masks	Face shields	Goggles	Gowns	Protective coverall suits

- i. If the Treasury is to supply or sell surgical masks, N95 masks, face shields, goggles, gowns and protective coverall suits to other organisations, what are the departments and the ranks of the officers responsible for making such decisions? Please provide the ranks of the officers involved in each decision, the date they made the decision and other relevant information.

Asked by: Hon MO Claudia (LegCo internal reference no.: 182)

Reply:

With the rapid development of the epidemic, government departments' demand for personal protective equipment (PPE) (including masks) will change in response to the anti-epidemic measures taken. The Government Logistics Department and other government departments are making every effort to source such equipment through various channels and means and will continuously review the stock of and demand for PPE.

With an upsurge in demand for PPE around the globe, the Government is facing keen competition in its procurement. The Government considers it inappropriate at this stage to disclose information about the stock levels, quantities procured and amounts paid, and consumption in respect of PPE in the past few years and recent months so as not to undermine the bargaining power of government departments in procuring PPE.

The Treasury has not supplied or sold any PPE to other organisations.

- End -