

**For information
on 17 November 2020**

Legislative Council Panel on Commerce and Industry

**Proposed Member's Bill to Amend
the Prevention and Control of Disease Ordinance (Cap. 599)**

The Administration's Response

PURPOSE

In consultation with the Chief Secretary for Administration's Office, the Financial Secretary's Office, the Food and Health Bureau, the Financial Services and the Treasury Bureau and the Department of Justice, this paper sets out the Administration's response to the Prevention and Control of Disease (Amendment) Bill (the Bill) proposed by the Hon Tommy CHEUNG.

**THE GOVERNMENT'S POLICY IN COMBATING
CORONAVIRUS DISEASE-2019 (COVID-19) AND IN
SUPPORTING BUSINESSES ACROSS DIFFERENT SECTORS**

Government's Policy to Prevent and Control the Spread of COVID-19 in Hong Kong

2. The Government has adopted the "suppress and lift" strategy in implementing epidemic control measures in order to quickly adjust those measures having regard to the development of the outbreak situation. In order to avoid the situation that takes place in many countries where the increasing number of new cases overwhelm the healthcare system and result in a high mortality rate, the Government has been sparing no efforts in containing the spread of the disease through a multi-pronged approach and will continue to step up control of the outbreak and prevent transmission of the virus on all fronts.

3. Social distancing measures are an integral part of our efforts to prevent the spread of COVID-19 within the community. These measures are implemented in accordance with the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G) and the Prevention and Control of Disease (Wearing of Mask) Regulation (Cap. 599I) which were made under section 8 of the Prevention and Control of Disease Ordinance (Cap. 599), empowering the Chief Executive in Council to make emergency regulations for the purposes of preventing, combating or alleviating the effects of the public health emergency and protecting public health. The aforementioned regulations allow us to impose temporary measures on catering business as well as scheduled premises, to prohibit group gathering and to mandate the wearing of masks in public place and can help, inter alia, ensure social distancing and prevent people from congregating, thereby reducing the transmission of COVID-19 within the community.

4. In deciding the social distancing measures to be put in place, the Government has balanced the oft-competing factors of public health protection, economic impact and social acceptance. In terms of public health protection, any premature relaxation of social distancing measures may result in rebound of the pandemic situation. Meanwhile, we appreciate that as the epidemic lingers, continued closure of business premises under Cap. 599F is not sustainable both in economic and social acceptance terms while “anti-pandemic fatigue” may result in low compliance with social distancing measures, thereby undermining their effectiveness in curbing the spread of COVID-19. Taking into account the above, instead of going for “one size fits all”, a more refined and sophisticated approach has been adopted in lifting the social distancing measures in a gradual and orderly manner when the epidemic situation permits. Under this approach, we have been allowing resumption in phases social and economic activities which are essential to daily lives and those the infection risks of which can be substantially reduced by enhancing disease prevention and control measures, with a view to allowing members of the public to maintain social and economic activities to a certain extent as far as practicable under the new normal. To this end, the Government has been engaging different sectors to listen to their views

and suggestions regarding precautionary measures that may be put in place in their respective businesses and premises.

5. The Government will continue to review the various measures in place from time to time in accordance with the development of the epidemic situation, strike a balance among disease prevention and control, economic needs and level of acceptance of the society, and make suitable adjustments taking into account all relevant factors.

Government's Policy in Providing Support and Relief Measures for Businesses Across Different Sectors

6. The Government fully understands that the persistent COVID-19 epidemic and relevant anti-epidemic measures have created certain and different extent of impact upon the operation of enterprises across different sectors. These have added considerable burden and caused operating difficulties to businesses in a wide spectrum of sectors. In view of these challenges, the Government has expeditiously deployed fiscal reserve to introduce the Anti-epidemic Fund (AEF) to “support enterprises, safeguard jobs and relieve people’s burden”, with a view to enhancing our overall anti-epidemic capability and providing suitable relief to sectors and individuals hard hit by the epidemic or affected by the Government’s anti-epidemic and social distancing measures.

7. A total financial commitment of \$155.9 billion was approved by the Finance Committee of the Legislative Council (FC) for the three rounds of AEF, with measures covering a wide spectrum of sectors and groups in need. On top of the 83 measures listed in the FC papers, the AEF Steering Committee has approved 16 additional new measures based on proposals put forth by the relevant bureaux or departments having regard to the development of the epidemic, views from various stakeholders in different sectors and their actual business situation. The total financial commitment of the 99 measures so far amounts to around \$155 billion. The financial commitment and beneficiary of individual AEF measures are tabulated in Annex 1. As at 9 October 2020, over \$107 billion of subsidies have been disbursed, benefitting over 4.4 million persons and covering around 450 000 applications from enterprises or businesses.

8. Apart from AEF measures, the Financial Secretary also announced a series of relief measures in the 2020-21 Budget. The relevant details are tabulated in Annex 2. The expenditure measures cost about \$80 billion, while the revenue measures cost about \$42 billion. Most of them are under implementation. The revenue forgone will be directly reflected in the Government's actual revenue (for example, rates concession will reduce the Government's receipt in general rates).

9. In addition, the Government also introduced other measures to help relieve the financial burden of business enterprises, including the provision of enhanced rate concession to non-domestic tenements for the third and fourth quarters of 2020-21, extension of existing government rental and fee concessions or waivers, as well as introduction of new fee waivers, etc.

10. To help alleviate the cash flow problem of enterprises which have been severely hit by the epidemic, the Government launched a Special 100% Guarantee Product, a new concessionary low-interest loan, under the SME Financing Guarantee Scheme (SFGS) on 20 April 2020; and enhanced the 80% and 90% Guarantee Products under SFGS by providing interest subsidy and principal moratorium to borrowers under the scheme. Response to the Special 100% Guarantee Product is overwhelming. As of 30 October 2020, a total of 19 770 applications were approved, involving a total loan amount of \$31.1 billion.

11. The relief measures, including those under the three rounds of AEF and the 2020-21 Budget, amount to over \$300 billion in total. This is equivalent to about 10 per cent to 11 per cent of Hong Kong's Gross Domestic Product (GDP) and is expected to have a supporting effect of slightly more than five percentage points of GDP on our economy.

12. To summarise, the Government has implemented a whole range of support measures to assist enterprises to cope with the pressure brought about by the epidemic, including the provision of:

- fee concessions/waivers to help lower the operation costs of businesses;
- general wage subsidies to employers under the Employment

- Support Scheme to safeguard jobs;
- financial assistance to specific sectors and individuals affected by the epidemic;
 - concessionary low-interest loans guaranteed by the Government to ease the cash flow problem of business enterprises.

13. As the Financial Secretary has openly stated, with limited public resources, it is difficult to sustain assistance for a long time, nor can such assistance fundamentally solve the actual problems our economy is facing. Only by effectively controlling the epidemic and thoroughly cleaning up local infection cases can we truly create an environment conducive to economic recovery.

THE BILL

14. The Bill seeks to provide temporary economic relief to those affected by the measures imposed under the regulations made pursuant to Cap. 599, in particular, temporary relief from actions for inability to perform contracts.

15. The contracts that a typical business operation will enter into are wide-ranging, from rental agreements, to employment or service contracts, sales or purchase orders, loan agreements and securities agreements, etc. Parties to contracts may also involve Government departments or agencies. The Bill inevitably would relate to public expenditure¹, operation of the Government² and Government policies³ for the purposes of Article 74 of the Basic Law and Rule 51(3) and (4) of the Legislative Council Rules of Procedure⁴.

¹ According to previous rulings of the President of the Legislative Council, a bill relates to public expenditure if its implementation would have the effect of increasing or reducing public expenditure, and the amount involved is so substantial that the President cannot ignore.

² It has been established in past rulings of the President of the Legislative Council that a bill would relate to the operation of the Government if the implementation of the bill would have an obvious effect on the structure or procedure of the executive authorities, and the effect would not be of a temporary nature.

³ Based on past President's rulings, "government policies" for the purposes of Rule 51(4) of the Rules of Procedure include Government policies that have been implemented through legislation.

⁴ Legislative Council Rules of Procedure:

Rule 51(3) Members may not either individually or jointly introduce a bill which, in the opinion of the President, relates to public expenditure or political structure or the operation of the

Implications on Public Expenditure

16. In this regard, as far as **public expenditure** is concerned, clause 4(1) of the Bill seeks to impose a new statutory function on the Chief Executive in Council to make regulations “for the provision of temporary relief measures to persons who have suffered hardship and loss due to the application of regulations made under [the proposed new] subsection (1)(a)” (i.e. regulations made for the purposes of preventing, combating or alleviating the effects of the public health emergency and protecting public health). According to clause 4(3) of the Bill, such regulations may provide for “temporary relief from actions for inability to perform contract”. Those persons whose interest may be adversely affected by the relief measures may look to the Government for compensation and this may give rise to financial implications and hence public expenditure. Given that the contracts involved are wide-ranging as mentioned above, the amount of public expenditure arising from the provision of such temporary economic relief measures would be so substantial that the President of the Legislative Council cannot ignore.

Implications on Government Operation

17. As regards **Government operation**, clauses 4(1) and (3) of the Bill would impose a new statutory obligation on the Government to assess the economic or financial implications to all persons who have suffered hardship and loss due to the application of regulations made under the new section 8(1)(a) of Cap. 599, and to assess the appropriate kinds and levels of temporary relief to be provided to them. This new statutory obligation would affect the operation of the Government in requiring the Government to arrange additional manpower and resources to perform this statutory obligation, be such manpower or resources from existing or additional staff and resources or not.

18. In addition, for contracts to which the Government is a party, the contract management should follow the provisions of the Stores and

Government.

Rule 51(4) In the case of a bill which, in the opinion of the President, relates to Government policies, the notice shall be accompanied by the written consent of the Chief Executive in respect of the bill.

Procurement Regulations and the provisions of the respective contracts. Any temporary relief from actions for inability to perform contracts may have read-across implications on the Government's programmes and activities related to those contracts, as well as management of those contracts. It may also have resource implications as more financial resources may be involved to further conduct tender/quotation exercises for the contracts failed to be performed.

Implications on Government Policies

19. In terms of **Government policies**, at present, Cap. 599 does not deal with enforcement of civil law rights of private individuals and corporations. By enabling regulations to be made to provide for temporary suspension of enforcement of civil law rights of creditors, etc., the Bill would seek to regulate the enforcement of civil law rights of private individuals and corporations under Cap. 599. This would amount to changing the Government policy as reflected in the existing ordinance.

THE ADMINISTRATION'S RESPONSE

20. As highlighted in paragraphs 6 to 12 above, the Government has implemented a range of relief measures to help business enterprises across different sectors which are hard-hit by the epidemic. While many of the relief measures are still in force and yielding effects, the Government will, having regard to the development of the epidemic and the situation of different sectors, review the effectiveness of the relief measures and introduce enhancements if needed. We consider the current approach effective and flexible in addressing the needs of the business in a timely manner.

21. In sum, the Government objects to the Bill, in view of the tremendous implications on public expenditure, operation of the Government and Government policies, as elaborated in paragraphs 15 to 19 above.

THE WAY FORWARD

22. With the epidemic subsiding from its peak in late July, restrictions under the social distancing measures have been lifted gradually and in an orderly manner since late August. Coupled with the Mainland economy regaining momentum and the local consumption sentiment gradually improving, if the local epidemic continues to be under control, the pressure on our businesses can hopefully be eased.

23. Effective control of the epidemic is the pre-requisite for restarting the economy. The Government will continue with our anti-epidemic efforts so that our economic activities can resume normal as soon as possible.

Chief Secretary for Administration's Office
Financial Secretary's Office
Food and Health Bureau
Financial Services and the Treasury Bureau
Commerce and Economic Development Bureau

November 2020

Anti-epidemic Fund measures

Item	Measure	Estimated Expenditure ¹ (\$M)	Estimated number of beneficiary
First-round AEF measures			
1.	Enhancing support to the Hospital Authority (HA) for combating the epidemic	4,700	HA's staff and patients of public hospitals
2.	Support local mask production	1,100	To subsidise the setting up of a maximum of 20 local production lines (with an undertaking from the Government to purchase up to 40 million masks per month for one year)
3.	Global procurement of personal protective equipment	1,000	All
4.	Support property management sector in anti-epidemic efforts	1,325	Frontline property management workers serving in around 36 500 private residential, composite, industrial and commercial buildings
5.	Technology applications to enable reusability of masks	230	All Hong Kong ID card holders
6.	Support construction sector in anti-epidemic efforts	914	Around 7 400 construction establishments and 486 000 workers
7.	Support cleansing and security staff engaged by Government and Hong Kong Housing Authority service contractors in anti-epidemic efforts	622	67 000 frontline workers
8.	Installation of emergency alert system (EAS)	150	24 million mobile telephone users
9.	Home quarantine support	107	Persons who are required to observe the home quarantine requirement

¹ The figures are rounded to the nearest million.

Item	Measure	Estimated Expenditure¹ (\$M)	Estimated number of beneficiary
10.	Ex-gratia payment to eligible public rental housing (PRH) applicants who have accepted the advance allocation offers of Fai Ming Estate and Chun Yeung Estate	83	4 700 prospective tenants (700 for Fai Ming Estate and 4 000 for Chun Yeung Estate)
11.	Retail Sector Subsidy Scheme	5,516	70 000 retailers
12.	Food Licence Holders Subsidy Scheme	3,750	28 000 licensees
13.	Subsidy for the transport sector	3,147	59 000 taxi drivers, 2 000 red minibus drivers, 165 green minibus operators; 13 000 cross-boundary goods vehicle drivers; franchised buses, local ferries and tram operators; registered owners of about 7 400 non-franchised buses, 2 200 school private light buses, 1 300 hire cars, 120 000 goods vehicles; 8 800 local commercial vessels; operators of cross-boundary ferry services; 850 pleasure vessels let for hire or reward
14.	Convention and Exhibition Industry Subsidy Scheme	1,020	Convention/exhibition organisers and participants
15.	Special allowance for eligible Working Family Allowance (WFA) and Student Financial Assistance (SFA) households	895	All eligible WFA households and SFA households
16.	Additional student grant for 2019/20 school year	876	900 000 students
17.	Rental waivers for tenants at the Hong Kong Science Park, industrial estates and Cyberport	340	863 tenants of Science Park and industrial estates, as well as 740 tenants of Cyberport
18.	Subsidies for live marine fish wholesale traders, fishing vessels with Mainland deckhands and fresh marine fish/vegetable/freshwater fish/hen egg/fresh fruit wholesalers	282	1 800 traders and vessel owners; 1 300 fresh marine fish/vegetable/freshwater fish/hen egg/fresh fruit wholesalers
19.	Support to child care centres (CCCs)	246	257 aided CCCs; 294 non-aided CCCs
20.	Arts and Culture Sector Subsidy Scheme	137	Around 860 arts groups/projects and around 5 600 arts practitioners and freelancers

Item	Measure	Estimated Expenditure¹ (\$M)	Estimated number of beneficiary
21.	Licensed Guesthouses Subsidy Scheme	124	1 800 licensed guesthouses
22.	Travel Agents Subsidy Scheme	138	1 736 licensed travel agents
23.	Support to training bodies of Employees Retraining Board	88	80 training bodies
24.	Licensed Hawkers Subsidy Scheme	26	5 500 licensed hawkers
Second-round AEF measures			
25.	Employment Support Scheme	92,351	Around 270 000 employers who have been making Mandatory Provident Fund (MPF) contributions and have set up MPF-exempted Occupational Retirement Schemes Ordinance (ORSO) schemes, employing 1.77 million employees, as well as around 215 000 self-employed persons who have set up an MPF account on or before 31 March 2020 and with the accounts remaining opened as of the date
26.	Job Creation	6,600	30 000 time-limited job will be created
27.	LAWTECH Fund	40	Around 700 SME law firms and barristers' chambers with 5 or less practising lawyers
28.	COVID-19 Online Dispute Resolution Scheme	70	General public and businesses with disputes arising out of or in relation to COVID-19; and mediators, arbitrators and their pupils, etc.
29.	Subsidy for encouraging early deployment of 5G	55	Around 100 projects of 5G application in public and private sectors
30.	Distance Business Programme	1,500	Private enterprises with a valid Business Registration Certificate and social enterprises with a Social Enterprises Certificate issued by the Hong Kong Council of Social Service
31.	Training subsidies for consultants in the construction sector	30	Some 600 consulting firms
32.	Matching Grant Scheme for Skills Upgrading	100	Employees in various sectors

Item	Measure	Estimated Expenditure¹ (\$M)	Estimated number of beneficiary
33.	Registered operators of private schools offering non-formal curriculum	97	About 3 000 private schools offering non-formal curriculum
34.	School-related service providers (including catering, interest groups, school bus services)	350	Around 900 operators of catering outlets in schools and post-secondary education institutions; lunchbox providers of around 1 000 schools; around 6 000 school bus drivers, 2 200 school private light bus drivers and 5 400 escorts; and around 27 000 instructors, coaches, trainers and operators of interests classes engaged by schools
35.	One-off grant to registered sports coaches	64	Around 17 000 registered sports coaches
36.	Relief grants for freelance workers hired by subvented non-governmental welfare organisations to provide training and coaching for service users	32	Around 8 200 interest class instructors hired by non-governmental organisations subvented by the Social Welfare Department
37.	Subsidy for the refuse transfer station account holders for transporting municipal solid waste (MSW)	6	800 eligible refuse transfer station account holders
38.	Subsidies for local primary producers	72	Around 7 600 local primary producers
39.	Special subsidy to exchange participants and Securities and Futures Commission licensees	126	Some 790 Category B and Category C exchange participants; and some 44 000 Securities and Futures Commission licensed individuals
40.	Cash subsidy for individual licensees in the estate agency sector	130	Around 40 000 individual licensees

Item	Measure	Estimated Expenditure ¹ (\$M)	Estimated number of beneficiary
41.	Subsidy for the passenger transport sector	3,634	5 franchised bus companies, 9 local ferry operators and Hong Kong Tramways Limited; Registered owners of about 7 400 non-franchised buses, 2 200 school private light buses, 1 300 hire cars, 18 163 taxis and 1 010 red minibus; 165 green minibus passenger service licence holders; 59 000 taxi drivers and 2 500 red minibus drivers; 3 000 green minibus and 200 local ferry employees aged 65 or above; 72 kaito routes
42.	Providing relief to creative industries (a) Cinemas Subsidy Scheme; (b) Subsidy to PMQ tenants; and (c) Printing and Publishing Sector Subsidy Scheme	85	(a) 7 cinema circuits (operating 50 cinemas in total) and 9 standalone cinemas; (b) All the 107 tenants of PMQ; and (c) All exhibitors at the next Hong Kong Book Fair (about 730 exhibitors)
43.	Tourism Industry Support Schemes	761	Some 1 730 licensed travel agents; some 26 000 travel agents' staff and freelance accredited tourist guides and tour escorts whose main occupations are tourist guides and tour escorts; about 300 licensed hotels; about 9 300 tour service coach drivers; Kai Tak Cruise Terminal and cruise lines with ship calls cancelled
44.	Relief measures for construction sector	5,795	Around 530 000 construction workers and 30 000 construction-related enterprises, and around 3 500 employers of the construction sector
45.	Subsidy to operators of Revitalising Historic Buildings Through Partnership Scheme, PMQ and Fly the Flyover Operation	36	10 non-profit-making organisations (NPOs) running projects under the Revitalising Historic Buildings Through Partnership Scheme, PMQ and the NPO operating and managing the three Fly the Flyover sites for the Government
46.	Subsidy for the aviation sector	343	Some 270 aircraft registered in Hong Kong; and some 40 aviation support services and cargo facilities operators at the Hong Kong International Airport
47.	Catering Business (Social Distancing) Subsidy Scheme (CSS)	4,650	About 17 000 catering outlets and their employees

Item	Measure	Estimated Expenditure ¹ (\$M)	Estimated number of beneficiary
48.	Amusement Game Centres Subsidy Scheme	21	Around 240 amusement game centre operators
49.	Commercial bathhouses Subsidy Scheme	5	Around 50 commercial bathhouses
50.	Fitness Centre Subsidy Scheme	166	Around 1 660 fitness centres
51.	Places of Amusement Licence Holders Subsidy Scheme	6	59 licensed billiard establishments, public bowling-alleys and public skating rinks
52.	Places of Public Entertainment Licence (PPEL) Holder Subsidy Scheme	24	Around 180 PPEL holders and 300 temporary PPEL (TPPEL) holders
53.	Mahjong / Tin Kau Licence Holder Subsidy Scheme	7	66 holders of Mahjong/Tin Kau Licence
54.	Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms	707	Around 11 000 beauty parlours, 1 400 massage establishments and 500 party rooms
55.	Club-house Subsidy Scheme	56	Around 580 holders of the Certificate of Compliance issued under the Clubs (Safety of Premises) Ordinance
56.	Sports and Recreational Sites Subsidy Scheme	7	Operators of sports and recreational facilities on sites granted by the Government
57.	A 20% fare concession of MTR and temporary relaxation of the monthly threshold of the Public Transport Fare Subsidy Scheme (PTFSS)	800	MTR Corporation Limited (MTRCL) and its railway passengers; and passengers with monthly public transport expenses in excess of \$200
Third-round AEF measures			
58.	Quarantine centres for residents of residential care homes for the elderly and residential care homes for persons with disabilities	730	3 quarantine centres including Hong Kong PHAB Association Jockey Club PHAB Camp, Cheung Muk Tau Holiday Centre for the Elderly, and AsiaWorld-Expo, providing a total of 740 beds
59.	Quarantine facilities	610	2-3 hotels providing a total of up to 1 000 guestrooms to serve as quarantine facilities and the 3 500 quarantine units in Penny's Bay

Item	Measure	Estimated Expenditure¹ (\$M)	Estimated number of beneficiary
60.	Subsidy scheme for the promotion of contactless payment in public markets	68	Tenants of about 12 000 stalls in Food and Environmental Hygiene Department markets, and some 1 500 stalls in Hong Kong Housing Authority markets (including wet market stalls and cooked food stalls)
61.	Catering Business Subsidy Scheme	1,672	About 18 000 catering outlets, including some 17 000 licensed catering outlets and about 1 000 cooked food/light refreshment stall operators
62.	Tourism Industry Support Scheme	397	Around 1 700 travel agents, 20 000 travel agents' staff and freelance accredited tourist guides and tour escorts whose main occupations are tourist guides and tour escorts, and 3 400 tour service coach drivers
63.	Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms (Second Round)	350	Around 11 000 beauty parlours and massage establishments, and 500 party rooms
64.	Subsidy Scheme for the Transport and Aviation Sector	250	Owners of about 7 400 non-franchised buses, 2 200 school private light buses, 1 300 hire cars; operators of the 84 cross-boundary ferries; 36 aircrafts registered in Hong Kong, and 27 aviation support services operators at the Hong Kong International Airport (HKIA)
65.	One-off Relief Grant to Providers of Catering Services for Schools and Post-Secondary Education Institutions and Providers of Interest Classes and School Bus Services for Schools	249	Around 910 operators of catering outlets in primary and secondary schools and post-secondary education institutions; lunchbox providers of around 900 schools; 5 000 school bus drivers, 2 200 school private light bus drivers and 5 000 escorts; and around 25 000 instructors, coaches, trainers and operators of interests classes engaged by schools
66.	Support for Child Care Centres (CCCs)	130	258 aided CCCs; 291 non-aided CCCs
67.	Fitness Centre Subsidy Scheme	86	Around 1 660 fitness centres
68.	One-off Grant to KGs and Private Schools	68	Around 1 000 KGs and 180 private primary and secondary day schools

Item	Measure	Estimated Expenditure¹ (\$M)	Estimated number of beneficiary
69.	One-off Grant to Private Schools Offering Non-formal Curriculum (generally referred to as “Tutorial Schools”)	60	Around 3 000 private schools offering non-formal curriculum
70.	One-off Grant to Registered Sports Coaches	45	Around 9 000 registered sport coaches
71.	Club-house Subsidy Scheme	40	580 holders of Certificate of Compliance issued under the Clubs (Safety of Premises) Ordinance
72.	Sports Premises Subsidy Scheme	34	Around 1 100 sports premises ordered to be closed under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F)
73.	Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations	30	Around 6 000 interest class instructors hired by non-governmental organisations subvented by the Social Welfare Department
74.	Arts and Culture Sector Subsidy Scheme - Subsidy to individual arts practitioners and freelancers	23	Around 3 300 individual art practitioners/freelancers and 775 Chinese opera practitioners
75.	Places of Public Entertainment Licence (PPEL) Holder Subsidy Scheme	13	Around 180 PPEL holders and 400 temporary PPEL holders
76.	Amusement Game Centres Subsidy Scheme	12	Around 240 amusement game centre operators
77.	Cinemas Subsidy Scheme	11	7 cinema circuits (with 51 cinemas in total) and 8 standalone cinemas, which are operating around 290 screens
78.	Provision of subsidy to companies in the performing industry which organise pop concerts	8	Around 76 companies in the performing industry which organise pop concerts
79.	Arts and Culture Sector Subsidy Scheme - Rental support for tenants of Arts Spaces and Jockey Club Creative Arts Centre	7	260 tenants of the Jockey Club Creative Arts Centre and arts spaces run by the Hong Kong Arts Development Council
80.	Sports and Recreational Sites Subsidy Scheme	4	Operators of sports and recreational facilities on sites granted by the Government

Item	Measure	Estimated Expenditure¹ (\$M)	Estimated number of beneficiary
81.	Mahjong/Tin Kau Licence Holder Subsidy Scheme	3	66 holders of Mahjong/Tin Kau Licence
82.	Places of Amusement Licence Holders Subsidy Scheme	3	59 licensed billiard establishments, public bowling-alleys and public skating rinks
83.	Further Subsidy to Commercial Bathhouses	3	Around 50 commercial bathhouses
New measures approved by the AEF Steering Committee			
84.	Application of Anti-virus Coating for Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities	76	761 residential care homes for the elderly and 328 residential care homes for persons with disabilities
85.	Enhancing Support for Testing Service on COVID-19	208	Up to 2 400 additional tests are expected to be carried out per day in the public sector
86.	Training Subsidies for Employers of Engineering Graduates	78	Employers of additional 728 engineering graduates under the Engineering Graduate Training Scheme in the 2020-21 cohort
87.	Anti-epidemic Subsidy Scheme for the Laundry Trade	85	1 400 laundry shops or workshops
88.	Subsidy Scheme for Employment Agencies	103	About 3 000 licensed employment agencies, including about 1 250 employment agencies that provide foreign domestic helper placement service
89.	Hong Kong Export Credit Insurance Corporation's 100% Credit Limit Top-Up Scheme	300	Exporters
90.	Subsidy to vehicle maintenance workshops	140	Around 2 800 vehicle maintenance workshops
91.	One-off Subsidy Scheme for the Dishware Washing Trade	3	Around 60 dishware washing operators
92.	Special Subsidy to Chinese Gold and Silver Exchange (CGSE) members and practitioners registered with CGSE	3	102 CGSE members with valid trading licence and some 550 practitioners registered with CGSE

Item	Measure	Estimated Expenditure¹ (\$M)	Estimated number of beneficiary
93.	Further subsidy to cooked food tenants operating in public housing developments with hawker licences	2	Some 40 licensed fixed-pitch (cooked food or light refreshment) hawkers operating in public housing developments
94.	Installation of Gas Water Heaters at non-Quarantine units of Chun Yeung Estate	10	Around 1 675 public rental housing flats
95.	Procurement of Private COVID-19 Testing Services (TGTS)	680	A total of 528 000 beneficiaries ² , including (1) groups who if infected, may pose risks to vulnerable persons, and (2) groups who have frequent contact with the general public by their job nature.
96.	Funding for Provision of about 2 000 Quarantine Units at Penny's Bay	1,725	2 000 quarantine units in Penny's Bay
97.	Relocation and expansion of test and hold facilities of Department of Health	515	Maximum "test and hold" capacity would be about 3 900
98.	Universal Community Testing Programme	530	All
99.	Pyrotechnics and Special Effects Operators Subsidy Scheme	2	Around 240 special effects operators and assistants licensed under the Entertainment Special Effects Ordinance (Cap. 560) and its subsidiary legislation

² As some of the high-risk groups and high-exposure groups may need repeated testing, the actual number of testing conducted will be more than 528 000.

Support Measures under the 2020-21 Budget

Measure	Amount \$M	Beneficiary
<u>Expenditure Measures</u>		
1. Cash Payout Scheme	71,008	Hong Kong permanent residents aged 18 or above
2. Provide an equivalent of one month extra allowance to recipients of social security payments; and apply similar arrangements to recipients of Individual-based Work Incentive Transport Subsidy (I-WITS)	4,225	About 1.39 million persons eligible for social security payments and 27 000 I-WITS recipients
3. Provide electricity charge subsidy to non-residential electricity accounts for four months	2,900	Around 430 000 non-residential electricity account holders
4. Pay one month's rent for lower income tenants living in the public rental units of the Hong Kong Housing Authority (HKHA) and the Hong Kong Housing Society (HKHS)	1,829	About 760 000 households living in HKHA's public rental units; and about 30 000 households living in public rental units of HKHS Group A estates and Elderly Persons' Flats of HKHS Group B estates
5. Pay the examination fees for school candidates sitting for the 2021 Hong Kong Diploma of Secondary Education Examination (HKDSE)	151	About 44 100 HKDSE school candidates
6. Provide rental subsidy for six months for recycling enterprises through the Recycling Fund	100	Around 500 street-corner recycling stores and 400 open recycling sites
Sub-total for Expenditure Measures	80,213	

Measure	Amount \$M	Beneficiary
<u>Revenue Measures</u>		
1. Reduce salaries tax and tax under personal assessment for the year of assessment 2019/20 by 100%, subject to a ceiling of \$20,000	18,800	1.95 million taxpayers
2. Waive rates for four quarters of 2020-21 subject to a ceiling of –		
<u>For each rateable domestic property</u> \$1,500 per quarter	13,300	2.93 million domestic properties liable to rates
<u>For each rateable non-domestic property</u> \$5,000 per quarter in the first two quarters and \$1,500 per quarter in the remaining two quarters	3,200	420 000 non-domestic properties liable to rates
3. Waive the business registration fees for 2020-21	3,000	1.5 million business operators
4. Reduce profits tax for the year of assessment 2019/20 by 100%, subject to a ceiling of \$20,000	2,000	141 000 taxpayers
5. Reduce rental and fees by 50% for six months for eligible tenants of government properties, lands, and EcoPark, etc.	573	Around 16 800 tenants and operators
6. Waive 75% water and sewage charges for four months for non-domestic households	340	Around 250 000 non-domestic households
7. Reduce fee by 50% for six months for eligible operators of properties covered by short-term waivers	265	3 211 waiver holders
8. Waive fees for annual registration (except for late delivery) for two years	212	About 1.4 million companies
9. Reduce the basic hire charges by 50% for six months for facilities of civic centres managed by LCSD	23	Some 2 900 hirers of LCSD civic centre facilities
10. Reduce fees and rent for cruise lines and existing tenants of the Kai Tak Cruise Terminal	18	71 ship calls and 5 existing tenants
11. Waive the examination fees for pigs to be paid by slaughterhouse licensees for one year	10	2 slaughterhouse licensees
Sub-total for Revenue Measures	41,741	
Total	121,954	