

LEGISLATIVE COUNCIL BRIEF

QUALITY MIGRANT ADMISSION SCHEME

INTRODUCTION

At the meeting of the Executive Council on 14 February, the Council ADVISED and the Chief Executive ORDERED that –

- (a) a quota-based Quality Migrant Admission Scheme (QMAS) be implemented to attract talent to come to Hong Kong for settlement. Applicants will not be required to secure an offer of local employment beforehand;
- (b) a point-based system be adopted for QMAS under which applicants are required to fulfill a set of “must-meet” requirements before they can accumulate points under a “points test” and compete for quota allocation;
- (c) the “must-meet” requirements include age, financial requirement, good character, language proficiency and basic educational qualifications;
- (d) factors assessed under the “points test” include, inter alia, age, academic/professional qualifications, working experience, language proficiency, family connections in Hong Kong, spouse’s achievement, number of unmarried dependent children under 18 and achievement in a particular field;
- (e) applicants who pass a specified passing mark will enter into a pool for selection by a selection committee which will recommend to the Director of Immigration (D of Imm) how best to allocate the quota having regard to the short term and longer term needs of the community;
- (f) a non-statutory selection committee be appointed to advise the D of Imm on applications submitted under the QMAS including the allocation of quota;

- (g) successful applicants under the QMAS be allowed to bring their spouses and unmarried dependent children under 18 to Hong Kong provided that they are capable of supporting and accommodating their dependants on their own without relying on public assistance in Hong Kong; and
- (h) the requirement that dependants of those persons admitted into Hong Kong for employment or as capital investment entrants must apply for permission to work be removed and that dependants of QMAS immigrants should be allowed to work without prior permission from D of Imm.

JUSTIFICATIONS

Global competition for talent

2. In the knowledge-based era, an economy's competitiveness hinges on whether it can build up a critical mass of quality human capital. While the Government will continue to make investment in education and upgrading the local workforce, we need to bring in talented people from outside Hong Kong to meet manpower demand of local enterprises and to enhance Hong Kong's competitiveness in the global market. Specifically, we need to take a more proactive approach than the existing conventional entry for employment policies¹ in attracting talent. Comparable economies, such as the United Kingdom, Canada, Australia and New Zealand have taken such an approach. Apart from the normal entry for employment policy under which eligible persons who have secured employment are issued with work permits/visas, these economies have adopted an admission policy for immigrants based on their personal credentials and professional skills without any requirement of securing employment beforehand or the submission of a business plan for self-employment. Such a policy is mostly operated on the basis of a points system against which an applicant's credentials can be assessed. Successful applicants are given permission to stay for a limited period. An extension of stay is normally granted if the applicants are economically active.

Ageing population

3. The total fertility rate² in Hong Kong is only 927 per 1000 women in 2004, which is below the replacement level of 2 100 per 1 000 women. According to the Census and Statistics Department, there will be more deaths

¹ Brief description of the existing conventional entry for employment policies in attracting talent is set out in the Background section.

² Total fertility rate refers to the average number of children that would be born alive to 1 000 women during their lifetime if they were to pass through their childbearing ages 15 - 49 experiencing the age specific fertility rates (number of live births occurring among 1 000 women in a given age group in a given year) prevailing in a given year.

than births each year from 2016 onwards. The proportion of population aged under 15 will drop significantly from 15% in 2005 to 11% in 2033, whilst that of the population aged 15 – 64 will decline from 73% to 63% over the same period. Correspondingly, the proportion of older persons (aged 65 and over) will rise significantly from 12% in 2005 to 27% in 2033. The median age of the population will thus be 49 in 2033, much higher than 39 in 2005.

4. An ageing population would have far-reaching implications on Hong Kong's socio-economic development and public finance. It is imperative for us to admit new blood from outside Hong Kong to augment and rejuvenate our population.

Benefits to the economy

5. Admission of talented professionals brings benefits to the economy as a whole. While the now defunct Admission of Talents Scheme introduced in 1999 and the Admission Scheme for Mainland Talents and Professionals (ASMTP) introduced in July 2003 may not be strictly comparable to QMAS, our experience with them shows that on average about 1.5 new jobs will be created per new entrant. Also, the companies which have admitted Mainland talent and professionals under ASMTP indicate that the entrants have brought about wider spin-off benefits such as increasing the companies' efficiency /productivity, broadening the companies' business profile, fostering collaboration between the Mainland and Hong Kong, etc. We believe the admission of skilled immigrants will bring similar benefits to Hong Kong's economy.

A NEW SCHEME

6. Against the above background, we intend to introduce a new admission scheme under which talented people will be allowed to take up residence in Hong Kong without having first to secure a local job offer. To alleviate concerns from labour unions and university graduates on possible implications on local job seekers, the QMAS will operate under a quota system, initially set at 1 000 each year. Applicants are required to fulfill a set of "must-meet" requirements before they can accumulate points under a "points test" and compete for quota allocation. We will review the scheme one year after its operation.

“Must-meet” requirements

7. The “must-meet” requirements include:

(a) Age

Applicants must be aged between 18 and 50 when lodging an application under QMAS.

(b) Financial requirement

Applicants must be able to demonstrate that they are capable of supporting and accommodating themselves and their dependants, if any, on their own without relying on public assistance during their stay in Hong Kong.

(c) Good Character

Applicants must meet normal immigration and security requirements. They should not have any criminal or adverse immigration record in Hong Kong and elsewhere.

(d) Language Proficiency

Applicants must be proficient in Chinese (Putonghua or Cantonese) or English.

(e) Basic Educational Qualification

Applicants must have a good education background, normally a first degree supported by documentary evidence. In special circumstances, good technical qualifications, proven professional abilities and/or experience and achievements supported by documentary evidence may be considered.

8. We have considered and decided against requiring applicants to have any prior full-time working experience. This is to retain the flexibility to admit persons with exceptional achievements but who may not have any working experience, e.g. persons who have won international arts/sports awards.

9. Applicants from countries which pose security/immigration risks will not be accepted.

Points Test

10. Having met the “must-meet” requirements, applicants will be awarded points in specified areas including but not limited to the following –

(a) Age

Overseas schemes usually award highest points to applicants in the age group 28-35 or 30-35 with progressive reductions of score towards either ends of the age spectrum. A similar approach should be suitable for our Scheme as it will allow us to target those who have both an established track record and potential to develop. Awarding the highest points to applicants in these more mature age groups may also help to allay the concerns of our young graduates over the loss of job opportunities.

(b) Academic/Professional Qualifications

Applicants can acquire points for either academic qualifications or professional qualifications.

To acquire points for professional qualifications, they must be awarded by nationally or internationally recognized/acclaimed professional bodies which demonstrate that the applicant has a very high level of technical expertise.

(c) Working experience

Points awarded will be commensurate with the length of working experience in a graduate/senior/specialist role.

(d) Language Proficiency

In addition to the “must-meet” language requirement in paragraph 7(d) above, points will be awarded to applicants who are proficient in both English and Chinese.

(e) Family connections in Hong Kong

Points will be awarded to applicants whose spouse, parents, siblings or children are Hong Kong permanent residents.

(f) Spouse’s achievement

Points will be awarded if an applicant’s spouse has completed a degree or equivalent level study.

(g) Children

Points will be awarded if applicants have unmarried dependent children under the age of 18.

(h) Achievement in a particular field

Points will be awarded if applicants have received award of exceptional achievement (e.g. Olympic medals, Nobel prize, national/international awards) or can show that their work has been acknowledged by their peers or has contributed significantly to the development of their field (e.g. lifetime achievement award from industry).

11. We have considered and decided against awarding points on the basis of applicants' earned income³ or assets because income levels and asset values vary greatly between different places. Besides, our focus is more on the applicants' ability than their wealth given our objective of attracting talented individuals. The maintenance requirement under the "must-meet" criteria in paragraph 7(b) should be sufficient for the purpose of the Scheme.

12. We do not intend to give preference to applicants from specific sectors, although sectoral preference or requirements are adopted under the admission policies of some economies. In view of the fast changing and open nature of our economy, any sectoral preference mandated by the Government is unlikely to be realistic and will in any event become outdated quickly. Therefore, we do not intend to incorporate any pre-determined sectoral preference into the Scheme.

13. The must-meet requirements and points test will be published so that interested persons may conduct self-evaluation of their eligibility and their scores.

Quota allocation

14. The objective of the quota allocation exercise is to distribute the quota to the best candidates having regard to the short term and longer term needs of the community. This purpose may not be best served by strictly allocating the quota to the 1 000 persons with the highest scores as we cannot preclude the

³ The admission scheme in the UK awards points based on past income of applicants. Due to the disparity of income and price levels in different countries, a very elaborate parity system is set up to determine how scores will be awarded.

possibility that there is concentration of certain characteristics amongst the top scorers (e.g. in terms of professions/sectors). Instead, we will set a passing mark which will be reviewed from time to time having regard to the quality and quantity of applications received in a given period. Applicants who pass the specified passing mark (hereafter referred to as the “pool mark”) will enter into a pool for selection by a Selection Committee. While the power to approve or refuse an application rests with the D of Imm, the Selection Committee will consider the socio-economic needs of Hong Kong, the sectoral mix of the pooled candidates and other relevant factors, and recommend to the D of Imm how best to allocate the limited quota.

Selection Committee

15. The non-statutory Selection Committee will be appointed by the Chief Executive to advise the D of Imm on the implementation of QMAS including allocation of quota. The Committee will comprise official and non-official members, and meet on a need basis.

Reconsideration

16. Any request for reconsideration/review together with any new information supplied by the applicant in support of the reconsideration/review may be submitted to the D of Imm. The D of Imm may seek advice or further recommendation from the Selection Committee before making his decision.

Extensions of stay

17. Persons admitted under QMAS will initially be allowed to enter Hong Kong for 12 months. They can apply for an extension of stay one month before its expiry. If an extension of stay is approved, the applicant will normally be given permission to remain for a further two-year period. The extension pattern will be 1+2+2+3.

18. At the end of the first 12-month period, the QMAS immigrants should be able to demonstrate to the satisfaction of D of Imm that they have taken steps to settle in Hong Kong by taking up residence here, e.g. by securing gainful employment or establishing a business. If the QMAS immigrant cannot demonstrate the taking of any such steps, a one-year extension may be granted by D of Imm if he deems this appropriate. If the person is still not able to demonstrate the taking of the steps required by the end of the first 24 months, further extensions of stay will normally not be given.

19. At the end of the first 36 months, the QMAS immigrants must be able to demonstrate to the satisfaction of D of Imm that they have settled in Hong Kong and are making contribution to Hong Kong such as by having obtained gainful employment in a graduate/specialist/senior level job, or by having established a business of a reasonable size here.

20. Upon completion of not less than seven years of continuous ordinary residence in Hong Kong, QMAS immigrants and their dependants may apply for the right of abode in Hong Kong in accordance with the law.

Entry of dependants

21. As the objective of QMAS is to attract talented individuals to come to Hong Kong for settlement, QMAS immigrants may be permitted to bring in their dependants (i.e. spouse and unmarried dependent children under 18 years of age) provided that they are capable of supporting and accommodating their dependants on their own without relying on public assistance in Hong Kong.

22. Since July 2003, dependants of persons who are admitted into Hong Kong for employment or to study or as capital investment entrants must obtain permission from D of Imm before they can work in Hong Kong, whereas dependants of those persons who are not subject to a limit of stay (permanent residents, those with right to land or unconditional stay) can take up employment without prior permission from D of Imm.

23. From the imposition of the requirement in July 2003 up to end of December 2005, the Immigration Department (ImmD) has received 770 applications from dependants for permission to work. All but one application have been approved. The business community has reflected to the Administration time and again that the requirement may have affected Hong Kong's edge in attracting professionals to come to Hong Kong. In the light of the improving economic conditions and the employment situation, the requirement that the dependants of those persons admitted into Hong Kong for employment or as capital investment entrants must apply for permission to work will be removed. In a similar vein, dependants of QMAS immigrants will be allowed to work without prior permission from D of Imm. The date for the implementation of the new policy on employment of dependants will be separately announced.

Existing Admission Schemes

24. We consider that despite the introduction of the QMAS, we should maintain the existing admission for employment schemes predicated on a confirmed job offer including the General Employment Policy (GEP) and ASMTP. This is because QMAS caters for a different clientele, i.e. those who may not have access to information on local job/business opportunities or have no connections with local firms but who would like to come here to look for opportunities to develop a career in Hong Kong. We will review in due course if there is a need to retain or modify the existing admission schemes for employment.

25. We need to decide whether persons already admitted for employment or investment under existing schemes should be allowed to apply under the QMAS. We consider that such persons should be allowed to apply under the QMAS, in line with the existing arrangements under which persons already admitted into Hong Kong may apply to switch to another admission scheme (e.g. a GEP entrant submitting an application under the Capital Investment Entrant Scheme).

Consultation with the Mainland

26. Article 22(4) of the Basic Law provides that people from other parts of China must apply for approval for entry into Hong Kong, and currently the Mainland's exit policy does not cater for the proposed scheme. We have therefore sounded out Mainland authorities who have raised no objection in principle to the proposal. We are continuing detailed discussions with Mainland authorities.

IMPLICATIONS OF THE PROPOSAL

27. The proposal has financial, civil service, economic and sustainability implications as set out at the Annex. The proposal is in conformity with the Basic Law including the provisions concerning human rights. It has no productivity or environmental implications.

PUBLIC CONSULTATION

28. The Chief Executive announced in the Policy Address on 12 October 2005 that we will be more proactive in attracting talent from the Mainland and overseas to come and settle here and that we are considering introducing a new admission scheme in 2006.

PUBLICITY

29. We intend to brief LegCo in March/April. A spokesman will be made available to answer public enquiries.

BACKGROUND

General Employment Policy

30. People from around the world (except Mainland residents) may apply to enter Hong Kong for employment under the GEP if they possess skills, knowledge or experience not readily available locally, or if they may bring significant contribution to Hong Kong's economy. Around 15 000 applications are approved under the GEP each year.

Admission Scheme for Mainland Talents and Professionals

31. We introduced the ASMTP in July 2003 to enable local enterprises to recruit quality personnel from all fields in the Mainland. The ASMTP has no sectoral restriction or quota. Mainland residents who meet the following eligibility criteria may apply -

- (a) a good education background, normally a first degree in the relevant field, but in special circumstances, good technical qualifications, proven professional abilities and/or relevant experience and achievements supported by documentary evidence may also be accepted;
- (b) admission is contingent on a confirmed offer of employment. The applicant should be employed in a job relevant to his academic qualifications or working experience which cannot be readily taken up by the local work force; and

- (c) remuneration package (including income, accommodation, medical and other fringe benefits) broadly commensurate with the local market level.

32. Up to the end of December 2005, ImmD received 10 891 under the ASMTF and approved 9 124 of them.

SUBJECT OFFICER

33. Enquiries on this brief should be addressed to Ms Linda So, Principal Assistant Secretary for Security (tel.: 2810 2330).

Security Bureau
February 2006

FINANCIAL AND CIVIL SERVICE IMPLICATIONS

1. Successful applicants are required to demonstrate to the satisfaction of ImmD that they can support and accommodate themselves and their dependants at a reasonable level without relying on public assistance. The demand on our social welfare and public health services by persons admitted under QMAS and their dependants should therefore be minimal.

2. Under the proposal, dependent children of successful applicants under the new Scheme will have access to subsidized education services. Since they also have the choice of private schools, and given the likelihood for expatriate children to attend international schools, it is considered that the financial implications on subsidized schools are unlikely to be significant. But the demand for international school places might increase as a result. We will continue to monitor the provision situation and consider supporting new international school projects where appropriate⁴. Similarly, spouses of successful applicants may require training/retraining services in Hong Kong. At this stage, we are unable to assess the demand on these fronts but the resultant financial implication is unlikely to be significant.

3. ImmD requires additional resources to process the entry and extension of stay applications received under the Scheme and to provide secretariat support to the Selection Committee. Assuming that 12 000 entry applications are received per year and all successful applicants and their dependants would apply for extension of stay, it is estimated that ImmD will need a total of 16 additional posts in the first year, i.e. 2006-07, including two Senior Immigration Officers (SIOs), six Immigration Officers (IOs), four Chief Immigration Assistants (CIAs) and four Clerical Assistants (CAs) with an annual staff cost of \$8.7 million. The requirement will rise to a total of 18 additional posts in 2011-12 and onwards to cater for the increased extension of stay applications, involving three SIOs, seven IOs, four CIAs and four CAs with an annual staff cost of \$10.3 million. The additional workload in 2006-07 will be handled by existing staff working overtime and the estimated expenditure on the overtime allowance to be incurred by ImmD is about \$5 million. SB/ImmD will absorb the resources required. ImmD will bid for additional resources required in and after 2007-08 through the existing mechanism. Subject to approval of funding for the additional posts, ImmD will apply to the Panel

⁴ Under the existing policy, the Government may grant land at nominal premium and provide interest-free loan of up to 100% of the cost of building a standard design primary or secondary public sector school as appropriate to non-profit-making international schools to help them meet the cost of building a new international school or extension.

co-chaired by the Chief Secretary and the Financial Secretary for exemption from the recruitment freeze should they see a need to conduct open recruitment to fill the posts having regard to the overall manpower position of the grades concerned.

ECONOMIC IMPLICATIONS

4. Admitting talented individuals without the prerequisite of securing employment beforehand will enable those who are interested in developing their business and careers in Hong Kong but do not have the latest information on the local conditions to be able to stay here to look for business and career opportunities. The admitted immigrants will help build up a critical mass of quality personnel who will increase our competitiveness, attract more capital and create more jobs. Moreover, given the small admission quota proposed, there should be insignificant impact on displacement of local workers in the local market.

SUSTAINABILITY IMPLICATIONS

5. The proposed new admission scheme would facilitate the admission of a wider range of skilled personnel into Hong Kong and help enhance the competitiveness of our economy. Bringing in people from diverse backgrounds would also help foster a more vibrant cultural environment. In short, the new scheme is conducive to the sustainability principles of promoting a competitive and prosperous market-based economy and enhancing social and cultural diversity.