

Panel on Commerce and Industry

List of follow-up actions
(position as at 9 April 2018)

Subject		Date of Meeting	Follow-up action required	Administration's response
1.	Legislative proposal to expand the scope of tax deduction for capital expenditure incurred for the purchase of intellectual property rights ("IPRs")	15.11.2016	The Administration was requested to provide information on the evaluation of the economic benefits expected to be generated by the proposed addition of three types of IPRs, namely layout-design (topography) of integrated circuits, plant varieties and rights in performances, to the scope of tax deduction for purchases of IPRs under the Inland Revenue Ordinance (Cap.112) for consideration by the Panel.	The information provided by the Administration was circulated to members vide LC Paper No. CB(1)752/17-18(01) on 29 March 2018.
2.	Briefings by the Secretary for Commerce and Economic Development, the Secretary for Constitutional and Mainland Affairs and the Secretary for Innovation and Technology on the Chief Executive's 2017 Policy Address	25.1.2017	The Administration was requested to provide a full copy of the consultancy report of the Demand Study for New Convention and Exhibition Facilities in Hong Kong for members' information.	The Administration advised on 3 April 2017 that it had reviewed the consultancy report and obtained legal advice, and considered that the commercially sensitive information should be redacted before the report could be provided to members for information. The Administration was expediting the redaction of commercially sensitive information so as to make the redacted consultancy report

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				available to members for reading as soon as possible.
3.	Way forward for the Trade Single Window ("SW") project	18.4.2017	The Administration was requested to update the Panel of the progress of the business process review of the existing business workflows of 51 Business-to-Government trade documents covered by the SW project which involved the policy areas of over ten Government bureaux and departments with a view to streamlining the existing arrangements and identifying room for improvements and efficiency savings.	The Administration to follow up.
4.	Progress on the recent implementation of various new schemes under the Innovation and Technology Fund ("ITF")	16.5.2017	<p>The Administration was requested to include in its next report to be submitted to the Panel information on –</p> <p>(a) the achievements of the Enterprise Support Scheme to facilitate assessment of its effectiveness; and</p> <p>(b) the complementary measures to be put in place to enrich the research and development ("R&D") talent pool in Hong Kong to support the development of the innovation and technology industry and retain R&D talents in the face of severe competition from the</p>	In its proposal for further injection to the ITF discussed by the Panel on 20 March 2018, the Administration reported the achievements of the Enterprise Support Scheme and the planned measures to enrich the R&D talent pool in Hong Kong such as the Technology Talent Scheme and the two research clusters at the Hong Kong Science Park. The implementation of the Internship Programme such as the number of interns approved and the percentage of them

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			neighbouring region, and the effectiveness of relevant schemes under the ITF for nurturing more R&D talents in Hong Kong.	continuing their career or planning to pursue a career in innovation and technology-related areas upon completion were also reported.
5.	Promotion of inward investment	20.6.2017	The Administration was requested to include in its next annual report or a progress report the work directions for InvestHK to strengthen its role in providing ongoing support services (such as advice on and assistance in compliance with all the relevant legislation and regulations and liaison with other Government departments to help apply for necessary licences, etc.) to companies which are keen to set up or expand their businesses in Hong Kong.	The Administration to follow up.
6.	Briefings by the Secretary for Commerce and Economic Development, the Secretary for Constitutional and Mainland Affairs and the Secretary for Innovation and Technology on the Chief Executive's 2017 Policy Address	17.10.2017	In respect of the 2017 Policy Address, the Administration was requested to provide information on – (a) the division of work between the Commerce and Economic Development Bureau and the Innovation and Technology Bureau in relation to the various policy initiatives under the 2017 Policy Address;	The Administration to follow up.

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			<p>(b) the details of measures to facilitate the flow of capital between Hong Kong and other cities in the Guangdong-Hong Kong-Macao Bay Area; and</p> <p>(c) the updated policies and directions for the promotion of re-industrialization, particularly the promotion of the related midstream and downstream sectors, in addition to upstream research and development.</p>	
7.	Development of Lok Ma Chau Loop – advance works and main works package 1	16.1.2018	The Administration was requested to provide information on whether the 60 000 square metres ("sq m") of commercial land use vis-à-vis the 1.2 million sq m of gross floor area to be provided by the Hong Kong-Shenzhen Innovation and Technology Park (i.e. 5%) was proportionately sufficient; and how such a proportion compared with that of similar existing facilities in Hong Kong such as Hong Kong Science Park.	The Administration to follow up.
8.	Proposal for an enhanced tax deduction for research and development expenses	16.1.2018	The Administration was requested to provide a comparison of its proposal for an enhanced tax deduction for research and development expenses with similar tax deduction arrangements in other countries such as Singapore (i.e. the Productivity and	The Administration to follow up.

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			Innovation Credit Scheme) and Israel.	
9.	Latest position of the testing and certification ("T&C") industry in Hong Kong	27.2.2018	<p>The Administration was requested to provide information on –</p> <p>(a) the courses dedicated to the T&C industry offered by the tertiary education sector and the number of graduates of such courses joining the industry; and the Administration's effort in encouraging students to take relevant subjects (e.g. Chemistry) in secondary schools and enhancing students' interests in the T&C sector;</p> <p>(b) whether the Administration would consider developing relevant accreditation and T&C services for innovation and innovation management in various industries;</p> <p>(c) whether the Administration would suitably adjust the requirements of the qualifications framework to align with the practical needs of the relevant industries, including the beauty and hairdressing industry;</p> <p>(d) how the Administration would make use</p>	The Administration to follow up.

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			<p>of T&C to upgrade Hong Kong's overall quality assurance systems, e.g. by implementing market surveillance audit to inspect the integrity and quality performance of auditors and certification bodies; and</p> <p>(e) how the Administration would make use of T&C and accreditation services to contribute to the branding and marketing promotion of Hong Kong's products and services.</p>	
10.	Progress of the implementation of the Dedicated Fund on Branding, Upgrading and Domestic Sales and enhancement of the various SME funding schemes	20.3.2018	<p>The Administration was requested to provide information on –</p> <p>(a) the improvement measures to the existing application and vetting procedures for the various small and medium enterprises ("SME") funding schemes, including: (i) simplifying the application procedure and the information required in support of the application; (ii) shortening the vetting and approval time; and (iii) setting up a centralized frontline office to promote the funding schemes and provide a one-stop service to assist SMEs in submitting applications for the various</p>	The Administration to follow up.

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			<p>schemes; and</p> <p>(b) the effort so far in collaborating with industry organizations to actively promote the various SME funding schemes to the various industries, in particular the travel industry.</p> <p>The Administration was also requested to follow up with the Hong Kong Monetary Authority on the difficulties faced by SMEs (particularly those SMEs with business operations in the Mainland and Belt and Road countries) in opening bank accounts, especially in major international banks.</p>	
11.	Injection into the Innovation and Technology Fund	20.3.2018	<p>The Administration was requested to provide information on –</p> <p>(a) the improvement measures to the application and vetting procedures for the various funding programmes under the Innovation and Technology Fund ("ITF"), including setting up a centralized frontline office to promote the funding programmes and provide a one-stop service to assist SMEs in their submission of applications for the various programmes;</p>	The Administration to follow up.

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		<p>(b) whether key performance indicators would be set to evaluate how effectively each funding programme under ITF was achieving its key objectives, as well as the benefits brought about to Hong Kong economy as a whole, in particular the effectiveness in attracting overseas talents to Hong Kong and grooming local talents; and</p> <p>(c) the measures to further encourage investment in R&D, including: (i) considering the setting of a target of R&D investment as a percentage of gross domestic product ("GDP"), (ii) attracting multinational corporations to set up their R&D centres in Hong Kong, and (iii) retaining local R&D deliverables in Hong Kong's industry chain, by drawing reference from the successful experience of Israel and Singapore, which had high levels of R&D investment as a percentage of GDP.</p>	