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Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2018-19

Director of Bureau : Secretary for Financial Services and the Treasury

Session No. : 4

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CONTROLLING OFFICER'S REPLY

FSTB(FS)001

(Question Serial No. 0576)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The first bullet point of Matters Requiring Special Attention in 2018-19 under Programme (1) states that “the Financial Services Branch will engage the industry and formulate proposals to promote the further development of our financial services industry”. What are the specific measures to be taken and is there any timetable?

Asked by: Hon CHAN Chun-ying (Member Question No. (LegCo use): 2)

Reply:

The financial services industry is an important pillar of the Hong Kong economy. We will continue to work closely with the industry to promote the further development of our financial services industry. The key initiatives in 2018-19 are as follows –

Green finance

The Government is making progress on various fronts to promote Hong Kong as the green finance hub in the region. The Financial Secretary announced in the 2018-19 Budget that from the dedicated provision of \$500 million, a Green Bond Grant Scheme would be introduced to subsidise qualified green bond issuers in obtaining green bond certification; and a green bond issuance programme with a borrowing ceiling of \$100 billion will also be launched to provide funding for green public works projects of the Government so as to encourage more issuers to arrange financing for their green projects through our capital market. The Government will submit a resolution to the Legislative Council as soon as possible so that the inaugural government green bond can be issued early.

Asset management

We will review the existing tax concession arrangements applicable to the fund industry with regard to international requirements on tax co-operation, and plan to introduce the relevant legislative amendments by the end of 2018. We will also examine the feasibility of introducing a limited partnership regime for private equity funds and the related tax arrangements. We will consult the industry on the above matters in due course.

Development of the insurance sector

As regards the development of the insurance sector, we will set up a task force to conduct a series of tax review with the insurance industry, professional bodies and other stakeholders. We will also discuss with the Insurance Authority the feasibility of updating regulatory requirements as appropriate with a view to attracting more enterprises to underwrite their overseas risks in Hong Kong, thereby promoting Hong Kong's status as a regional insurance hub and strengthening Hong Kong's role as a risk management centre for the Mainland and for infrastructure projects under the Belt and Road Initiative.

Funding for promoting and facilitating the development of the financial services sector

We have set aside a dedicated provision of \$500 million to promote the development of bond market (such as the Pilot Bond Grant Scheme), Fintech, green finance, manpower training and other aspects of financial services in the five financial years from 2018-19. We will explore and formulate, in consultation with industry players and stakeholders, the initiatives and programmes to promote and facilitate the development of the financial services industry and provide the necessary support.

Financial Services Development Council (FSDC)

We will allocate more resources to the FSDC to enhance its role in conducting strategic studies, providing advice, fostering market development and nurturing talent. We also plan to incorporate the FSDC as a company limited by guarantee to enhance its operational efficiency and flexibility. Subject to the Legislative Council's approval for the subvention to FSDC in the 2018-19 Estimates, we target to have the incorporated FSDC up and running around end 2018.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)002****(Question Serial No. 0577)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimated provision for 2018–19 under Programme (1) is \$457.8 million higher than the revised estimate for 2017–18, representing a significant increase of 162.5% over last year. According to the analysis on page 370 of the Estimates, the increase in provision is mainly due to the increased cash flow requirement for non-recurrent commitment items and a net increase of 10 posts. Please provide the details.

Asked by: Hon CHAN Chun-ying (Member Question No. (LegCo use): 29)

Reply:

In 2018-19, the estimated expenditure for the general non-recurrent items of the Financial Services Branch is as follows –

	Item	Commitment \$'000	2018-19 Estimated Expenditure \$'000
1	Consultancy study for establishing a Risk-based Capital Regime	10,000	10,000
2	Funding for promoting and facilitating the development of the financial services sector	500,000	200,000
3	Provision to the Insurance Authority	200,000	200,000
4	Contribution to the Asian Infrastructure Investment Bank Project Preparation Special Fund	78,000	78,000
5	Pilot programme to enhance talent training for the insurance sector and the asset and wealth management sector	100,000	51,935
6	Exit package for Insurance Officer Grade Officers	31,200	700
	Total	919,200	540,635

In 2018-19, there will be a net increase of ten posts in the Financial Services Branch. Details are as follows –

	Rank	No.
Directorate post to be created	Administrative Staff Grade C	+1
Non-directorate posts to be created	Senior Administrative Officer	+1
	Administrative Officer	+1
	Chief Executive Officer	+1
	Senior Executive Officer	+2
	Executive Officer I	+2
	Personal Secretary I	+1
	Assistant Clerical Officer	+2
Non-directorate post to be deleted	Clerical Officer	-1

The estimated expenditure for the net increase of the above posts is about \$9.7 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)003

(Question Serial No. 0608)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that “the HKMA is prepared to launch a Faster Payment System offering 24-hour real-time payment function [in September this year]. This will allow banks and Stored Value Facility service providers to provide real-time, round-the-clock, cross-institution payment and fund transfer service to their business and personal customers”. Please inform this Committee of the following:

To dovetail with the scheme, will the Government take the lead in accepting common QR code payments of duties and licence fees? If yes, what is the provision earmarked for revamping the government payment system? If no, what are the reasons?

Asked by: Hon CHAN Chun-ying (Member Question No. (LegCo use): 44)

Reply:

E-wallets offered by some Stored Value Facility (SVF) operators can provide bill payment service. Users can scan the barcodes on their bills (such as phone bills and Towngas bills) and make payments through the e-wallets on their mobile phones. To facilitate the development of the SVF market, Financial Services and the Treasury Bureau is exploring with relevant Government departments to allow the public to pay government bills in the same manner.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)004

(Question Serial No. 0674)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that “a dedicated provision of \$500 million” will be set aside “for the development of the financial services industry in the coming 5 years, providing necessary support for bond market development, Fintech, green finance, manpower training and other aspects of financial services.” In this connection, please inform this Committee of the following:

1. Allocation of the dedicated provision among the 4 areas, namely bond market development, Fintech, green finance and manpower training.
2. Manpower reserved with regard to spending the dedicated provision; and details of the development of the 4 areas.

Asked by: Hon CHAN Chun-ying (Member Question No. (LegCo use): 47)

Reply:

1. The estimated total commitment of the dedicated provision for promoting and facilitating the development of the financial services sector is \$500 million. The funding will be used to promote and facilitate the development of the financial services sector in the five financial years from 2018-19. The estimated cash flow requirement for 2018-19 is \$200 million, of which \$150 million will be used for launching the Pilot Bond Grant Scheme. The remaining provision will be used for promoting and developing Hong Kong as a Fintech hub, introducing the Green Bond Grant Scheme and providing support to the development in other aspects of financial services.
2. We plan to create five non-directorate General Grades posts for five years from 2018-19 to assist in implementing and coordinating the work on the dedicated

provision. Detailed work plans on the development of bond market, Fintech, green finance and manpower training are as follows –

Bond market development

To promote the development of the local bond market, the Government proposes to set up a three-year Pilot Bond Grant Scheme. The Scheme will cover eligible enterprises issuing bonds in Hong Kong for the first time. The amount of grant for each bond issuance is equivalent to half of the issuance expenses, capped at \$2.5 million. An enterprise can apply for a grant for a maximum of two bond issuances. The Hong Kong Monetary Authority will announce the details in due course. The Financial Services and the Treasury Bureau has earmarked \$150 million in the 2018-19 Estimates for launching the Scheme.

Fintech

To further promote and develop Hong Kong as a Fintech hub, InvestHK, Cyberport and the Hong Kong Applied Science and Technology Research Institute will continue to play their respective parts, with necessary support from the Government. The Government will also work closely with financial regulators and engage the industry to facilitate and coordinate Fintech development in Hong Kong.

Green finance

The introduction of a Green Bond Grant Scheme was announced in the 2018-19 Budget to subsidise qualified green bond issuers in obtaining green bond certification. Relevant details of the Green Bond Grant Scheme, including eligibility and grant ceiling, are being considered and will be announced in due course.

Manpower training

We will continue to implement the initiatives under the “Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector” between now and 2019-20. We will review their cost-effectiveness and consider nearer the completion of the Pilot Programme which of the initiatives warrant continuation, and if so, in what form (not necessarily limited to the insurance and asset and wealth management sectors). Industry’s feedback will be taken into account in the course of the review.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)005

(Question Serial No. 1052)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under this Programme of the Financial Services and the Treasury Bureau (Financial Services Branch), it is mentioned that the Branch will continue to promote the development of financial technologies (Fintech). In this connection, would the Government advise this Committee on:

- a) the estimated expenditure on manpower training and promotion of Fintech development;
- b) whether the Bureau will assist Fintech enterprises in meeting the latest compliance requirements; if yes, the details; if no, the reasons;
- c) whether the Bureau will arrange overseas missions to help Hong Kong keep pace with the rest of the world amid rapid global development of Fintech; and
- d) whether there will be activities to promote and encourage participation of young people interested in Fintech development; if yes, the details; if no, the reasons.

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 1)

Reply:

- a) Fintech related work in the Financial Services Branch (FSB) will be absorbed from within FSB's existing resources and manpower, including one Administrative Officer Staff Grade C, one Senior Economist, one Economist and one Senior Executive Officer.

Furthermore, the Financial Services and the Treasury Bureau has earmarked \$14.91 million in 2018-19 to continue to support Invest Hong Kong (InvestHK)'s dedicated Fintech team.

- b) Hong Kong Monetary Authority (HKMA), Securities and Futures Commission (SFC) and Insurance Authority (IA) have established their respective dedicated Fintech liaison platforms to enhance communications with the Fintech industry.

HKMA, SFC and IA have also launched their respective regulatory sandboxes to allow financial institutions to test Fintech projects in a confined environment.

- c) We will continue to engage the industry to keep abreast of the dynamic Fintech landscape and their feedback on the initiatives, as well as monitor any emerging opportunities and challenges on the international and local horizons.

Hong Kong has also entered into Fintech cooperation agreements with overseas regulators to share information regarding the latest Fintech trends, development and regulatory issues. InvestHK's dedicated Fintech team also has staff in London and San Francisco to stay connected with the industry.

- d) HKMA collaborates with the Hong Kong Applied Science and Technology Research Institute, Cyberport and Hong Kong Science and Technology Parks Corporation to launch the upgraded version of the Fintech Career Accelerator Scheme (FCAS 2.0) for young talents of various stages of their career development.

More details can be found at the following link :

<http://www.hkma.gov.hk/eng/key-information/press-releases/2018/20180131-8.shtml>

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)006

(Question Serial No. 1053)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under this programme of the Financial Services and the Treasury Bureau (Financial Services Branch), it is mentioned that the Branch will continue to oversee the transition from the existing self-regulatory regime for insurance intermediaries to a statutory licensing regime administered by the Insurance Authority (IA). In this connection, will the Government inform this Committee of:

- a) the current progress of the transition and the expected time of entering the stage of statutory licensing regime;
- b) the existing staffing structure of the IA; and
- c) the expected time of having sufficient staff employed?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 2)

Reply:

- a) On 26 June 2017, the Insurance Authority (IA) took over the statutory functions of regulating insurance companies from the former Office of the Commissioner of Insurance. The IA plans to take over the regulation of insurance intermediaries from the three Self-Regulatory Organizations and administer a statutory licensing regime for insurance intermediaries by mid-2019.
- b) The IA now has about 190 staff members.
- c) The IA will continue with its staff recruitment with a view to reaching a full strength of about 300 staff members in 2018-19. The new staff members coming on board are needed to enhance the existing regulatory functions and to undertake new functions, such as those relating to the regulation of some 100 000 insurance intermediaries.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)007

(Question Serial No. 1055)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the subhead items under the Financial Services and the Treasury Bureau (Financial Services Branch) is an exit package for Insurance Officer Grade officers with an approved commitment of over \$30 million. Would the Government advise this Committee on:

- a) the number of Insurance Officers accepting the exit package;
- b) the average amount of payment received by Insurance Officers accepting the exit package; and
- c) the number of Insurance Officers employed by the Insurance Authority?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 4)

Reply:

- a) Of the total 47 Insurance Officers (IOs), 46 have retired on the abolition of office (AOO) terms. The remaining one has been redeployed to work in another Government department in accordance with his preference.
- b) Non-statutory ex-gratia payments (the package as approved by the Legislative Council includes a one-off ex-gratia payment of six months' last substantive monthly salary and a special lump sum payment calculated by reference to the time period before an IO reaches his/her normal retirement age of 60) have been made by the Government to the 46 IOs retired on AOO terms. The total expenditure incurred is about \$30 million and the amount received on average by each IO is about \$660,000.
- c) 36 out of the total 46 IOs retired on AOO terms had applied for jobs in the Insurance Authority with 34 of them receiving job offers.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)008

(Question Serial No. 1056)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under this programme of the Financial Services and the Treasury Bureau (Financial Services Branch), it is mentioned that the Branch will continue to oversee the implementation of the pilot programme to enhance talent training for the insurance sector and the asset and wealth management sector. As the national impetus given to the Belt and Road Initiative and the Bay Area development will generate a huge demand for insurance professionals, would the Government advise this Committee on:

- a) the number of students graduating from insurance-related courses and joining the industry since the implementation of the pilot programme;
- b) whether a timeframe has been set to assess the effectiveness of the programme; if yes, the details; if no, the reasons; and
- c) whether consideration will be given to regularising or formalising the pilot programme?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 5)

Reply:

- a) There are four initiatives under the Pilot Programme for the insurance sector, namely the Public Education Programme, the Financial Incentive Scheme for Professional Training (FIS), the Work-and-learn Programme (WLP) and the Summer Internship Programme (SIP). As at end-February 2018, there were 1 075 attendances at the training courses under the FIS. On WLP, there are currently 19 student-workers. During the 16-month traineeship, the student-worker will receive a total of \$40,000 training allowance from the Government on top of the annual remuneration of no less than \$120,000 paid by the participating employer. If the student-worker continues to be employed as a full time employee by the same employer upon graduation, the employer would

offer an annual remuneration of no less than \$150,000. As for SIP, the number of participants for 2017 was 64. Interns will work up to two months in a participating company. The Government will contribute up to 75% or \$7,000 (whichever is the lower) per month during the internship period.

As the WLP is still going on, and participants of SIP are still at school, we therefore do not have statistics on participants joining the industry after graduation.

- b & c) We will continue to implement the initiatives under the “Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector” between now and 2019-20. We will review their cost-effectiveness and consider nearer the completion of the Pilot Programme which of the initiatives warrant continuation, and if so, in what form. Industry’s feedback will be taken into account in the course of the review.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)009

(Question Serial No. 1057)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the subhead items under the Financial Services and the Treasury Bureau (Financial Services Branch) is a consultancy study for establishing a Risk-based Capital Regime with an approved commitment of \$10 million. Would the Government advise this Committee on:

- a) the progress of the study report;
- b) the number of staff engaged by the consultant for the study;
- c) the estimated expenditure on marketing and public education; and
- d) the schedule of releasing the outcome of the study?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 6)

Reply:

To prepare for the relevant legislative amendments, the Insurance Authority (IA) is conducting quantitative impact studies for developing detailed rules under the Risk-based Capital (RBC) regime.

While the IA is conducting quantitative impact studies, we must, at the policy level, understand the impact of the proposed detailed rules of the RBC regime on the insurance industry as a whole and Hong Kong as an international financial centre. The \$10 million under the subhead is mainly reserved for the above study. Expenditure on overall marketing and public education of the RBC regime should be borne by the IA.

We will commission the concerned consultancy study through public tender by end 2018 tentatively. Hence, we do not have relevant details such as the actual manpower

arrangement of the consulting firm. We envisage that the entire consultancy study will be completed in around 8 months after its commencement.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)010

(Question Serial No. 1058)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the subhead items under the Financial Services and the Treasury Bureau (Financial Services Branch) is to provide the remaining \$200 million of a lump sum provision to the Insurance Authority (IA). Would the Government advise this Committee on:

- a) the progress of taking over the statutory functions of the Office of the Commissioner of Insurance by the IA;
- b) the expected timeframe for recruiting a new Chief Executive Officer and the estimated annual remuneration; and
- c) the contingency measures to be taken if the existing one-off provision falls short of the expenses incurred?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 7)

Reply:

- a) On 26 June 2017, the Insurance Authority (IA) took over the statutory functions of regulating insurance companies from the former Office of the Commissioner of Insurance. The IA plans to take over the regulation of insurance intermediaries from the three Self-Regulatory Organizations and administer a statutory licensing regime for insurance intermediaries by mid-2019.
- b) The recruitment of the Chief Executive Officer (CEO) of the IA is now underway and the result will be announced in due course. The IA will adopt a market-driven approach to determine the remuneration package of the CEO. Factors to be considered include external market pay data, pay levels in other similar public organizations and the current pay level of the candidate.

- c) The current projection of the IA is that it should be able to achieve breakeven in the financial year 2021-22 and the Government provision of \$650 million could help cover its accumulated shortfall before 2021-22. Since the IA has only started charging levy on insurance premiums in January 2018, a more realistic projection on its financial position could only be worked out when more actual data on its receipts from levy becomes available. The IA will continue to deploy its resources and control its expenditure in a prudent manner with an aim to achieving breakeven in a few years' time.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)011

(Question Serial No. 1060)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated in its Programme, the Financial Services and the Treasury Bureau (Financial Services Branch) will continue to promote the development of bond market in Hong Kong. In the local bond market, most of the bonds issued are merely Exchange Fund Bills or bonds issued in the name of individual statutory bodies for fund raising. With the Belt and Road Initiative (a strategy for long-term development) and the 13th Five-Year Plan taking forward by our nation, unlimited opportunities will be unleashed for the bond market. In this regard, would the Government advise this Committee of the following:

- a) What are the measures to stimulate the local bond market?
- b) Will the Government consider developing other types of Government and public bonds? If yes, which public organisations will be accorded priority in fund-raising through bond issuance? If no, what are the reasons? and
- c) Will the Government introduce appropriate measures as soon as possible to facilitate the Mainland and Hong Kong investors' participation in the bond market? If yes, what are the details? If no, what are the reasons?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 9)

Reply:

To encourage more investors and issuers from the Mainland, Asia and along the Belt and Road to participate in the Hong Kong bond market, the Government plans to launch an array of measures to enhance our competitiveness, including attracting corporate bond issuance, facilitating investors participation and broadening our investment platform. We will launch a three-year Pilot Bond Grant Scheme to attract local and overseas enterprises to issue bonds in Hong Kong. Moreover, we will refine the qualifying debt instrument scheme by increasing the types of qualified instruments and expanding the scope of tax exemption. Apart from issuing institutional bonds under the Government Bond

Programme, we will continue to issue Silver Bond this and next year, and allow securities brokers to participate in the subscription of Silver Bond so as to increase the sales channels.

We also propose to launch a green bond issuance programme with a borrowing ceiling of \$100 billion. The sums borrowed will be credited to the Capital Works Reserve Fund to provide funding for green public works projects of the Government. The measure will encourage more issuers to arrange financing for their green projects through our capital markets.

The Government will continue to encourage statutory and other relevant bodies to consider raising funds through debt securities issuance in Hong Kong having regard to their business development needs. In the past five years, Hong Kong dollar debt securities issued by statutory and other relevant bodies amounted to \$74.8 billion. The Mass Transit Railway Corporation Limited already took the lead in raising capital through green bond issuance, and the Airport Authority Hong Kong is also considering the issuance of a green bond in Hong Kong to tap into the potential of the green finance market.

On facilitation of investors' access to the bond markets in Hong Kong and the Mainland, Northbound Trading under Bond Connect has been operating smoothly since its launch in July 2017. To further promote mutual market access between Hong Kong and the Mainland, we will continue to explore the possibility of extending Bond Connect to cover Southbound Trading.

In addition, apart from issuing Renminbi (RMB) sovereign bonds in Hong Kong nine years in a row since 2009, the Ministry of Finance also issued US dollar sovereign bonds in Hong Kong last year. We have provided profits tax exemption for non-RMB (including US dollar) sovereign bonds issued in Hong Kong by the Central People's Government so as to ensure that Hong Kong continues to be the country's premier platform for issuing sovereign bonds in different currencies.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)012

(Question Serial No. 1066)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under this programme of the Financial Services and the Treasury Bureau (Financial Services Branch), it is mentioned that the Branch will prepare legislation for the establishment of a Policy Holders' Protection Scheme to better protect policyholders' interests in the event of the insolvency of an insurer. In this connection, would the Government advise this Committee on:

- a) the estimated number of staff to be recruited and the staffing structure;
- b) whether reference will be drawn from the Singapore Policy Owners' Protection Scheme in determining the levy rates based on different supervisory ratings (e.g. high, medium high, medium low and low); and
- c) the expected time of introducing the legislation into the Legislative Council?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 15)

Reply:

We propose that the Insurance Authority should be responsible for the relevant administrative work. Therefore, the Government does not require extra manpower for the establishment of the Policy Holders' Protection Scheme (PPS).

The compensation funds under the PPS will be raised by levy payable by insurance companies. We suggest using a flat rate for cost-effectiveness.

Our target is to submit the relevant bill to the Legislative Council for scrutiny in the 2018-19 legislative year.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)013

(Question Serial No. 1067)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Services Branch will continue to advance financial co-operation with the Mainland. Apart from deepening the mutual access between financial markets in Hong Kong and the Mainland and reinforcing the offshore Renminbi business platform, does the Government have any other measures to tie in with various policy developments under the Belt and Road Initiative and relevant co-operation frameworks? If yes, what is the estimated expenditure involved? If no, what are the reasons?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 16)

Reply:

The Government attaches great importance to the opportunities brought by the Belt and Road Initiative. Hong Kong will continue to play the bridging role between the Mainland and the rest of the world, and can contribute to the following aspects in relation to financial services –

- (1) Global offshore Renminbi (RMB) business hub: With the increased use of RMB in bilateral trade and investment, demand from the offshore markets for RMB settlement, financing and fund management is on the rise. The launch of Bond Connect in July last year (which enables overseas investors to access the onshore bond market through financial infrastructural connection between Hong Kong and the Mainland) and the increase of the RQFII quota for Hong Kong from RMB270 billion to RMB500 billion (which reinforces Hong Kong's leading position with the biggest quota in the world) have strengthened Hong Kong's strategic position as the springboard for overseas investors to enter the Mainland financial markets. We will continue to enhance Hong Kong's status as the global offshore RMB business hub;
- (2) Project financing and risk management: Hong Kong can be the major investment, financing and risk management centre for the Belt and Road Initiative. The Hong Kong Monetary Authority's (HKMA) Infrastructure Financing Facilitation Office

(IFFO) aims to facilitate infrastructure investments and their financing, by working with a cluster of key stakeholders who are invited as partners. So far, over 80 organisations from the Mainland, Hong Kong and overseas have joined IFFO as partners. Further, there are a number of multinational insurance institutions and reinsurers in Hong Kong with rich experience and knowledge of underwriting risks of major infrastructure, which can help Mainland enterprises enhance their ability to manage project risks;

- (3) Asset management and corporate treasury centre (CTC): Hong Kong is well placed to provide asset management services to enterprises, financial institutions and investors along the Belt and Road. To provide a conducive environment for attracting multinational and Mainland corporations to centralise their treasury functions in Hong Kong, the Inland Revenue Ordinance (Cap. 112) (IRO) already allows corporations which operate their intra-group financing business in Hong Kong to enjoy interest deduction in calculating profits tax and profits tax rate reduction by 50% under specified conditions. The Government proposes to amend the IRO to extend the coverage of profits tax concession to specified treasury services provided by qualifying CTCs for their onshore associated corporations; and
- (4) Green finance: The Government is making progress on various fronts to promote Hong Kong as the green finance hub in the region. The Financial Secretary announced in the 2018-19 Budget that from the dedicated provision of \$500 million, a Green Bond Grant Scheme would be introduced to subsidise qualified green bond issuers in obtaining green bond certification; and a green bond issuance programme with a borrowing ceiling of \$100 billion will also be launched to provide funding for green public works projects of the Government so as to encourage more issuers to arrange financing for their green projects through our capital market. The Government will submit a resolution to the Legislative Council as soon as possible so that the inaugural government green bond can be issued early.

Looking ahead, capitalising on the opportunities brought by the Belt and Road Initiative, the Government will continue to closely engage the industry and the relevant Mainland authorities to seek more policy headroom for further expanding the channels for two-way cross-border RMB fund flows and relaxing the constraints for Hong Kong financial institutions entering the Mainland market.

The above work will be pursued jointly by the Government and relevant financial regulators. The related expenses will be absorbed from within existing resources in the Financial Services Branch. We do not have a separate breakdown.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)014

(Question Serial No. 1073)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Budget has set aside a dedicated provision of \$500 million for the development of the financial services industry in the coming 5 years, providing necessary support for bond market development, Fintech, green finance, manpower training and other aspects of financial services. Will the Government advise this Committee on how much of the proposed provision that is earmarked for promoting the development of the insurance sector? In addition, how will the Government facilitate participation of the insurance sector in the Belt and Road Initiative and the Bay Area development?

Asked by: Hon CHAN Kin-por (Member Question No. (LegCo use): 23)

Reply:

Dedicated provision for the development of the financial services sector

The dedicated provision of \$500 million will be used to promote the overall development of the financial services sector. There is no ceiling imposed on individual areas. We will flexibly deploy the dedicated provision having regard to the need and progress of relevant initiatives. For instance, in promoting the development of the insurance sector, upon the completion of the Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector in 2019-20, we will review which initiatives are cost-effective, and then use the dedicated provision for continuing such initiatives when necessary.

Belt and Road Initiative

Hong Kong may emerge as the major risk management centre under the Belt and Road Initiative. On reinsurance, Hong Kong's insurance companies can underwrite large-scale investments and infrastructure projects under the Belt and Road Initiative. In this connection, the Insurance Authority (IA) and the China Insurance Regulatory Commission

have reached initial consensus regarding the “Equivalence Assessment Framework Agreement on Solvency Regulatory Regime”. The capital requirements of Mainland insurers on the business ceded to Hong Kong reinsurers will be lowered. This will increase the competitiveness of Hong Kong reinsurers in obtaining insurance business ceded from Mainland insurers.

In addition, by setting up captive insurers in Hong Kong, Mainland enterprises can pool the risks arising from infrastructure projects under the Belt and Road initiative among group members, thereby reducing the costs of insurance and enhancing the enterprises’ risk management capabilities. We are amending the Inland Revenue Ordinance to extend the existing 50% tax concession to profits arising from offshore insurance business of professional reinsurers and captive insurers to their onshore business. The Government and the IA will also strengthen our promotional work, and proactively seek the support of relevant Mainland authorities to encourage more Mainland enterprises to set up captive insurers in Hong Kong.

Bay Area

We will strengthen cross-border cooperation among insurance institutions of Guangdong, Hong Kong and Macau. For instance, we will continue to closely liaise with the insurance industry to proactively study the feasibility of cross-border sales of relatively standardised insurance products in the Bay Area.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)015****(Question Serial No. 1853)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the estimated expenditure and work plans for the new items of “Funding for promoting and facilitating the development of the financial services sector”, “Provision to the Insurance Authority” and “Contribution to the Asian Infrastructure Investment Bank Project Preparation Special Fund” in the coming financial year? Why is the funding for these items sought in the context of the Appropriation Bill 2018 instead of being sought separately from the Finance Committee of the Legislative Council?

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 1115)

Reply:

Details of the estimated expenditure and work plan for the relevant items are as follows –

	Item	2018-19 Estimate \$'000	Work Plan
1	Funding for promoting and facilitating the development of the financial services sector	200,000	To set aside a dedicated provision for the development of the financial services industry in the coming five years, including the development of bond market (such as the Pilot Bond Grant Scheme), Fintech, green finance (such as the Green Bond Grant Scheme), manpower training and other aspects of financial services. We will explore and formulate, in consultation with the industry players and stakeholders, the initiatives and programmes to promote and facilitate the development of the financial services industry and provide the necessary support.

2	Provision to the Insurance Authority	200,000	To help the Insurance Authority (IA) meet the shortfall in its initial years of operation, the Government has undertaken to provide seed money of \$650 million to the IA. The first tranche of \$450 million was disbursed to the IA in 2016-17 and, subject to the approval of the Legislative Council, the second tranche of \$200 million will be disbursed in 2018-19.
3	Contribution to the Asian Infrastructure Investment Bank Project Preparation Special Fund	78,000	The Asian Infrastructure Investment Bank (AIIB) Project Preparation Special Fund (the Fund) is an important initiative of the AIIB. It will provide grants to support and facilitate the preparation of selected projects to be financed by the AIIB. We plan to make a one-off contribution of \$78 million to the Fund.

It is not a new arrangement to include funding proposals for commitments under the General Revenue Account, including proposals for creating or increasing expenditure ceilings for commitment items, into the draft Estimates for consideration by the Legislative Council in the context of the Appropriation Bill. The Government informed the Finance Committee of the arrangement in early 2015. We have provided relevant information to the Panel on Financial Affairs before including these items into the draft Estimates, and also indicated the necessary provision for these proposals under the relevant subheads of expenditure for Members' deliberation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)016

(Question Serial No. 1674)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government introduce some specific measures to assist small and medium securities dealers to develop the bond market? For example, will the Government set aside a quota for sale through small and medium securities dealers in its future batches of "Silver Bond"? Will there be a pre-set quota or percentage? Apart from "Silver Bond", will such measures be extended to cover other bond products such as "green bond" and sovereign bond?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 16)

Reply:

To promote the development of the local bond market and provide the financial services industry with more opportunities to develop bond related business, the Government will launch a three-year Pilot Bond Grant Scheme to attract local and overseas enterprises to issue bonds in Hong Kong. Moreover, we will refine the qualifying debt instrument scheme by increasing the types of qualified instruments and expanding the scope of tax exemption. Besides, the Government will continue to issue Silver Bond this and next year, and allow securities brokers to participate in the subscription of Silver Bond so as to increase the sales channels. The above measures will facilitate the financial services industry including securities brokers to capitalise on the opportunities arising from the bond market development.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)017

(Question Serial No. 1675)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Bond business has always been in the sole hands of banks. Will the Government work with the Hong Kong Exchanges and Clearing Limited (HKEX) and the Securities and Futures Commission (SFC) and consider introducing measures to facilitate the sale of bonds by securities companies? For instance, is it possible to encourage more bond listings and allow easier subscription and secondary trading by investors? The Government has previously examined the establishment of a fund distribution platform with the HKEX and the SFC to allow greater participation of securities companies in trading and counteract the dominance of banks. What is the progress of the study on the distribution platform? Whether the concept of this platform can apply to bond products as well? Or will the Government join hands with the relevant organisations in developing an open bond distribution platform which allows participation of securities companies?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 17)

Reply:

We have been actively seeking development opportunities for the financial services industry, such as exploring the expansion of retail fund distribution channels and enhancing Hong Kong's market infrastructure. The Securities and Futures Commission, the Hong Kong Exchanges and Clearing Limited (HKEX), market participants and relevant stakeholders have been in discussion to explore the establishment of an exchange-based fund distribution platform. The discussion is now at an early stage. We trust that the industry's views will be considered in the course of the discussion.

For bond products, the HKEX's trading platform and clearing system can support the trading and clearing of listed bonds. To facilitate the trading of listed bonds by securities firms, the HKEX has exempted the Stock Exchange of Hong Kong Limited (SEHK) Participants from the payment of the trading fee for off-exchange bond transactions reported to the SEHK, and extended the reporting deadline for such transactions as part of the efforts to alleviate the operating costs of and compliance burden on securities firms. In addition,

the HKEX supports bonds issued by the Government, such as the iBonds. The HKEX will also provide subscription and the subsequent nominee services for Silver Bonds to be issued by the Government to facilitate participation by securities firms.

To further promote the development of local bond market and provide the financial services industry with more opportunities to further develop their bond related business, the Government will launch a three-year Pilot Bond Grant Scheme to attract local, Mainland and overseas enterprises to issue bonds in Hong Kong. Moreover, we will amend the qualifying debt instrument scheme by increasing the types of qualified instruments and to extend the scope of tax exemption.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)018

(Question Serial No. 1676)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Budget proposed to encourage more enterprises from the Mainland and along the Belt and Road to issue bond in Hong Kong. Will the Government take the opportunity to explore the refinements of Bond Connect with the Central Government, such as the schedule of launching southbound trading which allows Mainland capital to trade in Hong Kong, and the practicability of lifting the restriction of “selling to institutional investors only” to expand the scope of retail bond subscription?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 18)

Reply:

The Government strives to deepen the mutual financial market access between Hong Kong and the Mainland, with a view to further strengthening Hong Kong's role in connecting the financial market between the Mainland and the rest of the world.

Bond Connect marks an important milestone in the development of mutual capital market access between the Mainland and Hong Kong. Northbound Trading under Bond Connect has been operating smoothly since its launch in July 2017. The Hong Kong Monetary Authority is in discussion with the People's Bank of China and the relevant Mainland institutions on ways to enhance the operational flow of Northbound Trading, and has maintained dialogue on Southbound Trading.

The scope of eligible investors under Bond Connect is the same as that for direct entry into the market. Institutional investors are currently the main participants of the China Interbank Bond Market. We will continue to maintain dialogue with the Mainland authorities, with a view to achieving further opening-up of the Mainland bond market.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)019

(Question Serial No. 1677)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that the Government will set aside a dedicated provision of \$500 million for the development of the financial services industry in the coming five years, providing necessary support for bond market development, Fintech, green finance, manpower training and other aspects of financial services. Is the \$500 million estimate sufficient? Is it mainly for financing the Pilot Bond Grant Scheme?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 19)

Reply:

The estimated total commitment of the dedicated provision for promoting and facilitating the development of the financial services sector is \$500 million. The funding will be used to promote and facilitate the development of the financial services sector in the five financial years from 2018-19. The estimated cash flow requirement for 2018-19 is \$200 million, of which \$150 million will be used for launching the Pilot Bond Grant Scheme. The remaining provision will be used for promoting and developing Hong Kong as a Fintech hub, introducing the Green Bond Grant Scheme and providing support to the development in other aspects of financial services. We will flexibly deploy the dedicated provision having regard to the need and progress of relevant initiatives and review the resources required in a timely manner for promoting the overall development of the financial services sector.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)020

(Question Serial No. 1680)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Apart from promoting a regime for the listing of enterprises with weighted voting rights structure, what are the other key issues for deliberation in the Financial Leaders Forum chaired by the Financial Secretary this year? Is "Primary Equity Connect" one of the key issues to be followed up? Has the Hong Kong Government stepped up liaison with the relevant Mainland authorities for getting to know the Central Government's views on introducing the "Primary Equity Connect" in Hong Kong and the risk concerns about it? What are the prerequisites for Hong Kong to launch the "Primary Equity Connect"?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 22)

Reply:

The Financial Leaders Forum discusses and provides policy steer on strategic and forward-looking proposals to further develop and strengthen Hong Kong's position as an international financial centre, having regard to the need to maintain monetary stability, financial safety and market quality. The Forum will continue to discuss various matters in the above areas.

We will continue to deepen the mutual financial market access between Hong Kong and the Mainland, with a view to further strengthening Hong Kong's role in connecting the financial markets between the Mainland and the rest of the world. Regarding Primary Equity Connect, we will study this subject in the medium to long term, having regard to the financial regulation in the Mainland and Hong Kong. The Securities and Futures Commission will maintain communication with the Hong Kong Exchanges and Clearing Limited on the subject.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)021

(Question Serial No. 1681)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Hong Kong will introduce a listing regime with weighted voting rights structure this year. As agreed by the Government, the Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited (HKEX), “pre-revenue biotechnology enterprises” will be allowed to list in Hong Kong. In addition to these enterprises, will the Government allow more pre-revenue industries from “new economy” sectors (such as artificial intelligence technology) to raise funds in Hong Kong in the future? Will the Government work with the HKEX and SFC in regularly reviewing the listing policies and regulatory requirements in this respect to keep up with the rapidly evolving global technological landscape?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 23)

Reply:

As companies at the pre-revenue stage potentially carry additional risks, the Stock Exchange of Hong Kong proposes to initially limit applicants permitted to list on a pre-revenue basis to biotech companies. In the US, biotech companies make up a majority of companies seeking a listing in the early stage of development. Further, regulation by internationally recognised bodies and the stages involved in their approval processes provide an indication as to the nature of biotech companies and their development progress. This gives investors a frame of reference to form their judgement about a biotech company's value, in the absence of traditional indicators such as revenue and profit.

Our policy objective is to have timely reviews of listing issues, so as to keep our market competitive and ensure the quality of our market.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)022

(Question Serial No. 1691)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government has proposed to “upgrade” the Financial Services Development Council (FSDC) to an independent body by incorporating it as a “company limited by guarantee”. (i) Why has the Government chosen to “upgrade” the FSDC by incorporating it as a “company limited by guarantee” instead of turning it into a “statutory body/public organisation”? Is it intended for bypassing the Legislative Council’s scrutiny or other legislative processes so as to expedite the “upgrading”? (ii) Are there any objective criteria as to whether an independent quasi-government organisation should be set up as a “company limited by guarantee” or a “statutory body/public organisation” under general circumstances? What is the difference between the two and what are their pros and cons?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 24)

Reply:

The Government will decide on the most appropriate model based on the functions and operational need of a proposed organisation. As far as the Financial Services Development Council (FSDC) is concerned, the Government plans to change its mode of operation in order to strengthen its role through enhanced operational efficiency and flexibility, including recruiting its own staff with professional knowledge and market experience to provide dedicated professional support for the FSDC. When reviewing the institutional set-up of the FSDC, we have duly considered various corporate structures, including in the form of a statutory body. Taking into account FSDC’s functions in conducting strategic studies, providing advice, fostering market development and nurturing talent, we have concluded that there is no need to turn the FSDC into a statutory body at this stage.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)023****(Question Serial No. 1694)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

An “industry nomination system” is in place for drawing membership for the Trade Development Council (TDC) and the Arts Development Council (ADC). Under the system, some of their members are nominated by specific chambers of commerce or organisations. The Tourism Board (TB), on the other hand, has put in place a “stakeholder representative system”, under which part of its membership must be reserved for the representatives of specific trades. At present, the Financial Services Development Council (FSDC) comprises 23 Council Members and 38 Committee Members, all of them being appointed by the Government. In this connection, would the Government advise whether it will consider following the practice of the TDC, ADC or TB by introducing an “industry nomination system” or a “stakeholder representative system” in its appointment of members of the “upgraded” FSDC, so as to ensure that its membership can widely represent the voices of different financial sectors, and not just the views of individual trades?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 25)

Reply:

Since its establishment, the Financial Services Development Council (FSDC) has brought together experts from various sectors of Hong Kong’s financial services industry in providing advice to the Government on the further development of different aspects of the industry. The FSDC currently comprises 28 Council Members and a further 37 Committee Members, drawing from different sectors, including banking, asset and wealth management, insurance, securities, and financial-related professional services. All of them are appointed by the Government with regard to their background, experience and expertise to ensure a broad representation in composition.

The operation of the incorporated FSDC will be steered by its Board of Directors who are appointed by the Chief Executive or under her delegated authority. The membership of the incorporated FSDC will continue to be drawn from various sectors of the financial services industry. We do not plan to change the appointment mechanism for the FSDC.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)024****(Question Serial No. 1695)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Statutory bodies/public organisations are required to submit their annual reports and financial statements regularly to the Legislative Council (LegCo) while some of them (such as the Hong Kong Monetary Authority and the Securities and Futures Commission) are even required to provide annual updates to the LegCo. Moreover, these bodies/organisations are generally required to comply with a set of specific guidelines on corporate governance, including “the six-year rule” and “the six-board rule” (i.e. the rules that require a member to serve not more than 6 years in any one capacity and on not more than 6 boards/committees), and the system for declaration of interests. In this connection, would the Government please advise this Committee: (i) whether the Financial Services Development Council (FSDC) will be required to follow these practices upon its “upgrade” in the form of being incorporated as a company limited by guarantee; (ii) whether the Government has any specific measures in place to monitor FSDC’s day-to-day administration and operation (such as the proper use of public monies, the declaration of interests by its directors and members, and the disclosure of its members’ attendance rates); and whether FSDC will update the LegCo and the public on its operation on a regular basis?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 26)

Reply:

The operation of the incorporated Financial Services Development Council (FSDC) will continue to be transparent. To ensure proper use and disbursement of Government funds, the Government will put in place a proper control and review mechanism to monitor the operation of the incorporated FSDC. Apart from meeting the statutory requirements of Hong Kong companies under the Companies Ordinance (Cap. 622), the incorporated FSDC should adopt additional accountability and transparency measures in accordance with the prevailing Government guidelines on the management and control of funding for subvented organisations, which include submission of annual work plans, budgets, annual reports and audited annual financial statements to the Government. The relevant control measures will

be stipulated in the Memorandum of Administrative Arrangements as agreed between the Government and the incorporated FSDC.

The proposed subvention to the incorporated FSDC will be included in the annual Estimates of the Financial Services Branch for examination and approval by the Legislative Council (LegCo). The incorporated FSDC will continue to submit annual briefings on its work at the LegCo Panel on Financial Affairs. The relevant information will be made available to the public.

On declaration of interest, currently members of the FSDC are required to declare if there is potential conflict of interest on the topics under discussion. Such declaration mechanism will continue to be in place in the FSDC upon its incorporation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)025

(Question Serial No. 1698)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is proposed in the Budget that “annuity schemes” offered by banks and insurance companies may enjoy tax concessions. Will the Government strengthen its regulation to guard against the indiscriminate launch of “annuity products” under various titles by banks and insurance companies to mislead the public, or more worryingly the emergence of “fake annuity”?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 29)

Reply:

The Government has asked the Insurance Authority (IA) to consult the insurance industry on the proposed tax concessions for deferred annuity products as announced in the Budget with an aim to drawing up guidelines on the eligibility criteria. The guidelines will include a set of criteria covering annuity period, premium amount and premium payment period, etc. The IA will publish the list of eligible deferred annuity products on its website for public information and enhance public understanding of annuity products through publicity measures.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)026

(Question Serial No. 1699)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Budget proposed a Pilot Bond Grant Scheme to attract local, Mainland and overseas enterprises to issue bonds in Hong Kong. Has the Government worked out the details of the scheme? For instance, what enterprises or institutions are eligible for the grant? Does the grant cover issue expenses of enterprises incorporated in China, Hong Kong or specified overseas regions only? Is there any minimum issuance quota? Are there any restrictions on the currency of issuance, use of capital raised, tenor, etc.?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 30)

Reply:

To promote the development of the local bond market, the Government proposes to set up a three-year Pilot Bond Grant Scheme. The Scheme will cover eligible enterprises issuing bonds in Hong Kong for the first time. The amount of grant for each bond issuance is equivalent to half of the issuance expenses, capped at \$2.5 million. An enterprise can apply for a grant for a maximum of two bond issuances. The Hong Kong Monetary Authority will announce the details in due course.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)027

(Question Serial No. 2598)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

To enhance the quality of practitioners of the insurance industry, a pilot programme has been implemented to enhance talent training for the insurance sector and the asset and wealth management sector. In this connection, would the Government advise of:

1. the details of measures implemented under the programme over the past year;
2. the specific work of the programme for this year; and
3. the manpower and financial resources involved?

Asked by: Hon CHOW Ho-ding, Holden (Member Question No. (LegCo use): 37)

Reply:

1. and 2. The Pilot Programme, with \$100 million funding, was launched in August 2016.

There are four initiatives under the Pilot Programme for the insurance sector, namely the Public Education Programme (PEP), the Financial Incentive Scheme for Professional Training (FIS), the Work-and-learn Programme (WLP) and the Summer Internship Programme (SIP). On PEP, we have conducted workshops, seminars, competitions and publicity and outreach programmes. FIS subsidises the three Self-Regulatory Organisations (i.e. the Hong Kong Federation of Insurers, the Hong Kong Confederation of Insurance Brokers and Professional Insurance Brokers Association) in organising high-quality training courses focusing on the functional or topical areas in insurance. As at end-February 2018, there were 1 075 attendances at the training courses under the FIS. On WLP, there are currently 19 student-workers. During the 16-month traineeship, the student-worker will receive a total of \$40,000 training allowance from the Government on top of the annual remuneration of no less than \$120,000 paid by the participating employer. If the student-worker continues to be employed as a

full time employee by the same employer upon graduation, the employer would offer an annual remuneration of no less than \$150,000. As for SIP, the number of participants for 2017 was 64. Interns will work up to two months in a participating company. The Government will contribute up to 75% or \$7,000 (whichever is the lower) per month during the internship period. We will continue the above initiatives in 2018-19.

As for the Pilot Programme for the asset and wealth management sector, there are three initiatives, namely Promotion and Education Initiatives, the FIS, and the SIP for Undergraduate Students. As at end-February 2018, we have organised a launching ceremony-cum-industry promotion event and a career fair for the Pilot Programme, as well as 70 seminars and briefing sessions for university students, educational institutions, and the industry. There were around 1 570 attendances in total. We have also set up a dedicated website for the Pilot Programme. As for the FIS, there were 3 925 attendances at the training courses, and 384 persons have submitted applications for course fees and have been reimbursed. Under the Scheme, each eligible person may be reimbursed 80% of his/her course fees upon completion of eligible courses. Each person may be reimbursed up to \$7,000 over the three-year period of the Pilot Programme. As for the SIP, 61 persons participated in 2017, while in 2018, more than 670 students applied for over 100 vacancies. The implementation agent is now in the process of matching student applicants to internship positions. Under the SIP, a student intern would work for a participating company for at least one month. Out of the monthly honorarium that a student intern will receive, the Government will provide a subsidy of up to 75% or \$7,000 (whichever is the lower), for a total period of up to two months. We will continue the above initiatives in 2018-19.

3. The Pilot Programmes for the insurance sector and the asset and wealth management sector are implemented by the Vocational Training Council and the Hong Kong Securities and Investment Institute respectively. In addition, the Financial Services Branch has created two Non-Civil Service Contract posts to oversee the work of the Pilot Programmes. The expenditure for these two posts in 2017-18 was about \$1.1 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)028

(Question Serial No. 2599)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in Matters Requiring Special Attention in 2018-19 under Programme (1) of this Head that the Government will continue to promote the development of the bond market. In this connection, please inform this Committee of, in detail and in point form, the specific measures in taking forward this initiative and their effectiveness, as well as the estimated expenditure involved in each measure.

Asked by: Hon CHOW Ho-ding, Holden (Member Question No. (LegCo use): 41)

Reply:

To encourage more investors and issuers from the Mainland, Asia and along the Belt and Road to participate in the Hong Kong bond market, the Government plans to launch an array of measures to enhance our competitiveness, including attracting corporate bond issuance, facilitating investors participation and broadening our investment platform. We will launch a three-year Pilot Bond Grant Scheme to attract local and overseas enterprises to issue bonds in Hong Kong. Moreover, we will refine the qualifying debt instrument scheme by increasing the types of qualified instruments and expanding the scope of tax exemption. Apart from issuing institutional bonds under the Government Bond Programme, we will continue to issue Silver Bond this and next year, and allow securities brokers to participate in the subscription of Silver Bond so as to increase the sales channels.

We also propose to launch a green bond issuance programme with a borrowing ceiling of \$100 billion. The sums borrowed will be credited to the Capital Works Reserve Fund to provide funding for green public works projects of the Government. The measure will encourage more issuers to arrange financing for their green projects through our capital markets.

The Financial Services and the Treasury Bureau has earmarked \$150 million in the 2018-19 Estimates for launching the Pilot Bond Grant Scheme. Expenses relating to the Government Bond Programme and the green bond issuance programme will be borne by the

Bond Fund and the Capital Works Reserve Fund respectively. Expenditure involved in launching the other initiatives mentioned above will be absorbed from within existing resources.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)029

(Question Serial No. 2600)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in Matters Requiring Special Attention in 2018-19 under Programme (1) of this Head that the Government will continue to promote the development of financial technologies in Hong Kong. In this regard, will the Government advise on:

1. the details of support measures in implementing this initiative and expenditure involved in the past 3 years in tabular form?
2. the specific details of the relevant support measures this year?
3. whether new support measures will be introduced this year and the expenditure involved?

Asked by: Hon CHOW Ho-ding, Holden (Member Question No. (LegCo use): 42)

Reply:

Measures announced by the Financial Secretary in the 2018-19 Budget to promote the development of Fintech include –

- (a) Hong Kong Monetary Authority (HKMA) is prepared to launch a Faster Payment System offering 24-hour real-time payment function in September this year. This will allow banks and Stored Value Facility operators to provide real-time, round-the-clock, cross-institution payment and fund transfer service to their business and personal customers;
- (b) virtual banks are considered commercially and technically viable based on overseas experience. HKMA is consulting the industry on reviewing and amending the relevant guidelines, and will make the best endeavour to issue licences within this year;

- (c) \$200 million will be allocated to Cyberport to enhance the support for start-ups (including Fintech start-ups) and promote the development of the digital technology ecosystem. Cyberport will also launch an “easy landing” programme to attract multinational companies (including overseas and Mainland leading internet enterprises and Fintech companies) to set up offices and R&D units in Hong Kong; and
- (d) a dedicated provision of \$500 million for the development of the financial services industry in the coming five years, providing necessary support for Fintech, bond market development, green finance, manpower training and other aspects of financial services.

Initiatives to develop Fintech over the past two years could be found at LC Paper No. CB(1)777/16-17(03)

<https://www.legco.gov.hk/yr16-17/english/panels/fa/papers/fa20170418cb1-777-3-e.pdf>

and LC Paper No. CB(1)736/15-16(02)

<https://www.legco.gov.hk/yr15-16/english/panels/fa/papers/fa20160411cb1-736-2-e.pdf>

Fintech related work in the Financial Services Branch (FSB) will be absorbed from within FSB’s existing resources and manpower, including one Administrative Officer Staff Grade C, one Senior Economist, one Economist and one Senior Executive Officer.

Furthermore, Financial Services and the Treasury Bureau has earmarked \$14.91 million in 2018-19 to continue to support Invest Hong Kong (InvestHK)’s dedicated Fintech team. FSB allocated \$10.75 million and \$14.56 million respectively to InvestHK’s dedicated Fintech team in 2016-17 and 2017-18 respectively.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)030

(Question Serial No. 2088)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With regard to the green bond:

- 1) what are the green projects to be financed? what are the criteria?
- 2) what are the terms (including face value, tenor, coupon rate and coupon frequency) of the bond?

Asked by: Hon CHU Hoi-dick (Member Question No. (LegCo use): 19)

Reply:

To demonstrate our support for sustainable development and determination to combat climate change, and to promote the development of green finance in Hong Kong, the Financial Secretary announced in the 2018-19 Budget that a Government Green Bond Programme (the Programme) with a borrowing ceiling of \$100 billion will be launched. The proceeds of issuances under the Programme will be credited to the Capital Works Reserve Fund for funding green public works projects of the Government meeting criteria for inclusion in the Programme. These projects would continue to be subject to the same established mechanism for seeking funding approval from the Finance Committee of the Legislative Council (LegCo). Such projects must provide positive environmental benefits such as projects relating to renewable energy, energy efficiency, sustainable water and wastewater management, that are aligned with the green standards or principles underpinning the issuance. The Programme is also expected to encourage more issuers to arrange financing for their green projects through our capital markets.

We will submit a resolution to LegCo as soon as possible to seek authorisation to take forward the Programme. The terms of the inaugural green bond issuance, such as the tenor and size, would be determined having regard to the financing and re-financing needs of the

commitments of green public works projects and the market situation (e.g. the interest rate, supply and demand of the market). The inaugural issuance will align with a green bond standard/guidelines widely accepted by global investors to provide appropriate disclosure to investors and other stakeholders to understand the characteristics and the greenness of the inaugural Government green bond and set a good example to other potential green issuers in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)031

(Question Serial No. 2985)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In respect of the green bond issuance programme with a borrowing ceiling of \$100 billion,

1. what is the role of the Government in the programme?
2. will the Government arrange manpower for formulating and monitoring “green public works projects”?
3. how to ensure that such “green public works projects” will not be subject to green washing and will bring positive impacts to climate change?

Asked by: Hon HUI Chi-fung (Member Question No. (LegCo use): 34)

Reply:

To demonstrate our support for sustainable development and determination to combat climate change, and to promote the development of green finance in Hong Kong, the Financial Secretary announced in the 2018-19 Budget that a Government Green Bond Programme (the Programme) with a borrowing ceiling of \$100 billion will be launched. The proceeds of issuances under the Programme will be credited to the Capital Works Reserve Fund for funding green public works projects of the Government meeting criteria for inclusion in the Programme. These projects would continue to be subject to the same established mechanism for seeking funding approval from the Finance Committee of the Legislative Council (LegCo). Such projects must provide positive environmental benefits such as projects relating to renewable energy, energy efficiency, sustainable water and wastewater management, that are aligned with the green standards or principles underpinning the issuance. The Programme is also expected to encourage more issuers to arrange financing for their green projects through our capital markets.

We will submit a resolution to LegCo as soon as possible to seek authorisation to take forward the Programme. The terms of the inaugural green bond issuance, such as the tenor

and size, would be determined having regard to the financing and re-financing needs of the commitments of green public works projects and the market situation (e.g. the interest rate, supply and demand of the market). The inaugural issuance will align with a green bond standard/guidelines widely accepted by global investors to provide appropriate disclosure to investors and other stakeholders to understand the characteristics and the greenness of the inaugural Government green bond and set a good example to other potential green issuers in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)032****(Question Serial No. 1150)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In relation to the operation of the newly established Insurance Authority, please provide a detailed breakdown of its projected financial situation, including but not limited to whether the remaining \$200 million seed money provided by the government to the IA will be sufficient for 2018-19, approximately when the IA can become financially independent, and the estimated impact of the newly imposed levy on the IA's financial situation.

Asked by: Hon KWOK Wing-hang, Dennis (Member Question No. (LegCo use): 9)

Reply:

The Insurance Authority (IA) is expected to be financially independent of the Government. The IA is supposed to be self-financed with income from levy on premiums and regulatory fees. However, the IA will have a shortfall in income because it has just started collecting levy on insurance premiums since 1 January 2018. To help the IA meet the shortfall in its initial years of operation, the Government has undertaken to provide seed money of \$650 million to the IA. The first tranche of \$450 million was disbursed to the IA in 2016-17 and, subject to the approval of the Legislative Council, the second tranche of \$200 million will be disbursed in 2018-19.

The estimated income and operating expenditure of the IA for 2018-19 is about \$182.9 million and \$418.1 million respectively. The estimated capital expenditure for 2018-19 is about \$27 million. Taking into account the balance of the Government's seed money provision, it is projected that the IA will have an unspent operating balance of about \$240 million by 31 March 2019.

With the allocation provided by the Government, it is expected that the IA should be able to cover its accumulated shortfall before achieving breakeven in 2021-22. Since the IA has only started collecting the levy in January 2018, a more realistic projection could only be worked out when more actual data on its receipts from levy becomes available. The IA will

continue to deploy its resources and control its expenditure in a prudent manner with an aim to achieving breakeven in a few years' time.

It remains our target that about 70% of the IA's expenditure to be met by income from the levy and the remaining 30% by income from the various authorization, licence and user fees. The levy rate, currently at 0.04% on premiums of insurance policies, will increase gradually until it reaches the target level of 0.1% in 2021-22, subject to a cap on the levy on each insurance policy.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)033

(Question Serial No. 0893)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Does the Government have plans to join the Faster Payment System as an independent entity and use a common QR code to collect taxes and various types of licence fees and fines? If yes, what are the details? If no, what are the reasons?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. (LegCo use): 39)

Reply:

Banks and Stored Value Facility (SVF) operators can make use of the Faster Payment System (FPS) to provide various kinds of payment services and products. The Government can make use of these payment services and products provided by banks and SVF operators and does not need to participate in the FPS directly.

E-wallets offered by some SVF operators can provide bill payment service. Users can scan the barcodes on their bills (such as phone bills and Towngas bills) and make payments through the e-wallets on their mobile phones. To facilitate the development of the SVF market, Financial Services and the Treasury Bureau is exploring with relevant Government departments to allow the public to pay government bills in the same manner.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)034

(Question Serial No. 2372)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Services Branch aims to maintain and enhance Hong Kong's status as a major international financial centre.

The Inland Revenue Ordinance was amended in 2013 to provide a comparable taxation framework for some common types of Islamic bonds (sukuk) vis-à-vis conventional bonds, with a view to promoting the development of a sukuk market in Hong Kong.

In 2017, the Government announced the successful offering of its third sukuk under the Government Bond Programme. The Financial Secretary, Paul Chan said that he hoped the issuance would further growth of the sukuk market in Hong Kong and attract more issuers and investors to participate in our bond market. It is also stated that the primary objective of the Government Bond Programme is to promote the further and sustainable development of the local bond market.

- a. What is the breakdown of the manpower and expenditures involved in monitoring and reviewing the above policy?
- b. Has the Bureau analysed the effectiveness of the aforementioned sukuk issuance and the previous two? If no, why not? If yes, what are the conclusions drawn.
- c. How many sukuk have been issued in Hong Kong since 2013 and what have been the general demand for these products?

Asked by: Hon LEUNG Kenneth (Member Question No. (LegCo use): 1.03)

Reply:

To promote the development of Islamic finance in Hong Kong, three sukuk were issued under the Government Bond Programme in 2014, 2015 and 2017 respectively to demonstrate the ability of our capital platform to support sukuk issuances. The three

issuances, each with a size of US\$1 billion, were well received by investors around the world and oversubscription was recorded. The yields of the three sukuk are 2.005%, 1.894% and 3.132% respectively.

To promote the further development of the bond market, in 2018-19 the Government will launch a Pilot Bond Grant Scheme to attract local and overseas enterprises to issue bonds in Hong Kong. We will also refine the qualifying debt instrument scheme to expand the scope of tax exemption. These measures will help increase the competitiveness of the Hong Kong bond market, and be conducive to the development of Islamic finance. The manpower and expenses involved in taking forward the above initiatives will be absorbed from within our existing resources.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)035

(Question Serial No. 2373)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Services Branch formulates policies covering the insurance industry. The Inland Revenue Ordinance was amended in 2014 to provide a tax concession for captive insurers to enjoy a 50 per cent reduction in the profits tax on their insurance business of offshore risks.

- a. What is the breakdown of the manpower and expenditure involved in monitoring and reviewing the above policy?
- b. What is the breakdown of the number of cases qualified for the tax concession in each of the past financial years since the induction of the aforementioned profit tax deduction? If available, what is the total amount in tax saved by the public in each respective financial year since the induction of the scheme?
- c. Has the Bureau analysed the effectiveness in terms of economic benefits of the aforementioned profit tax deduction? If no, why not? If yes, what are the conclusions drawn?

Asked by: Hon LEUNG Kenneth (Member Question No. (LegCo use): 1.04)

Reply:

- a. One Administrative Officer Staff Grade C, one Senior Administrative Officer, one Administrative Officer and one Senior Executive Officer in the Financial Services Branch are responsible for policies relating to the insurance sector, including captive insurance. We do not have the breakdown for this item.

- b. The figures are as follows:

	2013-14	2014-15	2015-16	2016-17
Number of cases qualified for the tax concession	1	2	2	3
Total tax concession amount (\$ million)	20.6	31.6	30.5	30.1

- c. Hong Kong is still at an early stage of development as a captive insurance centre. Therefore, the effect of the concerned tax concession has yet to be seen. Hong Kong is a major risk management centre under the Belt and Road Initiative. The concerned tax concession would help attract Mainland enterprises to set up captive insurers in Hong Kong for pooling the risks arising from infrastructure projects under the Belt and Road initiative among group members, thereby reducing the costs of insurance and enhancing the enterprises' risk management capabilities. This will also help promote other related businesses (e.g. reinsurance and captive insurers management services), and reinforce Hong Kong's status as a regional insurance hub. The Government and the Insurance Authority will also strengthen promotional work, and proactively seek the support of relevant Mainland authorities to encourage more Mainland enterprises to set up captive insurers in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)036

(Question Serial No. 2380)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards the Financial Leaders Forum, will the Government provide the following information:

the number of meetings convened in the past year;
other specific areas deliberated on, if any, in addition to laying down the general principles on developing Hong Kong into a preferred platform for emerging and innovative enterprises; and
the work plan for the coming year.

Asked by: Hon LEUNG Kenneth (Member Question No. (LegCo use): 2.01)

Reply:

The Financial Leaders Forum (FLF) has held three meetings since its establishment in August last year. Other than the development of Hong Kong as a preferred listing platform for both initial public offering and secondary listing with targeted focus on emerging and innovative companies, other topics discussed included capital and securities market initiatives, as envisaged by Securities and Futures Commission, for enhancing Hong Kong's competitiveness as an international financial centre; the regulatory mechanisms and measures put in place to safeguard and ensure the robustness and well-functioning of Hong Kong's financial system and markets; and a broad and strategic overview of Hong Kong's unique strengths as the international financial centre of China and ways to seize the opportunities arising from development of the Guangdong-Hong Kong-Macao Bay Area and the Belt and Road Initiative.

The FLF will continue to discuss and provide policy steer on strategic and forward-looking proposals to further develop and strengthen Hong Kong's position as an international

financial centre, having regard to the need to maintain monetary stability, financial safety and market quality.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)037

(Question Serial No. 2395)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Inland Revenue Ordinance was amended in 2015 to extend profits tax exemption for offshore funds to private equity funds with the hope of attracting more private equity fund managers to expand their business in Hong Kong and hire local asset management, investment and advisory services, which will be conducive to the further development of our asset management industry.

- a. What is the breakdown of the number of cases qualified for the tax concession in each of the past financial years since the induction of the aforementioned profit tax deduction? If available, what is the total amount in tax saved in each respective financial year since the induction of the scheme?
- b. Has the Bureau analysed the effectiveness of the aforementioned profit tax deduction in terms of economic benefits and meeting the goals mentioned above? If no, why not? If yes, what are the conclusions drawn?

Asked by: Hon LEUNG Kenneth (Member Question No. (LegCo use): 1.07)

Reply:

A fund manager will take into account different factors in deciding on the locations of fund activities. Tax arrangement is one of those factors. The aim of extending profits tax exemption to offshore private equity (PE) funds is to attract more PE fund managers to set up or expand their business in Hong Kong and procure asset management, investment and advisory services locally. This will be conducive to the further development of our asset management industry, and will in turn drive demand for other relevant professional services, such as business consulting, tax, accounting and legal services. Between end-2015 and end-2016, the combined fund management business in Hong Kong increased by 5.2%. The amount as at end-2016 was around \$18,293 billion.

Offshore funds are not required under the Inland Revenue Ordinance to apply for the profits

tax exemption. The Inland Revenue Department therefore does not have a breakdown of the number of offshore PE funds eligible for the tax concession.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)038

(Question Serial No. 2396)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

During his speech, the Financial Secretary announced that the government will set aside a dedicated provision of \$500 million for the development of the financial services industry in the coming five years, providing necessary support for bond market development, Fintech, green finance, manpower training and other aspects of financial services.

- (a) How much of the \$500 million announced will be allocated to Fintech?
- (b) What are the estimated resources required, including expenditure and manpower involved in the promotion of the relevant policies, provision of support measures, regulation, and development of talents on this front?
- (c) With regard to the promotion of FinTech development, what are the progress and details of the Government's effort in studying the regulation issue and the amendments to legislation?

Asked by: Hon LEUNG Kenneth (Member Question No. (LegCo use): 1.08)

Reply:

- (a) The estimated total commitment of the dedicated provision for promoting and facilitating the development of the financial services sector is \$500 million. The funding will be used to promote and facilitate the development of the financial services sector in the five financial years from 2018-19. The estimated cash flow requirement for 2018-19 is \$200 million, of which \$150 million will be used for launching the Pilot Bond Grant Scheme. The remaining provision will be used for promoting and developing Hong Kong as a Fintech hub, introducing the Green Bond Grant Scheme and providing support to the development in other aspects of financial services.

- (b) Fintech related work in the Financial Services Branch (FSB) will be absorbed from within FSB's existing resources and manpower, including one Administrative Officer Staff Grade C, one Senior Economist, one Economist and one Senior Executive Officer.

Furthermore, the Financial Services and the Treasury Bureau has earmarked \$14.91 million in 2018-19 to continue to support Invest Hong Kong's dedicated Fintech team.

- (c) In promoting Fintech, the Government strives to facilitate financial innovation on the one hand and to protect the investing public on the other. Hong Kong Monetary Authority (HKMA), Securities and Futures Commission (SFC) and Insurance Authority (IA) have established their respective dedicated Fintech liaison platforms to enhance communications with the Fintech industry. HKMA, SFC and IA have also launched their respective regulatory sandboxes to allow financial institutions to test Fintech projects in a confined environment.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)039

(Question Serial No. 0435)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the Default Investment Strategy (DIS), will the Government inform this Committee of the following:

What are the staff establishment and expenditure involved in overseeing the ongoing implementation of DIS?

Asked by: Hon LUK Chung-hung (Member Question No. (LegCo use): 21)

Reply:

In the Financial Services Branch, one Administrative Officer Staff Grade C, one Senior Administrative Officer and one Administrative Officer are responsible for policy and legislative work relating to the Mandatory Provident Fund Schemes and other retirement schemes. The expenses involved are absorbed from within existing resources. We do not have a separate breakdown.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)040

(Question Serial No. 2745)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding green finance, will the Government inform this Committee:

- a. of the staffing and expenditure required for promoting the development of green finance;
- b. of its measures to strengthen the promotion of the development of green finance so as to encourage industry participation, and the details in respect of the project names, expected number of participating organisations as well as the expenditure and manpower involved;
- c. whether it has enhanced talent training for the development of green finance in the past year, and of the details in respect of the titles, types and content of the courses and their number of participants; and
- d. whether it has assessed the number of additional employment opportunities the development of green finance could provide to the local labour market?

Asked by: Hon LUK Chung-hung (Member Question No. (LegCo use): 22)

Reply:

To demonstrate our support for sustainable development and determination to combat climate change, and to promote the development of green finance in Hong Kong, as announced in the Chief Executive's Policy Address, we will launch a green bond issuance programme (the Programme) with a borrowing ceiling of \$100 billion. The proceeds of issuances under the Programme will be credited to the Capital Works Reserve Fund to arrange financing for green public works project of the Government approved by the Finance Committee. The Programme will encourage more issuers to arrange financing for their green projects through our capital platform and attract more investors especially those with green investment mandate to participate in our capital markets.

With a view to attracting more corporate green bond issuance in Hong Kong, a Green Bond Grant Scheme was announced in the 2018-19 Budget to subsidise qualified green bond issuers in obtaining green bond certification. Relevant details of the Green Bond Grant Scheme, including eligibility and grant ceiling, are being considered and will be announced in due course.

While maintaining close liaison with stakeholders, academia and regulators to monitor market development and identify opportunities, we would continue to make the best endeavour to promote our competitive edges in terms of capital markets and green finance at regional and international forums organised in Hong Kong. A thematic workshop on “green economy development” was held at the Asian Financial Forum 2017. Planning is also being made for hosting international event(s) on green finance in Hong Kong this year, such as the Green and Social Bond Principles Annual General Meeting and Conference to be co-hosted by the Hong Kong Monetary Authority and the International Capital Market Association in June. Being held in Asia for the first time, not only does this event recognise Hong Kong as a leading international financial centre, but more importantly showcases Hong Kong’s credentials as a premier centre for green finance.

The above work will be pursued jointly by the Government and relevant financial regulators. The related expenses will be absorbed from within existing resources in the Financial Services Branch. We do not have a separate breakdown.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)041****(Question Serial No. 1726)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the 2017 Work Plan of the Framework Agreement on Hong Kong/Guangdong Co-operation, it is mentioned that the Government encourages Guangdong enterprises to make use of the investment and financing platform in Hong Kong, thereby providing investment and financing services for their investments, mergers and acquisitions (M&A) along the Belt and Road, and fostering joint participation of Guangdong and Hong Kong enterprises in infrastructure investments and other key development projects along the Belt and Road. In this connection, please inform this Committee of the following:

- 1) Relevant promotional or publicity work of the Government in the past year, including (i) name, (ii) nature and theme, (iii) target, (iv) number of participants, (v) date, (vi) expenditure, and (vii) outcome of the promotional activities.

Name of promotional activity	Nature and theme	Target	Number of participants	Date	Expenditure	Outcome
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- 2) Monthly statistics on Guangdong enterprises making use of the investment and financing platform in Hong Kong for investments or M&A along the Belt and Road in the past year, including (i) amount of financing, (ii) number of enterprises receiving services, (iii) value of investments, (iv) value of M&A, (v) regions in which investments or M&A took place, and (vi) sectors in which investments or M&A took place.

	Amount of financing	Number of enterprises receiving services	Amount used in investments	Amount used in M&A	Regions in which investments or M&A took place	Sectors in which investments or M&A took place
(Month)	-	-	-	-	-	-

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 536)

Reply:

The Government attaches great importance to the opportunities brought by the Belt and Road Initiative and has carried out various work to strengthen cooperation with regions (including Guangdong) along the Belt and Road. The Financial Services and the Treasury Bureau and the Hong Kong Monetary Authority (HKMA) have been actively promoting Hong Kong's financial services roles in the Belt and Road Initiative through various platforms including the Asian Financial Forum held in January 2018 and the "Seminar on Strategies and Opportunities under the Belt and Road Initiative - Leveraging Hong Kong's Advantages, Meeting the Country's Needs" held in Beijing on 3 February 2018 by the HKSARG. These roles include:

- (1)Corporate Treasury Centre (CTC): Since the relevant amendment to the Inland Revenue Ordinance (Cap. 112), the HKMA has been working closely with other Government agencies and the private sector to promote Hong Kong as a regional hub for CTCs. So far, the HKMA has reached out to over 300 corporates. More than 40 corporates have indicated to the HKMA that they are actively considering setting up or have already set up CTC operations in Hong Kong; and
- (2)The Infrastructure Financing Facilitation Office (IFFO): The HKMA established the IFFO in 2016 to facilitate infrastructure investments and financing by working with key stakeholders. IFFO organised and participated in conferences, seminars and workshops on infrastructure investment and financing, such as the Belt and Road Summit, to promote the advantages of Hong Kong as an infrastructure financing centre to participants from various places including Guangdong.

We do not have other related statistics.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)042****(Question Serial No. 1727)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards “deepening the mutual access between financial markets in Hong Kong and the Mainland and pursuing initiatives under the Mainland and Hong Kong Closer Economic Partnership Arrangement and other co-operation frameworks” as mentioned under the Programme of “Financial Services”, please advise this Committee of:

- 1) (i) the number of Chinese enterprises in Hong Kong, (ii) their size in terms of market capitalisation, (iii) their employment size, (iv) the number of those which are listed companies, and (v) the size of the listed Chinese enterprises in terms of market capitalisation by sector in table form;

	No. of Chinese enterprises	Size in terms of market capitalisation	Employment size	No. of those which are listed companies	Size of the listed Chinese enterprises in terms of market capitalisation
(Sector) e.g. Retail e.g. Import/export trade and wholesale e.g. Information and communications e.g. Financing and insurance e.g. Real estate					

e.g. Professional and business services					
Total					

2) (i) the number of Chinese enterprises that came to list in Hong Kong in each of the past 5 years and (ii) their size in terms of market capitalisation by sector in table form;

	2013 i, ii	2014 i, ii	2015 i, ii	2016 i, ii	2017 i, ii
(Sector) e.g. Retail e.g. Import/export trade and wholesale e.g. Information and communications e.g. Financing and insurance e.g. Real estate e.g. Professional and business services					
Total					

3) the expenditure and staffing involved in handling the listing of Chinese enterprises in Hong Kong in each of the past 5 years in table form; and

	2013	2014	2015	2016	2016 (sic)
Expenditure					
Staffing					

4) the estimates and the projected manpower requirements for handling the listing of Chinese enterprises in Hong Kong in the coming 3 years.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 537)

Reply:

According to the Hong Kong Exchanges and Clearing Limited (HKEX), as at end 2017, 989 Chinese enterprises were listed in Hong Kong. The number and market capitalisation of these enterprises by sector are at **Annex A**. The figures relating to Chinese enterprises listed in Hong Kong over the past five years are at **Annex B**.

This Bureau and the HKEX does not have the figures about the overall number, market capitalisation and employment size of Chinese enterprises in Hong Kong.

The HKEX is responsible for the handling of listing applications. The relevant expenses do not involve Government resources.

- End -

Number and Market Capitalisation (“MC”) of Chinese Enterprises Listed in Hong Kong (as at end 2017)

Sector	Number	MC (million dollars)
Utilities	49	734,820
Materials	84	523,120
Properties & Construction	152	2,874,165
Industrials	143	1,070,273
Consumer Goods	243	2,755,790
Consumer Services	81	542,692
Conglomerates	9	522,383
Energy	39	1,060,713
Information Technology	91	4,594,676
Financials	90	5,619,941
Telecommunications	8	2,016,065
Total	989	22,314,639

Source: HKEX

Note: The figures about market capitalisation by sector do not add up to the total due to rounding.

Annual Number and Market Capitalisation (“MC”) of Chinese Enterprises Listed in Hong Kong (2013 to 2017)

Industry	2013		2014		2015		2016		2017	
	Number	MC (million dollars)	Number	MC (million dollars)	Number	MC (million dollars)	Number	MC (million dollars)	Number	MC (million dollars)
Utilities	2	25,994	7	47,379	4	7,700	1	1,809	4	17,367
Materials	3	6,157	5	49,517	5	7,440	3	4,368	1	1,234
Properties & Construction	10	80,954	12	110,754	6	24,358	8	55,780	6	5,822
Industrials	10	66,792	8	13,723	8	20,848	7	7,087	8	5,611
Consumer Goods	28	123,125	24	239,399	21	172,640	9	112,626	10	66,524
Consumer Services	5	30,286	7	68,227	7	8,503	8	55,510	9	58,347
Conglomerates	-	-	-	-	1	14,068	1	631	-	-
Energy	2	11,475	-	-	1	3,770	1	7,855	1	390
Information Technology	6	10,378	13	55,434	6	26,425	8	57,795	4	80,388
Financials	7	132,070	4	21,781	16	241,654	11	152,952	12	96,007
Telecommunications	-	-	1	885	-	-	-	-	-	-
Total	73	487,231	81	607,100	75	527,406	57	456,412	55	331,691

Source : HKEX

Note: The figures about market capitalisation by sector for certain years do not add up to the total due to rounding.

CONTROLLING OFFICER'S REPLY

FSTB(FS)043

(Question Serial No. 0305)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

On the “implementation of the newly amended Anti-Money Laundering and Counter-Terrorist Financing Ordinance” (AMLO) which took effect on 1 March to introduce a licensing regime for trust or company service providers,

1. how many companies concerned have submitted their licensing applications to the Companies Registry (CR) so far? How many applications have been rejected and approved respectively? What are the main reasons for rejection?
2. what are the annual expenditure and manpower required under the CR's new licensing regime? Please provide a breakdown of the amounts required (e.g. for registration, investigation, etc.).
3. what are the details of the implementation of the AMLO so far? Has the Government received any comments on the implementation of the AMLO from any sector-specific regulators or companies? If yes, what are the details?
4. since the commencement of the AMLO, are there any cases suspected of contravening the AMLO identified by the Government or any sector-specific regulators? If yes, what are the details?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 6)

Reply:

The new licensing regime for trust or company service providers (TCSPs) commenced operation on 1 March 2018. As at 8 March, the Registry for Trust and Company Service Providers (the TCSP Registry) under the Companies Registry (CR) has received 808

licensing applications. The TCSP Registry is now processing these applications, and does not yet have figures on the number of applications approved / rejected.

In view of the commencement of the new licensing regime, the establishment of the TCSP Registry comprises 41 posts, of which 23 are responsible for licensing matters and the remaining 18 are responsible for on-site inspections, investigation, and other enforcement matters. The notional annual salary cost at mid-point is \$13,653,120 for the former and \$8,474,820 for the latter, i.e. \$22,127,940 in total. All the funds involved will be borne by the CR Trading Fund.

The CR already consulted relevant stakeholders and the industry on the guidelines and forms relating to the new licensing regime in September and December 2017, and has revised the relevant guidelines and forms taking into account their suggestions. Immediately following the enactment of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Ordinance 2018 (the Amendment Ordinance), the CR has taken a series of measures to promote the new licensing regime, including launching a dedicated website with information on the new licensing regime (including relevant guidelines and forms, information pamphlets, frequently asked questions (FAQs), and video clip introducing the new licensing regime, etc.), setting up an enquiry hotline, issuing external circulars, sending emails to professional bodies and clients on the commencement of the new licensing regime, issuing a press release, producing promotional posters, and disseminating messages through radio API, etc. The CR has also organised a number of briefing sessions, which were attended by over 3 000 persons in total. Since the commencement of the Amendment Ordinance, the enquiries from stakeholders and the industry received by the CR mainly concern operational details, exemption conditions, or individual circumstances. The CR will update the FAQs on the dedicated website as needed for the industry's reference.

The licensing regime commenced operation on 1 March 2018, and the Amendment Ordinance provides for a transitional period of 120 days. As such, the CR has not yet come across any case of non-compliance.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)044

(Question Serial No. 0306)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the initiative of “prepare for a mutual evaluation to be conducted by the Financial Action Task Force (FATF)”:

1. When is the FATF expected to come to Hong Kong for conducting the mutual evaluation? And when are the evaluation results expected to be available?
2. What are the expenditure and manpower involved in the relevant preparation work?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 7)

Reply:

The Financial Action Task Force on Money Laundering (FATF) will conduct a mutual evaluation on Hong Kong's anti-money laundering and counter-financing of terrorism regime in 2018-19. An on-site visit to Hong Kong will be conducted in October to November 2018, and the mutual evaluation report will be discussed at the FATF Plenary scheduled for June 2019.

The manpower and expenditure of relevant bureaux and departments for preparing the mutual evaluation are absorbed from within their existing resources. The Government does not have a separate breakdown.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)045

(Question Serial No. 0307)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

“During 2018-19, the Financial Services Development Council (FSDC) will be incorporated as a company limited by guarantee to enhance its operational efficiency and flexibility”. In this connection, please advise on the following:

1. What is the progress of the above work? For instance, what are the expected time frames for completing the incorporation and seeking funding approval?
2. With particular regard to formulating the company's articles, what provisions are in place to ensure that the functions of the FSDC will not be changed after it has been incorporated? Please explain the relevant provisions in detail.
3. Will there be any change to the existing structure of the FSDC after it has been incorporated as a company by guarantee? If yes, what are the details?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 8)

Reply:

1. We consulted the Legislative Council (LegCo) Panel on Financial Affairs on the proposed incorporation of the Financial Services Development Council (FSDC) as a company limited by guarantee in November 2017. The proposal was largely supported by the Panel. Subject to LegCo's approval for the subvention to the FSDC in the 2018-19 Estimates, we will incorporate the FSDC and proceed to set up the company, including leasing and renovating office premises, recruiting staff. We target to have the incorporated FSDC up and running around end 2018.
2. The Government plans to incorporate the FSDC as a company limited by guarantee so as to strengthen FSDC's role through enhanced operational efficiency and flexibility. The functions of the FSDC will remain unchanged after its incorporation. It will

continue to conduct strategic studies on further development of the financial services industry, provide advice to the Government, foster market development and nurture talent. The objectives of the incorporated FSDC will be prescribed in the Articles of Association of the incorporated FSDC in accordance with relevant provisions of the Companies Ordinance (Cap. 622).

3. The incorporated FSDC will have a proper corporate structure with a Board of Directors and a non-executive chairman, all to be appointed by the Chief Executive or under her delegated authority. All directorship, except that of the Executive Director, will be non-remunerable. The membership of the FSDC will continue to be drawn from the financial services industry and related sectors. The Secretary for Financial Services and the Treasury will serve as an ex-officio member of the Board. The operation of the FSDC will be supported by its own executive team.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)046****(Question Serial No. 0308)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The provision for 2018–19 under Programme (1) is \$457.8 million higher than the revised estimate for 2017–18, “mainly due to the increased cash flow requirement for non-recurrent commitment items and a net increase of 10 posts in 2018–19”. What are details of the said non-recurrent commitment items and the net increase of posts? Please provide details of the estimated expenditures by item.

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 9)

Reply:

In 2018-19, the estimated expenditure for the general non-recurrent items of the Financial Services Branch is as follows –

	Item	Commitment \$'000	2018-19 Estimated Expenditure \$'000
1	Consultancy study for establishing a Risk-based Capital Regime	10,000	10,000
2	Funding for promoting and facilitating the development of the financial services sector	500,000	200,000
3	Provision to the Insurance Authority	200,000	200,000
4	Contribution to the Asian Infrastructure Investment Bank Project Preparation Special Fund	78,000	78,000
5	Pilot programme to enhance talent training for the insurance sector and the asset and wealth management sector	100,000	51,935
6	Exit package for Insurance Officer Grade Officers	31,200	700
	Total	919,200	540,635

In 2018-19, there will be a net increase of ten posts in the Financial Services Branch. Details are as follows –

	Rank	No.
Directorate post to be created	Administrative Staff Grade C	+1
Non-directorate posts to be created	Senior Administrative Officer	+1
	Administrative Officer	+1
	Chief Executive Officer	+1
	Senior Executive Officer	+2
	Executive Officer I	+2
	Personal Secretary I	+1
	Assistant Clerical Officer	+2
Non-directorate post to be deleted	Clerical Officer	-1

The estimated expenditure for the net increase of the above posts is about \$9.7 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)047

(Question Serial No. 0309)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards the Pilot Bond Grant Scheme mentioned in paragraph 80 of the Budget Speech,

1. what are the current details of the Scheme (e.g. bond issuance sizes and tenors)?
2. how much has the Government set aside for the Scheme? How many enterprises are expected to be attracted to issue bonds in Hong Kong each year? What are the expected issuance sizes?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 10)

Reply:

To promote the development of the local bond market, the Government proposes to set up a three-year Pilot Bond Grant Scheme. The Scheme will cover eligible enterprises issuing bonds in Hong Kong for the first time. The amount of grant for each bond issuance is equivalent to half of the issuance expenses, capped at \$2.5 million. An enterprise can apply for a grant for a maximum of two bond issuances. The Hong Kong Monetary Authority will announce the details in due course. The Financial Services and the Treasury Bureau has earmarked \$150 million in the 2018-19 Estimates for launching the Scheme.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)048

(Question Serial No. 0310)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It was stated in paragraph 83 of the Budget Speech that a green bond issuance programme with a borrowing ceiling of \$100 billion would be launched. The sums borrowed would be credited to the Capital Works Reserve Fund to provide funding for green public works projects of the Government. The measure would encourage more issuers to arrange financing for their green projects through our capital markets.

1. What are the details of the issuance programme, such as the number of batches of bond issuance, the schedule of issuance for each batch, tenors and yields?
2. What will be the projects that the Government expects to finance with the first batch of green bond given a specific bond issuance framework in place and the requirement that the sums borrowed should be used for specific green projects?
3. Does the Government know about the details of local issuance of green bonds by public or private institutions in the past 3 years? If yes, what are the details (such as the issuing institutions, sums and tenors of the issuances)? What will be the effect on promoting green financing in Hong Kong as anticipated by the Government after launching the issuance programme? Are there any set targets?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 11)

Reply:

To demonstrate our support for sustainable development and determination to combat climate change, and to promote the development of green finance in Hong Kong, the Financial Secretary announced in the 2018-19 Budget that a Government Green Bond Programme (the Programme) with a borrowing ceiling of \$100 billion will be launched. The proceeds of issuances under the Programme will be credited to the Capital Works

Reserve Fund for funding green public works projects of the Government meeting criteria for inclusion in the Programme. These projects would continue to be subject to the same established mechanism for seeking funding approval from the Finance Committee of the Legislative Council (LegCo). Such projects must provide positive environmental benefits such as projects relating to renewable energy, energy efficiency, sustainable water and wastewater management, that are aligned with the green standards or principles underpinning the issuance. The Programme is also expected to encourage more issuers to arrange financing for their green projects through our capital markets.

We will submit a resolution to LegCo as soon as possible to seek authorisation to take forward the Programme. The terms of the inaugural green bond issuance, such as the tenor and size, would be determined having regard to the financing and re-financing needs of the commitments of green public works projects and the market situation (e.g. the interest rate, supply and demand of the market). The inaugural issuance will align with a green bond standard/guidelines widely accepted by global investors to provide appropriate disclosure to investors and other stakeholders to understand the characteristics and the greenness of the inaugural Government green bond and set a good example to other potential green issuers in Hong Kong.

According to market information, at least five public or private entities including the MTR Corporation have issued at least one green bonds in Hong Kong. These green bonds are mainly denominated in US dollar, target institutional investors and align with the Green Bond Principles of the International Capital Market Association. The Airport Authority Hong Kong has also announced the issuance of a green bond in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)049

(Question Serial No. 0311)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is noted that the Financial Services Branch will “continue to promote the development of financial technologies in Hong Kong”. In this regard,

1. what is the current staff establishment that is tasked with the above work in the Branch? What is the expenditure earmarked for the work in 2018-19?
2. what is the progress of the initiatives that were put forward in last year's Budget to promote financial technologies (Fintech), such as actively exploring new payment channels for settling government bills and fees?
3. does the Government have any new or key initiatives in place for promoting Fintech this year? If yes, what are the details?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 12)

Reply:

1. Fintech related work in the Financial Services Branch (FSB) will be absorbed from within FSB's existing resources and manpower, including one Administrative Officer Staff Grade C, one Senior Economist, one Economist and one Senior Executive Officer.

Furthermore, the Financial Services and the Treasury Bureau (FSTB) has earmarked \$14.91 million in 2018-19 to continue to support Invest Hong Kong's dedicated Fintech team.

2. E-wallets offered by some Stored Value Facility (SVF) operators could provide bill payment service. Users can scan the barcodes on their bills (such as phone bills and

Towngas bills) and make payments through the e-wallets on their mobile phones. To facilitate the development of the SVF market, FSTB is exploring with relevant Government departments to allow the public to pay government bills in the same manner.

3. Measures announced by the Financial Secretary in the 2018-19 Budget to promote the development of Fintech include –
- (a) Hong Kong Monetary Authority (HKMA) is prepared to launch a Faster Payment System offering 24-hour real-time payment function in September this year. This will allow banks and SVF operators to provide real-time, round-the-clock, cross-institution payment and fund transfer service to their business and personal customers;
 - (b) virtual banks are considered commercially and technically viable based on overseas experience. HKMA is consulting the industry on reviewing and amending the relevant guidelines, and will make the best endeavour to issue licences within this year;
 - (c) \$200 million will be allocated to Cyberport to enhance the support for start-ups (including Fintech start-ups) and promote the development of the digital technology ecosystem. Cyberport will also launch an “easy landing” programme to attract multinational companies (including overseas and Mainland leading internet enterprises and Fintech companies) to set up offices and R&D units in Hong Kong; and
 - (d) a dedicated provision of \$500 million for the development of the financial services industry in the coming five years, providing necessary support for Fintech, bond market development, green finance, manpower training and other aspects of financial services.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)050

(Question Serial No. 0313)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the issuance of \$100 billion green bond,

1. please expound the definition of green bond and the criteria for its issuance;
2. what is the regulatory regime governing green bond? How can investors and the public keep track of their investment to ensure its proper use?
3. what does the Government have in mind to address climate change and local environmental issues through the issuance of green bond?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 14)

Reply:

To demonstrate our support for sustainable development and determination to combat climate change, and to promote the development of green finance in Hong Kong, the Financial Secretary announced in the 2018-19 Budget that a Government Green Bond Programme (the Programme) with a borrowing ceiling of \$100 billion will be launched. The proceeds of issuances under the Programme will be credited to the Capital Works Reserve Fund for funding green public works projects of the Government meeting criteria for inclusion in the Programme. These projects would continue to be subject to the same established mechanism for seeking funding approval from the Finance Committee of the Legislative Council (LegCo). Such projects must provide positive environmental benefits such as projects relating to renewable energy, energy efficiency, sustainable water and wastewater management, that are aligned with the green standards or principles underpinning the issuance. The Programme is also expected to encourage more issuers to arrange financing for their green projects through our capital markets.

We will submit a resolution to LegCo as soon as possible to seek authorisation to take forward the Programme. The terms of the inaugural green bond issuance, such as the tenor and size, would be determined having regard to the financing and re-financing needs of the commitments of green public works projects and the market situation (e.g. the interest rate, supply and demand of the market). The inaugural issuance will align with a green bond standard/guidelines widely accepted by global investors to provide investors and other stakeholders appropriate disclosure and report on the progress and effectiveness of the green projects implemented, to set a good example to other potential green issuers in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)051****(Question Serial No. 0380)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimated establishment at the Financial Services Branch for 2017 and 2018 as shown in last year's Estimates was 172 and 173 respectively. In this year's Estimates, however, the 2018 revised estimate and 2019 estimate on the number of posts are reduced to 104 and 114 respectively. What are the reasons for the substantial decrease in the number of posts? What are the establishment and the number of officers at various pay scales at the Financial Services Branch in 2017 and 2018?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 17)

Reply:

- (1) The establishment of Financial Services Branch as at 31 March 2018 was 104, representing a net decrease of 68 posts as compared with the establishment as at 31 March 2017. Details are as follows –

Deletion of posts following the disbandment of the former Office of the Commissioner of Insurance	<ul style="list-style-type: none"> ● 51 Insurance Officer Grade posts; and ● 18 General Grades posts.
Creation/deletion of posts in the Financial Services Branch	<ul style="list-style-type: none"> ● One supernumerary Administrative Officer Staff Grade C post and one time-limited Personal Secretary I post lapsed on 1 January 2018 upon expiry; and ● creation of three non-directorate General Grades posts to provide administrative support.
Total	Net decrease of 68 posts

- (2) Details of the changes in establishment of the Financial Services Branch as at 31 March 2017, 31 March 2018 and 31 March 2019 (estimate) are as follows –

Establishment	No. of posts		
	31 March 2017	31 March 2018	31 March 2019 (estimate)
Directorate ranks	16	15	16
Non-directorate ranks, the maximum pay point of which is above MPS Point 33 or equivalent	64	30	35
Non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent	92	59	63
Total	172	104	114

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)052

(Question Serial No. 0516)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the following information regarding the implementation of the Payment Systems and Stored Value Facilities Ordinance:

1. How many complaints about stored value facilities (SVF) transactions have been received by the Hong Kong Monetary Authority (HKMA)? What are the amounts involved and the follow-up actions taken?
2. What are the total number of SVF accounts, total number of transactions and total value of transactions each year?
3. As far as licences are concerned, how many companies have applied for and surrendered their licences each year?
4. How many companies are currently applying for licences? How many licences are expected to be granted this year?
5. In view of increasing number of potential licence applications and rising transaction value in recent years, will the HKMA or the Government review the relevant guidelines, application eligibility and the Ordinance?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 19)

Reply:

The Payment Systems and Stored Value Facilities Ordinance (PSSVFO) prescribing the licensing and regulatory regime of SVF came into full operation in November 2016. Since the granting of the first batch of stored value facility (SVF) licences, the Hong Kong

Monetary Authority (HKMA) has received a total of about 100 SVF-related complaints. The complaint cases mainly concerned service quality or commercial operation of the SVF licensees, as opposed to the specific transaction amount. Most of the cases have been resolved, except for a few recently received cases which are still being handled.

As at the end of the third quarter of 2017, the total number of SVF accounts in use was 44.85 million. Between the fourth quarter of 2016 to the third quarter of 2017, there were 5.6 billion SVF transactions with a total value of \$126.5 billion.

There are currently 16 SVF licensees in the market. No licensee has ceased operating since the commencement of the SVF licensing regime. Meanwhile, some companies still intend to obtain an SVF licence. The HKMA will continue to process relevant applications according to the PSSVFO.

The relevant regime has operated for only one year or so. The HKMA will continue to monitor market development and review the relevant policies or guidelines where necessary, having regard to operational needs.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)053

(Question Serial No. 0645)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As Hong Kong sees the sales of more and more collective investment schemes (CISs) on overseas properties, and many of these schemes are alleged to be using sales practices that are misleading or involve misrepresentations, local CIS buyers have suffered loss. In this regard, would the Securities and Futures Commission (SFC) provide the following information?

- (a) What is the amount of resources deployed by the SFC in 2016-17 and 2017-18 for receiving complaints about the sales of CISs on overseas properties in Hong Kong and for taking the initiative to conduct investigations? How many complaints were received and how many CISs and non-CISs were involved?
- (b) Has the SFC allocated any resources in the 2018-19 Estimates to effectively carry out the regulation of CISs under the Securities and Futures Ordinance (SFO), including taking prosecution action against non-compliance, while providing adequate manpower to examine whether the sales activities of CISs on overseas properties are conducted in accordance with the SFO? If yes, what is the amount of resources allocated? If no, what are the reasons?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 26)

Reply:

- (a) From 1 January 2016 to 31 December 2017, the Securities and Futures Commission (SFC) received about 79 complaints involving alleged unauthorised collective investment schemes (CIS), of which about 47 involved real estate projects. The SFC does not have a breakdown for complaint figures relating to local and non-local real estate.

- (b) The resources (including manpower) that the SFC requires to carry out its functions are sought through its annual budget exercise. The estimated expenditure for the SFC to combat unauthorised CIS (including property investment schemes if they meet the definition of CIS under the Securities and Futures Ordinance (Cap. 571)) and/or related unlicensed activities has already been included in its budget for 2018-19. The SFC does not have a breakdown of the expenses. The SFC will regularly review the key market risks and adjust the level of resources allocated to them as appropriate.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)054

(Question Serial No. 1989)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Paragraph 82 of the Budget Speech “propose(s) to continue the issuance of Silver Bond in 2018 and 2019, targeting Hong Kong residents aged 65 or above”. In view of the number of subscribers and subscription amount of the second batch of Silver Bond are far smaller than those of the first batch and Hong Kong is entering into an interest rate upcycle, will the Committee be advised on the following?

1. What are the details of the new batch of Silver Bond, including issue timetable and scale and interest rate? Are there any ideas to maintain the attractiveness of the Silver Bond?
2. For the 2 batches of Silver Bond issued, what is the average subscription and allocation amount per person?
3. For the 2 batches of Silver Bond issued, what is the redemption rate? How many people have submitted redemption requests?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 55)

Reply:

Having regard to the experience of the previous issuances and the prevailing market conditions, the Hong Kong Monetary Authority is considering enhancement to the issuance arrangements of Silver Bond, such as allowing the participation of securities brokers in the subscription of Silver Bond so as to increase the sales channels. The Authority will announce the details of the terms and arrangements of the third Silver Bond issuance in due course when the relevant work is completed.

For the first Silver Bond issued in 2016, the average subscription and allocation amount per investor are 11.8 lots (\$10,000 per lot) and 3.9 lots respectively. For the second Silver

Bond issued in 2017, the average subscription and allocation amount per investor are 9.3 lots and 6.7 lots respectively.

As at end February 2018, early redemption accounted for 2.3% of the total issuance amount of the first Silver Bond and 0.9% of the second Silver Bond. As investors hold Silver Bond through recognised dealers participating in Silver Bond issuances, we do not maintain statistics on the number of investors requesting early redemption of Silver Bond.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)055

(Question Serial No. 1991)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

To promote the establishment of corporate treasury centres (CTCs) and other financial services developments in Hong Kong, the Government has initiated amendments to the Inland Revenue Ordinance for a number of times in recent years. Has the Government evaluated the effectiveness of these legislative amendments based on, for example, the number of Mainland or overseas enterprises setting up CTCs in Hong Kong, the number of local professionals employed by these CTCs and how much these CTCs contribute to our Gross Domestic Product? If yes, what are the details? If no, will the Government do so?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 56)

Reply:

Since the introduction of the relevant amendment to the Inland Revenue Ordinance in 2016, the Hong Kong Monetary Authority has reached out to over 300 corporates to promote the strengths of Hong Kong as a corporate treasury hub. Over 40 corporates have informed the Authority that they are actively considering setting up or have already set up corporate treasury centres (CTCs) in Hong Kong.

The setting up of CTCs is a long-term strategic move for corporates and it takes time to establish. Financial and professional services supports (for example, banking, accounting, legal and consulting services, etc.) are essential for the establishment of CTC. With more corporates setting up CTC in Hong Kong, the relevant activities will create further demands for financial and professional services sectors and contribute to the development of the headquarters economy in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)056

(Question Serial No. 1992)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government has stated on several occasions that relevant professional service sectors will benefit from Hong Kong's participation in the Asian Infrastructure Investment Bank (AIIB). Joining the AIIB will also stand Hong Kong companies in good stead to participate in AIIB's projects and strengthen our role as an asset management centre. The Government has also expressed repeatedly that it will bid for the AIIB to establish its treasury centre in Hong Kong.

1. What is the number of staff in the Financial Services Branch who are responsible for AIIB's projects? Please also provide the ranks of the staff and the expenditure involved.
2. Whether the Government has assessed the economic benefits of joining the AIIB? For example, the number of Hong Kong companies which will participate in AIIB's projects and the financing services associated with AIIB's projects that will be conducted in Hong Kong? If no, will the Government consider conducting relevant surveys?
3. What is the progress of bidding for the AIIB to establish its treasury centre in Hong Kong?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 57)

Reply:

- (1) Hong Kong became a member of the AIIB in June 2017. Work relating to the AIIB is handled by existing manpower, including one Administrative Officer Staff Grade C and one Senior Administrative Officer. It does not involve any additional staff cost.

- (2) & (3) The establishment of the AIIB aims to improve infrastructure connectivity in Asia by investing in infrastructure projects. Such investment will contribute to the economic development in the region, from which Hong Kong, as the international financial centre in the region, stands to benefit.

The contracts of the AIIB are awarded through an open process. Given the standard of Hong Kong's professionals, they are well positioned to bid for such contracts. Indeed, many Hong Kong companies are involved in infrastructure projects overseas. The AIIB has provided information on approved and proposed projects on its website so that the trade can obtain relevant information in a timely manner. Many of the AIIB projects are co-financed with other Multilateral Development Banks, viz. the World Bank, the Asian Development Bank and the European Bank for Reconstruction and Development. These projects are not undertaken directly by the AIIB but the implementation agencies of partner organisations. The AIIB does not collect company background information or data of such projects.

We will continue to actively encourage the AIIB to leverage our status as an international financial centre and our capital market to support the AIIB's operation. If the AIIB decides to set up a sub-office in Hong Kong, our financial and professional services sectors will benefit. It will also further consolidate our position as an international financial centre. We are continuing the discussion with the AIIB.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)057

(Question Serial No. 2065)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It was reported that a large insurance company had tampered with the clauses of making claims by stating that medical procedures such as colonoscopy, gastroscopy and cataract surgeries were not eligible for reimbursement. When the insured took out an insurance policy, it was not stated in the policy that such medical procedures were not eligible for reimbursement. Many members of the public had thus “fallen victim” to the pitfall and might not get any reimbursement for such hospital confinement.

Under Head 148 of the Estimates, apart from preparing legislation to better protect policyholders' interests in the event of the insolvency of an insurer, will there be any legislation under study to prevent insurance brokers from tampering with the clauses, so as to safeguard patients' rights and interests? If yes, what are the complaint procedures?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. (LegCo use): 10)

Reply:

Changes in the contents of insurance contracts are not covered by the Policy Holders' Protection Scheme.

As insurance policy is a contract between an insurance company and a policy holder, the policy terms are binding on both parties. An insurance company must obtain prior consent of a policy holder before making any changes to the policy terms, and no changes can be made unilaterally.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)058****(Question Serial No. 2237)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the details of the provision of \$30.6 million to be allocated to the Financial Services Development Council for its operation in the financial year 2018-19. What are the items/expenses included under “set-up cost” and “operating expenses”?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. (LegCo use): 17)

Reply:

The estimated amount of subvention for the incorporated Financial Services Development Council in 2018-19 is \$30.6 million, including \$11 million for set-up cost and \$19.6 million for meeting the operating expenses. The breakdown of the major expenditure items is as follows:

Item	Estimated expenditure (\$ m)
Set-up cost	
IT infrastructure, systems and equipment	2.4
Office fitting-out	4.9
Office furniture and minor equipment	0.5
Rental deposit and related fees	1.7
Professional and consultancy services	1.5
Sub-total:	11.0
Operating expenses	
Staff cost	10.4
Office rental and related expenses	4.6
Events and visits	2.5
Research	1.0
Administrative costs	1.1
Sub-total:	19.6
Total:	30.6

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)059

(Question Serial No. 2238)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the estimated annual management expenses of the Financial Services Development Council upon its incorporation as a “company limited by guarantee”? What are the staffing establishment, posts and payroll cost involved?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. (LegCo use): 18)

Reply:

The annual operating expenditure of the incorporated Financial Services Development Council (FSDC) is estimated at \$32 million, including \$16.6 million for staff cost. The incorporated FSDC will recruit its own executive team from the market to support the delivery of the FSDC's objectives. During the initial stage of incorporation, the headcount of the FSDC will be around 13, inclusive of an Executive Director.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)060

(Question Serial No. 2239)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- 1) To avoid duplication and redundancy as well as to cut down unnecessary public spending, is it possible to place the Financial Services Development Council (FSDC) under the purview of the Hong Kong Monetary Authority or the Financial Services and the Treasury Bureau? If no, what are the reasons?
- 2) Are there any performance indicators to prove that it is necessary to retain the FSDC? Is the existence of the FSDC in line with the value-for-money principle and is its spending fit for purpose?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. (LegCo use): 19)

Reply:

1. The Government established the Financial Services Development Council (FSDC) in 2013 to bring together experts from various sectors of the financial services industry to assist in promoting the further development of the industry. The functions of the FSDC include conducting strategic studies, providing advice, fostering market development and nurturing talent. The FSDC does not formulate or implement financial policies, nor does it perform any regulatory work. There is no overlapping of role between the FSDC and the Hong Kong Monetary Authority, or between the FSDC and the Financial Services and the Treasury Bureau.
2. The mission of the FSDC is to promote the further development of the financial services industry, thereby enhancing Hong Kong's status as a major international financial centre. In this regard, we consider that the focus should be placed on the long term benefits brought by the FSDC to the overall development of the financial services industry as well as Hong Kong's economy. Setting quantifiable performance indicators for the FSDC may not be appropriate and practicable.

To ensure proper use and disbursement of Government funds, the Government will put in place a proper control and review mechanism to monitor the operation of the incorporated FSDC. Apart from meeting the statutory requirements of Hong Kong companies under the Companies Ordinance (Cap. 622), the incorporated FSDC should adopt additional accountability and transparency measures in accordance with the prevailing Government guidelines on the management and control of funding for subvented organisations, which include submission of annual work plans, budgets, annual reports and audited annual financial statements to the Government. The relevant control measures will be stipulated in the Memorandum of Administrative Arrangements as agreed between the Government and the incorporated FSDC.

In addition, the proposed subvention to the incorporated FSDC will be included in the annual Estimates of the Financial Services Branch for examination and approval by the Legislative Council (LegCo). The incorporated FSDC will continue to submit annual briefings on its work at the LegCo Panel on Financial Affairs. LegCo and public can thereby monitor the performance of the FSDC.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)061

(Question Serial No. 1192)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimated expenditure for 2018–19 under the Programme of Financial Services is \$457 million higher than the revised expenditure for 2017–18, representing a significant increase of 162.5%. Please provide a detailed breakdown of the additional expenditure.

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 29)

Reply:

The estimated expenditure for Programme (1) Financial Services in 2018–19 is \$457.8 million higher than the revised estimate for 2017–18. This is mainly due to the increased cash flow requirement of about \$500 million for non-recurrent commitment items and the additional provision of about \$9.7 million for the net increase of ten posts in 2018–19, partly offset by the decrease in operating expenses.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)062

(Question Serial No. 1194)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated in the Budget Speech, the new regime for developing Hong Kong into a preferred listing platform for emerging and innovative enterprises by the Stock Exchange of Hong Kong (SEHK) should be in place in the second quarter of this year. Regarding the listing of enterprises with weighted voting rights structure and pre-revenue biotechnology enterprises in Hong Kong,

1. What are the details, timetable and resources involved relating to the relevant follow-up market consultation and the amendments to the Listing Rules?
2. What are the estimated number of staff and amount involved in enhancing corporate governance in the year to dovetail with the listing of enterprises with weighted voting rights structure and pre-revenue biotechnology enterprises in Hong Kong?
3. Upon implementation of the regime, what are the new programmes of investor education and their details? What are the relevant resources (including manpower and amount) involved? In addition to the Investor Education Centre (IEC), will other resources be allocated to enhance investors' understanding of shares with weighted voting rights structure? If yes, in what ways?

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 40)

Reply:

The Stock Exchange of Hong Kong (SEHK) has published a consultation paper to seek market comments on the proposals and amendments to the Listing Rules for the establishment of a listing regime for companies from emerging and innovative sectors. If there are no major adjustments to the proposals following the consultation, the SEHK expects to publish the consultation conclusions in late April at the earliest. Upon the

publication of the conclusions and the implementation of the revised Listing Rules, the SEHK will accept formal listing applications under the new regime.

In view of the potential risks associated with these companies from the emerging and innovative sectors, the SEHK has put forward additional safeguards, such as enhanced corporate governance and disclosure. The Government will maintain dialogue with the Securities and Futures Commission and the SEHK on the relevant work to continue to promote investor education and strengthen corporate governance of listed companies. In this regard, the SEHK will hold a summit on Biotech to strengthen market understanding about the Biotech sector. In addition, the Investor Education Centre (IEC) will strengthen the relevant educational work and facilitate investors' understanding about the characteristics and associated risks of companies with weighted voting rights structures and pre-revenue Biotech companies through different channels (such as newspaper columns, thematic websites, social media, e-newsletters and seminars). The IEC will continue to closely keep in view market development and formulate additional relevant educational materials and activities having regard to investors' needs.

It is an ongoing task of the Financial Services Branch to formulate policies and measures to facilitate the development of our financial market. The expenses involved will be absorbed from within our existing resources. We do not have a separate breakdown.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)063

(Question Serial No. 1197)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the retail bonds issued by the Government, please advise this Committee on the following issues, such as interest payments:

1. Interest rates and total interest payments last year regarding Silver Bonds issued by the Government that will mature in 2019 and 2020 respectively;
2. Interest rates and total interest payments of the six batches of inflation-linked retail bonds (iBonds) issued previously by the Government, with breakdown by batch and interest payment date;
3. Total issue amounts of Silver Bonds and iBonds and total number of holders up to end of last year; and
4. Secondary trading of iBonds traded on the Stock Exchange and via over-the-counter trading.

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 44)

Reply:

Under the Government Bond Programme, the Government issued six batches of inflation-linked retail bond (iBond) with a size of \$10 billion each, and two batches of retail Silver Bond with a size of \$3 billion each. The numbers of successful applicants of the six iBonds are 155 835, 332 467, 520 823, 488 170, 597 895 and 507 978 respectively, and those for the two Silver Bonds are 76 009 and 44 842 respectively. As investors hold retail government bonds through recognised dealers participating in retail bond issuances, we do not maintain statistics on the number of investors holding retail government bonds as at end 2017.

Outstanding iBond can be traded on the Stock Exchange of Hong Kong (SEHK) or through the over-the-counter market participants. The turnover amounts of iBond traded on the SEHK and through the over-the-counter market participants in 2017 are \$6.1 billion and \$4.3 billion respectively.

Interest rates and total interest payments of the eight batches of retail bonds are set out in the tables below.

iBond

First Batch

Interest payment date	Interest rate per annum	Interest expense
30 January 2012	6.08%	\$309,830,137.01
30 July 2012	5.07%	\$252,805,479.47
28 January 2013	3.38%	\$168,536,986.30
29 July 2013	3.77%	\$187,983,561.64
28 January 2014	4.78%	\$239,654,794.53
28 July 2014	4.02%	\$199,347,945.20
	Total	\$1,358,158,904.15

Second Batch

Interest payment date	Interest rate per annum	Interest expense
24 December 2012	3.48%	\$176,383,561.64
24 June 2013	3.73%	\$185,989,041.08
23 December 2013	4.72%	\$235,353,424.65
23 June 2014	4.12%	\$205,435,616.43
22 December 2014	4.50%	\$224,383,561.61
22 June 2015	4.33%	\$215,906,849.31
	Total	\$1,243,452,054.72

Third Batch

Interest payment date	Interest rate per annum	Interest expense
24 December 2013	4.72%	\$236,646,575.34
24 June 2014	4.12%	\$205,435,616.42
24 December 2014	4.50%	\$225,616,438.33
24 June 2015	4.33%	\$215,906,849.28
24 December 2015	2.57%	\$128,852,054.79
24 June 2016	2.63%	\$131,860,274.00
	Total	\$1,144,317,808.16

Fourth Batch

Interest payment date	Interest rate per annum	Interest expense
11 February 2015	4.95%	\$249,534,246.57
11 August 2015	3.68%	\$182,487,671.22

11 February 2016	2.37%	\$119,473,972.62
11 August 2016	2.68%	\$133,632,876.70
13 February 2017	2.15%	\$109,561,643.85
11 August 2017	1.27%	\$62,282,191.78
	Total	\$856,972,602.74

Fifth Batch

Interest payment date	Interest rate per annum	Interest expense
11 February 2016	2.37%	\$122,071,232.88
8 August 2016	2.68%	\$131,430,136.96
7 February 2017	2.15%	\$107,794,520.54
7 August 2017	1.27%	\$62,978,082.20
7 February 2018	1.68%	\$84,690,410.98
	Total	\$508,964,383.56

Sixth Batch

Interest payment date	Interest rate per annum	Interest expense
20 December 2016	2.58%	\$129,353,424.66
20 June 2017	1.02%	\$50,860,273.95
20 December 2017	1.78%	\$89,243,835.63
	Total	\$269,457,534.24

Silver Bond

First Batch

Interest payment date	Interest rate per annum	Interest expense
13 February 2017	2.15%	\$32,550,661.31
14 August 2017	2.00%	\$29,543,935.34
12 February 2018	2.00%	\$29,242,663.03
Amount of interest paid for early redemption	2.00%	\$331,623.53
	Total	\$ 91,668,883.21

Second Batch

Interest payment date	Interest rate per annum	Interest expense
27 December 2017	2.00%	\$30,546,065.72
Amount of interest paid for early redemption	2.00%	\$98,235.63
	Total	\$30,644,301.35

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)064

(Question Serial No. 1265)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Secretary has set aside a dedicated provision of \$500 million for the development of the financial services industry in the coming five years.

1. How will the \$500 million be allocated? How much resources will be put into bond market development, Fintech, green finance, manpower training and other aspects of financial services respectively?
2. Please set out the five-year plan and specific projects for each of the above areas.

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 46)

Reply:

1. The estimated total commitment of the dedicated provision for promoting and facilitating the development of the financial services sector is \$500 million. The funding will be used to promote and facilitate the development of the financial services sector in the five financial years from 2018-19. The estimated cash flow requirement for 2018-19 is \$200 million, of which \$150 million will be used for launching the Pilot Bond Grant Scheme. The remaining provision will be used for promoting and developing Hong Kong as a Fintech hub, introducing the Green Bond Grant Scheme and providing support to the development in other aspects of financial services.
2. Detailed work plans on the development of bond market, Fintech, green finance and manpower training are as follows –

Bond market development

To promote the development of the local bond market, the Government proposes to set up a three-year Pilot Bond Grant Scheme. The Scheme will cover eligible enterprises issuing bonds in Hong Kong for the first time. The amount of grant for each bond issuance is equivalent to half of the issuance expenses, capped at \$2.5 million. An enterprise can apply for a grant for a maximum of two bond issuances. The Hong Kong Monetary Authority will announce the details in due course. The Financial Services and the Treasury Bureau has earmarked \$150 million in the 2018-19 Estimates for launching the Scheme.

Fintech

To further promote and develop Hong Kong as a Fintech hub, InvestHK, Cyberport and the Hong Kong Applied Science and Technology Research Institute will continue to play their respective parts, with necessary support from the Government. The Government will also work closely with financial regulators and engage the industry to facilitate and coordinate Fintech development in Hong Kong.

Green finance

The introduction of a Green Bond Grant Scheme was announced in the 2018-19 Budget to subsidise qualified green bond issuers in obtaining green bond certification. Relevant details of the Green Bond Grant Scheme, including eligibility and grant ceiling, are being considered and will be announced in due course.

Manpower training

We will continue to implement the initiatives under the “Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector” between now and 2019-20. We will review their cost-effectiveness and consider nearer the completion of the Pilot Programme which of the initiatives warrant continuation, and if so, in what form (not necessarily limited to the insurance and asset and wealth management sectors). Industry’s feedback will be taken into account in the course of the review.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)065

(Question Serial No. 1266)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the 2018-19 Budget Speech, the Financial Secretary has proposed to launch a three-year Pilot Bond Grant Scheme to attract local, Mainland and overseas enterprises to issue bonds in Hong Kong. In this regard, will the Government advise this Committee of the details of the Pilot Bond Grant Scheme (e.g. application eligibility; terms and conditions); the number of enterprises expected to be attracted to issue bonds in Hong Kong under the scheme and the total amount of their bond issuances; and the expenditure arising from the scheme?

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 47)

Reply:

To promote the development of the local bond market, the Government proposes to set up a three-year Pilot Bond Grant Scheme. The Scheme will cover eligible enterprises issuing bonds in Hong Kong for the first time. The amount of grant for each bond issuance is equivalent to half of the issuance expenses, capped at \$2.5 million. An enterprise can apply for a grant for a maximum of two bond issuances. The Hong Kong Monetary Authority will announce the details in due course. The Financial Services and the Treasury Bureau has earmarked \$150 million in the 2018-19 Estimates for launching the Scheme.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)066

(Question Serial No. 1267)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Secretary has mentioned his plan to launch an array of measures to enhance Hong Kong's competitiveness, including attracting corporate bond issuance, facilitating investors' participation and broadening investment platform.

1. Please provide details of the relevant initiatives, plans and timetables as well as the manpower and resources involved in the 3 areas mentioned above.
2. Will there be promotional activities such as roadshows to encourage more investors and issuers from the Mainland, Asia and along the Belt and Road to participate in the Hong Kong bond market? If yes, what are the plans, timetables and resources involved?

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 49)

Reply:

To encourage more investors and issuers from the Mainland, Asia and along the Belt and Road to participate in the Hong Kong bond market, the Government plans to launch an array of measures to enhance our competitiveness, including attracting corporate bond issuance, facilitating investors participation and broadening our investment platform. We will launch a three-year Pilot Bond Grant Scheme to attract local and overseas enterprises to issue bonds in Hong Kong. Moreover, we will refine the qualifying debt instrument scheme by increasing the types of qualified instruments and expanding the scope of tax exemption. Apart from issuing institutional bonds under the Government Bond Programme, we will continue to issue Silver Bond this and next year, and allow securities brokers to participate in the subscription of Silver Bond so as to increase the sales channels.

We also propose to launch a green bond issuance programme with a borrowing ceiling of \$100 billion. The sums borrowed will be credited to the Capital Works Reserve Fund to provide funding for green public works projects of the Government. The measure will

encourage more issuers to arrange financing for their green projects through our capital markets.

Through the efforts of the Government, the Hong Kong bond market has continued to grow. Hong Kong is a leading bond market in Asia and ranked third in Asia (excluding Japan) in terms of bond issuance. The Government and the regulators will continue to promote the strengths of our capital market to issuers and investors on the Mainland and overseas, with a view to deepening the development of our bond market.

The Financial Services and the Treasury Bureau has earmarked \$150 million in the 2018-19 Estimates for launching the Pilot Bond Grant Scheme. Expenses relating to the Government Bond Programme and the green bond issuance programme will be borne by the Bond Fund and the Capital Works Reserve Fund respectively. Expenditure involved in launching the other initiatives mentioned above will be absorbed from within existing resources.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)067

(Question Serial No. 1268)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the promotion of Hong Kong's efforts in implementing initiatives in relation to the National 13th Five-Year Plan, the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Bay Area development in respect of the financial services sector, please provide details about the Bureau's work in the past 2 years and the coming year as follows:

1. the manpower and expenditure dedicated to the three areas of work each year;
2. a list of the specific projects for implementing the three areas of work in the past 2 years; and
3. a list of the specific projects to be implemented in the coming year.

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 50)

Reply:

The Government attaches great importance to the opportunities brought by the National 13th Five Year Plan, the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Bay Area (Bay Area) development. Hong Kong will continue to play the bridging role between the Mainland and the rest of the world, and can contribute to the following aspects in relation to financial services –

- (1) Global offshore Renminbi (RMB) business hub: With the increased use of RMB in bilateral trade and investment, demand from the offshore markets for RMB settlement, financing and fund management is on the rise. The launch of Bond Connect in July last year (which enables overseas investors to access the onshore bond market through financial infrastructural connection between Hong Kong and the Mainland) and the increase of the RQFII quota for Hong Kong from RMB270 billion to RMB500 billion (which reinforces Hong Kong's leading position with the biggest quota in the world)

have strengthened Hong Kong's strategic position as the springboard for overseas investors to enter the Mainland financial markets. We will continue to enhance Hong Kong's status as the global offshore RMB business hub;

- (2) Project financing and risk management: Hong Kong can be the major investment, financing and risk management centre for the Bay Area and the Belt and Road Initiative. The Hong Kong Monetary Authority's (HKMA) Infrastructure Financing Facilitation Office (IFFO) aims to facilitate infrastructure investments and their financing, by working with a cluster of key stakeholders who are invited as partners. So far, over 80 organisations from the Mainland, Hong Kong and overseas have joined IFFO as partners. Further, there are a number of multinational insurance institutions and reinsurers in Hong Kong with rich experience and knowledge of underwriting risks of major infrastructure, which can help Mainland enterprises enhance their ability to manage project risks;
- (3) Asset management and corporate treasury centre (CTC): Hong Kong is well placed to provide asset management services to enterprises, financial institutions and investors in the Bay Area and along the Belt and Road. To provide a conducive environment for attracting multinational and Mainland corporations to centralise their treasury functions in Hong Kong, the Inland Revenue Ordinance (Cap. 112) (IRO) already allows corporations which operate their intra-group financing business in Hong Kong to enjoy interest deduction in calculating profits tax and profits tax rate reduction by 50% under specified conditions. The Government proposes to amend the IRO to extend the coverage of profits tax concession to specified treasury services provided by qualifying CTCs for their onshore associated corporations; and
- (4) Green finance: The Government is making progress on various fronts to promote Hong Kong as the green finance hub in the region. The Financial Secretary announced in the 2018-19 Budget that from the dedicated provision of \$500 million, a Green Bond Grant Scheme would be introduced to subsidise qualified green bond issuers in obtaining green bond certification; and a green bond issuance programme with a borrowing ceiling of \$100 billion will also be launched to provide funding for green public works projects of the Government so as to encourage more issuers to arrange financing for their green projects through our capital market. The Government will submit a resolution to the Legislative Council as soon as possible so that the inaugural government green bond can be issued early.

Looking ahead, capitalizing on the opportunities brought by the country's 13th Five-Year Plan, the Belt and Road Initiative and the Bay Area development, the Government will continue to closely engage the industry and the relevant Mainland authorities to seek more policy headroom for further expanding the channels for two-way cross-border RMB fund flows and relaxing the constraints for Hong Kong financial institutions entering the Mainland market.

The above work will be pursued jointly by the Government and relevant financial regulators. The related expenses will be absorbed from within existing resources in the Financial Services Branch. We do not have a separate breakdown.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)068

(Question Serial No. 1269)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Bureau will continue to promote the development of financial technologies in Hong Kong this year. What are the details of work to be undertaken during the year? What are the resources involved and the timeframe for implementation?

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 51)

Reply:

Measures announced by the Financial Secretary in the 2018-19 Budget to promote the development of Fintech include –

- (a) Hong Kong Monetary Authority (HKMA) is prepared to launch a Faster Payment System offering 24-hour real-time payment function in September this year. This will allow banks and Stored Value Facility operators to provide real-time, round-the-clock, cross-institution payment and fund transfer service to their business and personal customers;
- (b) virtual banks are considered commercially and technically viable based on overseas experience. HKMA is consulting the industry on reviewing and amending the relevant guidelines, and will make the best endeavour to issue licences within this year;
- (c) \$200 million will be allocated to Cyberport to enhance the support for start-ups (including Fintech start-ups) and promote the development of the digital technology ecosystem. Cyberport will also launch an “easy landing” programme to attract multinational companies (including overseas and Mainland leading internet enterprises and Fintech companies) to set up offices and R&D units in Hong Kong; and

(d) a dedicated provision of \$500 million for the development of the financial services industry in the coming five years, providing necessary support for Fintech, bond market development, green finance, manpower training and other aspects of financial services.

Fintech related work in the Financial Services Branch (FSB) will be absorbed from within FSB's existing resources and manpower, including one Administrative Officer Staff Grade C, one Senior Economist, one Economist and one Senior Executive Officer.

Furthermore, the Financial Services and the Treasury Bureau has earmarked \$14.91 million in 2018-19 to continue to support Invest Hong Kong's dedicated Fintech team.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)069

(Question Serial No. 3205)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards the Government's three successful sukuk issuances in 2014, 2015 and February 2017, please advise this Committee of:

1. the respective total issue amounts, subscription results and yields of the three issuances;
2. the latest plan and timetable for future issuances; and
3. how Hong Kong, as a member of the Asian Infrastructure Investment Bank, will further promote the use of our sukuk platform in future by enterprises along the Belt and Road; what will be the resources involved?

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 52)

Reply:

To promote the development of Islamic finance in Hong Kong, three sukuk were issued under the Government Bond Programme in 2014, 2015 and 2017 respectively to demonstrate the ability of our capital platform to support sukuk issuances. The three issuances, each with a size of US\$1 billion, were well received by investors around the world and oversubscription was recorded. The yields of the three sukuk are 2.005%, 1.894% and 3.132% respectively.

To promote the further development of the bond market, in 2018-19 the Government will launch a Pilot Bond Grant Scheme to attract local and overseas enterprises to issue bonds in Hong Kong. We will also refine the qualifying debt instrument scheme to expand the scope of tax exemption. These measures will help increase the competitiveness of the Hong Kong bond market, and be conducive to the development of Islamic finance. The

manpower and expenses involved in taking forward the above initiatives will be absorbed from within our existing resources.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)070

(Question Serial No. 3571)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the initiative of “continue to monitor compliance with the more stringent licensing conditions by licensed money lenders”, the Government informed the Panel on Financial Affairs earlier that it would “explore the imposition of an additional licensing condition that if there is a referee involved in a loan, a money lender is required to obtain such referee’s consent through the borrower”. The government representative also indicated at the meeting that currently only a few money lenders would require borrowers to provide information on referees.

1. Whether the Government has made accurate estimates on the number of licensed money lenders who currently require borrowers to provide information on referees? If yes, what is number?
2. What is the number of complaints received by the Police or other departments about nuisance caused to referees in each of the past 3 years? Among these complaints, how many were investigated and how many were prosecuted and convicted?
3. Among these complaints, how many were referred to the Companies Registry or the Licensing Court in each of the past 3 years? How many licensees had their licences cancelled or licence renewal applications refused as a result?
4. Bank lending is currently not subject to the relevant requirement on referees. As such, will the Government change its policy and prohibit licensed money lenders from asking borrowers to provide information on referees?

Asked by: Hon WU Chi-wai (Member Question No. (LegCo use): 40)

Reply:

To tackle the problem that some fraudsters, claiming themselves to be “intermediaries”, used deceptive tactics to induce prospective borrowers to engage them for arranging loans and charge very high fees in the process, the Government implemented a four-pronged approach in 2016, namely imposition of more stringent licensing conditions on money lenders with effect from 1 December 2016; enhanced enforcement by the Police; enhanced public education and publicity; and enhanced advisory services to the public.

The four-pronged approach has generally been effective in addressing money lending-related malpractices. In particular, we note that since the implementation of the new measures, the number of complaints against unscrupulous intermediaries received by the Police has dropped significantly. That said, we will continue to closely monitor the situation, and implement further enhancement measures including the imposition of an additional licensing condition that if there is a referee involved in a loan, a money lender is required to obtain such referee’s consent through the borrower. In the formulation of this enhancement measure, we have made reference to similar requirements under the “Code of Banking Practice”. The Legislative Council (LegCo) Panel on Financial Affairs expressed general support to the further enhancement measures.

According to information from the trade, only a limited number of loan cases involved a referee. As regards complaints against nuisance caused to referees, we note from press reports that there were individual cases where a member of the public was designated as a referee in a loan application without his knowledge. From 2015 to 2017, the Companies Registry did not receive any such complaints. In the same period, no licensee had the money lenders licence cancelled or licence renewal application refused because of this kind of complaints. The Police do not have the relevant statistics.

As we have undertaken at the LegCo Panel on Financial Affairs, in order to further protect the public, we will impose an additional licensing condition to require a money lender to obtain the referee’s consent through the borrower if a referee is involved in a loan.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)071

(Question Serial No. 0795)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With regard to the import and export of fresh produce and agricultural and fishery products, please advise on the following:

- (a) the total value of fresh produce and agricultural and fishery products supplied by the Mainland to Hong Kong in the past 3 years (i.e. from 2015-16 to 2017-18);
- (b) the total value of fresh produce and agricultural and fishery products supplied by overseas regions and countries to Hong Kong in the past 3 years (i.e. from 2015-16 to 2017-18);
- (c) the total value of local fresh produce and agricultural and fishery products exported to the Mainland in the past 3 years (i.e. from 2015-16 to 2017-18); and
- (d) the total value of local fresh produce and agricultural and fishery products exported to overseas regions and countries in the past 3 years (i.e. from 2015-16 to 2017-18).

Asked by: Hon HO Chun-yin, Steven (Member Question No. (LegCo use): 38)

Reply:

- (a) The value of imports of fresh produce and agricultural and fishery products of the Mainland origin to Hong Kong in the past 3 calendar years i.e. 2015, 2016 and 2017, was about \$9,336 million, \$9,129 million and \$9,094 million respectively.
- (b) The value of imports of fresh produce and agricultural and fishery products of overseas origin to Hong Kong in the past 3 calendar years i.e. 2015, 2016 and 2017, was about \$18,194 million, \$21,139 million and \$21,441 million respectively.
- (c) Hong Kong had no domestic exports of fresh produce and agricultural and fishery products to the Mainland in the past 3 calendar years i.e. 2015, 2016 and 2017.

- (d) The value of domestic exports of fresh produce and agricultural and fishery products from Hong Kong to overseas regions and countries in the past 3 calendar years i.e. 2015, 2016 and 2017, was about \$1.6 million, \$4.6 million and \$0.1 million respectively.

Note: Fresh produce and agricultural and fishery products refer to live pigs, live cattle, live goat, live poultry, live fish, vegetables and fruits.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)072****(Question Serial No. 0875)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (6) Labour StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please advise the following:

- (1) Has the Department conducted any independent surveys in respect of labour shortage in specific sectors, particularly construction, nursing, etc? If so, what are the details and estimated expenditure? If not, what are the reasons?
- (2) Please tabulate the number of persons engaged and vacancies in the construction and elderly care industries in the past 2 years.

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. (LegCo use): 18)Reply:

- (1) The Census and Statistics Department has been collecting information on job vacancies in establishments (including construction sites, nursing homes and residential care services for the elderly) on a quarterly basis through its regular statistical surveys to gauge labour shortage in various industries. The estimated cost for conducting the related surveys has already been included in the estimated expenditure for 2018-19 for Programme (6) – Labour Statistics, which amounts to \$96.8 million.
- (2) The number of persons engaged and vacancies in the construction and elderly care industries in the past 2 years are provided below:

Industry	Number of persons engaged		Number of vacancies ⁽¹⁾	
	2016 ⁽²⁾	2017 ⁽³⁾	2016 ⁽²⁾	2017 ⁽³⁾
Construction ⁽⁴⁾	107 799	117 311	737	969
Elderly care ⁽⁵⁾	23 871	24 074	2 201	2 226

- Notes: (1) Vacancies refer to unfilled job openings which are immediately available, and for which active recruitment steps are being taken by the employers concerned on the survey reference date.
- (2) The figures refer to the average of the 4 quarters of the year.
- (3) The figures refer to the average of the first 3 quarters of the year.
- (4) The figures cover manual workers at construction sites only, with data mostly collected from main contractors.
- (5) The figures cover nursing homes and residential care services for the elderly.

Source: Quarterly Report of Employment and Vacancies Statistics, Census and Statistics Department

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)073****(Question Serial No. 0048)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (6) Labour StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Concerning the manpower situation of the construction industry and the supplementary labour scheme, will the Administration inform this Council:

- a) average daily wages of workers engaged in Public Sector Construction Projects as reported by main contractors

Trade	2/2015 (\$/day)	2/2016 (\$/day)	2/2017 (\$/day)	2/2018 (\$/day)
Concretor				
Bricklayer				
Drainlayer				
Mason				
Bar bender and fixer				
Metal worker				
General welder				
Structural steel erector				
Structural steel welder				
Rigger/metal formwork erector				
Carpenter (formwork)				
Joiner				
Plumber				
Construction plant mechanic				
Plant & equipment operator (load shifting)				
Truck driver				
Rock-breaking driller				
Asphalter (road construction)				
Bamboo scaffolder				
Diver				
Plasterer				

Glazier				
Painter and decorator				
Leveller				
Marble worker				
Electrical fitter (incl. electrician)				
Mechanical fitter				
Refrigeration/airconditioning/ventilation mechanic				
Fire services mechanic				
Lift and escalator mechanic				
Building services maintenance mechanic				
Cable joiner (power)				
General workers and labourers				

b) overall manpower situation of construction trades

Trade	No of active workers in (2015/2016 /2017)	No of workers actually required (2015/2016/ 2017)	(No. of applications received for labour importation / number of labourers involved)	(No of applications approved / number of labourers involved)
Concretor				
Bricklayer				
Drainlayer				
Mason				
Bar bender and fixer				
Metal worker				
General welder				
Structural steel erector				
Structural steel welder				
Rigger/metal formwork erector				
Carpenter (formwork)				
Joiner				
Plumber				
Construction plant mechanic				
Plant & equipment operator (load shifting)				
Truck driver				
Rock-breaking driller				
Asphalter (road construction)				
Bamboo scaffolder				
Diver				
Plasterer				
Glazier				

Painter and decorator				
Leveller				
Marble worker				
Electrical fitter (incl. electrician)				
Mechanical fitter				
Refrigeration/airconditioning/ventilation mechanic				
Fire services mechanic				
Lift and escalator mechanic				
Building services maintenance mechanic				
Cable jointer (power)				
General workers and labourers				

Asked by: Hon SHEK Lai-him, Abraham (Member Question No. (LegCo use): 64)

Reply:

- (a) The relevant statistics compiled by the Census and Statistics Department based on information reported by main contractors are at Annex 1.
- (b) The Government does not have relevant statistics on the number of active workers and the number of workers actually required for individual trades. The numbers of registered semi-skilled and skilled workers in individual trades as well as registered general workers under the Construction Workers Registration System provided by the Development Bureau are at Annex 2.

The numbers of imported workers applied for and approved under the Supplementary Labour Scheme provided by the Labour Department are at Annex 3.

Average daily wages of workers engaged in public sector construction projects
as reported by main contractors

(HK\$/day)

Trade	February 2015	February 2016	February 2017
Concretor	1,871.7	1,864.3	1,993.8
Bricklayer	1,209.1	1,180.8	1,260.3
Drainlayer	1,409.6	1,529.1	1,635.3
Mason	1,261.0	1,197.7	1,018.5
Bar bender and fixer	1,870.7	1,948.4	2,088.3
Metal worker	1,098.1	1,146.5	1,196.6
General welder	1,306.6	1,329.0	1,397.9
Structural steel erector	1,500.0	1,475.0	1,420.9
Structural steel welder	1,427.3	1,467.5	1,410.0
Rigger/metal formwork erector	1,481.6	1,638.8	1,696.2
Carpenter (formwork)	1,883.8	1,879.5	1,994.4
Joiner	1,062.4	1,207.1	1,224.8
Plumber	1,142.7	1,267.5	1,397.0
Construction plant mechanic	1,136.8	1,196.9	1,291.0
Plant & equipment operator (load shifting)	1,061.5	1,151.5	1,195.6
Truck driver	791.9	838.8	865.4
Rock-breaking driller	1,480.5	1,423.7	1,474.5
Asphalter (road construction)	872.2	902.8	942.2
Bamboo scaffolder	1,640.5	1,718.4	1,856.2
Diver	2,185.4	2,179.7	2,363.0
Plasterer	1,260.5	1,354.2	1,384.5
Glazier	1,405.6	1,248.3	1,528.0
Painter and decorator	996.8	1,150.3	1,225.5
Leveller	1,367.4	1,384.6	1,353.8
Marble worker	1,175.2	1,216.4	1,269.0
Electrical fitter (incl. electrician)	935.8	1,052.1	1,172.7
Mechanical fitter	801.3	868.9	874.6
Refrigeration/air-conditioning/ventilation mechanic	794.5	803.7	979.0
Fire services mechanic	1,137.3	967.9	1,197.6

(HK\$/day)			
Trade	February 2015	February 2016	February 2017
Lift and escalator mechanic	738.1	768.4	775.2
Building services maintenance mechanic	708.0	744.7	814.7
Cable jointer (power)	1,010.0	932.0	769.2
General workers and labourers	867.4	919.1	1,032.6

Notes: The average daily wages are compiled based on the information obtained from the self-administered “Monthly Return of Site Labour Deployment and Wage Rates for Construction Works” (GF527) completed by main contractors of public sector construction projects. As private sector construction projects are not covered, they cannot represent the overall wage situation of site workers in the construction industry.

Figures for February 2018 will be available on 4 May 2018.

Numbers of registered semi-skilled and skilled workers in individual trades and number of registered general workers under the Construction Workers Registration System

(i) Numbers of registered semi-skilled and skilled workers in individual trades

Trade	Number of registered semi-skilled workers			Number of registered skilled workers		
	2015	2016	2017	2015	2016	2017
Concretor	1 473	1 707	2 255	1 078	1 893	2 330
Bricklayer	389	423	441	565	710	796
Drainlayer	70	54	47	396	611	732
Mason	3	4	3	10	38	46
Bar bender and fixer	2 785	3 024	3 599	2 980	4 898	5 552
Metal worker	494	489	473	1 965	4 599	5 808
General welder	2 636	2 393	2 191	3 762	4 632	5 322
Structural steel erector	3	5	5	30	57	74
Structural steel welder	-	-	-	366	460	573
Rigger/metal formwork erector	271	375	465	514	1 434	1 916
Carpenter (formwork)	2 223	2 769	3 094	3 523	6 664	9 368
Joiner	934	1 003	1 087	2 723	7 076	8 737
Plumber	939	937	1 025	3 945	6 502	7 679
Construction plant mechanic	475	496	472	603	879	976
Plant & equipment operator (load shifting)	-	-	-	6 240	7 795	8 973
Truck driver	-	-	-	16 066	16 194	16 322
Rock-breaking driller	-	-	-	11	160	331
Asphalter (road construction)	0	0	2	151	257	315
Bamboo scaffolder	364	368	373	1 632	1 889	2 025
Diver	-	-	-	231	231	235
Plasterer	451	444	441	2 060	2 607	2 884
Glazier	14	14	39	233	389	504
Painter and decorator	1 330	1 238	1 277	4 312	8 471	10 536
Leveller	2 157	2 484	2 881	2 070	3 184	3 642

Trade	Number of registered semi-skilled workers			Number of registered skilled workers		
	2015	2016	2017	2015	2016	2017
Marble worker	96	120	141	600	1 658	2 050
Electrical fitter (incl. electrician)	-	-	-	31 080	37 056	38 355
Mechanical fitter	135	133	128	817	1 223	1 347
Refrigeration/ air-conditioning/ ventilation mechanic	580	673	681	2 765	5 711	7 113
Fire services mechanic	263	247	318	909	1 734	2 159
Lift and escalator mechanic	-	-	-	4 060	4 153	4 254
Building services maintenance mechanic	-	-	-	-	-	-
Cable jointer (power)	-	-	-	287	446	548

(ii) Number of registered general workers

Trade	Number of registered workers		
	2015	2016	2017
General workers	227 621	228 245	232 826

Notes: Figures are number of registered workers at the end of the respective years.

- Represents “Not applicable”.

Numbers of imported workers applied for and approved
under the Supplementary Labour Scheme

Trade	Number of imported workers applied for under the Supplementary Labour Scheme*			Number of imported workers approved under the Supplementary Labour Scheme*		
	2015	2016	2017	2015	2016	2017
Concretor	70	10	0	11	76	0
Bricklayer	40	50	0	17	38	0
Drainlayer	0	10	10	0	0	0
Mason	0	0	0	0	0	0
Bar bender and fixer	200	20	0	103	51	0
Metal worker	30	140	0	0	27	0
General welder	65	63	0	53	30	0
Structural steel erector	0	0	0	0	0	0
Structural steel welder	80	0	0	4	74	0
Rigger/metal formwork erector	110	15	0	30	96	0
Carpenter (formwork)	70	65	0	56	37	0
Joiner	0	4	0	0	4	0
Plumber	50	70	1	0	61	0
Construction plant mechanic	0	6	4	0	0	0
Plant & equipment operator (load shifting)	0	0	0	0	0	0
Truck driver	0	0	0	0	0	0
Rock-breaking driller	0	0	0	0	0	0
Asphalter (road construction)	0	10	0	0	0	0
Bamboo scaffolder	30	0	0	0	0	0
Diver	0	0	0	0	0	0
Plasterer	50	40	0	25	40	0
Glazier	0	0	0	0	0	0
Painter and decorator	15	45	0	0	43	0
Leveller	20	0	0	3	0	0
Marble worker	0	0	0	0	0	0
Electrical fitter (incl. electrician)	0	0	0	13	0	0
Mechanical fitter	0	0	0	0	0	0
Refrigeration/air-conditioning/ventilation mechanic	0	432	0	0	312	0

Trade	Number of imported workers applied for under the Supplementary Labour Scheme*			Number of imported workers approved under the Supplementary Labour Scheme*		
	2015	2016	2017	2015	2016	2017
Fire services mechanic	0	0	0	0	0	0
Lift and escalator mechanic	20	92	0	37	80	12
Building services maintenance mechanic	0	0	0	0	0	0
Cable jointer (power)	0	0	0	0	0	0
General workers and labourers	0	4	0	0	0	0

* Applications received towards year-end may be approved in the following year, and hence the number of imported workers approved each year does not necessarily fully reflect the approval results of the applications for the importation of workers in the year.

End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)074

(Question Serial No. 1298)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics, (4) General Statistical Services, (5) Price/Industry/Service Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With reference to the Quarterly Report on General Household Survey conducted at the end of each year in the past 5 years, please provide by district a breakdown of the following in the past 5 years:

- (a) the rents for tenants of private housing units in Hong Kong (the lowest value, the 25th percentile, the median, the 75th percentile and the highest value); and
- (b) their average monthly household income (the lowest value, the 25th percentile, the median, the 75th percentile and the highest value).

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 507)

Reply:

Based on the data obtained from the General Household Survey conducted by the Census and Statistics Department, the 25th percentile, the median and the 75th percentile of the monthly rent and monthly domestic household income of tenant households in private housing by District Council district from 2012 – 2016 are shown in Annexes 1 and 2 respectively. The figures for 2017 are not yet available.

As the General Household Survey is a sample survey, the corresponding lowest and highest values obtained from the results of the survey may not be able to reflect the figures in reality. The corresponding lowest and highest values are therefore not released.

The 25th percentile, the median and the 75th percentile of the monthly rent of tenant households in private housing by District Council district, 2012

District Council district	Monthly rent (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	6,500	11,000	23,000
Wan Chai	4,500	10,000	20,000
Eastern	6,500	10,000	16,000
Southern	2,200	10,800	21,000
Yau Tsim Mong	3,000	5,500	10,000
Sham Shui Po	2,400	4,000	8,000
Kowloon City	3,300	6,700	12,000
Wong Tai Sin	2,000	4,000	7,500
Kwun Tong	2,000	4,000	8,500
Kwai Tsing	2,600	6,000	9,000
Tsuen Wan	5,500	8,000	11,000
Tuen Mun	5,000	6,000	7,500
Yuen Long	2,800	5,000	7,000
North	2,500	4,100	6,500
Tai Po	5,100	7,000	8,500
Sha Tin	6,300	9,000	13,000
Sai Kung	6,000	9,500	12,000
Islands	4,200	9,800	15,000
Overall	3,300	7,000	12,000

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

The 25th percentile, the median and the 75th percentile of the monthly rent of tenant households in private housing by District Council district, 2013

District Council district	Monthly rent (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	7,000	11,000	20,000
Wan Chai	5,500	11,000	20,000
Eastern	7,000	10,000	17,000
Southern	2,200	10,000	24,000
Yau Tsim Mong	3,200	5,600	9,500
Sham Shui Po	2,900	4,800	8,200
Kowloon City	3,700	7,000	13,800
Wong Tai Sin	2,400	6,300	10,000
Kwun Tong	2,200	4,500	9,000
Kwai Tsing	2,500	6,500	10,000
Tsuen Wan	4,600	9,000	12,000
Tuen Mun	4,500	6,500	8,000
Yuen Long	3,000	5,400	7,500
North	3,000	5,000	7,600
Tai Po	5,800	7,500	9,000
Sha Tin	7,000	9,400	14,000
Sai Kung	6,500	11,000	14,800
Islands	6,000	12,000	16,000
Overall	3,600	7,500	12,000

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

The 25th percentile, the median and the 75th percentile of the monthly rent of tenant households in private housing by District Council district, 2014

District Council district	Monthly rent (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	8,000	12,300	23,000
Wan Chai	7,500	13,000	19,000
Eastern	6,100	10,500	17,000
Southern	3,500	13,000	25,000
Yau Tsim Mong	3,600	6,500	11,500
Sham Shui Po	3,000	5,200	9,000
Kowloon City	4,000	8,100	15,000
Wong Tai Sin	2,800	6,500	11,000
Kwun Tong	2,300	6,000	10,500
Kwai Tsing	2,500	6,300	10,000
Tsuen Wan	5,500	9,000	12,000
Tuen Mun	4,600	7,100	8,500
Yuen Long	3,300	6,000	8,000
North	3,000	5,500	8,000
Tai Po	5,000	8,000	10,000
Sha Tin	8,000	10,000	15,000
Sai Kung	7,000	11,800	15,000
Islands	5,000	11,000	15,000
Overall	4,000	8,000	13,000

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

The 25th percentile, the median and the 75th percentile of the monthly rent of tenant households in private housing by District Council district, 2015

District Council district	Monthly rent (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	9,000	13,000	23,000
Wan Chai	10,000	15,500	24,000
Eastern	8,300	13,000	20,000
Southern	4,000	14,000	33,000
Yau Tsim Mong	3,900	7,300	13,000
Sham Shui Po	3,400	5,500	9,800
Kowloon City	4,500	8,800	15,000
Wong Tai Sin	2,900	8,500	14,500
Kwun Tong	2,500	5,300	11,000
Kwai Tsing	4,000	8,500	12,000
Tsuen Wan	4,800	10,000	13,000
Tuen Mun	5,000	8,000	9,500
Yuen Long	4,000	6,300	9,000
North	3,800	6,500	8,500
Tai Po	7,000	9,000	11,000
Sha Tin	8,500	11,000	15,800
Sai Kung	10,000	14,000	17,000
Islands	4,900	11,000	17,000
Overall	4,600	9,000	15,000

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

The 25th percentile, the median and the 75th percentile of the monthly rent of tenant households in private housing by District Council district, 2016

District Council district	Monthly rent (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	9,000	14,300	22,500
Wan Chai	8,000	15,000	24,000
Eastern	9,000	13,500	20,000
Southern	5,000	15,000	36,000
Yau Tsim Mong	4,000	7,500	14,800
Sham Shui Po	3,500	6,000	11,000
Kowloon City	4,900	9,000	16,000
Wong Tai Sin	3,600	8,000	13,000
Kwun Tong	2,600	6,000	11,600
Kwai Tsing	4,800	9,000	13,000
Tsuen Wan	6,000	10,600	13,500
Tuen Mun	6,600	8,300	10,000
Yuen Long	4,000	6,500	9,600
North	3,500	6,000	9,000
Tai Po	7,000	9,000	11,500
Sha Tin	9,000	11,500	16,000
Sai Kung	11,000	15,000	18,000
Islands	6,500	13,500	19,000
Overall	4,900	9,500	15,000

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

Boundaries of Wan Chai district and Eastern district adopted since 2016 are different from those adopted in earlier years. Therefore, figures of the Wan Chai district and Eastern district for 2016 are not strictly comparable with those for earlier years in this report.

The 25th percentile, the median and the 75th percentile of the monthly domestic household income of tenant households in private housing by District Council district, 2012

District Council district	Monthly domestic household income (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	24,700	48,000	95,000
Wan Chai	20,000	45,000	80,000
Eastern	20,000	37,500	64,900
Southern	30,000	54,400	115,000
Yau Tsim Mong	10,700	20,000	38,800
Sham Shui Po	9,000	17,000	33,900
Kowloon City	12,000	26,600	50,000
Wong Tai Sin	18,800	33,000	47,000
Kwun Tong	17,100	30,000	45,000
Kwai Tsing	20,700	32,000	51,000
Tsuen Wan	16,000	28,800	49,000
Tuen Mun	16,000	26,000	41,000
Yuen Long	11,000	19,800	35,000
North	11,000	20,000	33,500
Tai Po	16,000	30,000	45,500
Sha Tin	24,800	37,600	60,000
Sai Kung	22,800	36,000	60,000
Islands	18,100	37,000	60,000
Overall	15,000	30,000	54,000

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

The 25th percentile, the median and the 75th percentile of the monthly domestic household income of tenant households in private housing by District Council district, 2013

District Council district	Monthly domestic household income (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	22,500	45,000	89,200
Wan Chai	21,300	40,000	85,000
Eastern	21,000	37,600	65,000
Southern	31,700	58,500	120,000
Yau Tsim Mong	11,600	20,200	38,900
Sham Shui Po	10,000	18,000	34,600
Kowloon City	15,000	28,200	50,400
Wong Tai Sin	20,000	34,000	53,000
Kwun Tong	19,800	32,200	50,000
Kwai Tsing	16,400	32,700	51,500
Tsuen Wan	15,000	30,000	50,000
Tuen Mun	15,000	25,000	40,000
Yuen Long	12,000	21,000	37,000
North	12,000	20,000	30,100
Tai Po	15,500	28,100	46,000
Sha Tin	23,000	37,500	60,000
Sai Kung	30,000	48,000	70,500
Islands	25,000	40,000	68,000
Overall	15,400	30,000	54,000

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

The 25th percentile, the median and the 75th percentile of the monthly domestic household income of tenant households in private housing by District Council district, 2014

District Council district	Monthly domestic household income (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	27,500	50,000	101,000
Wan Chai	27,000	45,000	86,600
Eastern	20,000	40,000	68,900
Southern	31,300	56,000	123,700
Yau Tsim Mong	12,000	23,000	45,000
Sham Shui Po	11,000	19,000	35,000
Kowloon City	15,500	30,000	55,000
Wong Tai Sin	20,000	34,200	55,000
Kwun Tong	20,000	34,900	54,000
Kwai Tsing	18,500	35,600	53,100
Tsuen Wan	17,000	30,300	50,000
Tuen Mun	16,000	29,000	43,900
Yuen Long	12,800	23,000	38,000
North	12,000	20,000	33,900
Tai Po	16,000	29,700	50,000
Sha Tin	25,000	40,000	66,400
Sai Kung	25,000	45,000	69,000
Islands	22,000	41,000	65,000
Overall	17,000	32,000	57,000

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

The 25th percentile, the median and the 75th percentile of the monthly domestic household income of tenant households in private housing by District Council district, 2015

District Council district	Monthly domestic household income (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	28,600	50,000	90,000
Wan Chai	30,000	52,900	100,000
Eastern	25,000	45,300	74,400
Southern	30,100	65,000	127,800
Yau Tsim Mong	13,000	26,000	50,000
Sham Shui Po	11,000	19,000	36,300
Kowloon City	16,800	30,100	57,100
Wong Tai Sin	20,000	40,100	66,800
Kwun Tong	20,300	36,500	55,000
Kwai Tsing	20,000	36,300	54,600
Tsuen Wan	16,000	31,400	50,000
Tuen Mun	18,000	31,000	50,000
Yuen Long	13,000	22,500	40,000
North	15,000	25,000	40,000
Tai Po	21,300	36,300	55,000
Sha Tin	24,000	40,000	70,000
Sai Kung	31,200	54,100	81,200
Islands	18,000	40,000	78,300
Overall	18,000	35,000	62,300

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

The 25th percentile, the median and the 75th percentile of the monthly domestic household income of tenant households in private housing by District Council district, 2016

District Council district	Monthly domestic household income (\$)		
	25 th percentile	Median	75 th percentile
Central and Western	30,500	56,500	101,000
Wan Chai	30,300	55,000	100,000
Eastern	26,800	46,200	75,000
Southern	35,900	62,500	125,000
Yau Tsim Mong	12,600	26,000	51,100
Sham Shui Po	11,500	21,500	40,000
Kowloon City	15,800	30,000	62,000
Wong Tai Sin	22,000	36,000	60,000
Kwun Tong	21,000	36,900	57,400
Kwai Tsing	20,000	39,200	63,400
Tsuen Wan	18,000	34,200	55,900
Tuen Mun	18,900	32,000	50,000
Yuen Long	12,000	21,300	38,800
North	14,000	24,000	41,000
Tai Po	18,500	31,000	52,000
Sha Tin	25,000	44,200	70,200
Sai Kung	30,000	51,000	82,500
Islands	18,400	50,000	82,100
Overall	18,000	35,100	65,000

Notes: Figures do not include rent-free households.

Figures are rounded to the nearest hundred.

Boundaries of Wan Chai district and Eastern district adopted since 2016 are different from those adopted in earlier years. Therefore, figures of Wan Chai district and Eastern district for 2016 are not strictly comparable with those for earlier years in this report.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)075

(Question Serial No. 3151)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- (1) According to the 2016 Population By-census (16BC), please provide, by the proportion (<50%, 50-70%, 70-90%, 90-100%) of median household income for various household sizes (based on the overall median household income in the third quarter of 2016), the rent-to-income ratios for households living in sub-divided units (SDUs), their average frequency of moving homes and their proportion of waiting for public rental housing allocation;
- (2) According to the 16BC, please provide, by household size, the average rent and the rent-to-income ratio for households living in SDUs with household income less than half of the median household income (based on the overall median household income in the third quarter of 2016);
- (3) According to the 16BC, please provide, by decile group of household income and household size, the average rent and rent-to-income ratio for households living in SDUs;
- (4) According to the 16BC, please provide, by household size, the median per capita floor area of accommodation of households living in SDUs with household income less than half of the median household income (based on the overall median household income in the third quarter of 2016);
- (5) According to the 16BC, please provide, by geographical area and household size, the rent-to-income ratio for households living in SDUs with household income less than half of the median household income; and
- (6) According to the 16BC, there were 91 800 households living in SDUs. Among them, what was the number of households applying and waiting for public rental housing? What was the number of tenants with waiting time over 3 years and their distribution in each geographical area?

Reply:

The figures below are compiled from the results of the 2016 Population By-census (16BC). In 16BC, the monthly domestic household income refers to the income in June 2016. The monthly domestic household rent refers to the amount paid by a domestic household renting the accommodation it occupied in June 2016.

1. The median rent-to-income ratio by household size of domestic households living in sub-divided units (SDUs), with monthly domestic household income of less than 50%, from 50% to less than 70%, from 70% to less than 90% and from 90% to 100% of the median monthly domestic household income of the corresponding household size in 2016 are given in Annex 1.

The Census and Statistics Department does not have the relevant statistics on the frequency of moving homes and the proportion of households awaiting public rental housing allocation.

2. The median monthly domestic household rent and median rent-to-income ratio by household size of domestic households living in SDUs with monthly domestic household income less than half of the median monthly domestic household income of the corresponding household size in 2016 are given in Annex 2.
3. The median monthly domestic household rent and median rent-to-income ratio of domestic households living in SDUs by income decile group and household size in 2016 are given in Annex 3. The income decile groups are formed based on the monthly domestic household income by household size of domestic households living in SDUs.
4. The median per capita floor area of accommodation by household size of domestic households living in SDUs, with monthly domestic household income less than half of the median monthly domestic household income of the corresponding household size in 2016 are given in Annex 4.
5. The median rent-to-income ratio by geographical area of domestic households living in SDUs, with monthly domestic household income less than half of the median monthly domestic household income of the corresponding household size in 2016 are given in Annex 5. Due to precision considerations, the relevant figures cannot be further broken down by household size.
6. The Census and Statistics Department does not have the relevant statistics.

Median rent-to-income ratio of domestic households living in sub-divided units by selected household income group and household size, 2016

Selected household income group	Household size				
	1	2	3	≥4	Overall
	Median rent-to-income ratio ⁽¹⁾ (%)				
Domestic households living in sub-divided units with monthly domestic household income of less than 50% of the median monthly domestic household income of the corresponding household size	134.8	66.2	40.9	32.9	39.8
Domestic households living in sub-divided units with monthly domestic household income from 50% to less than 70% of the median monthly domestic household income of the corresponding household size	55.2	41.8	26.8	21.0	34.3
Domestic households living in sub-divided units with monthly domestic household income from 70% to less than 90% of the median monthly domestic household income of the corresponding household size	42.9	32.6	19.5	17.0	30.3
Domestic households living in sub-divided units with monthly domestic household income from 90% to 100% of the median monthly domestic household income of the corresponding household size	36.7	28.1	**	**	30.1

Note:

(1) Excluding households with zero income and/ or zero rent.

**Figures are not released due to precision considerations.

Data source: 2016 Population By-census

Median monthly domestic household rent and median rent-to-income ratio by household size of domestic households living in sub-divided units with monthly domestic household income less than half of the median monthly domestic household income of the corresponding household size, 2016

Household size	Domestic households living in sub-divided units with monthly domestic household income less than half of the median monthly domestic household income of the corresponding household size	
	Median monthly domestic household rent ⁽¹⁾ (HK\$)	Median rent-to-income ratio ⁽²⁾ (%)
1	3,360	134.8
2	4,500	66.2
3	4,300	40.9
≥4	5,000	32.9
Overall	4,500	39.8

Notes:

(1) Excluding rent free households.

(2) Excluding households with zero income and/ or zero rent.

Data source: 2016 Population By-census

Median monthly rent of domestic households living in sub-divided units by income decile group and household size, 2016

Income decile group ⁽¹⁾	Household size				
	1	2	3	≥4	Overall
	Median monthly domestic household rent ⁽²⁾ (HK\$)				
1st (lowest)	3,360	4,500	4,200	5,000	4,250
2nd	3,300	4,000	4,300	4,800	4,200
3rd	3,500	4,650	4,300	4,800	4,300
4th	3,500	4,500	4,600	4,800	4,500
5th	3,500	4,500	4,000	5,300	4,300
6th	4,000	4,700	4,500	5,040	4,500
7th	3,800	5,000	4,500	4,500	4,500
8th	3,600	5,000	4,300	5,040	4,500
9th	4,000	4,600	4,400	5,000	4,500
10th (highest)	4,300	5,000	5,000	5,000	4,750
Overall	3,600	4,600	4,400	5,000	4,500

Notes:

(1) The decile groups are formed based on the monthly domestic household income by household size of domestic households living in sub-divided units. Each of the 10 decile groups contains the same number of domestic households. The 1st decile group covers households falling below the 10th percentile, the 2nd decile group covers those falling between the 10th and 20th percentile, and so on.

(2) Excluding rent free households.

Data source: 2016 Population By-census

Median rent-to-income ratio of domestic households living in sub-divided units by income decile group and household size, 2016

Income decile group ⁽¹⁾	Household size				
	1	2	3	≥4	Overall
	Median rent-to-income ratio ⁽²⁾ (%)				
1st (lowest)	113.2	64.3	60.0	65.3	66.2
2nd	55.8	41.6	45.0	42.5	45.0
3rd	52.3	43.1	36.0	35.3	39.8
4th	41.9	38.5	34.1	31.5	36.0
5th	36.5	33.6	26.8	30.7	31.6
6th	38.7	31.1	28.3	27.3	30.5
7th	33.8	28.8	26.4	23.1	27.8
8th	28.8	27.8	22.8	23.0	25.6
9th	28.0	23.4	19.2	18.3	22.9
10th (highest)	23.7	18.5	15.8	15.0	19.1
Overall	35.8	31.8	28.5	29.5	31.8

Notes:

(1) The decile groups are formed based on the monthly domestic household income by household size of domestic households living in sub-divided units. Each of the 10 decile groups contains the same number of domestic households. The 1st decile group covers households falling below the 10th percentile, the 2nd decile group covers those falling between the 10th and 20th percentile, and so on.

(2) Excluding households with zero income and/ or zero rent.

Data source: 2016 Population By-census

Median per capita floor area of accommodation by household size of domestic households living in sub-divided units with monthly domestic household income less than half of the median monthly domestic household income of the corresponding household size, 2016

Household size	Domestic households living in sub-divided units with monthly domestic household income less than half of the median monthly domestic household income of the corresponding household size
	Median per capita floor area of accommodation ⁽¹⁾ (square meters)
1	8.0
2	6.0
3	3.3
≥4	3.0
Overall	3.3

Note:

(1) Floor area of common area shared among households is excluded.

Data source: 2016 Population By-census

Median rent-to-income ratio by geographical area of domestic households living in sub-divided units with monthly domestic household income less than half of the median monthly domestic household income of the corresponding household size

Geographical area	Domestic households living in sub-divided units with monthly domestic household income less than half of the median monthly domestic household income of the corresponding household size
	Median rent-to-income ratio ⁽¹⁾ (%)
Hong Kong Island	45.5
Kowloon	39.1
New Territories	39.2
Overall	39.8

Note:

(1) Excluding households with zero income and/ or zero rent.

Data source: 2016 Population By-census

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)076****(Question Serial No. 3622)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The provision for 2018-19 under this programme is \$457.8 million (162.5%) higher than the revised estimate for 2017-18, mainly due to the increased cash flow requirement for non-recurrent commitment items and a net increase of 10 posts in 2018-19. Please provide details of the intended uses of the said non-recurrent commitment items and the amounts involved.

Asked by: Hon CHAN Chi-chuen (Member Question No. (LegCo use): 61)

Reply:

In 2018-19, the intended uses of the general non-recurrent items of the Financial Services Branch and the amounts involved are as follows –

	Intended uses	Commitment \$'000	2018-19 Estimated Expenditure \$'000
1	Consultancy study for establishing a Risk-based Capital Regime	10,000	10,000
2	Funding for promoting and facilitating the development of the financial services sector	500,000	200,000
3	Provision to the Insurance Authority	200,000	200,000
4	Contribution to the Asian Infrastructure Investment Bank Project Preparation Special Fund	78,000	78,000
5	Pilot programme to enhance talent training for the insurance sector and the asset and wealth management sector	100,000	51,935
6	Exit package for Insurance Officer Grade Officers	31,200	700
	Total	919,200	540,635

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)077

(Question Serial No. 3638)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would the Government tabulate the establishment, ranks, salaries and related allowances of the staff of the Financial Services Development Council in 2018-19 under this Programme?

Asked by: Hon CHAN Chi-chuen (Member Question No. (LegCo use): 77)

Reply:

The incorporated Financial Services Development Council (FSDC) will recruit its own executive team from the market to support the delivery of the FSDC's objectives. During the initial stage of incorporation, the headcount of the FSDC will be around 13, inclusive of an Executive Director. The estimated annual staff cost is \$16.6 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)078

(Question Serial No. 4405)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the 2011 Work Plan of the Framework Agreement on Hong Kong/Guangdong Co-operation, "Guangdong will encourage branches of Hong Kong banks in Guangdong to expand their sub-branch networks, give guidance to Hong Kong banks to set up specialised credit institutions for small-sized enterprises in Guangdong, and provide support to qualified Hong Kong institutions to establish new types of community financial organisations and financing guarantee companies such as rural banks and microcredit companies in Guangdong." How effective are the above initiatives? For each of the initiatives, how many institutions and companies have expanded their business in Guangdong? Please set out the names of the institutions and companies involved as well as their respective progress of business expansion in Guangdong.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 47)

Reply:

As at December 2017, Hong Kong banks are allowed to set up 171 branches and sub-branches in the Guangdong Province, of which 59 are "cross-location" sub-branches and one is a rural bank. We do not have other related statistics.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)079

(Question Serial No. 4406)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the 2014 Work Plan of the Framework Agreement on Hong Kong/Guangdong Co-operation, both Guangdong and Hong Kong would seek support from the Central People's Government for lowering the entry thresholds for Hong Kong insurers into Guangdong. What has been achieved so far? What measures are in place to lower the threshold?

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 48)

Reply:

We will continue to closely liaise with the relevant Guangdong authorities through various channels (including the Mainland and Hong Kong Closer Economic Partnership Arrangement, the Guangdong-Hong Kong-Macao Bay Area development, etc.) to proactively seek the policy support of relevant Central authorities, including the China Banking and Insurance Regulatory Commission, for lowering the threshold for Hong Kong insurance institutions to enter the Guangdong insurance market.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)080****(Question Serial No. 4414)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- (a) Please list the number of licensed money service operators permitted to engage in renminbi (RMB) exchange service (i.e. the number of RMB exchange shops) in each of the past 5 years.
- (b) Please set out in the table below the number of RMB exchange shops in each district in the past 5 years.

	2013	2014	2015	2016	2017
Central and Western					
Eastern					
Southern					
Wan Chai					
Kowloon City					
Kwun Tong					
Sham Shui Po					
Yau Tsim Mong					
Wong Tai Sin					
Islands					
Kwai Tsing					
North					

Sai Kung					
Sha Tin					
Tai Po					
Tsuen Wan					
Tuen Mun					
Yuen Long					

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 60)

Reply:

- (a) Under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, the money service operator (MSO) licence does not impose any restriction on the type of currencies regarding the money changing service operation by a licensed MSO. As such, all licensed MSOs are allowed to operate the money changing service for various types of currencies (including Renminbi). The numbers of licensed MSOs in the past five years were as follows:-

	2013	2014	2015	2016	2017
Number of MSOs	1 155	1 206	1 226	1 231	1 309

- (b) The numbers of physical stores (including head offices and branches) of licensed MSOs by district in the past five years were as follows:-

	2013	2014	2015	2016	2017
Central & Western	191	190	193	194	193
Eastern	84	94	97	109	108
Southern	22	21	20	21	23
Wan Chai	117	118	145	152	164
Kowloon City	92	100	105	104	114
Kwun Tong	82	87	102	105	120
Sham Shui Po	88	95	97	96	101
Yau Tsim Mong	388	394	397	387	406

	2013	2014	2015	2016	2017
Wong Tai Sin	25	31	32	39	42
Islands	44	42	46	46	47
Kwai Tsing	41	38	45	46	43
North	72	78	72	73	73
Sai Kung	28	29	27	34	35
Sha Tin	66	72	72	71	75
Tai Po	39	39	34	37	40
Tsuen Wan	79	80	82	85	91
Tuen Mun	34	35	35	34	42
Yuen Long	68	72	72	73	88

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)081

(Question Serial No. 4374)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (001) Salaries

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would the Government inform this Committee of the post titles, annual salaries and scopes of work of the 10 highest paid individuals in the Financial Services Development Council in the past 3 years?

Asked by: Hon KWOK Ka-ki (Member Question No. (LegCo use): 402)

Reply:

The Financial Services Development Council (FSDC) has been supported by a secretariat under the purview of the Financial Services Branch (FSB) since its establishment in 2013. Staff of the secretariat include staff seconded from the Hong Kong Monetary Authority, Securities and Futures Commission and Hong Kong Trade Development Council, as well as civil servants and short-term Government contract staff deployed from FSB. The FSDC has not hired its own staff.

Upon incorporation as a company limited by guarantee in 2018-19, the FSDC will recruit its own executive team from the market to support the delivery of FSDC's objectives. During the initial stage of incorporation, the headcount of the FSDC will be around 13, inclusive of an Executive Director. The estimated annual staff cost is \$16.6 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)082

(Question Serial No. 6327)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Framework Agreement on Hong Kong/Guangdong Co-operation has provided for the issuance of Renminbi (RMB) bonds in Hong Kong by Guangdong enterprises. What is the total number of Guangdong enterprises issuing RMB bonds in Hong Kong in each of the past 5 years? What is the amount of bonds involved? Please provide detailed information of the enterprises concerned.

Asked by: Hon KWOK Ka-ki (Member Question No. (LegCo use): 331)

Reply:

According to market data, for the period from 2013 to 2017, a total of 118 Mainland enterprises and financial institutions have issued Renminbi bonds in Hong Kong, amounting to a total of RMB230 billion. The issuers came from a variety of sectors, including finance, public utilities, energy and real estates. We do not have the breakdown figures by provinces.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)083

(Question Serial No. 5949)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide a breakdown of the projected operational expenses of the Policy Holders' Protection Scheme proposed to be established under the Policy Holders' Protection Scheme Bill.

Asked by: Hon KWOK Wing-hang, Dennis (Member Question No. (LegCo use): 10)

Reply:

We propose that the Insurance Authority should be responsible for the relevant administrative work. Therefore, the Government does not require extra manpower for the establishment of the Policy Holders' Protection Scheme.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)084

(Question Serial No. 5926)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government mentioned in paragraph 83 of the Budget Speech that it will launch a green bond issuance programme with a borrowing ceiling of \$100 billion. The sums borrowed will be credited to the Capital Works Reserve Fund (CWRP) to provide funding for green public works projects of the Government. In this connection, please advise on the following:

What are the vetting criteria and procedures for CWRP projects financed by the green bond issuance programme?

What are the scope and details of the said green public works projects? What measures are in place to ensure that the sums borrowed under the programme will be fully credited to green public works projects of the Government?

What are the details, estimated expenditure and manpower arrangement involved in the green bond issuance programme for 2018-19?

Asked by: Hon LEUNG Kenneth (Member Question No. (LegCo use): 3.19)

Reply:

To demonstrate our support for sustainable development and determination to combat climate change, and to promote the development of green finance in Hong Kong, the Financial Secretary announced in the 2018-19 Budget that a Government Green Bond Programme (the Programme) with a borrowing ceiling of \$100 billion will be launched. The proceeds of issuances under the Programme will be credited to the Capital Works Reserve Fund for funding green public works projects of the Government meeting criteria for inclusion in the Programme. These projects would continue to be subject to the same established mechanism for seeking funding approval from the Finance Committee of the Legislative Council (LegCo). Such projects must provide positive environmental benefits

such as projects relating to renewable energy, energy efficiency, sustainable water and wastewater management, that are aligned with the green standards or principles underpinning the issuance. The Programme is also expected to encourage more issuers to arrange financing for their green projects through our capital markets.

We will submit a resolution to LegCo as soon as possible to seek authorisation to take forward the Programme. The terms of the inaugural green bond issuance, such as the tenor and size, would be determined having regard to the financing and re-financing needs of the commitments of green public works projects and the market situation (e.g. the interest rate, supply and demand of the market). The inaugural issuance will align with a green bond standard/guidelines widely accepted by global investors to provide appropriate disclosure to investors and other stakeholders to understand the characteristics and the greenness of the inaugural Government green bond and set a good example to other potential green issuers in Hong Kong.

Manpower and expenses involved will be absorbed from within existing resources. Expenses to the Programme such as interest, marketing and issuance related expenses are paid by the Capital Works Reserve Fund.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)085

(Question Serial No. 4150)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the provision of sign language interpretation services in the past 5 years, will the Government inform this Committee of the following:

1. Whether sign language interpretation services are provided? If yes, what are the frequency, occasions and causes for providing such services in each year?
2. Further to the above question, what is the number of sign language interpreters involved in each year? What are their pay, the organisations to which they belong and the total expenditure involved in each year?
3. Whether the Government will consider allocating more resources to improve the services for communicating with the deaf and/or persons with hearing impairment in future? If yes, what are the details (including the measures, manpower and expenditure involved and timetable, etc.)? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 88)

Reply:

In the past 5 years, there was no occasion requiring the Financial Services Branch to provide sign language interpretation services. If such a need arises in the future, appropriate arrangements will be made to ensure that the public are provided with the services they need.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)086

(Question Serial No. 5197)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It was mentioned in the Budget Speech two years ago that the Government would issue the Silver Bond for two years. What is the latest progress?

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 591)

Reply:

The Government launched the two-year Silver Bond Pilot Scheme in 2016 to provide senior citizens an investment product with steady returns, and promote the diversified development of the local bond market. In view that the Scheme was well received by investors, we will continue to issue Silver Bonds this and next year, targeting Hong Kong residents aged 65 or above. Having regard to the experience of the previous issuances and the prevailing market conditions, the Hong Kong Monetary Authority is considering enhancement to the issuance arrangements of Silver Bond, such as allowing the participation of securities brokers in the subscription of Silver Bond so as to increase the sales channels. The Authority will announce the terms and arrangements of the third Silver Bond issuance in due course when the relevant work is completed.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)087

(Question Serial No. 5250)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Framework Agreement on Hong Kong/Guangdong Co-operation has provided for the issuance of Renminbi (RMB) bonds in Hong Kong by Guangdong enterprises. What is the total number of Guangdong enterprises issuing RMB bonds in Hong Kong in each of the past 5 years? What is the amount of bonds involved? Please provide detailed information of the enterprises concerned.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 708)

Reply:

According to market data, for the period from 2013 to 2017, a total of 118 Mainland enterprises and financial institutions have issued Renminbi bonds in Hong Kong, amounting to a total of RMB230 billion. The issuers came from a variety of sectors, including finance, public utilities, energy and real estates. We do not have the breakdown figures by provinces.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)088****(Question Serial No. 5968)**

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services, (2) Subvention: Financial Services Development Council

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Andrew HY WONG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Details of Corporate Treasury Centres

To attract multinational and Mainland corporations to establish corporate treasury centres (CTCs) in Hong Kong, the Inland Revenue Ordinance (Cap. 112) was amended in 2016 to provide tax benefits to CTCs. Please advise this Committee on the following:

Please list in table form details of the CTCs established in Hong Kong as at February 2018, including (i) name of corporation, (ii) place of origin, (iii) size of market capitalisation, (iv) business nature and (v) year of establishment of the CTC.

Name of corporation	Place of origin	Size of market capitalisation	Business nature	Year of establishment of the CTC

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 738)

Reply:

Since the introduction of the relevant amendment to the Inland Revenue Ordinance in 2016, the Hong Kong Monetary Authority has reached out to over 300 corporates to promote the strengths of Hong Kong as a corporate treasury hub. Over 40 corporates have informed the Authority that they are actively considering setting up or have already set up corporate treasury centres (CTCs) in Hong Kong.

The setting up of CTCs is a long-term strategic move for corporates and it takes time to establish. With more corporates setting up CTC in Hong Kong, the relevant activities will create further demands for financial and professional services sectors and contribute to the development of the headquarters economy in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)089****(Question Serial No. 5638)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

1. Will the Census and Statistics Department (C&SD) increase the manpower and financial provision in 2018-19 to enhance the accuracy of data verification of the General Household Survey? What are the details, estimated expenditure and manpower involved?
2. Please provide the details of tablet computers (tablets) procured for conducting surveys on social statistics by C&SD in the past 5 years, as set out in the table below:

Year	Number of tablets purchased	Brand and model of tablets	Number of damaged tablets	Maintenance costs of tablets	Number of tablets that are still in use
2013-14					
2014-15					
2015-16					
2016-17					
2017-18					

3. Please advise on the brand, model, number of and expenditure on tablets to be procured for conducting surveys on social statistics by C&SD in 2018-19.
4. Regarding the planning work for the 2021 Population Census by C&SD in 2018-19, what are the specific expenditure and manpower involved in the feasibility study for supporting computer systems and web applications?

Asked by: Hon CHAN Tanya (Member Question No. (LegCo use): 169)

Reply:

1. Since 2013-14, the Census and Statistics Department (C&SD) has deployed additional manpower from existing resources to strengthen data verification of the General Household Survey. C&SD will continue to implement the same verification system in 2018-19 to ensure accuracy of data.
2. Details of tablet computers (tablets) procured by C&SD for conducting surveys on social statistics during the past 5 years are as follows -

Year	Number of tablets purchased	Brand and model of tablets	Number of damaged tablets	Maintenance costs of tablets	Number of tablets that are still in use
2013-14	-	-	-	-	-
2014-15	200 ⁽¹⁾	Asus, Alcatel and Lenovo ⁽²⁾	40	-	-
2015-16	5 901 ⁽¹⁾	Sky Cloud and Lenovo ⁽³⁾	256	\$48,000	111
2016-17	-	-	-	-	-
2017-18	-	-	-	-	-

- Notes: (1) The tablets were purchased for the 2016 Population By-census (16BC). Upon completion of the 16BC, part of the tablets (i.e. 111) were retained for use by the Government. The remaining tablets which were still functional were donated to non-government organisations.
- (2) Models include Asus Fonepad 7 (Dual SIM) 7", Alcatel One Touch Pop 7 7" Tablet P310X, Lenovo TAB2 A7-30, Lenovo A5500 (A8-50) 8" Tablet and Lenovo Tab 2 A8-50LC.
- (3) Models include Sky Cloud G808 and Lenovo Tab2 A8-50LC.

3. C&SD has no plan to procure tablets for conducting surveys on social statistics in 2018-19.
4. The estimated expenditure for the feasibility study for supporting computer systems and web applications for the 2021 Population Census, including the contract fees for IT professional services and the salary of one non-civil service contract staff employed by C&SD for undertaking the project, is \$4.86 million in 2018-19.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)090

(Question Serial No. 3975)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the respective numbers of children from households with income less than the median household income, 90%, 80%, 70%, 60%, 50% and 40% of the median household income by their age and year of study.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 5562)

Reply:

Based on data obtained from the General Household Survey conducted by the Census and Statistics Department, the number of persons aged below 18 residing in domestic households with monthly domestic household income less than the median monthly domestic household income, 90%, 80%, 70%, 60%, 50% and 40% of the median monthly domestic household income of the corresponding household size (excluding foreign domestic helpers) by age and by educational attainment in 2016 are shown in Annexes 1 and 2 respectively.

Number of persons aged below 18 residing in domestic households with selected monthly domestic household income (excluding foreign domestic helpers) by age in 2016

Age	Monthly domestic household income less than median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 90% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 80% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 70% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 60% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 50% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 40% of median monthly domestic household income of the corresponding household size
0 – 4	122 900	109 100	93 100	79 300	61 200	43 600	25 400
5 – 10	183 800	169 400	151 100	132 900	107 000	78 100	48 300
11 – 14	122 100	114 400	102 100	88 800	71 700	52 000	32 000
15 – 17	115 400	106 100	93 600	79 600	62 500	44 100	27 100
Total	544 200	498 900	439 800	380 700	302 400	217 700	132 800

Note : There may be a slight discrepancy between the sum of individual items and the total as shown in the table owing to rounding.

Number of persons aged below 18 residing in domestic households with selected monthly domestic household income (excluding foreign domestic helpers) by educational attainment in 2016

Educational attainment	Monthly domestic household income less than median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 90% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 80% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 70% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 60% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 50% of median monthly domestic household income of the corresponding household size	Monthly domestic household income less than 40% of median monthly domestic household income of the corresponding household size
No schooling	67 900	59 400	50 600	42 200	32 600	24 100	13 900
Pre-primary	93 300	84 400	73 700	64 300	50 700	34 800	21 100
Primary	187 500	174 300	155 000	137 100	110 600	81 600	50 100
Lower secondary	103 400	96 000	85 800	73 800	59 600	42 900	26 300
Upper secondary and above	92 100	84 800	74 700	63 200	49 000	34 300	21 400
Total	544 200	498 900	439 800	380 700	302 400	217 700	132 800

Notes :

- (1) Persons with educational attainment at lower secondary level refer to those with Secondary 1 - 3 education or equivalent level.
- (2) Persons with educational attainment at upper secondary level refer to those with Secondary 4 - 7 (old academic structure) / Secondary 4 - 6 (new academic structure) education or equivalent level, Diploma Yi Jin or craft level.
- (3) There may be a slight discrepancy between the sum of individual items and the total as shown in the table owing to rounding.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)091

(Question Serial No. 4681)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the respective numbers of households and residential units by types of quarters (public rental housing, Home Ownership Scheme flats, private housing units, small houses, village houses, rooftop houses, etc.) by 18 Districts each year for the past 5 years.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4021)

Reply:

According to the results of the 2016 Population By-census, statistics on domestic households and occupied quarters by District Council district and type of quarters are given in Annex.

The Census and Statistics Department does not have a separate breakdown of statistics related to small houses, village houses and rooftop houses, as well as the relevant statistics for 2013 to 2015 and 2017.

Domestic households and occupied quarters by District Council district and type of quarters, 2016

District Council district	Type of quarters	Number of domestic households	Number of occupied quarters
Central and Western	Public rental housing units	2 825	2 825
	Subsidised sale flats	-	-
	Private permanent housing units ⁽¹⁾	82 528	83 265
	Non-domestic quarters	1 601 ⁽²⁾	2 364 ⁽³⁾
	Temporary quarters	103	103
	Sub-total	87 057	88 557
Wan Chai	Public rental housing units	2 614	2 633
	Subsidised sale flats	-	-
	Private permanent housing units ⁽¹⁾	61 593	62 026
	Non-domestic quarters	913 ⁽²⁾	984 ⁽³⁾
	Temporary quarters	76	76
	Sub-total	65 196	65 719
Eastern	Public rental housing units	37 470	37 490
	Subsidised sale flats	28 479	28 555
	Private permanent housing units ⁽¹⁾	120 560	121 037
	Non-domestic quarters	414 ⁽²⁾	460 ⁽³⁾
	Temporary quarters	211	209
	Sub-total	187 134	187 751
Southern	Public rental housing units	26 195	26 286
	Subsidised sale flats	15 316	15 354
	Private permanent housing units ⁽¹⁾	42 964	43 227
	Non-domestic quarters	435 ⁽²⁾	1 235 ⁽³⁾
	Temporary quarters	595	595
	Sub-total	85 505	86 697
Yau Tsim Mong	Public rental housing units	3 383	3 390
	Subsidised sale flats	4 087	4 087
	Private permanent housing units ⁽¹⁾	113 544	114 095
	Non-domestic quarters	4 742 ⁽²⁾	4 852 ⁽³⁾
	Temporary quarters	784	773
	Sub-total	126 540	127 197
Sham Shui Po	Public rental housing units	51 786	52 036
	Subsidised sale flats	7 455	7 467
	Private permanent housing units ⁽¹⁾	87 519	87 760
	Non-domestic quarters	511 ⁽²⁾	1 057 ⁽³⁾
	Temporary quarters	1 033	1 033
	Sub-total	148 304	149 353
Kowloon City	Public rental housing units	35 221	35 298
	Subsidised sale flats	2 158	2 180
	Private permanent housing units ⁽¹⁾	104 023	104 288
	Non-domestic quarters	659 ⁽²⁾	1 568 ⁽³⁾
	Temporary quarters	348	348
	Sub-total	142 409	143 682

Annex (continued)

District Council district	Type of quarters	Number of domestic households	Number of occupied quarters
Wong Tai Sin	Public rental housing units	73 623	73 920
	Subsidised sale flats	44 495	44 557
	Private permanent housing units ⁽¹⁾	26 635	26 593
	Non-domestic quarters	540 ⁽²⁾	662 ⁽³⁾
	Temporary quarters	196	196
	Sub-total	145 489	145 928
Kwun Tong	Public rental housing units	129 939	130 344
	Subsidised sale flats	32 335	32 370
	Private permanent housing units ⁽¹⁾	63 367	63 487
	Non-domestic quarters	587 ⁽²⁾	708 ⁽³⁾
	Temporary quarters	259	259
	Sub-total	226 487	227 168
Kwai Tsing	Public rental housing units	101 944	102 187
	Subsidised sale flats	26 658	26 729
	Private permanent housing units ⁽¹⁾	45 218	45 548
	Non-domestic quarters	440 ⁽²⁾	677 ⁽³⁾
	Temporary quarters	540	540
	Sub-total	174 800	175 681
Tsuen Wan	Public rental housing units	23 113	23 168
	Subsidised sale flats	940	957
	Private permanent housing units ⁽¹⁾	83 920	84 179
	Non-domestic quarters	435 ⁽²⁾	567 ⁽³⁾
	Temporary quarters	671	681
	Sub-total	109 079	109 552
Tuen Mun	Public rental housing units	56 385	56 419
	Subsidised sale flats	38 424	38 557
	Private permanent housing units ⁽¹⁾	76 277	76 636
	Non-domestic quarters	168 ⁽²⁾	547 ⁽³⁾
	Temporary quarters	2 124	2 124
	Sub-total	173 378	174 283
Yuen Long	Public rental housing units	64 496	64 642
	Subsidised sale flats	24 848	24 894
	Private permanent housing units ⁽¹⁾	112 773	113 599
	Non-domestic quarters	103 ⁽²⁾	159 ⁽³⁾
	Temporary quarters	5 116	5 057
	Sub-total	207 336	208 351
North	Public rental housing units	23 142	23 231
	Subsidised sale flats	27 900	27 942
	Private permanent housing units ⁽¹⁾	49 794	50 326
	Non-domestic quarters	171 ⁽²⁾	289 ⁽³⁾
	Temporary quarters	5 476	5 474
	Sub-total	106 483	107 262

Annex (continued)

District Council district	Type of quarters	Number of domestic households	Number of occupied quarters
Tai Po	Public rental housing units	16 577	16 597
	Subsidised sale flats	26 142	26 186
	Private permanent housing units ⁽¹⁾	55 149	55 471
	Non-domestic quarters	84 ⁽²⁾	523 ⁽³⁾
	Temporary quarters	1 387	1 387
	Sub-total	99 339	100 164
Sha Tin	Public rental housing units	67 303	67 462
	Subsidised sale flats	57 617	57 778
	Private permanent housing units ⁽¹⁾	95 763	96 395
	Non-domestic quarters	423 ⁽²⁾	1 297 ⁽³⁾
	Temporary quarters	715	715
	Sub-total	221 821	223 647
Sai Kung	Public rental housing units	30 508	30 575
	Subsidised sale flats	44 655	44 719
	Private permanent housing units ⁽¹⁾	72 045	72 397
	Non-domestic quarters	374 ⁽²⁾	1 149 ⁽³⁾
	Temporary quarters	363	363
	Sub-total	147 945	149 203
Islands	Public rental housing units	15 381	15 381
	Subsidised sale flats	2 497	2 517
	Private permanent housing units ⁽¹⁾	36 250	36 544
	Non-domestic quarters	51 ⁽²⁾	136 ⁽³⁾
	Temporary quarters	856	856
	Sub-total	55 035	55 434
Land Total	Public rental housing units	761 905	763 884
	Subsidised sale flats	384 006	384 849
	Private permanent housing units ⁽¹⁾	1 329 922	1 336 873
	Non-domestic quarters	12 651 ⁽²⁾	19 234 ⁽³⁾
	Temporary quarters	20 853	20 789
	Total	2 509 337	2 525 629

- Notes : (1) Including private residential flats, villas / bungalows / modern village houses and simple stone structures / traditional village houses.
- (2) Excluding households living in collective living quarters (such as elderly homes, hotels and student dormitories).
- (3) Including quarters in non-residential buildings and collective living quarters.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)092

(Question Serial No. 4682)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please advise on the average and median floor area of accommodation of residential units in Hong Kong for the past 5 years.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4022)

Reply:

According to the results of the 2016 Population By-census, the average and median floor area of accommodation of domestic households in Hong Kong were 46 square metres and 40 square metres respectively in 2016. The figures exclude domestic households living in unsheltered accommodation or on board vessels and exclude the floor areas of common areas shared among households. We have to point out that the average figure needs to be interpreted carefully because it tends to be affected by figures with extreme values.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)093

(Question Serial No. 4683)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Has the Department conducted any territory-wide survey on the per capita floor area of accommodation of domestic units for the past 5 years? If yes, what are the results? What is the per capita floor area of accommodation of Hong Kong?

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4023)

Reply:

According to the results of the 2016 Population By-census, the median per capita floor area of accommodation of domestic households in Hong Kong was 15.0 square metres in 2016. The figure excludes domestic households living in unsheltered accommodation or on board vessels and excludes the floor areas of common areas shared among households.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)094****(Question Serial No. 4684)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the residential area, percentage of area to the residential land, and numbers of households, household members as well as the residential units by types of quarters (private housing units, public rental housing, Home Ownership Scheme flats, village houses, etc.) for the past 5 years.

	Residential area	Percentage of area to the residential land	Number of households	Number of household members	Number of residential units
Private housing units					
Public rental housing					
Home Ownership Scheme flats					
Village houses					
Total					

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4024)

Reply:

According to the results of the 2016 Population By-census, statistics on occupied quarters, domestic households and population in domestic households by type of quarters are as follows –

Type of quarters	Number of occupied quarters	Number of domestic households	Population in domestic households
Permanent quarters			
Public rental housing units	763 884	761 905	2 100 126
Subsidised sale flats	384 849	384 006	1 144 774
Private residential flats	1 160 775	1 155 511	3 250 871
Villas / bungalows / modern village houses	131 611	130 723	404 841
Simple stone structures / traditional village houses	23 355	23 243	62 527
Staff quarters	21 132	20 445	71 235
Non-domestic quarters	19 234 ⁽¹⁾	12 651 ⁽²⁾	25 831
Temporary quarters ⁽³⁾	21 186	21 250	53 931
Total	2 526 026	2 509 734	7 114 136

Notes : (1) Including quarters in non-residential buildings and collective living quarters (such as elderly homes, hotels and student dormitories).
(2) Excluding households living in collective living quarters.
(3) Including occupied board vessels.

The Census and Statistics Department does not have a separate breakdown of statistics related to village houses, statistics of residential area and the percentage of area to the residential land, as well as the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)095

(Question Serial No. 4685)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the respective numbers of units (both residential and non-residential units) with mortgage payment by mortgage levels (first mortgage, second mortgage, third mortgage...) in the territory for the past 5 years (and the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4025)

Reply:

The Census and Statistics Department does not have the relevant statistics.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)096

(Question Serial No. 4686)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the ratios of annual repayment to income among the newly approved applications for residential mortgage for the past 5 years.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4026)

Reply:

The Census and Statistics Department does not have the relevant statistics.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)097****(Question Serial No. 4687)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by geographical area the rent for tenants of private housing units in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4027)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent for households living in rental accommodation in private permanent housing by geographical area are as follows –

Geographical area	Monthly domestic household rent ⁽¹⁾ for households living in rental accommodation in private permanent housing (HK\$)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
Hong Kong Island	3,000	7,920	14,200	22,000	56,250
Kowloon	2,100	4,000	6,500	12,000	28,000
New Territories	2,300	5,300	9,000	13,500	24,000
Overall	2,250	5,000	9,200	15,000	33,750

Note: : (1) This is the amount paid by a domestic household renting the accommodation it occupied in June 2016. Households with zero rent are excluded in the calculation.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)098****(Question Serial No. 4688)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by family size the rent-to-income ratios for tenants of private housing units in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4028)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent-to-income ratio for households living in rental accommodation in private permanent housing by household size are as follows –

Household size	Monthly domestic household rent-to-income ratio ⁽¹⁾ for households living in rental accommodation in private permanent housing (%)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
1	13.2	24.6	36.1	55.0	96.4
2	7.5	19.2	29.5	45.1	85.5
3	5.6	19.1	28.6	43.4	81.3
4	4.2	16.7	26.0	39.8	76.9
5	3.6	14.6	23.3	35.9	75.4
≥ 6	4.9	16.8	25.4	39.1	86.1
Overall	6.1	19.2	29.3	45.0	86.1

Note: (1) The percentage of household income paid on household rent in June 2016 of a domestic household renting the accommodation it occupied. Households with zero income and/or zero rent are excluded in the calculation.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)099****(Question Serial No. 4689)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by geographical area the rent-to-income ratio for tenants of private housing units in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4029)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent-to-income ratio for households living in rental accommodation in private permanent housing by geographical area are as follows –

Geographical area	Monthly domestic household rent-to-income ratio ⁽¹⁾ for households living in rental accommodation in private permanent housing (%)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
Hong Kong Island	7.0	20.6	31.6	51.6	93.9
Kowloon	5.5	19.2	29.4	43.5	81.7
New Territories	6.1	18.2	28.0	43.1	81.8
Overall	6.1	19.2	29.3	45.0	86.1

Note: (1) The percentage of household income paid on household rent in June 2016 of a domestic household renting the accommodation it occupied. Households with zero income and/or zero rent are excluded in the calculation.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)100

(Question Serial No. 4690)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by family size the rent per square metre for tenants of private housing units in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4030)

Reply:

In the 2016 Population By-census, the information on the floor area of accommodation as provided by respondents may be subject to different extent of estimation. In particular, some respondents were only able to provide an estimated range instead of the exact floor area of their accommodation. Thus, the information collected is not precise enough for compiling reliable statistics on rent per floor area.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)101

(Question Serial No. 4691)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by district the rent per square metre for tenants of private housing units in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4031)

Reply:

In the 2016 Population By-census, the information on the floor area of accommodation as provided by respondents may be subject to different extent of estimation. In particular, some respondents were only able to provide the estimated range instead of the exact floor area of accommodation. Thus, the information collected is not precise enough for compiling reliable statistics on rent per floor area.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)102****(Question Serial No. 4692)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by geographical area the rents for tenants of private housing units with an area less than 40 square metres in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4032)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent for households living in rental accommodation occupying an area of less than 40 square metres in private permanent housing by geographical area are as follows –

Geographical area	Monthly domestic household rent ⁽¹⁾ for households living in rental accommodation occupying an area of less than 40 square metres in private permanent housing (HK\$)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
Hong Kong Island	2,830	5,040	9,300	13,500	21,250
Kowloon	2,150	3,800	5,100	8,390	13,000
New Territories	2,200	4,000	6,000	9,000	12,500
Overall	2,250	4,100	6,000	9,600	15,500

Note: (1) This is the amount paid by a domestic household renting the accommodation it occupied in June 2016. Households with zero rent are excluded in the calculation.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)103****(Question Serial No. 4693)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by family size the rent-to-income ratios for tenants of private housing units with an area less than 40 square metres in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4033)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent-to-income ratio for households living in rental accommodation occupying an area of less than 40 square metres in private permanent housing by household size are as follows -

Household size	Monthly domestic household rent-to-income ratio ⁽¹⁾ for households living in rental accommodation occupying an area of less than 40 square metres in private permanent housing (%)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
1	13.7	24.7	35.2	52.3	93.8
2	11.3	21.2	30.4	44.2	78.8
3	10.7	20.6	29.0	42.0	73.8
4	8.9	20.3	29.5	40.6	74.1
5	4.4	18.0	25.7	36.1	63.9
≥ 6	5.7	16.4	24.6	34.9	70.9
Overall	11.2	21.8	31.1	45.3	82.9

Note: (1) The percentage of household income paid on household rent in June 2016 of a domestic household renting the accommodation it occupied. Households with zero income and/or zero rent are excluded in the calculation.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)104****(Question Serial No. 4694)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by geographical area the rent-to-income ratio for tenants of private housing units with an area less than 40 square metres in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4034)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent-to-income ratio for households living in rental accommodation occupying an area of less than 40 square metres in private permanent housing by geographical area are as follows –

Geographical area	Monthly domestic household rent-to-income ratio ⁽¹⁾ for households living in rental accommodation occupying an area of less than 40 square metres in private permanent housing (%)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
Hong Kong Island	12.3	23.2	33.3	52.0	92.2
Kowloon	11.7	21.9	31.2	43.6	76.7
New Territories	10.2	20.7	29.8	43.2	78.9
Overall	11.2	21.8	31.1	45.3	82.9

Note: (1) The percentage of household income paid on household rent in June 2016 of a domestic household renting the accommodation it occupied. Households with zero income and/or zero rent are excluded in the calculation.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)105

(Question Serial No. 4695)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by family size the rent per square metre for tenants of private housing units with an area less than 40 square metres in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4035)

Reply:

In the 2016 Population By-census, the information on the floor area of accommodation as provided by respondents may be subject to different extent of estimation. In particular, some respondents were only able to provide the estimated range instead of the exact floor area of accommodation. Thus, the information collected is not precise enough for compiling reliable statistics on rent per floor area.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)106

(Question Serial No. 4696)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by district the rent per square metre for tenants of private housing units with an area less than 40 square metres in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4036)

Reply:

In the 2016 Population By-census, the information on the floor area of accommodation as provided by respondents may be subject to different extent of estimation. In particular, some respondents were only able to provide the estimated range instead of the exact floor area of accommodation. Thus, the information collected is not precise enough for compiling reliable statistics on rent per floor area.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)107

(Question Serial No. 4697)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Has the Government or Central Policy Unit conducted any survey on the value of the capital assets of Hong Kong people for the past 5 years? If yes, what are the results? Please list out the numbers of families and persons by the value of capital assets (\$0 – \$50,000 ; \$50,000 – \$100,000 ; \$100,000 – \$200,000 ; \$200,000 – \$500,000 ; \$500,000 – \$1,000,000 ; \$1,000,000 – \$2,000,000 ; \$2,000,000 – \$5,000,000).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4037)

Reply:

Neither the Census and Statistics Department nor the Central Policy Unit has the relevant statistics.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)108

(Question Serial No. 6201)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Has the government departments received any complaints from ethnic minorities on the non-provision of appropriate service due to language barrier for the past 5 years? If yes, what are the numbers of complaints received by each department? If no, what are the reasons?

In respect of the above, how do the government departments follow up on and handle these complaints?

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 4020)

Reply:

The Census and Statistics Department does not have the relevant information.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)109****(Question Serial No. 6044)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (-) Not SpecifiedControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the number of births from 2013 to 2017 in the table below:

Year	With parents being Hong Kong residents	With one of the parents being non-Hong Kong residents	With both parents being non-Hong Kong residents

Asked by: Hon IP Kin-yuen (Member Question No. (LegCo use): 110)Reply:

The live births information provided by the Immigration Department to the Census and Statistics Department does not include information on whether the babies' parents are Hong Kong residents. More detailed information is available on the number of live births born in Hong Kong to Mainland women, which can be classified by whether their spouses are Hong Kong Permanent Residents. The total numbers of live births in Hong Kong and the figures of live births born in Hong Kong to Mainland women from 2013 to 2017 were as follows –

Year	Total no. of live births ⁽¹⁾	Of which no. of live births born in Hong Kong to Mainland women			
		whose spouses are Hong Kong Permanent Residents	whose spouses are not Hong Kong Permanent Residents ⁽²⁾	Others ⁽³⁾	Sub-total
2013	57 084	4 670	790	37	5 497
2014	62 305	5 179	823	22	6 024
2015	59 878	4 775	775	16	5 566
2016	60 856	4 370	606	3	4 979
2017 [#]	56 607	3 826	502	6	4 334

- Notes :
- (1) Figures refer to births actually taking place in that reference period.
 - (2) Including Hong Kong Non-permanent Residents (such as persons from the Mainland having resided in Hong Kong for less than 7 years) and non-Hong Kong residents.
 - (3) Mainland mothers did not provide the fathers' resident status during birth
- # Provisional figures.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)110

(Question Serial No. 4184)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the provision of sign language interpretation services in the past 5 years, will the Government inform this Committee of the following:

1. has the Government provided sign language interpretation services? If yes, what are the frequency, occasions and causes for providing sign language interpretation services in each year;
2. the number of sign language interpreters involved in each year, their pay and the organisations to which they belong;
3. the total expenditure involved in each year;
4. whether the Government will consider allocating more resources to improve the services for communicating with the deaf and/or persons with hearing impairment in future. If yes, what are the details (including measures, manpower and expenditure involved and timetable, etc.)? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 132)

Reply:

In the past 5 years, there was no occasion requiring the Census and Statistics Department to provide sign language interpretation services. If such a need arises in the future, appropriate arrangements will be made to ensure that the public are provided with the services they need.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)111****(Question Serial No. 4930)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the respective number of households, number of residential units with persons living and number of vacant residential units by types of quarters (public rental housing, Home Ownership Scheme flats, private housing units, small houses, village houses, etc.) each year for the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 96)Reply:

According to the results of the 2016 Population By-census, statistics on domestic households and occupied quarters by type of quarters are as follows –

Type of quarters	Number of occupied quarters	Number of domestic households
Permanent quarters		
Public rental housing units	763 884	761 905
Subsidised sale flats	384 849	384 006
Private residential flats	1 160 775	1 155 511
Villas / bungalows / modern village houses	131 611	130 723
Simple stone structures / traditional village houses	23 355	23 243
Staff quarters	21 132	20 445
Non-domestic quarters	19 234 ⁽¹⁾	12 651 ⁽²⁾
Temporary quarters ⁽³⁾	21 186	21 250
Total	2 526 026	2 509 734

Notes : (1) Including quarters in non-residential buildings and collective living quarters (such as elderly homes, hotels and student dormitories).

(2) Excluding households living in collective living quarters.

(3) Including occupied board vessels.

The Census and Statistics Department does not have a separate breakdown of statistics related to small houses and village houses, and statistics of vacant residential units, as well as the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)112

(Question Serial No. 4931)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the respective numbers of households and residential units concerning village houses by 18 Districts each year for the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 97)

Reply:

The Census and Statistics Department does not have the relevant statistics.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)113****(Question Serial No. 4932)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the respective numbers of households and residential units in rooftop houses (or temporary quarters) by 18 Districts for the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 98)Reply:

According to the results of the 2016 Population By-census, statistics on domestic households in temporary quarters and occupied temporary quarters by District Council district are as follows –

District Council district	Number of domestic households in temporary quarters	Number of occupied temporary quarters
Central and Western	103	103
Wan Chai	76	76
Eastern	211	209
Southern	595	595
Yau Tsim Mong	784	773
Sham Shui Po	1 033	1 033
Kowloon City	348	348
Wong Tai Sin	196	196
Kwun Tong	259	259
Kwai Tsing	540	540
Tsuen Wan	671	681
Tuen Mun	2 124	2 124
Yuen Long	5 116	5 057
North	5 476	5 474

District Council district	Number of domestic households in temporary quarters	Number of occupied temporary quarters
Tai Po	1 387	1 387
Sha Tin	715	715
Sai Kung	363	363
Islands	856	856
Land total	20 853	20 789

The Census and Statistics Department does not have a separate breakdown of statistics related to rooftop houses, as well as the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)114****(Question Serial No. 4933)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the numbers of units, households and persons living in units by the following residential unit type (privately owned domestic units, private rental housing, Home Ownership Scheme flats, purchased public housing and public rental housing) for the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 99)Reply:

According to the results of the 2016 Population By-census, statistics on occupied quarters, domestic households and population in domestic households by type of quarters are as follows –

Type of quarters	Number of occupied quarters	Number of domestic households	Population in domestic households
Public rental housing units ⁽¹⁾	763 884	761 905	2 100 126
Subsidised sale flats ⁽²⁾	384 849	384 006	1 144 774
Private permanent housing units ⁽³⁾	1 336 873	1 329 922	3 789 474
Owner-occupier	839 744	835 499	2 463 281
Tenant	395 461	397 488	1 061 682
Others	101 668	96 935	264 511
Non-domestic quarters	19 234 ⁽⁴⁾	12 651 ⁽⁵⁾	25 831
Temporary quarters	21 186	21 250	53 931
Total	2 526 026	2 509 734	7 114 136

- Notes :
- (1) Excluding sold public housing units.
 - (2) Including flats sold under various home ownership schemes. Flats that can be traded in the open market are classified as private permanent housing units and are excluded from subsidised sale flats.
 - (3) Including private residential flats, all former public rental housing units and former subsidised sale flats (i.e. those which can be traded in the open market), villas / bungalows / modern village houses and simple stone structures / traditional village houses.
 - (4) Including quarters in non-residential buildings and collective living quarters (such as elderly homes, hotels and student dormitories).
 - (5) Excluding households living in collective living quarters.

The Census and Statistics Department does not have a separate breakdown of statistics on purchased public housing, as well as the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)115****(Question Serial No. 4934)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by geographical area the rent and rent-to-income ratio for tenants of private housing units in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 100)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent and rent-to-income ratio for households living in rental accommodation in private permanent housing by geographical area are as follows –

Table 1: Monthly domestic household rent for households living in rental accommodation in private permanent housing by geographical area

Geographical area	Monthly domestic household rent ⁽¹⁾ for households living in rental accommodation in private permanent housing (HK\$)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
Hong Kong Island	3,000	7,920	14,200	22,000	56,250
Kowloon	2,100	4,000	6,500	12,000	28,000
New Territories	2,300	5,300	9,000	13,500	24,000
Overall	2,250	5,000	9,200	15,000	33,750

Note: : (1) This is the amount paid by a domestic household renting the accommodation it occupied in June 2016. Households with zero rent are excluded in the calculation.

Table 2 : Monthly domestic household rent-to-income ratio for households living in rental accommodation in private permanent housing by geographical area

Geographical area	Monthly domestic household rent-to-income ratio ⁽¹⁾ for households living in rental accommodation in private permanent housing (%)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
Hong Kong Island	7.0	20.6	31.6	51.6	93.9
Kowloon	5.5	19.2	29.4	43.5	81.7
New Territories	6.1	18.2	28.0	43.1	81.8
Overall	6.1	19.2	29.3	45.0	86.1

Note : (1) The percentage of household income paid on household rent in June 2016 of a domestic household renting the accommodation it occupied. Households with zero income and/or zero rent are excluded in the calculation.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)116****(Question Serial No. 4935)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by family size the rent and rent-to-income ratios for tenants of private housing units in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 101)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent and rent-to-income ratio for households living in rental accommodation in private permanent housing by household size are as follows –

Table 1: Monthly domestic household rent for households living in rental accommodation in private permanent housing by household size

Household size	Monthly domestic household rent ⁽¹⁾ for households living in rental accommodation in private permanent housing (HK\$)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
1	2,200	4,000	8,000	13,000	24,000
2	2,500	5,000	8,750	13,200	25,830
3	2,250	4,500	8,500	14,000	29,500
4	2,300	5,500	10,250	17,300	36,500
5	2,330	8,000	15,000	23,750	53,000
≥ 6	3,800	10,000	20,000	34,000	80,000
Overall	2,250	5,000	9,200	15,000	33,750

Note: (1) The amount paid by a domestic household renting the accommodation it occupied in June 2016. Households with zero rent are excluded in the calculation.

Table 2: Monthly domestic household rent-to-income ratio for households living in rental accommodation in private permanent housing by household size

Household size	Monthly domestic household rent-to-income ratio ⁽¹⁾ for households living in rental accommodation in private permanent housing (%)				
	5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
1	13.2	24.6	36.1	55.0	96.4
2	7.5	19.2	29.5	45.1	85.5
3	5.6	19.1	28.6	43.4	81.3
4	4.2	16.7	26.0	39.8	76.9
5	3.6	14.6	23.3	35.9	75.4
≥ 6	4.9	16.8	25.4	39.1	86.1
Overall	6.1	19.2	29.3	45.0	86.1

Note: (1) The percentage of household income paid on household rent in June 2016 of a domestic household renting the accommodation it occupied. Households with zero income and/or zero rent are excluded in the calculation.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)117

(Question Serial No. 4936)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by family size the rent per square metre for tenants of private housing flats in Hong Kong (the lowest, the 25th, median, the 75th and the highest percentiles) for the past 5 years (including the latest information).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 102)

Reply:

In the 2016 Population By-census, the information on the floor area of accommodation as provided by respondents may be subject to different extent of estimation. In particular, some respondents were only able to provide the estimated range instead of the exact floor area of accommodation. Thus, the information collected is not precise enough for compiling reliable statistics on rent per floor area.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)118****(Question Serial No. 4937)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

According to the 2016 Population By-census (or the latest information), please advise on the average and median floor area of accommodation of residential units in Hong Kong by residential unit type (private housing units, Home Ownership Scheme flats and public rental housing).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 103)Reply:

According to the results of the 2016 Population By-census, the average and median floor area of accommodation of domestic households in Hong Kong by type of housing in 2016 are as follows –

Type of housing	Average floor area of accommodation of domestic households (square metres) ^{(1) (2)}	Median floor area of accommodation of domestic households (square metres) ⁽¹⁾
Public rental housing	31	33
Subsidised home ownership housing	46	45
Private permanent housing ⁽³⁾	54	47
Non-domestic housing	41	34
Temporary housing	47	37
Overall	46	40

Notes: (1) Excluding domestic households living in unsheltered accommodation or on board vessels and excluding the floor areas of common areas shared among households.

(2) The average figures need to be interpreted carefully because they tend to be affected by figures with extreme values.

(3) Including private residential flats, villas / bungalows / modern village houses and simple stone structures / traditional village houses.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)119****(Question Serial No. 4938)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

According to the 2016 Population By-census (or the latest information), please advise on the per capita floor area of accommodation of residential units in Hong Kong by residential unit type (private housing units, Home Ownership Scheme flats and public rental housing).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 104)Reply:

According to the results of the 2016 Population By-census, the median per capita floor area of accommodation of domestic households in Hong Kong by type of housing in 2016 are as follows –

Type of housing	Median per capita floor area of accommodation of domestic households (square metres) ⁽¹⁾
Public rental housing	11.5
Subsidised home ownership housing	15.3
Private permanent housing ⁽²⁾	18.0
Non-domestic housing	18.3
Temporary housing	17.0
Overall	15.0

- Notes: (1) Excluding domestic households living in unsheltered accommodation or on board vessels and excluding the floor areas of common areas shared among households.
 (2) Including private residential flats, villas / bungalows / modern village houses and simple stone structures / traditional village houses.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)120****(Question Serial No. 4988)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the rents for sub-divided units in Hong Kong by the following percentiles (the lowest, the 25th, median, the 75th and the highest percentiles).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 219)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent for domestic households living in sub-divided units are as follows

Monthly domestic household rent ⁽¹⁾ for domestic households living in sub-divided units (HK\$)				
5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
2,200	3,500	4,500	5,250	7,100

Note: : (1) This is the amount paid by a domestic household renting the accommodation it occupied in June 2016. Households with zero rent are excluded in the calculation.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)121****(Question Serial No. 4989)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the rent-to-income ratio for households of sub-divided units in Hong Kong by the following percentiles (the lowest, the 25th, median, the 75th and the highest percentiles).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 220)Reply:

According to the results of the 2016 Population By-census, statistics on the monthly domestic household rent-to-income ratio for domestic households living in sub-divided units are as follows –

Monthly domestic household rent-to-income ratio ⁽¹⁾ for domestic households living in sub-divided units (%)				
5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
13.6	23.7	31.8	43.7	76.3

Note: : (1) The percentage of household income paid on household rent in June 2016 of a domestic household renting the accommodation it occupied. Households with zero income and/or zero rent are excluded in the calculation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)122

(Question Serial No. 4990)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics, (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the number of vacant residential units in Hong Kong, including public rental housing units, subsidised sales flats, private residential flats, other quarters in private permanent housing, non-domestic quarters and temporary quarters, for the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 221)

Reply:

The Census and Statistics Department does not have the relevant statistics.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)123

(Question Serial No. 4991)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the rent per square foot for sub-divided units in Hong Kong by the following percentiles (the lowest, the 25th, median, the 75th and the highest percentiles).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 223)

Reply:

In the 2016 Population By-census, respondents living in sub-divided units generally were only able to provide an estimated range instead of the exact floor area of their accommodation. Thus, the information collected is not precise enough for compiling reliable statistics on rent per floor area.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)124****(Question Serial No. 4992)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the floor area of accommodation of sub-divided units in Hong Kong by the following percentiles (the lowest, the 25th, median, the 75th and the highest percentiles).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 224)Reply:

According to the results of the 2016 Population By-census, statistics on the floor area of accommodation for domestic households living in sub-divided units are as follows –

Floor area of accommodation ⁽¹⁾ for domestic households living in sub-divided units (square metres)				
5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
6.0	8.0	10.0	12.0	19.0

Note: : (1) Excluding floor area of common area shared among households.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)125

(Question Serial No. 4993)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by family size the number of households living in sub-divided units in Hong Kong with income lower than the official poverty line (50% of the median income).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 225)

Reply:

The data required for conducting analysis on the official poverty line are mainly obtained from the General Household Survey (GHS) of the Census and Statistics Department. Nevertheless, information on whether households live in sub-divided units is not collected in GHS. It is, therefore, not possible to compile poverty statistics for households living in sub-divided units.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)126

(Question Serial No. 4994)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by district the number of households living in sub-divided units in Hong Kong with income lower than the official poverty line (50% of the median income).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 226)

Reply:

The data required for conducting analysis on the official poverty line are mainly obtained from the General Household Survey (GHS) of the Census and Statistics Department. Nevertheless, information on whether households live in sub-divided units is not collected in GHS. It is, therefore, not possible to compile poverty statistics for households living in sub-divided units.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)127

(Question Serial No. 4995)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by family size the number of Comprehensive Social Security Assistance (CSSA) households who are living in sub-divided units in Hong Kong and are paying rent higher than the maximum rates of the rent allowance under the CSSA Scheme.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 227)

Reply:

The information on households living in sub-divided units in Hong Kong was collected from the 2016 Population By-census by the Census and Statistics Department. Nevertheless, some respondents were unwilling to disclose whether they were CSSA recipients. Thus, the information collected is not precise enough for compiling statistics as required by the question.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)128

(Question Serial No. 4996)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by family size the median rent for Comprehensive Social Security Assistance (CSSA) households living in sub-divided units in Hong Kong.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 228)

Reply:

The information on households living in sub-divided units in Hong Kong was collected from the 2016 Population By-census by the Census and Statistics Department. Nevertheless, some respondents were unwilling to disclose whether they were CSSA recipients. Thus, the information collected is not precise enough for compiling statistics as required by the question.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)129

(Question Serial No. 4997)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the respective numbers of units (or shared units) regarding cocklofts, bedspaces and cubicles, etc., as well as the numbers of households and persons living in such places for the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 229)

Reply:

According to the results of the 2016 Population By-census, there were 5 800 domestic households and 8 800 persons living in rooms, cubicles, bedspaces and cocklofts in 2 500 quarters in private permanent housing.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)130

(Question Serial No. 4999)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Among the total population (209 700 persons) living in sub-divided units in Hong Kong, please provide the number of persons from the mainland of China having resided in Hong Kong for less than 7 years (this does not refer to the calculation of households with one or more such persons as mentioned in the report).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 232)

Reply:

According to the results of the 2016 Population By-census, there were 37 600 persons from the mainland of China having resided in Hong Kong for less than 7 years⁽¹⁾ who were living in sub-divided units.

Note: (1) "Persons from the mainland of China having resided in Hong Kong for less than 7 years" refer to persons who reported in the 2016 Population By-census that they:

- (i) were born in the mainland of China;
- (ii) were of Chinese nationality with place of domicile in Hong Kong; and
- (iii) had stayed in Hong Kong for less than 7 years.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)131****(Question Serial No. 5000)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by family size the median floor area of accommodation and the median per capita floor area of accommodation of sub-divided units in Hong Kong.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 233)Reply:

According to the results of the 2016 Population By-census, the median floor area of accommodation and median per capita floor area of accommodation of domestic households living in sub-divided units by household size are as follows –

Household size	Domestic households living in sub-divided units	
	Median floor area of accommodation ⁽¹⁾ (square metres)	Median per capita floor area of accommodation ⁽¹⁾ (square metres)
1	8.0	8.0
2	12.0	6.0
3	10.0	3.3
≥4	12.0	3.0
Overall	10.0	5.3

Note: (1) Excluding floor area of common area shared among households.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)132

(Question Serial No. 5001)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide by family size the number of non-Comprehensive Social Security Assistance (CSSA) households with monthly household income less than the CSSA level in Hong Kong and the total number of persons therein for the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 234)

Reply:

Based on estimation from the consolidated data obtained from the General Household Survey conducted by the Census and Statistics Department and the administrative records of CSSA recipients, the numbers of non-CSSA households and persons therein with monthly domestic household income less than the average CSSA payment of the corresponding household size (excluding foreign domestic helpers) for 2013 to 2016 are given in Annex. The corresponding figures for 2017 are not yet available.

Numbers of non-CSSA households and persons therein with monthly domestic household income less than the average CSSA payment of the corresponding household size (excluding foreign domestic helpers) for 2013 to 2016

Year	Household size	Non-CSSA households ^{Note}	
		No. of households	No. of persons
2013	1	79 900	79 900
	2	95 200	190 400
	3	34 400	103 300
	4	19 800	79 100
	5	7 900	39 600
	6+	3 800	23 500
	Total	241 000	515 800
2014	1	92 900	92 900
	2	105 500	210 900
	3	35 900	107 700
	4	20 300	81 100
	5	8 100	40 700
	6+	4 800	29 800
	Total	267 500	563 200
2015	1	102 700	102 700
	2	113 600	227 200
	3	38 300	115 000
	4	21 800	87 100
	5	8 100	40 400
	6+	3 700	23 000
	Total	288 100	595 500
2016	1	117 100	117 100
	2	125 700	251 400
	3	38 800	116 500
	4	23 100	92 500
	5	7 100	35 500
	6+	4 300	26 800
	Total	316 100	639 800

Note:

There may be a slight discrepancy between the sum of individual items and the total as shown in the table owing to rounding.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)133

(Question Serial No. 5003)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the thematic study on sub-divided units in the 2016 Population By-census, please provide the total number of households and persons interviewed.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 238)

Reply:

In the 2016 Population By-census, a total of 5 400 domestic households (comprising some 10 900 household members) were interviewed.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)134****(Question Serial No. 5004)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by family size the median floor area of accommodation and the median per capita floor area of accommodation of residential units in Hong Kong.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 239)Reply:

According to the results of the 2016 Population By-census, the median floor area of accommodation and median per capita floor area of accommodation of domestic households in Hong Kong by household size in 2016 are as follows –

Household size	Median floor area of accommodation of domestic households (square metres) ⁽¹⁾	Median per capita floor area of accommodation of domestic households (square metres) ⁽¹⁾
1	32	32.0
2	37	18.5
3	40	13.3
4	44	11.0
5	52	10.4
≥ 6	55	9.0
Overall	40	15.0

Note: (1) Excluding domestic households living in unsheltered accommodation or on board vessels and excluding the floor areas of common areas shared among households.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)135****(Question Serial No. 5005)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide by geographical area the median floor area of accommodation and the median per capita floor area of accommodation of residential units in Hong Kong.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 240)Reply:

According to the results of the 2016 Population By-census, the median floor area of accommodation and median per capita floor area of accommodation of domestic households in Hong Kong by geographical area in 2016 are as follows –

Geographical area	Median floor area of accommodation of domestic households (square metres) ⁽¹⁾	Median per capita floor area of accommodation of domestic households (square metres) ⁽¹⁾
Hong Kong Island	43	17.3
Kowloon	37	14.0
New Territories	41	15.0
Overall	40	15.0

Note: (1) Excluding domestic households living in unsheltered accommodation or on board vessels and excluding the floor areas of common areas shared among households.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)136****(Question Serial No. 5006)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the floor area of accommodation of residential units in Hong Kong by the following percentiles (the lowest, the 25th, median, the 75th and the highest percentiles).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 241)Reply:

According to the results of the 2016 Population By-census, the 5th percentile, the 25th percentile, the median, the 75th percentile and the 95th percentile of the floor area of accommodation of domestic households in Hong Kong in 2016 are as follows –

Floor area of accommodation of domestic households (square metres) ⁽¹⁾				
5 th percentile	25 th percentile	Median	75 th percentile	95 th percentile
16	32	40	54	90

Note: (1) Excluding domestic households living in unsheltered accommodation or on board vessels and excluding the floor areas of common areas shared among households.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)137****(Question Serial No. 5093)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (5) Price/Industry/Service StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

According to the results of the 2014/15 Household Expenditure Survey (or the latest information), please provide by family size the total expenditure for each household in Hong Kong (the 10th, the 25th, median, the 75th and the 90th percentiles as well as the mean).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 377)Reply:

According to the results of the 2014/15 Household Expenditure Survey, the 10th percentile, the 25th percentile, median, the 75th percentile, the 90th percentile and average monthly household expenditure of households in Hong Kong analysed by household size are given below:

Figures on monthly household expenditure analysed by household size

Household size	Monthly household expenditure					
	10 th percentile \$	25 th percentile \$	Median \$	75 th percentile \$	90 th percentile \$	Average \$
1 person	3,900	6,500	12,600	21,200	33,100	16,009
2 persons	6,900	11,500	18,700	26,900	41,500	22,334
3 persons	10,200	15,000	22,100	32,600	48,300	26,918
4 persons	12,400	17,900	28,000	39,100	57,000	32,273
5 persons	14,600	22,200	35,200	54,100	81,300	44,434
6 persons and over	16,000	22,900	36,500	55,800	91,700	45,471
Overall	8,200	13,800	22,100	33,600	51,900	27,627

Note: During the survey period of the 2014/15 Household Expenditure Survey, the household expenditure was lowered by a number of Government's one-off relief measures. Household expenditure figures in this table refer to the actual expenditure incurred by households upon enjoying various waivers/concessions. For housing expenditure, imputed market rents are used for owner-occupier households, rent-free households and households whose accommodations were provided by employers.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)138****(Question Serial No. 5095)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (5) Price/Industry/Service StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

According to the results of the 2014/15 Household Expenditure Survey (or the latest information), please provide by residential unit type (public rental housing, Home Ownership Scheme flats, private rental housing, privately owned domestic units, etc.) the total expenditure for each household in Hong Kong (the 10th, the 25th, median, the 75th and the 90th percentiles as well as the mean).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 378)Reply:

According to the results of the 2014/15 Household Expenditure Survey, the 10th percentile, the 25th percentile, median, the 75th percentile, the 90th percentile and average monthly household expenditure of households in Hong Kong analysed by type of housing are given below:

Figures on monthly household expenditure analysed by type of housing

Type of housing	Monthly household expenditure ⁽¹⁾					
	10 th percentile \$	25 th percentile \$	Median \$	75 th percentile \$	90 th percentile \$	Average \$
Public housing	4,900	7,600	11,700	16,900	22,800	13,275
Subsidised housing	13,900	18,100	23,600	31,200	40,000	26,075
Private housing (Non-owner-occupier) ⁽²⁾	10,600	17,500	26,100	43,700	68,000	33,924
Private housing (Owner-occupier)	15,600	21,700	30,600	45,400	63,300	37,563
Overall	8,200	13,800	22,100	33,600	51,900	27,627

Notes :

- (1) During the survey period of the 2014/15 Household Expenditure Survey, the household expenditure was lowered by a number of Government's one-off relief measures. Household expenditure figures in this table refer to the actual expenditure incurred by households upon enjoying various waivers/concessions. For housing expenditure, imputed market rents are used for owner-occupier households, rent-free households and households whose accommodations were provided by employers.
- (2) Including sole tenants, households whose accommodations were provided by employers, main tenants, sub-tenants, co-tenants and rent-free households.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)139****(Question Serial No. 5097)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

According to the results of the 2014/15 Household Expenditure Survey (or the latest information), please provide by type of housing (public rental housing, Home Ownership Scheme flats, private rental housing, privately owned domestic units, etc.) the number of households in Hong Kong whose expenditure was above the official poverty line of that year (50% of the median income).

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 379)Reply:

Based on estimation from the consolidated data obtained from the 2014/15 Household Expenditure Survey and the General Household Survey in 2015 conducted by the Census and Statistics Department, the number of domestic households with monthly household expenditure above the official poverty line by type of housing (excluding foreign domestic helpers) in 2015 is shown below.

Type of housing	Number of domestic households with monthly household expenditure ⁽¹⁾ above the official poverty line
Public rental housing	346 900
Subsidised housing	362 500
Private housing (Non-owner-occupier) ⁽²⁾	414 900
Private housing (Owner-occupied)	856 000
Total	1 980 300

Notes:

- (1) During the survey period of 2014/15 Household Expenditure Survey, the household expenditure was lowered by a number of Government's one-off relief measures. Household expenditure refers to the actual expenditure incurred by households upon enjoying various waivers/concessions. For housing expenditure, imputed market rents are used for owner-occupier households, rent-free households and households whose accommodations were provided by employers.
- (2) Including sole tenants, households whose accommodation was provided by employers, main tenants, sub-tenants, co-tenants and rent-free households.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)140****(Question Serial No. 5100)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (5) Price/Industry/Service StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

According to the results of the 2014/15 Household Expenditure Survey (or the latest information), please provide by family size and residential unit type (public rental housing, Home Ownership Scheme flats, private rental housing, privately owned domestic units, etc.) the total expenditure for households and the per capita expenditure.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 380)Reply:

According to the results of the 2014/15 Household Expenditure Survey, the average monthly household expenditure and per capita expenditure of households in Hong Kong analysed by household size and type of housing are given below:

Average monthly household expenditure and per capita expenditure
analysed by household size and type of housing

Household size	Type of housing	Average monthly household expenditure ⁽¹⁾ \$	Average monthly per capita expenditure \$
1 person	Public housing	6,484	6,484
	Subsidised housing	15,448	15,448
	Private housing (Non-owner-occupier) ⁽²⁾	18,905	18,905
	Private housing (Owner-occupier)	23,444	23,444
	Overall	16,009	16,009

Household size	Type of housing	Average monthly household expenditure ⁽¹⁾ \$	Average monthly per capita expenditure \$
2 persons	Public housing	9,635	4,818
	Subsidised housing	20,583	10,291
	Private housing (Non-owner-occupier) ⁽²⁾	28,203	14,101
	Private housing (Owner-occupier)	29,662	14,831
	Overall	22,334	11,167
3 persons	Public housing	14,036	4,679
	Subsidised housing	25,993	8,664
	Private housing (Non-owner-occupier) ⁽²⁾	31,584	10,528
	Private housing (Owner-occupier)	37,619	12,540
	Overall	26,918	8,973
4 persons	Public housing	17,112	4,278
	Subsidised housing	30,504	7,626
	Private housing (Non-owner-occupier) ⁽²⁾	42,713	10,678
	Private housing (Owner-occupier)	42,406	10,601
	Overall	32,273	8,068
5 persons	Public housing	19,367	3,873
	Subsidised housing	36,402	7,280
	Private housing (Non-owner-occupier) ⁽²⁾	61,078	12,216
	Private housing (Owner-occupier)	59,258	11,852
	Overall	44,434	8,887
6 persons and over	Public housing	21,090	3,383
	Subsidised housing	36,235	5,699
	Private housing (Non-owner-occupier) ⁽²⁾	70,762	11,328
	Private housing (Owner-occupier)	59,884	9,661
	Overall	45,471	7,288

Household size	Type of housing	Average monthly household expenditure ⁽¹⁾ \$	Average monthly per capita expenditure \$
Overall	Public housing	13,275	4,477
	Subsidised housing	26,075	8,412
	Private housing (Non-owner-occupier) ⁽²⁾	33,924	12,080
	Private housing (Owner-occupier)	37,563	12,501
	Overall	27,627	9,253

Notes:

- (1) During the survey period of the 2014/15 Household Expenditure Survey, the household expenditure was lowered by a number of Government's one-off relief measures. Household expenditure figures in this table refer to the actual expenditure incurred by households upon enjoying various waivers/concessions. For housing expenditure, imputed market rents are used for owner-occupier households, rent-free households and households whose accommodations were provided by employers.
- (2) Including sole tenants, households whose accommodations were provided by employers, main tenants, sub-tenants, co-tenants and rent-free households.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)141

(Question Serial No. 6300)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the average ratios of monthly repayment to monthly income of the applicants and ratios of annual repayment to income among the newly approved applications for residential mortgage for the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 152)

Reply:

The Census and Statistics Department does not have the relevant statistics.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)142

(Question Serial No. 6305)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leslie TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the respective number of households and persons living in non-domestic quarters and industrial buildings and the number of units involved in these quarters and buildings each year for the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 230)

Reply:

According to the results of the 2016 Population By-census, there were 12 651 domestic households with 25 831 persons living in non-domestic housing. Non-domestic housing covered industrial buildings and other non-domestic quarters. Due to precision considerations, a separate breakdown of statistics related to industrial buildings cannot be provided.

The Census and Statistics Department does not have the relevant statistics for 2013 to 2015 and 2017.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)143****(Question Serial No. 5227)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (2) Social StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

- (a) What was the number of Hong Kong residents working in the Mainland each year for the past 5 years? How many of them were holders of Permits for Proceeding to Hong Kong and Macau?
- (b) Please provide the number of Hong Kong residents working in the Mainland by different age groups for the past 5 years.

Age group	2013	2014	2015	2016	2017
15-19					
20-29					
30-39					
40-49					
≥50					

- (c) Please provide the number of Hong Kong residents working in the Mainland/their median salary by industry for the past 5 years.

	2013	2014	2015	2016	2017
e.g.: Financing Industry Information Technology Industry Telecommunications Industry	Number of persons/ median salary	Number of persons/ median salary	Number of persons/ median salary	Number of persons/ median salary	Number of persons/ median salary

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 621)

Reply:

The Census and Statistics Department does not have the relevant statistics.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)144****(Question Serial No. 5228)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (5) Price/Industry/Service StatisticsControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

- (a) Would the Department please provide the number of shops selling cosmetics and personal care products in Hong Kong for the past 5 years?
- (b) Please provide the number of shops selling cosmetics and personal care products in each district for the past 5 years.

	2013	2014	2015	2016	2017
Central and Western					
Eastern					
Southern					
Wan Chai					
Kowloon City					
Kwun Tong					
Sham Shui Po					
Yau Tsim Mong					
Wong Tai Sin					
Islands					
Kwai Tsing					

North					
Sai Kung					
Sha Tin					
Tai Po					
Tsuen Wan					
Tuen Mun					
Yuen Long					

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 622)

Reply:

(a) The relevant statistics are provided below:

Year	Number of cosmetics and personal care products retail stores
2013	1 442
2014	1 660
2015	1 686
2016	1 708
2017	1 773

Notes: The above figures do not include medicines and health supplements retail stores, which may also sell cosmetics and personal care products.

Figures for 2013 to 2016 refer to average of the 4 quarters of the year, while the figure for 2017 refers to average of the first 3 quarters.

Source: Quarterly Survey of Employment and Vacancies, Census and Statistics Department

(b) The Census and Statistics Department does not have information on number of cosmetics and personal care products retail stores by District Council district.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)145****(Question Serial No. 5500)**Head: (26) Census and Statistics DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (-) Not SpecifiedControlling Officer: Commissioner for Census and Statistics (Leslie TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

The establishment of the Census and Statistics Department (C&SD) will be 1 243 permanent posts. In this regard, will the Government inform this Committee of the following:

- 1 Regarding the frontline staff collecting data for the past 3 years, please provide by year the respective number of posts that are permanent, temporary, part-time and outsourced in nature.
- 2 The data collected by C&SD is important for the development of Hong Kong. Does C&SD have a review mechanism to verify the data collected? If yes, what are the details? If no, how does C&SD ensure that the data collected are accurate?

Asked by: Hon WONG Kwok-kin (Member Question No. (LegCo use): 56)Reply:

1. The numbers of frontline staff engaged by C&SD for data collection for the past 3 years were as follows –

Year *	No. of Civil Service (CS) posts	No. of Non-Civil Service Contract (NCSC) positions
2015	370	131
2016	364 [^]	100 [^]
2017	337 [#]	44 [#]

Notes -

* As at 31 March of respective years

[^] The decrease in the number of CS posts and NCSC positions engaged in 2016 was mainly due to the completion of fieldwork of the 2014/15 Household Expenditure Survey[#] The decrease in the number of CS posts and NCSC positions engaged in 2017 was mainly due to the completion of fieldwork of the 2016 Population By-census

2. The C&SD has developed a data quality assurance mechanism, with reference to international quality standards and guidelines as well as good practices adopted in other advanced economies, to ensure the accuracy of data collected from respondents.

The quality assurance measures adopted at the data collection stage include: (1) completed questionnaires submitted by field officers are screened and edited by field supervisors; (2) a certain percentage of the completed cases of each field officer are randomly selected for quality control (QC) checks and verification; (3) joint visits with individual field officers are arranged by field supervisors to gain a better understanding of their performance and identify room for improvement; (4) random spot checks are conducted by field supervisors to ensure that field officers have performed work in their duty areas as scheduled; and (5) non-contact, non-response and non-enumerated cases are monitored and verified by field supervisors to check if the field officers have actually paid the field visits.

Moreover, all data collected from respondents are subjected to computerised validation at the data processing stage with a view to detecting data records which are potentially in error when checked against a set of pre-defined rules. Data records failing the validation process will be scrutinised by Statistical Officer grade staff against any remarks put down by field officers in the questionnaires. Questionnaires will be referred to the field supervisors or senior supervisors to arrange for data verification and provide further supporting explanations as required.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)146****(Question Serial No. 5234)**Head: (116) Official Receiver's OfficeSubhead (No. & title): (-) Not SpecifiedProgramme: (1) Official Receiver's OfficeControlling Officer: Official Receiver (MCKENNA Phyllis)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

- (a) Please set out in table form the age distribution of the bankrupts or other relevant parties with bankruptcy orders made over the past 5 years.

Age distribution	2013 Number of cases/ Percentage	2014 Number of cases/ Percentage	2015 Number of cases/ Percentage	2016 Number of cases/ Percentage	2017 Number of cases/ Percentage
30 or below					
30-40					
40-50					
50 or above					
Total					

- (b) Please set out in table form the distribution of residence types of the bankrupts or other relevant parties with bankruptcy orders made over the past 5 years.

Residence types	2013 Number of cases/ Percentage	2014 Number of cases/ Percentage	2015 Number of cases/ Percentage	2016 Number of cases/ Percentage	2017 Number of cases/ Percentage
Public housing					
Private tenants					
Private owners					

Total					
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- (c) Please set out in table form the income levels of the bankrupts or other relevant parties with bankruptcy orders made over the past 5 years.

Monthly incomes (\$)	2013 Number of cases/ Percentage	2014 Number of cases/ Percentage	2015 Number of cases/ Percentage	2016 Number of cases/ Percentage	2017 Number of cases/ Percentage
No income					
10,000 or below					
10,000-15,000					
15,000-20,000					
20,000-25,000					
Above 25,000					

- (d) Please set out in table form the distribution of indebtedness of the bankrupts or other relevant parties with bankruptcy orders made over the past 5 years.

Indebtedness (\$)	2013 Number of cases/ Percentage	2014 Number of cases/ Percentage	2015 Number of cases/ Percentage	2016 Number of cases/ Percentage	2017 Number of cases/ Percentage
30,000 or below					
25,000-30,000					
30,000-50,000					
50,000-100,000					
100,000-200,000					
200,000-400,000					
400,000-600,000					
>600,000					

- (e) Please set out in table form the causes of failure of the bankrupts or other relevant parties with bankruptcy orders made over the past 5 years.

Causes	2013	2014	2015	2016	2017
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	Number of cases/ Percentage	Number of cases/ Percentage	Number of cases/ Percentage	Number of cases/ Percentage	Number of cases/ Percentage
Excessive use of credit facilities					
Gambling					
Lack of gainful employment					
Loss in business					
Loss in investment					
Overspending					
Personal guarantee liabilities					
Speculation in shares					
Others					
Total					

- (f) Please set out in table form the age distribution of individuals who went bankrupt for different causes in 2013, 2015 and 2017.

(Respective year)

Age distribution	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others	Total
30 or below										
30-40										
40-50										
50 or above										

- (g) Please set out in table form the distribution of residence types of individuals who went bankrupt for different causes in 2013, 2015 and 2017.

(Respective year)

Residence types	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others	Total
Public housing										
Private										

tenants										
Private owners										
Total										

(h) Please set out in table form the income distribution of individuals who went bankrupt for different causes in 2013, 2015 and 2017.

(Respective year)

	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others	Total
No income										
10,000 or below										
10,000-15,000										
15,000-20,000										
20,000-25,000										
Above 25,000										
Total										

(i) Please set out in table form the distribution of indebtedness of individuals who went bankrupt for different causes in 2013, 2015 and 2017.

	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others	Total
30,000 or below										
25,000-30,000										
30,000-50,000										
50,000-100,000										
100,000-200,000										
200,000-400,000										
400,000-600,000										
>600,000										

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 628)

Reply:

- (a)-(e) Based on the information collected by the Official Receiver's Office (ORO) in the past 5 years from cases where the profile statistics are ascertainable, the distributions of age, residence types, monthly income, amount of indebtedness and causes of bankruptcy of the bankrupts were as follows:-

Age of Bankrupts	2013	2014	2015	2016	2017
30 or below	17.62%	18.09%	18.35%	16.14%	15.26%
above 30 - 40	23.71%	24.35%	24.56%	25.08%	23.51%
above 40 - 50	27.98%	27.35%	26.76%	26.05%	26.21%
above 50	30.69%	30.21%	30.33%	32.73%	35.02%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Residence Type of Bankrupts	2013	2014	2015	2016	2017
Public Housing	57.13%	57.20%	56.99%	55.99%	53.23%
Private Apartment (owned by bankrupts*)	1.54%	0.74%	0.66%	1.02%	1.08%
Private Apartment (not owned by bankrupts)	41.33%	42.06%	42.35%	42.99%	45.69%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

* The properties are under mortgage / charge

Monthly income of Bankrupts	2013	2014	2015	2016	2017
No income	33.27%	34.02%	33.95%	37.45%	39.87%
\$10,000 or below	31.95%	27.21%	21.62%	17.98%	16.82%
above \$10,000 - \$15,000	23.33%	25.09%	25.11%	23.16%	19.87%
above \$15,000 - \$20,000	7.90%	9.61%	13.54%	13.44%	14.38%
above \$20,000 - \$25,000	2.29%	2.55%	3.54%	4.38%	5.10%
above \$25,000	1.26%	1.52%	2.24%	3.59%	3.96%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Indebtedness of Bankrupts	2013	2014	2015	2016	2017
\$30,000 or below	0.47%	0.38%	0.49%	0.97%	0.77%
above \$30,000 - \$50,000	0.29%	0.24%	0.21%	0.15%	0.45%
above \$50,000 - \$100,000	3.81%	3.50%	3.21%	3.25%	2.40%
above \$100,000 - \$200,000	24.68%	22.04%	21.02%	19.46%	18.24%
above \$200,000 - \$400,000	41.45%	41.52%	40.85%	36.15%	36.55%
above \$400,000 - \$600,000	14.74%	16.31%	16.81%	17.76%	17.84%
above \$600,000	14.56%	16.01%	17.41%	22.26%	23.75%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Causes of Bankruptcy	2013	2014	2015	2016	2017
Excessive Use of Credit Facilities	14.88%	12.43%	12.86%	14.43%	7.96%
Gambling	5.60%	6.55%	7.20%	7.56%	6.85%
Lack of Gainful Employment	31.16%	33.05%	29.95%	32.27%	38.02%
Loss in Business	6.57%	5.26%	5.36%	5.91%	7.54%
Loss in Investment	1.39%	1.54%	1.79%	2.01%	1.50%
Overspending	34.36%	36.62%	36.27%	32.25%	31.90%
Personal Guarantee Liabilities	2.23%	0.98%	1.05%	1.10%	1.30%
Speculation in Shares etc.	0.10%	0.18%	0.15%	0.12%	0.22%
Others	3.71%	3.39%	5.37%	4.35%	4.71%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

- (f) Based on the information collected by the ORO from cases where the profile statistics are ascertainable, the age distributions of bankrupts for different causes of failure in 2013, 2015 and 2017 were as follows:-

2013

Age of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
30 or below	19.01%	12.30%	16.52%	11.83%	17.89%	20.57%	11.18%	-	16.60%
above 30 - 40	24.43%	20.68%	22.31%	23.66%	15.79%	26.29%	17.11%	14.29%	20.55%
above 40 - 50	28.77%	31.94%	28.56%	31.92%	23.16%	25.86%	30.26%	28.57%	26.88%
above 50	27.79%	35.08%	32.61%	32.59%	43.16%	27.28%	41.45%	57.14%	35.97%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2015

Age of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
30 or below	19.25%	11.67%	17.38%	12.04%	13.45%	22.34%	2.86%	30.00%	14.25%
above 30 - 40	29.05%	22.29%	23.75%	20.73%	19.33%	25.61%	14.29%	-	22.63%
above 40 - 50	26.49%	27.08%	27.86%	28.29%	31.09%	25.36%	37.14%	40.00%	24.86%
above 50	25.21%	38.96%	31.01%	38.94%	36.13%	26.69%	45.71%	30.00%	38.26%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2017

Age of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
30 or below	18.62%	8.90%	13.25%	15.90%	9.46%	18.41%	6.25%	-	17.67%
above 30 - 40	22.96%	23.15%	22.72%	18.87%	33.78%	25.92%	12.50%	45.45%	21.12%
above 40 - 50	23.47%	28.49%	25.55%	27.49%	22.97%	27.00%	23.44%	45.45%	26.29%
above 50	34.95%	39.46%	38.48%	37.74%	33.79%	28.67%	57.81%	9.10%	34.92%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

- (g) Based on the information collected by the ORO from cases where the profile statistics are ascertainable, the distributions of residence type of bankrupts for different causes of failure in 2013, 2015 and 2017 were as follows:-

2013

Residence Type of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
Public Housing	53.89%	60.99%	57.46%	47.10%	36.84%	61.80%	36.18%	28.57%	56.92%
Private Apartment (owned by bankrupts*)	2.66%	0.79%	0.99%	2.23%	3.16%	0.85%	13.16%	-	0.39%
Private Apartment (not owned by bankrupts)	43.45%	38.22%	41.55%	50.67%	60.00%	37.35%	50.66%	71.43%	42.69%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2015

Residence Type of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
Public Housing	52.51%	61.67%	55.66%	55.46%	46.22%	61.73%	20.00%	40.00%	49.72%
Private Apartment (owned by bankrupts*)	0.12%	1.04%	0.80%	0.28%	1.68%	0.62%	1.43%	10.00%	0.56%
Private Apartment (not owned by bankrupts)	47.37%	37.29%	43.54%	44.26%	52.10%	37.65%	78.57%	50.00%	49.72%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2017

Residence Type of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
Public Housing	51.28%	56.68%	54.36%	53.37%	37.84%	54.01%	20.31%	81.82%	49.57%
Private Apartment (owned by bankrupts*)	1.52%	0.59%	0.85%	0.54%	1.35%	0.83%	7.81%	-	3.44%
Private Apartment (not owned by bankrupts)	47.20%	42.73%	44.79%	46.09%	60.81%	45.16%	71.88%	18.18%	46.99%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* The properties are under mortgage / charge

- (h) Based on the information collected by the ORO from cases where the profile statistics are ascertainable, the distributions of monthly income of bankrupts for different causes of failure in 2013, 2015 and 2017 were as follows:-

2013

Monthly income of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
No income	22.66%	30.89%	48.56%	34.82%	46.32%	22.66%	43.42%	42.86%	35.18%
\$10,000 or below	31.03%	28.53%	29.69%	34.82%	25.26%	34.91%	23.03%	14.29%	35.57%
above \$10,000-\$15,000	29.46%	22.51%	15.53%	21.21%	14.74%	29.32%	16.45%	28.56%	20.95%
above \$15,000-\$20,000	10.54%	13.35%	4.71%	6.47%	9.47%	9.18%	9.87%	-	5.14%
above \$20,000-\$25,000	3.45%	3.14%	1.22%	2.01%	4.21%	2.56%	3.95%	14.29%	1.19%
above \$25,000	2.86%	1.58%	0.29%	0.67%	-	1.37%	3.28%	-	1.97%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2015

Monthly income of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
No income	20.54%	32.29%	48.45%	45.94%	45.38%	21.72%	65.71%	50.00%	47.77%
\$10,000 or below	17.04%	16.88%	21.89%	21.29%	21.00%	24.66%	15.71%	20.00%	18.72%
above \$10,000-\$15,000	29.87%	29.79%	18.79%	20.45%	13.45%	30.24%	12.86%	10.00%	19.27%
above \$15,000-\$20,000	20.65%	14.58%	7.97%	9.80%	15.97%	16.80%	2.86%	20.00%	8.94%
above \$20,000-\$25,000	6.77%	3.96%	1.70%	1.40%	1.68%	4.39%	-	-	3.35%
above \$25,000	5.13%	2.50%	1.20%	1.12%	2.52%	2.19%	2.86%	-	1.95%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2017

Monthly income of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
No income	30.10%	37.69%	57.03%	44.47%	43.24%	20.89%	67.19%	36.37%	33.62%
\$10,000 or below	16.07%	14.54%	16.84%	15.63%	14.86%	18.34%	12.50%	9.09%	15.09%
above \$10,000-\$15,000	21.43%	21.36%	14.54%	19.14%	17.57%	25.54%	7.81%	27.27%	24.57%
above \$15,000-\$20,000	20.41%	13.95%	7.48%	13.48%	10.81%	21.72%	4.69%	9.09%	16.38%
above \$20,000-\$25,000	6.38%	6.82%	2.41%	4.31%	8.11%	7.83%	3.13%	-	4.74%
above \$25,000	5.61%	5.64%	1.70%	2.97%	5.41%	5.68%	4.68%	18.18%	5.60%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

- (i) Based on the information collected by the ORO from cases where the profile statistics are ascertainable, the distributions of indebtedness of bankrupts for different causes of failure in 2013, 2015 and 2017 were as follows:-

2013

Indebtedness of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
\$30,000 or below	0.39%	0.26%	0.38%	0.45%	1.05%	0.43%	1.32%	-	1.58%
above \$30,000 - \$50,000	0.20%	-	0.38%	0.22%	-	0.38%	-	-	-
above \$50,000 - \$100,000	2.96%	3.40%	4.80%	2.68%	3.16%	3.63%	0.66%	-	5.53%
above \$100,000 - \$200,000	20.49%	21.73%	28.94%	18.97%	11.58%	25.65%	13.16%	-	23.72%
above \$200,000 - \$400,000	45.91%	37.17%	40.19%	35.04%	26.32%	45.33%	16.45%	28.57%	37.15%
above \$400,000 - \$600,000	15.17%	18.85%	13.46%	15.40%	14.74%	15.19%	11.84%	42.86%	13.04%
above \$600,000	14.88%	18.59%	11.85%	27.24%	43.15%	9.39%	56.57%	28.57%	18.98%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2015

Indebtedness of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
\$30,000 or below	0.70%	0.21%	0.40%	1.40%	0.84%	0.21%	2.86%	-	1.11%
above \$30,000 - \$50,000	0.23%	-	0.25%	0.28%	-	0.08%	-	-	1.11%
above \$50,000 - \$100,000	2.80%	1.88%	3.76%	1.12%	2.52%	3.19%	-	-	6.15%
above \$100,000 - \$200,000	16.10%	19.80%	24.60%	15.41%	7.56%	21.80%	1.43%	30.00%	22.91%
above \$200,000 - \$400,000	37.22%	41.04%	42.84%	30.81%	24.37%	44.85%	4.29%	40.00%	34.08%
above \$400,000 - \$600,000	20.42%	18.33%	15.08%	16.25%	15.97%	17.46%	4.29%	20.00%	14.53%
above \$600,000	22.53%	18.74%	13.07%	34.73%	48.74%	12.41%	87.13%	10.00%	20.11%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2017

Indebtedness of Bankrupts	Excessive Use of Credit Facilities	Gambling	Lack of Gainful Employment	Loss in Business	Loss in Investment	Over-spending	Personal Guarantee Liabilities	Speculation in Shares etc.	Others
\$30,000 or below	0.51%	0.89%	0.96%	0.54%	2.70%	0.51%	-	-	1.29%
above \$30,000 - \$50,000	0.77%	0.30%	0.69%	0.54%	-	0.13%	-	-	0.43%
above \$50,000 - \$100,000	1.28%	0.90%	2.89%	0.81%	2.70%	2.48%	-	-	5.17%
above \$100,000 - \$200,000	18.37%	17.21%	20.68%	12.67%	8.11%	18.73%	6.24%	-	12.93%
above \$200,000 - \$400,000	32.65%	32.34%	36.61%	36.12%	16.22%	40.25%	9.38%	36.36%	38.36%
above \$400,000 - \$600,000	17.35%	17.21%	17.96%	17.25%	12.16%	19.43%	9.38%	9.09%	13.36%
above \$600,000	29.07%	31.15%	20.21%	32.07%	58.11%	18.47%	75.00%	54.55%	28.46%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)147

(Question Serial No. 5483)

Head: (116) Official Receiver's Office

Subhead (No. & title): (-) Not Specified

Programme: (1) Official Receiver's Office

Controlling Officer: Official Receiver (MCKENNA Phyllis)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would your office inform this Committee of:

- (1) the proportion of summary liquidation cases which were contracted out to practitioners in the private sector in the total number of liquidation cases over the past 3 years?
- (2) the proportion of non-summary liquidation cases which were contracted out to practitioners in the private sector in the total number of liquidation cases over the past 3 years?
- (3) the number of cases involving individual voluntary arrangements by debtors over the past 3 years?

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 180)

Reply:

- (1) The Official Receiver's Office (ORO) outsources all the summary liquidation cases to private insolvency practitioners (PIPs) under the relevant provision of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.
- (2) For non-summary liquidation cases handled by ORO, ORO will act as provisional liquidator to administer the cases until a PIP is appointed as liquidator, that is, all cases will be outsourced eventually.
- (3) The numbers of approved individual voluntary arrangement (IVA) cases reported by outside nominees to the ORO over the past 3 years were as follows:-

Year	No. of approved IVA cases reported to ORO
2015	684
2016	589
2017	598

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)148****(Question Serial No. 5484)**Head: (116) Official Receiver's OfficeSubhead (No. & title): (000) Operational expensesProgramme: (1) Official Receiver's OfficeControlling Officer: Official Receiver (MCKENNA Phyllis)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

The overall estimate of the Official Receiver's Office is 90.6% higher than the original estimate for 2017-18. Would your office inform this Committee of:

- (1) the weightings of return of revenue in respect of some liquidation cases, creation of posts, filling of vacancies, salary increments, provident fund contributions for staff and increased requirement for general departmental expenses in the increased estimate respectively?
- (2) the vacancy rates over the past 3 years?

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 181)Reply:

- (1) The increase in the overall estimate of the Official Receiver's Office (ORO) in 2018-19 is mainly due to the provision for return of revenue in respect of some liquidation cases (83.2%). Other factors include creation of posts (10.2%), salary increments (1%), increased requirement for provident fund contributions for staff (1%) and other general departmental expenses (4.6%).
- (2) The civil service vacancy rates of the ORO in the past 3 years were as follows:

Year (as at 31 March)	Vacancy rate (%)
2015	4.5
2016	5.4
2017	4.1

- End -

CONTROLLING OFFICER'S REPLY**FSTB(FS)149****(Question Serial No. 5485)**Head: (116) Official Receiver's OfficeSubhead (No. & title): (-) Not SpecifiedProgramme: (1) Official Receiver's OfficeControlling Officer: Official Receiver (MCKENNA Phyllis)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

The Official Receiver's Office expects that there will be a net increase of 31 permanent posts in 2018-19. Please inform this Committee of:

- (1) the manpower to be increased and the officer ranks involved.
- (2) the reasons for the need to increase the permanent posts by more than 10%.
- (3) the percentage of the additional operational expenses arising from the increase in posts in the overall increased estimate (i.e. 90.6% higher than the original estimate for 2017-18).

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 182)Reply:

- (1) The Official Receiver's Office (ORO) will create the following 31 civil service posts in 2018-19, of which 23 are permanent posts.

Rank	Number of Post
Solicitor	5
Senior Insolvency Officer	1
Insolvency Officer I	4
Insolvency Officer II	13
Systems Manager	1
Analyst/Programmer I	1
Analyst/Programmer II	1
Assistant Clerical Officer	4
Clerical Assistant	1
Total:	31

- (2) The posts to be created in 2018-19 are to meet new operational needs of the ORO arising from new legislative requirements and new IT projects; to strengthen support for prosecution and case management work; to enhance staff training; and to convert non-civil service contract positions with long-term service needs to permanent posts.
- (3) The additional expenses arising from the creation of posts account for 10.2% of the increase in the overall estimate of ORO in 2018-19.

- End -