

Fight the Virus and Get through the Difficult Times Together

Supplementary Information

I. Proposals on job retention, job creation and job advancement

(1) Implementing the Employment Support Scheme (\$80 billion):

- The Government will provide wage subsidy to eligible employers to retain the latter's employees. Employers have to undertake that they cannot implement redundancy.
- All employers who have been making Mandatory Provident Fund (MPF) contributions for employees are eligible, except those on the exclusion list (employees of the HKSARG, statutory bodies and Government subvented organisations)
- The wage subsidy to be provided by the Government is calculated based on 50% of the monthly salary, which is capped at \$18,000 (i.e. the median monthly wage in Q2 2019), for a period of six months.

I. Proposals on job retention, job creation and job advancement (con'd)

- To be disbursed to employers in two payments, with the first not later than June 2020. Expect to benefit 1.5 million employees
- To provide support to employers in the catering, construction and transport (mainly taxi and red minibus drivers) sectors which are not completely covered by the MPF scheme (involving about 800 000 persons)
- To grant a one-off subsidy to self-employed persons who made MPF contributions (about 215 000 persons)

I. Proposals on job retention, job creation and job advancement

- Supporting the unemployed:
 - To temporarily relax the asset limits of Comprehensive Social Security Assistance (CSSA) Scheme: To provide a time-limited unemployment support scheme through CSSA Scheme. The asset limits for an able-bodied applicant will be increased by 100% for a period of 6 months. It is roughly estimated that the support scheme would benefit 40 000 households.
- Job creation:
 - To invest \$6 billion to create around 30 000 time-limited jobs (up to 12 months) in the public and private sectors in the coming two years for people of different skill sets and academic qualifications, benefitting professionals and technicians, fresh graduates, middle level and grassroots workers.

I. Proposals on job retention, job creation and job advancement

- Six measures to encourage staff in various professions to learn new skills and help enterprises to apply technology:
 - **LAWTECH Fund:** To assist some SME law firms/ barristers' chambers to procure / upgrade their information technology system and arrange relevant LAWTECH training for their staff to support the development of remote hearings. About 700 SME law firms/ barristers' chambers and related persons will benefit (about \$40 million)
 - **COVID-19 Online Dispute Resolution (ODR) Scheme:** To provide ODR services for disputes related to or arising from COVID-19 (about \$70 million)
 - **Encouraging Deployment of 5G:** To subsidise the public and private sectors 50% of project costs for projects deploying 5G technologies, subject to a cap of \$500,000 for each project. Expect to subsidise 100 projects (about \$60 million)
 - **Distance Business Programme:** To implement a programme under the Innovation and Technology Bureau to support enterprises to continue business with technology adoption and related training. Expect to benefit over 3 000 enterprises and 40 000 individuals (about \$500 million)
 - **Training Subsidies for the Construction Sector:** To provide training subsidies to some 600 consulting firms through the Construction Industry Council. The subsidy for each company will be \$50,000 (about \$30 million)
 - **Matching Grants for Skills Upgrading:** To provide matching grants for training programmes for staff in the public and private sectors (\$100 million)

II. Proposals on providing relief to hard-hit sectors

- 16 proposals covering various sectors
 - (1) To provide a one-off relief grant of \$40,000 to private schools offering non-formal curriculum registered under the Education Ordinance (tutorial schools); expect to benefit 3 000 tutorial schools.
 - (2) To provide a one-off relief grant to service providers and suppliers for schools and post-secondary education institutions.
 - (a) Catering outlets (namely, tuck shops, canteens and restaurants): relief grant of \$80,000; expect to benefit 900 operators
 - (b) Lunchbox providers: relief grant of \$10,000 (per school); expect to benefit the providers of 1 000 schools
 - (c) School bus drivers, school private light bus drivers and nannies: relief grant of \$10,000 (per driver/per school bus for nannies); expect to benefit the drivers of 5 300 school buses/school private light buses and 5 300 nannies
 - (d) Instructors, coaches, trainers and operators of interests classes engaged by schools: relief grant of \$7,500 for each eligible individual; expect to benefit 27 000 operators/individuals

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- (3) To provide a one-off relief grant of \$7,500 to each registered coach under National Sports Associations and Sports Organisations who has proven coaching record in the past year; expect to benefit 17 000 registered coaches.
- (4) To provide a one-off relief grant of \$7,500 to each instructor of interests classes for organisations subvented by the Social Welfare Department; expect to benefit 8 200 individuals.
- (5) To provide a one-off relief grant of \$8,000 to each private refuse collector; expect to benefit 700 collectors.
- (6) To provide a one-off relief grant of \$10,000 to each local primary producer; expect to benefit 7 600 producers.

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- (7) To provide a one-off relief grant to exchange participants and Securities and Futures Commission (SFC) licensed individuals:
 - (a) A subsidy of \$50,000 to each of the some 790 Category B and Category C exchange participants (i.e. brokers ranked 15th onwards by market turnover); and
 - (b) A subsidy of \$2,000 to each SFC licensed individuals, expect to benefit 44 000 licences
- (8) To provide a one-off cash subsidy to licensed individuals of the estate agency sector. The amount is equal to the 24-month licence fee of the relevant licences; expect to benefit about 40 000 individuals.

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- (9) To support passenger transport sector
- (a) Taxi and red minibus (RMB) drivers
 - (i) To provide a monthly subsidy of \$6,000 for a period of 6 months to each eligible active taxi and RMB driver;
 - (ii) To provide a one-off subsidy of \$7,500 for taxi and RMB drivers who cannot meet all the eligibility requirements of an active driver but can fulfill certain conditions; expect to benefit 59 000 taxi drivers and 2 500 RMB drivers;
 - (b) To provide a one-off subsidy of \$30,000 for the registered owner of each taxi and RMB; expect to benefit the registered owners of 18 163 taxis and 1 030 RMBs;
 - (c) To provide a one-off subsidy of \$30,000 to the registered owner of each non-franchised bus (NFB), school private light bus (SPLB) and hire car; expect to benefit the registered owners of about 7 400 NFBs, 2 200 SPLBs and 1 300 hire cars; and
 - (d) Reimburse 100% of the actual regular repair and maintenance costs and insurance premium for 6 months for the five franchised bus companies, nine franchised/licensed ferry operators and Hong Kong Tramways Limited

II. Proposals on providing relief to hard-hit sectors

- (10) To support the following creative industries
- (a) Cinemas Subsidy Scheme: To provide a subsidy of \$100,000 per screen to each cinema licensed as a place of public entertainment with commercial operation in March. The maximum subsidy for a cinema circuit is \$3 million;
 - (b) PMQ and its tenants: To provide a subsidy of \$25 million for upkeeping PMQ's operation and waiver of its tenants' rental; and
 - (a) Local printing and publishing sector: To meet all the participation fees of eligible participants in the next Hong Kong Book Fair. The maximum amount of subsidy for each participant is \$100,000.

II. Proposals on providing relief to hard-hit sectors

- (11) To support tourism industry
- (a) To provide each of the licensed travel agents with cash subsidy ranging from \$20,000 to \$200,000. Expect to benefit about 1 730 agents;
 - (b) To provide each travel agents' staff and active freelance tourist guides and tour escorts holding a valid pass a monthly subsidy of \$5,000 for six months. Expect to benefit about 26 000 individuals;
 - (c) To provide each licensed hotel with cash subsidy of \$300,000/\$400,000. Expect to benefit about 300 hotels;
 - (d) To provide each coach driver who mainly provides transport services for tourists with a one-off subsidy of \$10,000. Expect to benefit about 9 300 drivers;
 - (e) To waive the monthly fixed rent and management fees of the operator of Kai Tak Cruise Terminal for six months; and
 - (f) To provide subsidy to cruise lines by offering refund of berth deposits for cancelled ship calls during the suspension of immigration service when they schedule a prospective ship call.

II. Proposals on providing relief to hard-hit sectors

- (12) To support construction sector
- (a) To provide a subsidy of \$7,500 to each eligible Registered Construction Worker;
 - (b) To offer a subsidy of \$20,000 to each eligible contractor, specialist contractor and supplier, and company member of major construction-related trade associations; and
 - (c) To offer a subsidy of \$10,000 to each eligible Registered Minor Works Contractor, Registered Electrical Contractor, Registered Gas Contractor, Registered Lift / Escalator Contractor, Registered Contractor under Builders' Lifts and Tower Working Platforms (Safety) Ordinance, Registered Fire Service Installation Contractor and each eligible supplier of construction-related machineries and equipment rental

II. Proposals on providing relief to hard-hit sectors

- (13) To provide a one-off subsidy of \$3 million to the non-profit-making organisations (NPOs) running the projects under the Revitalising Historic Buildings Through Partnership Scheme, PMQ and the Fly the Flyover Operation. Expect to benefit 12 NPOs. The measure can be implemented as soon as funding approval is obtained.
- (14) To support aviation sector
- (a) To provide one-off subsidy to the aviation sector which is hardly hit by the complete shutdown of international traffic:
- (i) To provide one-off subsidy of \$1 million per large aircraft registered in Hong Kong and \$200,000 per small aircraft registered in Hong Kong. Expect to benefit about 270 aircraft
- (ii) Aviation support services and cargo facilities operators: One-off subsidy of up to \$3 million (with 100 employees or above) / \$1 million (with less than 100 employees) to each operator. Expect to benefit about 40 operators

II. Proposals on providing relief to hard-hit sectors

- (15) To support catering sector
- (a) To provide one-off subsidy ranging from \$250,000 to \$2.2 million to catering outlets* based on the size of their premises. The subsidy will be disbursed in two tranches, and not less than 80% of the subsidy has to be used to pay employees' salaries. A licensee is required to undertake that there would be no redundancy of staff for 3 months after obtaining the subsidy, and it will not apply for subsidy under the Employment Support Scheme
- (b) Each eligible catering outlet directed by the Government to close whole of its licensed premises (including karaoke establishments, bars/pubs and nightclubs) is eligible for a further one-off subsidy of \$50,000
- (c) To provide one-off subsidy of \$50,000 to tenants of cooked food/light refreshment stalls at public markets managed by the Food and Environmental Hygiene Department (FEHD);
expect to benefit 17 000 catering outlets and 920 market stalls, and their employees.

* eligible general restaurants, light refreshment restaurants, marine restaurants and factory canteens

II. Proposals on providing relief to hard-hit sectors

- (16) To support the sectors which are completely or partly closed due to the measures for safeguarding public health imposed by the Government
- To provide one-off subsidy to businesses which have been ordered to close or put in place specified pre-cautionary measures pursuant to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F)
 - (a) operator of amusement game centre: \$100,000. Expect to benefit about 240 amusement game centres
 - (b) holder of commercial bathhouse licence: \$100,000. Expect to benefit about 50 bathhouses
 - (c) operator of fitness centre: \$100,000. Expect to benefit about 1 660 fitness centres
 - (d) operator of place of amusement (billiard establishments, public bowling-alleys and public skating): \$100,000. Expect to benefit about 59 establishments
 - (e) holder of a Place of Public Entertainment Licence (PPEL) (except cinema): \$100,000. Expect to benefit about 180 establishments; holder of a Temporary PPEL: \$20,000. Expect to benefit about 300 establishments

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- (f) holder of Mahjong / Tin Kau Licence: \$100,000. Expected to benefit about 66 establishments
- (g) operator of club-house with a Certificate of Compliance (CoC): \$100,000. Expected to benefit about 580 establishments
- (h) beauty parlour operator: \$30,000 to \$100,000 depending on the size of the premises, subject to a cap of \$3 million for each beauty parlour chain. Expected to benefit about 7 000 beauty parlours
- (i) operator of massage establishment: \$30,000 to \$100,000 depending on the size of the premises, subject to a cap of \$3 million for each massage establishment chain. Expected to benefit about 1 400 massage establishments
- (j) non-governmental operator of sports and recreational facilities on Government sites: \$100,000 for facilities provided on each Government site. Expected to benefit about 80 establishments

III. Proposals on easing the cash flow and burden of businesses and individuals

1. Enhancing the SME Financing Guarantee Scheme

- To introduce enhancements to the 80%, 90% and Special 100% Guarantee Products under the SME Financing Guarantee Scheme
- Estimated additional expenditure of around \$11.69 billion
- Additional guarantee commitment of \$30 billion
- About 20 000 to 50 000 enterprises will benefit
- HKMC Insurance Limited (HKMCI) will immediately liaise with banks on the implementation details, with a view to rolling out the new measures as soon as possible

III. Proposals on easing the cash flow and burden of businesses and individuals

2. Rental and Fee Concessions for Government Premises

- (a) To increase rental concessions for eligible businesses/organisations operating in government premises from 50% to 75% from April to September 2020. Businesses which have completely ceased operation (such as cross-border ferry piers and tuck shops in government schools) will receive a full rental waiver. About 18 000 hires/tenants will benefit. The Government urges public bodies such as the Housing Authority, the Housing Society, the Urban Renewal Authority and the Airport Authority to provide their commercial tenants with rental concessions and appeal to landlords in the private sector to reduce rental
- (b) To increase the rental or fee concessions from 50% to 75% in respect of eligible short-term tenancies and waivers administered by the Lands Department (LandsD) from April to September 2020. About 5 000 tenants/waiver holders will benefit

III. Proposals on easing the cash flow and burden of businesses and individuals

- (c) To expand the scope of the above rental concessions and waiver fee concessions to more businesses/organisations not covered by previous rounds of helping measures, such as depots, driving schools, regulators' offices for public transport operators and advertising signboards. Short-term tenancies and waiver holders which are ordered to close or have chosen to close due to Government's closure orders or other restrictions for safeguarding public health under Cap. 599F may apply for full concession. About 1 300 tenants/ waiver holders/ hirers will benefit
- (d) To extend the 75% waiver of water and sewage charges payable by non-domestic accounts for another four months from August to November 2020, subject to a monthly cap of \$20,000 and \$12,500 respectively per account. This waiver is an extension of the eight months' waivers already offered. About 250 000 non-domestic accounts will benefit
- (e) To waive the registration/enrolment fees for some 125 000 healthcare professionals for three years starting from July 2020 as a token to recognise the contribution of healthcare professionals in the fight against the epidemic

Total estimated revenue forgone arising from the above measures is around \$1.3 billion. The Government will implement the measures above administratively or by way of subsidiary legislation as soon as possible

III. Proposals on easing the cash flow and burden of businesses and individuals

3(a). MTRCL Fare Reduction

- MTRCL to provide a 20% fare reduction for a time-limited period of six months between 1 July 2020 and 1 January 2021
- The Government will provide financial assistance to the MTRCL on a 50:50 matching basis. Estimated additional expenditure is around \$800 million
- More than 5 million passenger trips will benefit from this measure (subject to patronage)

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3(b). Expense threshold of Public Transport Fare Subsidy Scheme (PTFSS)

- To temporarily relax the monthly public transport expense threshold of the PTFSS from \$400 to \$200 for a time-limited period of six months between July 2020 and December 2020
- Relevant additional expenditure will be financed by the provision in 2020-21. No additional funding will be sought
- The temporary enhancement of PTFSS will be implemented in July 2020, so that the beneficiaries could collect the enhanced subsidy from mid-August onwards
- Around 3.8 million of commuters will benefit

III. Proposals on easing the cash flow and burden of businesses and individuals

4. To grant one-off interest-free deferral of loan repayment for two years to self-financing post-secondary institutions under the Start-up Loan Scheme, non-profit-making international schools and students receiving loans from the Working Family and Student Financial Assistance Agency (WFSFAA)

- Total Government revenue forgone is about \$463 million. 13 borrowing self-financing post-secondary institutions, three non-profit-making international schools and about 200 000 student loan repayers will benefit
- The Education Bureau (EDB) will invite all borrowing institutions and the three international schools to indicate, within a month's time, whether they wish to accept the two-year loan repayment holiday
- WFSFAA will issue notification letters to student loan repayers concerned to inform them of the two-year loan repayment holiday

5. Deadline for payment of tax for year of assessment 2018/19 that will be falling due will be automatically extended for three months, with details to be announced by the Inland Revenue Department

IV. Other relief through Government facilitation

- Airport Authority Hong Kong will budget \$2,000 million to provide further relief measures for the aviation sector
- The Hong Kong Monetary Authority has worked with the banking industry to implement a number of measures in addressing cash-flow pressure of the clients (especially the SMEs)
- The Insurance Authority and industry stakeholders rolled out a package of relief measures. For instance, all major insurance companies have proactively offered grace period of premium payment up to 30 to 180 days for holders of individual life, critical illness and medical policies. The policyholders should contact their insurance companies or intermediaries to apply for deferment of premium payment

IV. Other relief through Government facilitation

- **Flexible Handling of Government Works and Non-works Contracts and Other Development Projects**
 - Relevant departments will extend the deadline for project completion in accordance with contract mechanism and/or relax the payment schedules of Government works and non-works contracts, as well as extend the Building Covenant (BC) period for development projects by up to six months in land leases. About 1 000 contractors, consultants and land lessees will benefit
 - Government departments will work with contractors/ consultants to implement the above measures as soon as possible. On free extension of BC period, LandsD will issue appropriate public notice to promulgate the detailed arrangements for lessees to apply
 - For non-works contracts, the Government will encourage procuring departments to provide more frequent payments to contractors, break up milestones in payment schedules into more deliverables to enable more frequent payments, and provide larger sums for upfront/milestone payments. Procuring departments have also been urged to do their best to compress their normal payment cycle from 30 days to around one to two weeks