

**立法會**  
**Legislative Council**

LC Paper No. FC165/20-21  
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seen by the Administration)

Ref : FC/1/1(4)

**Finance Committee of the Legislative Council**

**Minutes of the 4<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 13 November 2020, from 2:54 pm to 6:43 pm**

**Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)  
Hon CHAN Chun-ying, JP (Deputy Chairman)  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yea, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, GBS, JP  
Hon CHAN Han-pan, BBS, JP  
Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Hon KWOK Wai-keung, JP  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, GBS, JP  
Hon POON Siu-ping, BBS, MH

Dr Hon CHIANG Lai-wan, SBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Jimmy NG Wing-ka, BBS, JP  
Dr Hon Junius HO Kwan-yiu, JP  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai, JP  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan, JP  
Dr Hon Pierre CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon Vincent CHENG Wing-shun, MH, JP

**Members absent:**

Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon WU Chi-wai, MH  
Hon Charles Peter MOK, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Hon Andrew WAN Siu-kin  
Hon LAM Cheuk-ting  
Hon SHIU Ka-chun  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Tony TSE Wai-chuen, BBS, JP

**Public officers attending:**

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Miss CHAN Cheuk Yin, Jennie	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)

Mr Joseph CHAN Ho-lim, JP	Under Secretary for Financial Services and the Treasury
Mr Maurice LOO Kam-wah, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 2
Ms Jessie WONG Hok-ling, JP	Co-ordinator (Special Duties), Financial Secretary's Office
Mr Bobby CHENG Kam-wing, JP	Deputy Director of Administration 1, Chief Secretary for Administration's Office
Mr Clement LEUNG Cheuk-man, JP	Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries)
Miss Grace KWOK Wing-see	Deputy Secretary for Commerce and Economic Development (Communications and Creative Industries) (Special Services)
Mr Tony YIP Ka-sing	Principal Assistant Secretary for Commerce and Economic Development (Communications and Creative Industries)(Special Services)
Mr Erick TSANG Kwok-wai, IDSM, JP	Secretary for Constitutional and Mainland Affairs
Mr Tommy YUEN Man-chung, JP	Director (Special Duties), Constitutional and Mainland Affairs Bureau
Mr Benjamin MOK Kwan-yu	Deputy Secretary for Constitutional and Mainland Affairs (3)
Ms Queenie WONG Ting-chi	Principal Assistant Secretary for Constitutional and Mainland Affairs (6)

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**Staff in attendance:**

Ms Angel SHEK	Chief Council Secretary (1)1
Miss Bowie LAM	Council Secretary (1)1
Miss Queenie LAM	Senior Legislative Assistant (1)2
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Mandy POON	Legislative Assistant (1)1
Miss Yannes HO	Legislative Assistant (1)7

2. The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

**Item 1 — FCR(2020-21)63  
RECOMMENDATION OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 24 JUNE 2019**

**EC(2019-20)10  
HEAD 142 — GOVERNMENT SECRETARIAT : OFFICES OF THE  
CHIEF SECRETARY FOR ADMINISTRATION AND  
THE FINANCIAL SECRETARY  
Subhead 000 Operational Expenses**

Continuation of the discussion on item FCR(2020-21)63

3. The Finance Committee ("FC") continued with the discussion on FCR(2020-21)63.

4. The Chairman advised that this item sought the approval of FC for the recommendation of the Establishment Subcommittee ("ESC") made at its meeting on 24 June 2019 regarding EC(2019-20)10, i.e. the creation of one permanent post of Administrative Officer Staff Grade B1 (D4) or one D4-equivalent non-civil service position in the Financial Secretary's Office ("FSO") to strengthen its directorate support for assisting the Financial Secretary ("FS") in the formulation and follow-up of Budget-related proposals as well as spearheading strategic tax policies and measures in Hong Kong. ESC had spent approximately 1 hour and 38 minutes in total on the scrutiny of the aforesaid proposal. FC had also spent about 3 hours 30 minutes on discussing the agenda item at the last meeting. The Administration also submitted an information paper.

5. Mrs Regina IP stated that she agreed to the need for strengthening coordination with different departments or stakeholders in the preparation of the Budget, but the Budget-related work concerned had existed for years, and staff responsible for revenue and expenditure respectively under the Financial Services and the Treasury Bureau ("FSTB") could also continue to share the workload in this regard. On the other hand, although she agreed that the Government should review tax measures, she questioned why the existing staff of the Inland Revenue Department ("IRD") and/or FSO could not share the workload concerned. She was of the view that considering the knowledge of Hong Kong's tax policies among IRD staff (especially the Commissioner of Inland Revenue), the Government could

simply study tax policies and measures through a committee composed of government tax experts. This could more effectively supervise Hong Kong's strategic tax policies and measures, when compared to creating the proposed post which would possibly be filled by an external expert. Therefore, she was not convinced about the necessity for the creation of the proposed permanent post.

6. The Under Secretary for Financial Services and the Treasury ("USFST") advised that the holder of the proposed permanent post would be responsible for supervising the work of the proposed Budget and Tax Policy Unit ("BTPU"), including studying the approval of tax measures, or cooperating with different bureaux to study tax measures for specific industries, so as to ensure that Hong Kong would maintain its competitiveness. USFST referred to examples such as the response of the Organisation for Economic Co-operation and Development against base erosion and profit shifting, and pointed out that the holder would also assist in monitoring the latest international tax standards, assessing their relevance to Hong Kong, and formulating response measures. In addition, the holder would also support FS on tax policies and the formulation of the overall strategy and framework for the Budget, etc. With more extensive public consultations on the Budget by the Government and a growing number of proposals received, the preparation of the Budget had become an increasingly lengthy process in recent years. Many of the proposals received entailed not only financial provisions but interfaced with existing policies and measures. When considering these proposals, the Government had to closely liaise with bureaux/departments, legislators, and possibly stakeholders in relevant sectors/professions. With the growing complexity of tax policy work and an additional dimension of Budget-related work, the Government considered it appropriate that a senior directorate officer should be assigned to supervise the proposed BTPU in carrying out such tasks. USFST added that currently, there were only two directorate officers in FSO, namely the Administrative Assistant to FS and the Press Secretary to FS, and they already had their own responsibilities.

7. Mr Michael TIEN stated that at present, one of the tasks of the Tax Policy Unit ("TPU") of FSTB was to enhance Hong Kong's tax regime and explore the broadening of tax base and revenue generation. He enquired what kind of new tax types had been studied by TPU since it was set up in 2017-2018; and, after the creation of the proposed post in which the holder would supervise the newly established BTPU, consultation would be conducted on what kind of new tax types, as well as the timetable for the relevant work.

8. USFST advised that an important aspect of public finance management was to ensure financial stability and the availability of adequate resources to support Hong Kong's sustainable development. In this regard, the Government endeavored to promote economic growth with a view to increasing government revenue, and would continue to examine the tax regime and tax rates. The Government always maintained an open attitude on proposals to develop new sources of income, and was happy to receive and consider alternative views, and would draw reference from tax measures of other economies.

9. At the request of Mrs Regina IP and Mr CHAN Han-pan, the Administration would provide after the meeting written response on (a) key performance indicators ("KPIs") of the proposed post; and (b) members' suggestions on increasing the betting duty and/or allowing the Hong Kong Jockey Club to consider introducing a new type of sports betting duty.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC58/20-21(01) on 27 November 2020. ]

Voting on FCR(2020-21)63

10. At 3:28 pm, the Chairman put item FCR(2020-21)63 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 33 members voted in favour of, 1 member voted against the item, and 3 members abstained. The votes of individual members were as follows:

*For:*

Mr Abraham SHEK Lai-him	Mr Tommy CHEUNG Yu-yan
Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Mr CHAN Hak-kan	Dr Priscilla LEUNG Mei-fun
Mr WONG Kwok-kin	Mr Paul TSE Wai-chun
Mr Steven HO Chun-yin	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr MA Fung-kwok
Mr CHAN Han-pan	Mr LEUNG Che-cheung
Ms Alice MAK Mei-kuen	Mr KWOK Wai-keung
Mr Christopher CHEUNG Wah-fung	Ms Elizabeth QUAT
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Mr CHUNG Kwok-pan	Mr Jimmy NG Wing-ka
Dr Junius HO Kwan-yiu	Mr Holden CHOW Ho-ding
Mr SHIU Ka-fai	Mr Wilson OR Chong-shing
Dr Pierre CHAN	Mr CHAN Chun-ying
Mr CHEUNG Kwok-kwan	Mr LUK Chung-hung

Mr LAU Kwok-fan  
Mr Vincent CHENG Wing-shun  
(33 members)

Mr Kenneth LAU Ip-keung

*Against:*  
Dr CHENG Chung-tai  
(1 member)

*Abstained:*  
Mrs Regina IP LAU Suk-ye  
Ms YUNG Hoi-yan  
(3 members)

Mr Michael TIEN Puk-sun

11. The Chairman declared that the item was approved.

**Item 2 — FCR(2019-20)23  
RECOMMENDATION OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 30 APRIL 2019**

**EC(2018-19)32**

**HEAD 55 — GOVERNMENT SECRETARIAT:  
COMMERCE AND ECONOMIC DEVELOPMENT  
BUREAU (COMMUNICATIONS AND CREATIVE  
INDUSTRIES BRANCH)**

**Subhead 000 Operational expenses**

12. The Chairman advised that this item sought the approval of FC for the recommendation of ESC made at its meeting on 30 April 2019 regarding EC(2018-19)32, i.e. the proposed retention of two supernumerary posts of one Administrative Officer Staff Grade B (D3)(designated as Deputy Secretary for Commerce and Economic Development (Communications and Creative Industries) Special Duties); and one Administrative Officer Staff Grade C (D2)(designated as Principal Assistant Secretary for Commerce and Economic Development (Communications and Creative Industries) Special Duties) in the Communications and Creative Industries Branch of the Commerce and Economic Development Bureau for a period of three years to continue the review and amendment of the Broadcasting Ordinance ("BO")(Cap. 562) and the Telecommunications Ordinance ("TO")(Cap. 106) and to formulate legislative proposals to regulate person-to-person telemarketing calls ("P2P calls").

Justifications for extending the tenure of the two proposed supernumerary posts

13. Mr MA Fung-kwok, Mr Wilson OR, Mr CHAN Han-pan, Mr KWOK Wai-keung, Mr Holden CHOW, Ms Starry LEE and Ms Elizabeth QUAT all had reservations about the Administration's proposal for retaining the two proposed supernumerary posts. Mr MA, Mr OR and Mr KWOK criticized that holders of the proposed supernumerary posts performed poorly during the period between the creation of the posts in 2016 and their lapse in 2019. The Administration's application for extending the tenure of the proposed posts might not be in line with the principle of proper use of public money and it was difficult to convince members for their support. Mr CHAN enquired about the actual work outcome of the proposed posts in the past.

14. Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries) ("PS(CCI)") advised that the two proposed supernumerary posts had completed the review and amendment of BO. The relevant Broadcasting and Telecommunications Legislation (Amendment) Bill 2019 was introduced into the Legislative Council ("LegCo") for First Reading and Second Reading in March 2019 and was passed at the end of October 2020. However, the two supernumerary posts lapsed in June 2019, which had affected the review of TO and the legislative exercise on regulating P2P calls. The Government expected that by extending the tenure of the proposed posts, the above work could continue, and it was confident that the relevant legislative amendment exercise could be completed within the extended tenure of three years. The Government would ensure that the amendment exercise could balance the needs and concerns of the general public and other stakeholders. He stressed that the Government had given the staffing proposal thorough consideration before putting it forward.

15. Mr MA Fung-kwok, Mr KWOK Wai-keung, Mr Holden CHOW and Ms Elizabeth QUAT were of the view that the proposed posts only had one major duty left, i.e. the legislative exercise on regulating P2P calls. Unless there were new functions (such as regulation of the Internet and social media, or further promoting the application of the fifth generation ("5G") mobile telecommunications services), it was not necessary to extend the posts for three years. The Administration could shorten the tenure to one year or one and a half years. Mr KWOK enquired if the bill concerning the amendment of TO could be passed by LegCo in early 2021, whether the Administration could delete the proposed posts early.



16. PS(CCI) advised that the two proposed supernumerary posts already lapsed in June 2019. Without FC's approval for extension of tenure, the Government would not be able to carry out the amendment of TO and the legislative exercise to regulate P2P calls. The progress of the above legislative exercise was hindered in the past year as the existing manpower of the bureau was not able to concurrently take up the work concerned. If the two supernumerary posts were established successfully, the Government expected to submit an amendment bill of TO into LegCo in the first quarter of 2021, and would endeavor to submit a legislative proposal on regulating P2P calls to LegCo for deliberation within this legislative session. If the above legislation could not be passed within this legislative session, the Government had to re-start all relevant work after the commencement of the new legislative term, including consulting the relevant Panels afresh. Therefore, extension of the proposed posts for three years was an appropriate and prudent arrangement. However, if the above legislation was passed successfully, the Government could delete the proposed posts early.

17. Mr Wilson OR, Mr CHAN Han-pan and Ms Starry LEE were concerned that, given the poor economic environment in Hong Kong at present, both the public and Members expected the Government to take the lead in reducing expenditure and to utilize resources more efficiently. However, the proposed posts and other supporting staff would incur an annual expenditure of more than \$10 million, yet there were no specific work targets. It was truly difficult for them to support the staffing proposal. They enquired whether the Administration had reassessed the need to extend the proposed posts after the outbreak of the epidemic, including whether it could deploy internal resources to cope with the work of the proposed posts. Mr OR enquired whether the Administration could shorten the period of extension of the proposed posts, and enquired about the KPIs of the proposed posts.

18. PS(CCI) advised that despite the economic downturn, many enterprises were still willing to invest billions of dollars in the development of telecommunications services. Therefore, the amendment of TO was essential to Hong Kong's economic development. In the meantime, the Government also wished to ensure that a stable telecommunications system was in place to continue supporting the development of various industries. The Government had carefully examined the feasibility of redeploying internal resources, but as stated in paragraphs 19 to 21 of EC(2018-19)32, the existing directorate officers had heavy workloads. They were responsible for tasks related to daily implementation of broadcasting and telecommunications policies, switch-off of analogue television services,

spectrum utilization and legal proceedings, etc., and would not be able to deal with a relatively significant legislative amendment exercise. The KPIs for the proposed posts were clear, i.e. completion of the amendment of TO and the legislative exercise on the regulation of P2P calls within the three-year extension period, as well as the follow-up work after the passage of the Broadcasting and Telecommunications Legislation (Amendment) Bill 2019. He pointed out that TO involved complex issues, e.g. the need for extensive consultation with different stakeholders (especially the construction industry) on the regulation of underground telecommunications facilities. It was really prudent for the Government to propose the extension of the proposed posts for three years with a view to allowing sufficient and reasonable time to complete the legislative amendment.

#### Regulating person-to-person telemarketing calls

19. Dr CHENG Chung-tai and Mr Vincent CHENG were concerned that P2P calls were a source of nuisance to the general public, and telemarketing through instant messaging applications became more rampant in recent years. They enquired whether the Administration had studied how to deal with the above situation.

20. Mr CHAN Han-pan and Dr CHENG Chung-tai expressed their dissatisfaction that while the Government had studied ways to regulate P2P calls for several years, no specific legislative proposals were made so far. Mr CHAN, Dr CHENG Chung-tai, Mr Vincent CHENG and Ms Elizabeth QUAT enquired about the work outcome of the proposed posts on regulating P2P calls in the past, and the future work targets (including specific legislative proposal and timetable). Mr Vincent CHENG enquired whether there were ways to deal with the nuisance caused by P2P calls other than statutory regulation; Ms QUAT was concerned about the difficulty in enforcement after the enactment of legislation.

21. PS(CCI) advised that the Government reported on the progress of regulating P2P calls at the joint meeting of the Panel on Information Technology and Broadcasting and the Panel on Commerce and Industry in 2019. In response to the social consensus in support of statutory regulation, the Government proposed the establishment of a Do-not-call ("DNC") Register. As long as members of the public clearly indicated their wish to decline relevant incoming calls, the telemarketers concerned would have to stop calling. Otherwise, they would commit an offence and would be subject to warning or a fine. At the moment, the Unsolicited Electronic Messages Ordinance (Cap. 593) had provided for the establishment of the DNC Register, which would block unsolicited

electronic messages. The Government understood that Members were concerned about the compliance costs to be borne by small and medium enterprises ("SMEs"), and would deal with this cautiously when drafting the legislation. The Government endeavoured to give an account of the details and arrangements of the specific legislative framework to relevant Panels within the current legislative session, in the hope that the legislative exercise would commence as soon as possible after the extension of the proposed posts was approved.

22. Mr Michael TIEN stated that he once suggested the Government require businesses to use phone numbers with prefixes comprising the same group of numbers for P2P calls, so that the public could identify the calls. He enquired about the Government's progress on legislation for regulating P2P calls and its position on his suggestion. Mr TIEN requested the Government to give a clear answer to his suggestion, or he might vote against the staffing proposal.

23. PS(CCI) advised that as the two proposed supernumerary posts lapsed on 17 June 2019, the progress of regulating P2P calls was hampered as a result. The situation was not desirable. Therefore, the Government sought approval from FC to extend the proposed posts for three years to allow more time for handling the regulation of P2P calls. He added that the Government would carefully study and consider Mr Michael TIEN's suggestion, but it had to take into account that if phone numbers with prefixes comprising the same group of numbers were assigned to businesses for telemarketing, the existing phone numbers under the 8-digit numbering plan might not be adequate.

24. Mr WONG Ting-kwong enquired about the specific views of relevant trades on the Government's proposal of statutory regulation of P2P calls. He was of the view that the Government did not really understand the trades' positions and opinions as SMEs rarely sold products or services through P2P calls. Such calls mainly came from banks, finance companies and beauty centres, etc.

25. PS(CCI) reiterated that the general direction of statutory regulation of P2P calls was clear, including the establishment of the DNC Register. However, considering the proposal from Members representing the business sector and some SMEs of giving exemption to business-to-business telemarketing calls, the Government was studying the cases in foreign countries such as Singapore, Canada and Australia where similar exemptions were given, so as to explore the feasibility, while hoping that other measures would allay the concern of the business sector.

Issues related to fifth generation mobile telecommunications services

26. Ms Elizabeth QUAT was of the view that Hong Kong's existing legislation was outdated and failed to cope with 5G services development. She urged the Administration to complete the review of the telecommunications regulatory framework and amend TO as soon as possible, and report the progress to LegCo as soon as practicable.

27. PS(CCI) advised that he agreed that promoting the application of 5G services was highly important. The Government planned to introduce an amendment bill of TO into LegCo in the first quarter of 2021 for consideration. As regards the regulation of broadcasting, LegCo had passed the Broadcasting and Telecommunications Legislation (Amendment) Bill 2019 earlier, and Members put forward many valuable views during the Second Reading debate. The Government would follow up on the views seriously and would also continue to draw reference from foreign experience to further enhance the regulation.

28. Dr CHENG Chung-tai enquired whether the review and amendment of TO under the purview of the proposed posts included issues related to 5G services; if so, he was concerned about the radiation released by radio base stations, and enquired whether the relevant Ordinance would cover mechanisms for regulation, complaints and compensation related to the problem of radiation.

29. PS(CCI) responded that the amendment bill of TO would cover 5G services development, including the safety of 5G and Internet of Things devices and the simplification of procedures for issuing non-carrier licences in order to encourage the trade to roll out new services, etc. The Government would give an account of the details of the proposed legislative amendments to relevant Panels later.

30. Mr CHAN Han-pan enquired whether the Administration could introduce provisions in the amendment bill of TO which would require service providers to produce coverage that reach a certain level, so as to ensure that the public would have better 5G services.

31. PS(CCI) advised that the legislative framework of TO was to set out the requirements for licensing. As to whether the operators could fulfill the requirements on coverage, this was a part of licensing conditions, which was an issue about daily management, and was not directly related to the legislative amendment exercise. Mr CHAN Han-pan might follow up on the above issue on other occasions with the Office of the Communications Authority.

### Regulation of the Internet

32. Ms Elizabeth QUAT was concerned that the review and amendment of BO conducted by the Administration did not cover the regulation of programmes of Internet radio stations/TV stations. She pointed out that a lot of contents of the programmes produced by these Internet media were full of pornography, violence, foul language and fake news, etc., but they were not subject to regulation. On the contrary, traditional media outlets were subject to strict regulation and their business environment was deteriorating. She enquired whether the Administration would study the regulation of Internet radio stations/TV stations.

33. PS(CCI) advised that it would be rather difficult to regulate the Internet and carry out enforcement, especially because Internet radio stations/TV stations might not operate through facilities in Hong Kong. That said, the Government would follow up on Members' views raised during the Second Reading debate on the Broadcasting and Telecommunications Legislation (Amendment) Bill 2019 and review the subjects concerned, and would draw reference from examples in foreign places.

### Issues related to Radio Television Hong Kong

34. Ms Elizabeth QUAT enquired whether the proposed posts would explore ways to make good use of the channels owned by the Radio Television Hong Kong ("RTHK"), especially the TV channels. She suggested that the proposed posts be responsible for issues related to RTHK.

35. PS(CCI) advised that the proposed posts would not handle issues related to RTHK. The bureau had established a dedicated team to review the governance and management of RTHK, and the review was expected to complete in six months. The bureau would report the work related to RTHK to the relevant Panel under established mechanism.

### Withdrawal of agenda item FCR(2019-20)23

36. At 4:57 pm, PS(CCI) advised that members put forward a number of opinions during the discussion just now, including the wish that the Government could redeploy internal resources to cope with the work of the proposed posts, reducing the duration of extension of the proposed posts, and expanding the scope of the responsibilities of the proposed posts, etc. Given that the Government was unable to convince members to support the

staffing proposal at this stage, and that the Administration needed time to review afresh the contents of the proposal in light of members' views, the bureau therefore decided to withdraw agenda item FCR(2019-20)23.

37. Deputy Secretary for Financial Services and the Treasury (Treasury)<sup>1</sup>, on behalf of the Financial Secretary, advised that he withdrew agenda item FCR(2019-20)23 according to paragraph 26 of the Finance Committee Procedure.

**Item 3 — FCR(2020-21)57**

**RECOMMENDATION OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 15 MAY 2019**

**EC(2018-19)36**

**HEAD 144 — GOVERNMENT SECRETARIAT:**

**CONSTITUTIONAL AND MAINLAND AFFAIRS  
BUREAU**

**Subhead 000 Operational expenses**

38. The Chairman advised that this item sought the approval of FC for the recommendation of ESC made at its meeting on 15 May 2019 regarding EC(2018-19)36, i.e. the creation of two supernumerary posts of one Administrative Officer Staff Grade A (D6) (designated as Commissioner for the Development of the Greater Bay Area ("CGBA")) and one Administrative Officer Staff Grade C ("AOSGC") (D2) (designated as Assistant Commissioner for the Development of the Greater Bay Area (1)) for four years and redeployment of two permanent posts of one Administrative Officer Staff Grade B (D3) (retitled as Deputy Commissioner for the Development of the Greater Bay Area) and one AOSGC (D2) (retitled as Assistant Commissioner for the Development of the Greater Bay Area (2)) in the Constitutional and Mainland Affairs Bureau for the establishment of the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") Development Office ("GBA Development Office") to spearhead the efforts in taking forward the GBA development.

Roles and functions of the Guangdong-Hong Kong-Macao Greater Bay Area Development Office and the proposed posts

39. Ir Dr LO Wai-kwok expressed full support for the creation of the proposed posts. He pointed out that other GBA cities had successively set up dedicated offices for the GBA development, and that Hong Kong was already lagging behind as it had not created the proposed posts to head the GBA Development Office until now. Mr CHAN Han-pan also expressed

similar concerns and enquired about the specific role of the proposed CGBA, and whether there was a coordination mechanism within the Government to prevent the GBA Development Office and other relevant bureaux/departments from shirking their duties, which would hinder the implementation of policies.

40. Secretary for Constitutional and Mainland Affairs ("SCMA") advised that under "one country, two systems", the position of Hong Kong in the GBA development and the specific work arrangements might not be exactly the same as that of other Mainland cities. It also involved coordination with Mainland authorities and the search for policy breakthrough, etc. The GBA Development Office mainly played a role in coordination, promotion and supervision, such as coordinating the participation of various bureaux/departments of the Special Administrative Region Government in the GBA development to ensure consistency in overall policies, while the study, formulation and implementation of respective policy measures would mainly be handled by relevant bureaux/departments. The Government had set up the Steering Committee for the Development of the Greater Bay Area ("Steering Committee") with the Chief Executive ("CE") as the chairperson and its membership comprising all Secretaries of Departments and Directors of Bureaux. The Steering Committee was responsible for supervising Hong Kong's policy measures for participating in the GBA development. In other words, all policy measures would be decided by CE in conjunction with all Secretaries of Departments and Directors of Bureaux after deliberation, and a lack of coordination would be improbable.

41. Mr LEUNG Che-cheung was of the view that Hong Kong's economy was in urgent need for new impetus. Therefore, he supported the establishment of the GBA Development Office and the creation of the proposed posts to promote the GBA development. He asked whether the GBA Development Office was directly subordinate to CE and enquired about its priority tasks, and was concerned whether the work outcome of the proposed posts would be affected by the failure to resume cross-border travel between Hong Kong and the Mainland.

42. SCMA advised that the Government had long redeployed internal resources and manpower to deal with the promotion of the GBA development. He wished that FC could approve the creation of the proposed posts to facilitate the relevant work. The GBA Development Office would provide support for the Steering Committee; the proposed CGBA would also advise the senior echelons on strategies and priorities in taking forward the GBA development. In terms of the administrative structure, the office was subordinate, and therefore would be responsible, to

the Constitutional and Mainland Affairs Bureau. Although the epidemic was still rampant, the GBA development was ongoing actively with no undue impact on the progress caused by the epidemic.

43. Ms Starry LEE considered that Hong Kong's economic development had encountered a bottleneck, and the key was whether the city could seize the opportunities of the GBA development to make a breakthrough. She pointed out that there were more than 30 government staff in the GBA Development Office, and the public had great expectations for its work. She requested the Administration to provide information on the KPIs and service pledge (including support in handling requests of various sectors) of the GBA Development Office, and, after the establishment of the GBA Development Office, the respective functions of the Office and the Hong Kong Economic and Trade Office in Guangdong ("GDETO") of the Government of the Hong Kong Special Administrative Region, as well as the specific arrangements for the division of work.

44. SCMA advised that long before the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area ("Outline Development Plan") was promulgated, the Government had carried out preparatory work to promote the GBA development, including redeploying internal resources and manpower to support issues related to the GBA development. The Government had all along adhered to the principle of prudent use of resources. Including the directorate officers, the GBA Development Office had a strength of more than 30 staff, of which only 10 or so were new staff actually. The Office would be committed to coordinating the participation of different bureaux/departments in the GBA development, and would actively receive the opinions of various business and professional bodies, other social bodies and the public. He added that the GBA development involved many policy areas, and the GBA Development Office would mainly be responsible for coordination and liaison of various work related to the GBA development. That said, there was no simple way to easily quantify the effectiveness of its work. More specific outcome might be found in policies and measures successfully implemented eventually, or those that achieved breakthroughs. As to the Mainland Offices (including GDETO), they had their specific tasks, including promoting Hong Kong, attracting investment and handling emergencies involving Hong Kong people in the Mainland.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC50/20-21(01) on 20 November 2020.]



45. Mr LUK Chung-hung stated that the Hong Kong Federation of Trade Unions ("HKFTU") fully supported the GBA development and supported the Administration's creation of the proposed posts in principle. However, he was concerned that the policies relating to GBA in the past were in favour of the business sector in perception, seemingly failing to facilitate the people's daily lives. Mr LUK and Mr KWOK Wai-keung referred to the duties of the proposed CGBA. One of the duties was "to promote and enhance connections with the relevant stakeholders, including leadership of business and professional bodies". As community groups that provided education, healthcare and social welfare services were not covered, it seemed that the people's livelihood was omitted, inconsistent with the major policy objective of developing GBA into a place for living, working and travelling. Mr LUK enquired how the proposed posts would receive views from different sectors to formulate policies for the benefit of the people.

46. SCMA stressed that the proposed CGBA would not target to strengthen liaison with the business sector only. The Government had always valued the views of organizations from different sectors. Mainland Offices of the Government also gauged aspirations of Hong Kong people living in the Mainland on a regular basis and reflected them to CE for follow-up. Work in this respect would further be enhanced in the future. He cited an example in which CE specially arranged an online meeting to heed aspirations and opinions of Hong Kong people living in Beijing when she visited there earlier. Over a period of time in the past, the GBA Development Office had coordinated and promoted many policy measures on the people's livelihood, e.g. some of the services/benefits enjoyed by Hong Kong people with Home Visit Permits in GBA cities were the same as those of local residents; the determination of the 183 days for individual income tax residents in the Mainland had resolved a tax issue long perplexing those Hong Kong people who worked in the Mainland cities of GBA; and the arrangement for providing financial subsidies to non-Mainland high-level and high-demand talents for individual income tax differential could further encourage Hong Kong talents to work and set up businesses in the Mainland cities of GBA, etc.

47. Mr KWOK Wai-keung was of the view that Hong Kong was closely related to GBA cities and healthy competition existed. He was worried that any frequent change in government staff holding the proposed posts would interrupt policy formulation and implementation, thus rendering it difficult to achieve synergy and mutual benefits. Citing the Administration's proposal to redeploy two permanent directorate posts to the GBA Development Office for four years, Mr YIU Si-wing enquired

whether, after the term of the two permanent posts expired, the posts would be extended to handle work related to the GBA development, or would return to their original positions.

48. SCMA advised that after completion of the work of the GBA Development Office, the two permanent posts would be redeployed to the original establishment of the Constitutional and Mainland Affairs Bureau to take up other duties.

Positioning of Hong Kong in the Guangdong-Hong Kong-Macao Greater Bay Area

49. Dr CHENG Chung-tai was concerned that while the Central Government promulgated the Outline Development Plan in February 2019, President Xi Jinping visited Shenzhen in October 2020 and indicated that Shenzhen was the leader in the GBA development, meaning that the positioning of Hong Kong in GBA had changed. He was of the view that the Administration should amend the contents of agenda paper EC(2018-19)36 to reflect the latest situation above.

50. SCMA advised that the discussion paper listed in detail the duties of the proposed posts and the needs for creating such posts. There were no major changes in the contents, and it was not necessary to amend the paper. He added that the discussion paper did not intend to update the latest situation in the GBA development. Likewise, the Outline Development Plan aimed to describe the long-term objectives and vision of the GBA development, and would not be updated frequently.

51. Mr YIU Si-wing expressed support for the Administration's establishment of the GBA Development Office. He was concerned about the role of Hong Kong's four pillar industries in the GBA development, and how the GBA Development Office could ensure the development of these industries would be further enhanced rather than weakened. He enquired how Hong Kong could strike a clear balance between competition and complementarity with cities such as Guangzhou, Shenzhen and Macao, and sought a way forward for co-development, such as the development of multi-destination tourism to attract foreign visitors to GBA.

52. SCMA stated that the Outline Development Plan expressly regarded Hong Kong, Macao, Guangzhou and Shenzhen as the core engines of regional development of GBA, and affirmed each city's clear positioning and functions on the basis of their unique advantages. He believed that under the coordination of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area ("the Leading Group"),

the cities could complement each other.

Providing support to Hong Kong people living in the Guangdong-Hong Kong-Macao Greater Bay Area

53. Ms Elizabeth QUAT was of the view that the GBA development was an important strategy for national development, representing an unparalleled opportunity for the development of Hong Kong. The GBA Development Office should provide more assistance to Hong Kong people in areas such as education, employment and home ownership.

54. SCMA advised that to develop GBA into a place for living, working and travelling, as well as attracting talents, the Administration would properly adopt supporting measures, in which education, home ownership and taxation arrangements were particularly important. He pointed out that after the meeting of the Leading Group, some policy measures had already obtained interim achievements, e.g. Hong Kong people with Home Visit Permits in the Mainland cities of GBA could enjoy greater convenience and their rights to certain public services were basically the same as those of local residents; and currently there were 11 schools in Shenzhen that offered Hong Kong curriculum to Hong Kong students.

55. Mr Vincent CHENG stated that Guangdong and Hong Kong had frequent contacts, while an increasing number of Hong Kong people took up residence, conducted business and spent their retirement in the Mainland. The establishment of the GBA Development Office to further expand economic opportunities and strengthen supporting measures was critical. He was concerned that many Hong Kong people living in GBA were not able to return to Hong Kong due to various reasons under the epidemic. Among them, patients with needs for regular follow-up consultations/other medical attention were seriously affected. He enquired about the number of beneficiaries of the subsidized consultation sessions at the University of Hong Kong - Shenzhen Hospital ("HKUSZH") for Hospital Authority's chronic disease patients living in the Guangdong Province, and the Government's support for Hong Kong people living in the Mainland in terms of medical services in the future.

56. Mr LUK Chung-hung referred to the services provided by HKFTU to Hong Kong people living in the Mainland, including the delivery of prescription medications to Hong Kong residents in Guangdong and Fujian Provinces with urgent need for medications during the epidemic as entrusted by the Government. He was of the view that if the Government failed to implement proper supporting measures on education and

healthcare, it would be difficult to attract Hong Kong people to reside in GBA.

57. SCMA advised that the Government was grateful to HKFTU for its continued support on community work, including the above-mentioned special programme to deliver prescription medications which helped solve the problem of medication delivery to Hong Kong people stranded in the Mainland. He understood that the society was concerned about when cross-border travel between the two places could be resumed, but in the face of the fluctuating epidemic situation and the winter surge of influenza, Hong Kong, the Mainland and Macao all agreed to first consolidate anti-epidemic efforts, and cross-border travel could be conditionally resumed step by step after the epidemic was put under control. The Government would maintain close contact with relevant departments in the Mainland and Macao, and would carefully monitor the epidemic development. SCMA added that he agreed that quality healthcare would be essential if GBA was to be developed into a place for living and working which could absorb talents worldwide. The Government launched a pilot scheme in 2015, allowing eligible Hong Kong elderly people to pay for outpatient medical care services provided by designated clinics/departments of HKUSZH with health care vouchers. The above pilot scheme was regularized on 26 June 2019. In addition, to facilitate medical treatment for Hong Kong people living in GBA, the Central Government announced on 16 November 2019 that designated Hong Kong-owned healthcare institutions in the Mainland cities of GBA were permitted to use Hong Kong-registered drugs and common medical devices. The Food and Health Bureau would negotiate relevant arrangements with Mainland authorities, including carrying out pilot operation at HKUSZH. The Government would examine more convenience measures in light of the needs of Hong Kong people for healthcare service in GBA.

Encouraging young people in Hong Kong to pursue career in the Guangdong-Hong Kong-Macao Greater Bay Area

58. Mr Holden CHOW was of the view that integration of Hong Kong into the GBA development was a top priority for future development. In particular, the Administration should create opportunities for young people to take up employment and start their own businesses in GBA. He was concerned that, at present, Hong Kong residents could not participate in franchise business if they wished to set up a venture in GBA as individuals. He enquired whether, after the creation of the proposed posts, specific supporting measures would be available to facilitate young people in Hong Kong to set up businesses or take up employment in GBA.

59. SCMA advised that according to the Outline Development Plan, promoting youth innovation and entrepreneurship was a major development direction. CE attached great importance to the development of Hong Kong young people in GBA. The Government had repeatedly emphasized its hope for young people in Hong Kong to integrate into the overall national development and pursue further study, take up employment and seek development in the Mainland. Specifically, the Government would provide subsidies, support, assistance, guidance and incubation services to young Hong Kong entrepreneurs in various GBA cities through funding schemes or cooperation with community organizations. For example, the Government launched in March 2019 the "Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases in the Guangdong-Hong Kong-Macao Greater Bay Area" and the "Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay Area" under the Youth Development Fund, providing start-up assistance and incubation services that befitted the needs of young entrepreneurs. Moreover, the Government would also cooperate with the Guangdong Provincial Government to establish an Alliance of Hong Kong Youth Innovative and Entrepreneurial Bases in the Greater Bay Area to set up a one-stop information, publicity and exchange platform to support the development of Hong Kong young people in GBA.

60. Ms Elizabeth QUAT noted that the Outline Development Plan mentioned policy measures such as developing an international innovation and technology hub, expediting infrastructural connectivity, building a globally competitive modern industrial system, and was concerned that some young people were influenced by smearing information over a certain period in the past and resisted having connection with or understanding GBA, thus hindering them to take up opportunities there. She enquired about the Administration's plan to encourage the technology sector, especially the young people, to pursue development in GBA.

61. Ir Dr LO Wai-kwok stated that GBA provided young people with numerous opportunities for study, employment, entrepreneurship and home ownership. For example, the Qianhai Shenzhen-Hong Kong Youth Innovation and Entrepreneur Hub provided many fine examples of Hong Kong young people building up successful businesses, but the Government had not made good use of these examples to promote the opportunities of GBA to young people in Hong Kong. He enquired about the Administration's plan for publicity in the future.

62. SCMA advised that the Government had always spared no effort in the promotion of the GBA development. In addition to setting up a

dedicated website, symposiums, seminars, forums and exhibitions, etc. were also held. He agreed that promotion work should be strengthened, such as using new media to reach young people to enable a correct understanding of national development, including the opportunities and the scope of development presented by GBA, thereby encouraging more talents in the technology sector to develop in GBA, especially the young people.

Development of professional sectors in the Guangdong-Hong Kong-Macao Greater Bay Area

63. Mr Christopher CHEUNG enquired how the proposed posts would promote Hong Kong's financial services and the work targets in this regard. He referred to the suggestion by the Business and Professionals Alliance for Hong Kong ("BPA") on setting up a unified pass permit system in GBA for the financial sector, and enquired whether the Administration would actively follow up and undertake to try its best to assist small and medium securities dealers to enter GBA for business development. If the Government was willing to make a promise, he would unreservedly support the staffing proposal.

64. SCMA advised that the development of the financial services industry was an important direction of the GBA development. As stated in the Outline Development Plan, the Government's key areas of work included consolidating and enhancing Hong Kong's status as an international financial, maritime and trade centre, as well as an international aviation hub. Many measures introduced in the past were related to financial development as well. The People's Bank of China, the Hong Kong Monetary Authority and the Monetary Authority of Macao made a joint announcement on 29 June 2020 on the launch of a "cross-boundary wealth management connect" pilot scheme in GBA. The specific implementation plan would be published later. CE also touched upon the direction of development and specific measures of financial technology with central ministries when she visited Beijing earlier. Regarding the suggestion by BPA, SCMA advised that the Government valued the views of industries and professional bodies, and would seriously examine and consider the suggestion. He hoped members would understand that the Government had to negotiate with relevant Mainland ministries and Mainland cities of GBA, and it took time to formulate specific policies.

65. Ir Dr LO Wai-kyok noted that the Development Bureau ("DEVB") briefed the architectural and engineering sectors on the Interim Guidelines for the Management of Hong Kong Engineering Construction Consultant Enterprises and Professionals Starting Business and Practising in the

Guangdong-Hong Kong-Macao Greater Bay Area Cities in July 2020, under which consultant firms on the two Government lists, i.e. the Architectural and Associated Consultants Selection Board of the Architectural Services Department and the Engineering and Associated Consultants Selection Board of the Civil Engineering and Development Department, as well as professionals registered with relevant registration boards in Hong Kong, were allowed to directly provide services in GBA by obtaining equivalent qualifications in the Mainland through a registration system to facilitate their exploration of business opportunities in GBA. Similar measures were also promulgated by DEVB with the Authority of Qianhai and the Administrative Committee of Hengqin New Area. In addition to the above-mentioned consultant firms on the two lists, companies on the Approved List of Contractors in Hong Kong and company members of professional institutions/associations in Hong Kong were also included. He hoped that similar policies could benefit more sectors from different professional fields.

66. SCMA advised that the governments of Guangdong and Hong Kong had adopted a large number of policies to facilitate the development of professional bodies of sectors such as legal services, architecture and surveying in GBA.

67. At 5:12 pm, the Chairman directed that the meeting be suspended. The meeting resumed at 5:31 pm, and the Deputy Chairman took over the chair.

68. The meeting ended at 6:44 pm.