

Policy Matching Exercise by The British Chamber of Commerce in Hong Kong

Chief Executive Policy Address - 6 October 2021
Financial Secretary Budget Address 23 February 2022

Contents:

1. Policy Matching Exercise – British Chamber Policy Address Submission

- Matching policy proposals from the British Chamber’s 26 July 2021 [Policy Address Submission](#), with relevant announcements in the Chief Executive’s [Policy Address speech](#) and Policy Address [Supplement document](#) delivered on 6 October 2021. The content focuses on new initiatives proposed by the administration.
- Matching relevant announcements in the Financial Secretary’s [Budget speech](#) delivered on 23 February 2022.

2. Additional Points of Interest

This section highlights other announcements from the Policy and Budget Address speeches and Supplement document which may be of relevance and interest to Chamber Members.

Please note throughout the document, text in grey is taken from the [Policy Address speech](#) – numbers relate to the [paragraph numbers of the speech](#). Text in blue is taken from the [Policy Address Supplement document](#) – numbers (e.g. P.34) relate to the [page the text is taken from](#). Text in green is taken from the Budget Address – numbers relate to the paragraph numbers of the speech.

Additional information is available on the Policy Address website:
<https://www.policyaddress.gov.hk/2021/eng/index.html>

Additional information on the 2022/2023 Budget is available on the Budget website:
<https://www.budget.gov.hk/2022/eng/index.html>

1. Policy Matching Exercise

Cover Letter	
British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
<ul style="list-style-type: none"> Relaxation in COVID-19 measures: Border reopening/ quarantine measures Amendments to existing SME support schemes Proposal of consultations in financial markets Smart/ Sustainable city proposals Grasping opportunities in the GBA Liveable city proposals 	<p>Refer to the initiatives mentioned in the Policy Address (listed below).</p> <p>Refer to the initiatives mentioned in the Budget Address (listed below).</p>
Rebuilding Our Economy (COVID measures, Support for SMEs, Financial Markets, Revitalising our Ports)	
British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
Supporting vaccination, reopening travel and relaxing social distancing requirements	
<ul style="list-style-type: none"> <u>COVID-19 measures:</u> <ul style="list-style-type: none"> Reduction of quarantine days and relevant allowance to be made for unvaccinated children returning to Hong Kong; Development of a transparent roadmap for the opening up of the Hong Kong economy and its borders; Both Mainland and international borders to be reopened progressively; Recognition of vaccine passports for all travellers entering and leaving Hong Kong; Relaxation in social distancing restrictions; 	<ul style="list-style-type: none"> p.39 – “Seek the Central Government’s support for resuming quarantine-free travel with Mainland in a gradual, orderly and safe manner. (CMAB, FHB)” (20) “As long as the recent wave of the epidemic can be gradually put under control, and the status of “dynamic zero infection” can be maintained down the road, consumption and investment demand will likely gather steam again. A stabilised epidemic situation will also create favourable conditions for the gradual and orderly resumption of quarantine-free travel between the Mainland and Hong Kong, thereby injecting greater impetus into the economy.” P.39 – “Facilitate major events to be held safely through adoption of “travel corridors” and “vaccine bubbles” to enable individuals and businesses to return to normal life as far as possible. (FHB, CEDB, HAB)”

<ul style="list-style-type: none"> - Increase in the take-up of vaccination: proposal for further incentives to vaccination/ more than one choice of vaccines to be provided. 	<ul style="list-style-type: none"> • p.39 – <ul style="list-style-type: none"> - “Press ahead with vaccination of target groups, particularly the elderly over 70 years of age to protect them from serious illness if they were infected and to build a protective shield. (CSB, FHB) - Evaluate the effectiveness of the vaccination programme to provide a third dose to those who need it to enhance the protection. (CSB, FHB) - Liaise with the vaccine manufacturers to review the clinical data with a view to lowering the age limit for Sinovac. (CSB, FHB)”
<ul style="list-style-type: none"> • <u>Support for SMEs/ new businesses:</u> <ul style="list-style-type: none"> - Further COVID relief measure required; - Streamlining the government grant application process; - Provision for greater flexibility for personal guarantee requirements under the Guaranteed Loans Scheme; 	<ul style="list-style-type: none"> • p.96 – “Extend the application period of Special 100% Product of the SFGS to end-June 2022. (CEDB)” • (35) “extend the application period of all guarantee products under the SME Financing Guarantee Scheme (SFGS) for one year to the end of June next year. The Special 100% Loan Guarantee under the SFGS will also be further enhanced by increasing the maximum loan amount per enterprise from the total amount of employee wages and rents for 18 months to that for 27 months with the loan ceiling raised from \$6 million to \$9 million, and by extending the maximum repayment period from eight years to 10 years.” • (117) “Many SMEs currently face huge challenge amidst the adverse business environment. Taking into consideration that rental payment constitutes a major part of the operating expenses of enterprises, we will expeditiously introduce new legislation to prohibit landlords from terminating the tenancy of or not providing services to tenants of specified sectors for failing to settle rents on schedule, or taking relevant legal actions against them.” • p.96 – “Launch by end-2021 a self-service digital platform “EC Reach 2.0” for SMEs by the HKECIC to streamline the approval procedures and offer fast-track credit limit approval for SME policyholders, and to make it possible for policyholders to set their own credit limits (up to \$0.8 million) online without the need for separate approval. (CEDB)” • (31) “The 100% Personal Loan Guarantee Scheme will extend the scheme for one year until the end of April next year. The maximum loan amount per applicant will increase from six times to nine times of his/her average monthly income during employment, and the ceiling will increase from \$80,000 to \$100,000; the maximum repayment period under the scheme will be extended from six years to 10 years, whereas the maximum duration of principal moratorium will be extended from

- Encouraging further support from financial institutions (FIs) to extend funding to SMEs:
 - 1) Speeding up process
 - 2) Communicating with FIs about offering portfolio guarantees
 - 3) Establishing Enterprise Capital Funds (ECFs)

- Exempting SMEs from audit requirements in certain circumstances
- New programmes to support business creations, for example: offering grants through mainstream lenders

- Supporting formation of new businesses

12 months to 18 months. The Hong Kong Monetary Authority (HKMA) and the lending institutions will also enhance the flexibility of the scheme to assist those with income substantially reduced under the epidemic.

- (36) "the HKMA to extend the Pre-approved Principal Payment Holiday Scheme through the Banking Sector SME Lending Coordination Mechanism for six months to the end of October this year. At the same time, the HKMA and the banking sector will offer enterprises the option of making partial repayment of principal over a longer period of time."
- (89) "The HKMA will enrich the data-driven financial service ecosystem by exploring the introduction of more commercial data sources in order to expand the function of the CDI. Concurrently, the Government will explore ways to enable the financial institutions, with the authorisation by the enterprises, to obtain the enterprises' data kept in government departments from various departments in a computer-readable format."
- (49-51)
 - "The Hong Kong Monetary Authority (HKMA) is in the process of developing the Commercial Data Interchange, which is expected to commence operation next year. It will enable SMEs to make use of their own data to gain access to more convenient financing services."
- P.96 – "Provide flexible indemnity ratio (60% to 90%) arrangements by HKECIC for policyholders to provide enhanced coverage to exporters under different risk situations. (CEDB)"
- (37) "The Hong Kong Export Credit Insurance Corporation (ECIC) plans to launch the Export Credit Guarantee Programme on a pilot basis in March this year, under which the ECIC will guarantee up to 70 per cent of the export financing of their policyholders, subject to a maximum limit of \$50 million. The ECIC will introduce the "Flexible Indemnity Ratio" arrangement in the second half of this year to enhance insurance coverage for exporters."
- P.98 – "Use the Hong Kong Growth Portfolio to make strategic investments supporting Hong Kong's development as an I&T hub, particularly promoting the growth of start-ups. (FSTB)"
- P.98 – "Provide tax concessions to eligible family offices to attract more family offices to establish presence in Hong Kong by amending the Inland Revenue Ordinance (Cap. 112), subject to industry consultation. (FSTB)";
- (82) I believe that the proposal will enhance our

	<p>attractiveness as a hub for family offices, deepen Hong Kong's pool of liquidity and create more business opportunities for the financial sector and other professional sectors.</p>
<ul style="list-style-type: none"> • <u>Financial Markets:</u> <ul style="list-style-type: none"> - Review of how fiscal revenues to be raised to diversity sources of income, for example: taxes on investment income, capital gains and possibility of sales tax; - Review of how to cater for the needs of equity issuers that have been affected by changes in the eligibility criteria for the Main Board; - Green Finance: <ol style="list-style-type: none"> 1) International harmonisation of a green finance taxonomy 2) Development of a common international framework for disclosure for registered and listed companies 3) "Blended Green Finance": combing capital and insurance from multinational and national development institutions with private sector capital. - Ambition to leading in ESG reporting; - Consideration of regulation on "Business Trusts"; 	<ul style="list-style-type: none"> • P.98 – <ul style="list-style-type: none"> - "Promote the Green and Sustainable Finance Grant Scheme among market players to encourage issuance of more green and sustainable bonds and loans in Hong Kong. (FSTB)" - "Promote co-operation between the HKEX and the Guangzhou Futures Exchange in areas such as clearing, technology, product development and marketing to drive the development of a green and low-carbon market in the region. (FSTB)" - "Assess the feasibility of developing Hong Kong into a regional carbon trading centre and explore opportunities presented by the carbon emission markets in the Mainland and overseas. (FSTB)" • (77) "Members of the public can directly invest in green projects that provide environmental benefits so as to jointly create a green environment for green living in Hong Kong while gaining steady inflation-linked returns. I plan to continue to issue no less than \$10 billion of retail green bonds in the next financial year." • (85) To support enterprises in obtaining green financing, we will lower the minimum loan size from \$200 million to \$100 million in respect of applications for subsidies for covering external review costs under the scheme. • P. 160 – "Study the development of professional qualification standards for the Fintech sector under the Qualifications Framework and, at the same time, include more courses related to Fintech and ESG in the list of reimbursable courses under the CEF, so as to enrich our talent pool. (FSTB, EDB and LWB)" • P.94 – <ul style="list-style-type: none"> - Introduce legislative amendments to better safeguard investor interests and further propel the development of the securities market by enhancing the enforcement regime of the Securities and

<ul style="list-style-type: none"> - Expansion of PPP models to cater large pipeline of infrastructure projects; - Exploration to expand HK's trade finance model: <ol style="list-style-type: none"> 1) Tech-based credit-scoring models 2) Real time transaction data 3) Machine learning methods; - Development of advanced digital asset infrastructure to lead in blockchain industry 	<ul style="list-style-type: none"> Futures Commission and its regulatory regimes for investment funds. (FSTB) - Introduce legislative amendments to implement a risk-based capital regime to align Hong Kong's regulatory standards with international standards. (FSTB) • (86) "The HKMC is expected to offer infrastructure financing securitisation products with a total value of US\$450 million to investors in the institutional market in the next financial year. This will enable the local infrastructure financing market to become more vibrant and diversified, and also facilitate the inflow of market capital to high-quality infrastructure projects. • P.55 – "Leverage private sector expertise to speed up public housing construction by adopting a new contract procurement model to allow contractors to undertake design and construction in a single contract, and improve the standard design and material standards to further improve the efficiency of the construction of public housing. The Housing Department can then focus its existing design manpower on expediting the pre-construction planning of new projects with a view to letting out the construction contracts as early as possible. (THB)" • P.96 (mentioned above) • P.55 – "Introduce a statutory licensing regime for virtual asset services providers under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) to ensure the healthy and orderly development of the market. (FSTB)" • (50) "For enterprises, digitalisation can help on transformation and empowerment, quality and quantity improvement, and innovation stimulation. In order to accelerate the progress of digital economy, I will set up a "Digital Economy Development Committee", with members comprising experts and scholars, industry elites, and relevant government officials."
<ul style="list-style-type: none"> • <u>Revitalised Ports and Marine Sector:</u> <ul style="list-style-type: none"> - Ensuring supply of labour through trainings/ talent importation; - Incentives to automation; - Increase access to trade/ shipping line network through RCEP or incentives to attract new business lines; 	<ul style="list-style-type: none"> • P.96 – "Promote application of technology and drive the development of "Smart Port" to enhance the competitiveness of the Hong Kong Port. (THB)" • P.96 – "Introduce tax concessions to attract more shipping agents, shipbrokers and ship managers of the maritime industry to establish presence and conduct shipping business in Hong Kong. (THB)"

<ul style="list-style-type: none"> - Setting up Port Authority under Transport Bureau; - Ensuring close coordination in infrastructure development esp. in the GBA, i.e. developing single market for logistics services in the GBA; - Supporting transition to lower emission fuels for shipping. 	<ul style="list-style-type: none"> • (103) “the HKMPB has proposed to provide half-tax concession to attract more maritime enterprises to establish a presence in Hong Kong. The Government plans to introduce the proposed legislative amendments to the LegCo in the first half of this year.” • (103) “The Hong Kong Maritime and Port Board (HKMPB) has set up a dedicated task force to explore concrete proposals to promote the development of “Smart Port”, including further enhancing port efficiency and reducing cargo handling time and cost with the use of a digitalised system.” • P.96 – “jointly develop the “GBA on the Rail” through the “Task Force for Hong Kong-Shenzhen Co-operation on Cross-Boundary Railway Infrastructure” (Task Force) established by the two governments. The Task Force will explore the enhancement of transport connection to boundary control points between Hong Kong and Shenzhen, and has embarked on the study on the Hong Kong-Shenzhen Western Rail Link connecting Hung Shui Kiu and Qianhai. (THB) • P.96 – “Facilitate the adoption of sustainable shipping initiatives by the maritime industry including the latest requirements implemented by the International Maritime Organisation and the provision of Liquefied Natural Gas bunkering for ocean-going vessels. (THB)”
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An Expanded Role in the GBA

(Re-opening Borders, Free Movement of Capital, People, Data and Goods, Arts Hub)

British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
<ul style="list-style-type: none"> • Boundary reopening as first priority; • Free movement of: <ol style="list-style-type: none"> 1) <u>Capital</u> <ul style="list-style-type: none"> - as international corporate treasury centre for Mainland and multinational corporations operating in the GBA; - as dispute resolution centre of GBA contracts; - strengthen role in the GBA Green Finance Alliance; 	<ul style="list-style-type: none"> • P.96 – <ul style="list-style-type: none"> - “Seek to introduce more liberalisation measures under the CEPA framework, in particular allowing Hong Kong enterprises and professionals to enjoy greater preferential access over other foreign investors to the Mainland market in strategic locations such as the GBA and Hainan. In this connection, Qianhai with its enlarged jurisdiction will be a priority. (CEDB)” - “Step up collaboration between Invest Hong Kong and relevant Mainland agencies to attract overseas companies to invest in the Mainland via Hong Kong, and to encourage Mainland enterprises to make good use of Hong Kong to go global. (CEDB)” • (90) “for the remaining \$5 billion, it will be used to set up a GBA Investment Fund, which will focus on investment opportunities in the GBA.”



2) People

- encourage exchange and communications;
- proposal for "GBA card";

3) Data

- joint regulatory framework to offer post-sales services, i.e. allowing HK insurers to establish post-sales service centres in GBA;
- GBA Big Data Platform;
- pilot schemes for basis data;

4) Goods

- harmonisation of logistics across the GBA;
- greater alignment in customs and administrations;
- encouragement to digitalise;

- sustainable aviation;

- **Wealth Management Connect:**

- Expand the investment scope/ aggregate or

- P.95 – "Work in collaboration with Shenzhen to proactively study the extension of the "Quota-free scheme for Hong Kong private cars travelling to Guangdong via the HZMB" to a Hong Kong/Shenzhen land boundary control point such that Hong Kong private cars can travel to both the eastern and western parts of Guangdong without quota. (THB)"
- P.161 – "Pursue the introduction of a GBA endorsement/visa to promote the southbound and northbound movement of business personnel and high-quality talents within the GBA. The Hong Kong Special Administrative Region Government will actively follow up and discuss the initiative with relevant Central Authorities for its early implementation. (SB)"
- (118) "I will allocate a total funding of \$135 million to the TDC over the next three years for the introduction of the Support Scheme for Pursuing Development in the Mainland. The scheme will focus on those Mainland cities with larger numbers of Hong Kong business people and workers, with priority accorded to the GBA. Through the TDC's network of offices in the Mainland, training and exchange programmes, business missions as well as promotion activities will be organised in partnership with various business associations to further support Hong Kong people in the Mainland, including business chambers, professionals' groups and associations of young entrepreneurs."
- P.96 – "Expedite the development of a financial data infrastructure entitled "Commercial Data Interchange" by the HKMA for commissioning in 2022 to promote digitalisation of trade finance and enhance export financing support. (FSTB)"
- P.96 – "Press ahead with the development of Phase 2 and Phase 3 of Trade Single Window to set up a centralised IT platform for one-stop lodging of over 40 business-to-government import and export-related trade documents and roll out Phase 2 in 2023 by batches. Conduct further trade engagement to finalise the implementation details of Phase 3 with a view to submitting funding proposal to the LegCo in 2022-23. (CEDB)"
- P. 136 – "Use big data to enhance aviation safety, as well as training and operational efficiency. (SB)"
- (78-80) "The Government will roll out supporting measures such as waiving the stamp duty on stock transfers paid by market makers in their transactions, so

individual quota of Wealth Management Connect;
- Relax sales and marketing restrictions of Wealth Management Connect;

- **Other Connect Schemes:**
 - Stock Connect to include IPO Connect;
 - Considering a GBA Commodity Connect;

- Lowering threshold for company eligibility for cross-border RMB sweeping structures in GBA;
- Simplifying approval process for offshore bonds issuance for Mainland enterprises;

- Clearer guidelines on cross-border digital account opening in the GBA;

- **Insurance Connect:**
 - Collaboration with GBA regulators to integrate cross-border processes;
 - Development of online self-service platforms for policy holders;
 - Consistent omni-channel;

- **Legal:**
 - Aim to extend the practice of applying HK civil and commercial law for HK enterprises registered in Qianhai;

- **Arts & Culture:**
 - Strengthening HK as a centre for Arts and Culture;

as to increase the liquidity of RMB-denominated stocks. We are also working with the regulatory authorities in the Mainland to explore enhancement measures for the Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao GBA, such as increasing quotas gradually, expanding the scope of eligible investment products, inviting more participating organisations and improving the distribution arrangement.”

- P.93 – “Consolidate Hong Kong’s status as the largest offshore RMB business hub by promoting two-way RMB flow as well as offshore RMB products and tools. (FSTB)”
- P.93 – “Facilitate the issuance of offshore RMB bonds including bonds to be issued by the Shenzhen Municipal Government. (FSTB)”

- P.97 –
 - “Strive for further liberalisation measures for wholly owned Hong Kong enterprises in the GBA when entering into civil and commercial contracts to be able to choose Hong Kong law as the applicable law, and choose Hong Kong as the seat of arbitration. (DoJ)”
 - “Ride on the unique characteristic of “One Country, Two Systems and Three Jurisdictions” in the GBA and explore possible study on the interface of laws in the GBA (for example, in IP and e-commerce matters) with a view to devising mutually recognised standards and mechanisms in protecting business interests, thereby opening up vast business opportunities. (DoJ)”
 - “Make full use of the Joint Conference Mechanism of the GBA Legal Departments to strengthen legal exchanges and collaborations and to promote the use of the dispute resolution services of Hong Kong in the GBA. (DoJ)”

- P.99 –
 - “Expand the diversity and contents of famous culture brands like Art Basel Hong Kong and Hong Kong Arts Festival and hold large-scale arts markets to attract high-end visitors. (HAB)”

<p>- ArtsGBA (cultural exchanges/ connecting with other global centres to for concerts)</p>	<ul style="list-style-type: none"> - "Showcase the arts and cultural achievements of Hong Kong and promote cultural exchanges through the Hong Kong Week and similar activities. (HAB)" - "Co-operate with Mainland and overseas cultural institutions to solicit the exhibition of their precious cultural relics in Hong Kong and to lend Hong Kong arts and cultural collections for their exhibition. (HAB)" - "Expand further Hong Kong's cultural links with the Mainland and overseas by working in collaboration with Mainland provinces and municipalities, overseas countries as well as cultural organisations to provide more performance opportunities for local arts groups and broaden the audience of Hong Kong's arts and cultural programmes. (HAB)"
<p>Building Land and Development Pipeline (Infrastructure, Land Supply, Lantau Tomorrow Vision and Other Development Opportunities)</p>	
<p>British Chamber Ask / Proposal</p>	<p>Corresponding Proposal in the Policy Address</p>
<ul style="list-style-type: none"> • Establishment of PPP for future construction • Development of private agricultural land*; • Redevelopment of brownfield sites/ poorly used military areas*; • Creation of New Development Areas*; 	<ul style="list-style-type: none"> • P.55 – "Leverage private sector expertise to speed up public housing construction by adopting a new contract procurement model to allow contractors to undertake design and construction in a single contract, and improve the standard design and material standards to further improve the efficiency of the construction of public housing. The Housing Department can then focus its existing design manpower on expediting the pre-construction planning of new projects with a view to letting out the construction contracts as early as possible. (THB)" • p. 57 – "Streamline and enhance the public private partnership scheme under the new nature conservation policy to better balance development and conservation. (ENB)" • p.47 - "Over 860 hectares of brownfield sites will be gradually redeveloped for housing and other uses, accounting for over 54% of total brownfield areas." • P.55 – "Pursue development in various parts of the New Territories including the NDAs in the light of the Northern Metropolis Development Strategy announced in the 2021 PA. (DEVB)" • (149) "With the benefit of this exercise, the Government initially tends to identify sites in Hung Shui Kiu and Yuen Long for the development of multi-storey industrial buildings by leveraging market forces. These buildings will be mainly used by logistics and automobile repairing industries and will provide space for other appropriate

- Streamlining land acquisition and development process (rezoning, land resumption, land swaps, land lease modification)

- More innovative approach to be taken to develop Lantau Tomorrow Vision (LTV) project from an environment, smart city policy standpoint;

- Clearer explanation on situations concerning 2047 leases;
- Adopting VALUE based approach than COST based for all major infrastructure projects.

* All interlinked in the New Territories (please refer to our previous submission in response to the public engagement process re Land Supply Task Force 2018)

uses and for brownfield site business operators affected by land resumption. The DEVB seeks to sell the first piece of land concerned by public tender next year.”

- P.55 – “Further streamline the development control procedures by taking a critical and root and branch examination of the statutory town planning, environmental impact assessment, land resumption and works-related procedures and vigorously adopt other administrative measures. (DEVB, ENB and other bureaux)”
- (123) “The Government is considering streamlining the procedures, with a view to further advancing the development timetable, i.e. commencing the first phase of reclamation before the original date of 2027 with the first batch of population intake before 2034. We will make financial assessments when conducting relevant studies and explore the use of different approaches and financing options, including bond issuances or public-private partnership, etc. to take forward the projects.”
- (148) “The Development Bureau (DEVB) is pressing ahead with the review of the land development legislation, with a view to streamlining development processes and statutory procedures and hence shortening the time of land creation. We plan to introduce amendment bills into the LegCo within this year, hoping that all sectors of the community will support the reform so that the various reclamation works and NDA projects as well as public and private housing projects can be completed as early as possible.”
- P. 100 – “Co-ordinate efforts of works departments for further promoting applied R&D in public works projects. Through the adoption of innovative construction methods, new materials and digital technology, the construction time and cost can be reduced and hence the overall productivity of the construction industry can be uplifted. (DEVB)”
- (21-31) **The Northern Metropolis**
“The Northern Metropolis covers two district administration areas including Yuen Long District and North District, with a total land area of about 300 square kilometres, it is a largescale urban space which is formed by interactions among various factors including geographic characteristics, economic functions, ecological environment, transport connections and development policies. In the metropolis, the

	<p>multifunctional land uses with highly concentrated residential and working population and enterprises can drive the economic development in its neighbouring areas. It is the most vibrant area where urban development and major population growth of Hong Kong in the next 20 years will take place. With as many as seven land-based boundary control points, the Northern Metropolis will be the most important area in Hong Kong that facilitates our development integration with Shenzhen and connection with the GBA.”</p> <ul style="list-style-type: none"> • (122) “On financial arrangements, I will set aside \$100 billion from the cumulative return of the Future Fund to set up a dedicated fund under the Capital Works Reserve Fund in order to expedite the implementation of infrastructure works relating to land, housing and transportation within the Northern Metropolis.”
<p>Building in a Better Way (More Modern and Sustainable Building Designs and Codes, Construction Innovation and Project Management)</p>	
<p>British Chamber Ask / Proposal</p>	<p>Corresponding Proposal in the Policy Address</p>
<ul style="list-style-type: none"> • Improvement of technological and building standards; updating Building Regulations; approval of more innovative construction technologies; 	<ul style="list-style-type: none"> • P. 138 – “Develop an accurate 3D digital underground utilities database with a view to facilitating the construction industry to plan and conduct the underground works efficiently and reducing road closure time resulting from the excavation works, thereby benefiting the community as a whole. The database is expected to be progressively established in 2023. (DEVB)” • (139) “We established the Centre of Excellence for Major Project Leaders in 2019 with the aim of equipping public officers with a more innovative mindset and enhanced leadership skills for taking forward public works projects. I have set aside \$30 million for extending the training of the centre to stakeholders outside the Government, including project-related personnel of major public organisations as well as those working for consultants and contractors engaged in public works projects, with a view to enhancing the overall performance of works projects, and jointly taking forward our long-term major development plans.” • (150-151) “I now propose to inject another \$1.2 billion for its ongoing operation and implementation of enhancement measures launched recently, including expanding the funding scope and increasing the funding ceiling. Besides, I have earmarked \$30 million to promote applied R&D as well as the adoption of new materials and innovative construction technologies in public works and the industry in the coming three years, with a view to enhancing the overall productivity and



- Sustainable building design and construction techniques;
- Driving cost and carbon reduction in Government contracts at design stage;

- Revisit specifications for minimum cementitious quantities in concrete;
- Promoting HK rating system for buildings based on carbon footprint, best in line with overseas best practice;
- Enhance use of Building Information Modelling (BIM)/ Design for Manufacture and Assembly (DfMA)/ Modular Integrated Construction (MiC) etc.;

- Introduction of the Buildability Design Appraisal System (B-score) for building approvals;
- Continual of the rollout of most suitable version of NEC contract forms;
- Introduction of Security of Payment Legislation (SOPL);
- Promotion of a safety culture up and off-site construction;
- The Building Department being more proactive and collaborative with the HK Government re Final Report of the Commission of Inquiry into the Construction Works.

performance of the construction industry.”

- P. 100 – “Co-ordinate efforts of works departments for further promoting applied R&D in public works projects. Through the adoption of innovative construction methods, new materials and digital technology, the construction time and cost can be reduced and hence the overall productivity of the construction industry can be uplifted. (DEVB)”

- P. 100 –
 - “Further promote the adoption of MiC in private residential, public housing, social welfare and hospital projects. (DEVB)”
 - “Actively drive digitalisation of public works including the adoption of Digital Works Supervision System, BIM, and the development of digital integrated platform. (DEVB)”
- (152) “To expedite housing supply, the Government will introduce more concessionary measures to encourage the adoption of MiC, including increasing the concession of floor area from the current 6 per cent to 10 per cent and providing corresponding site coverage concession as well as supporting applications for exceeding building height limits due to increase in floor area caused by the adoption of MiC. The Government will put the above measures in place in the middle of this year.”

- P.196 – “Further strengthen protection of workers’ occupational safety and health, including promoting the adoption of Construction Design and Management in construction works and amending the relevant legislation to raise penalties for committing occupational safety and health offences. (LWB)”
- P.196 – “Collaborate with the property management and construction industries to promote the use of light-duty working platforms for minor renovation and repair works carried out in residential units, in order to promote safety of above-ground work. (LWB)”
- P.196 – “Collaborate with the concerned industries to implement health-friendly measures at workplace, in order to encourage property management employees and construction workers to properly manage their

	health and risks of contracting cardiovascular and cerebrovascular diseases. (LWB)”
A More Digital, Smarter City (Smart Logistics, Government Procurement, Smart Payment)	
British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
<ul style="list-style-type: none"> Smart Logistics: <ul style="list-style-type: none"> - Expedite digitization for documentation to speedup customs procedures for businesses/ domestic and cross-border e-commerce and general logistics capabilities; - Ensure adequate supply of land for modern logistics and port backup facilities; - Encourage application of 5G technology in logistics and logistics vehicle fleets to convert to lower/ zero roadside emissions vehicles; Administration’s role: <ul style="list-style-type: none"> - Adopt the IT procurement process for digital transformation; - Administration should consider an SME sandbox environment that is timebound with a budget, for example to extend the regulatory sandboxes set up by the Administration for FinTech; opening up all technology initiatives to start-ups, so they can co-innovate with the Administration; Smart Payment: <ul style="list-style-type: none"> - Smart payment as mandatory for all taxis; - Partnering with payment owners to use data for Smart City/ emission reduction development. 	<ul style="list-style-type: none"> P.136 – “Integrate more smart elements into such areas as customs clearance, contraband detection, intelligence gathering and case investigation, and introduce artificial intelligence and big data analytics equipment and systems progressively. (SB)” p.136 – “Commission the automated parking system projects in Tsuen Wan and Tai Po in 2021 and 2022 respectively. (THB)” P.94 – “Actively examine with the Mainland the suggestion of establishing a one-stop sandbox network to facilitate financial institutions and technology companies in Guangdong, Hong Kong and Macao to test cross-border Fintech applications, thereby promoting cross-border development of Fintech in the GBA. (FSTB)” (87) “Under the MoU, the two authorities agreed to develop a one-stop platform in the form of a “network link-up” to allow eligible financial institutions and technology firms to conduct pilot trials of cross-boundary financial technology (Fintech) projects concurrently in Hong Kong and the Mainland.”
Building a Healthier City (Developing a Digital Health Strategy, Oncology, Drug Provision, Mental Health, Private Healthcare and Staying Healthy)	
British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
<ul style="list-style-type: none"> Development of digital health; 	<ul style="list-style-type: none"> P.194 – “Provide a dedicated structure in the HA to facilitate more institutions to explore the potential use of healthcare data for R&D collaboration with the HA, and

make use of a wider network of the HA hospitals for research and clinical trial purposes. (FHB)”

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| <ul style="list-style-type: none"> • Oncology care: <ul style="list-style-type: none"> - Introduction of more cancer screenings by utilizing District Health Centres (DHC)/ PPP with Electronic Health Records (EHRs); - Improvement of cancer registry; - Consideration for Certificate of Pharmaceutical Product (CPP) for areas of unmet medical needs; - Prioritise inclusion of drugs into the safety net; - Relaxing criteria to enlist more innovative cancer drugs for reimbursement into the safety net; • Mental health: <ul style="list-style-type: none"> - Allocate more resources in identifying and treating mental illnesses/ encouraging employers to provide mental illness covered insurance; - Adopting PPP approach to support diagnosing and treating child mental health issues; • Physical/ Sporting activity; | <ul style="list-style-type: none"> • (61-62) “Earmarking \$10 billion to provide more comprehensive support in the long run, including hardware, research talent, clinical trials and data application, with the aim of enabling institutions, including universities, to enhance their capacity and capability in this area, as well as strengthening the industrial chain. We will set up the InnoLife Healthtech Hub in the Hong Kong-Shenzhen Innovation and Technology Park. Currently, these institutions are receiving an annual subsidy under the ITF. I announce that the amount of subsidy be doubled to HK\$440 million so that they can have more resources to conduct R&D activities, nurture local talent as well as attract more local and overseas I&T talent, and further their co-operation and exchanges with institutions in the Mainland.” • p.175 – “Adopted a risk-based approach for breast cancer screening, with screening service provided to eligible women aged between 44 and 69 starting from September 2021. (FHB)” • p. 98 – “Explore collaboration between the HA and HKSTPC on the use of the HA’s clinical data for R&D. (ITB, FHB)” • p. 98 – “Expedite the legislative process for registering drugs containing new chemical or biological entity under the Pharmacy and Poisons Regulations. (FHB)” • p.193 – “Commence in 2022 the main phase of Hong Kong Genome Project, under which whole genome sequencing and analysis will be conducted for more patients having diseases with genetic predisposition and their family members. Around 50 000 whole genome sequencing will be conducted. Patients will benefit from more accurate diagnosis and more personalised treatment. In the long term, the Project will promote clinical application and innovative scientific research on genomic medicine locally. (FHB)” • p. 197 – “Subject to the outcome of the pilot scheme launched in July 2021, roll out a brand-new thematic funding scheme on outdoor adventure training activities for more NGOs to provide systematic and quality |
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<ul style="list-style-type: none"> Consideration for salaries tax reduction for qualifying premiums paid by policyholders of a critical illness/ life protection insurance policy 	<p>outdoor adventure training activities for young people. (HAB)”</p> <ul style="list-style-type: none"> (165) “Besides, we are pressing ahead with the Kai Tak Sports Park project, which is scheduled for completion by the end of next year. We are also actively implementing the \$20 billion Five-year Plan for Sports and Recreational Facilities, and taking forward the construction and upgrading of community sports and recreational facilities. Meanwhile, we are progressively carrying out the five-year plan to transform the public play spaces managed by the LCSD.”
<p>A More Liveable and Inclusive Hong Kong (Climate change and Environmental challenges, Education, Diversity and Inclusion)</p>	
<p>British Chamber Ask / Proposal</p>	<p>Corresponding Proposal in the Policy Address</p>
<ul style="list-style-type: none"> Environment: <ul style="list-style-type: none"> - Clearer plans needed to reduce carbon emissions with SMEs and community in new Climate Action Plan this year; - Working with the two power companies to achieve early carbon emission reduction; - Proposals needed to improve energy efficiency; 	<ul style="list-style-type: none"> P. 134 – <ul style="list-style-type: none"> - “Set out in the “Hong Kong’s Climate Action Plan 2050” the targets to achieve net-zero carbon emissions for electricity generation, electrify the transportation, and provide adequate waste-to-energy facilities before 2050. Conduct five-yearly reviews with a view to reducing total carbon emissions by half before 2035 (as compared to the 2005 level) and achieving carbon neutrality before 2050. (ENB)” - “Improve the energy efficiency of buildings and promote energy-saving style of living with a view to reducing by 2050 the respective electricity consumption of commercial buildings and residential buildings by 30% to 40% and by 20% to 30% (using the operational conditions of 2015 as the comparison basis) and achieve half of the above targets by 2035. (ENB)” - “Take forward mitigation and adaptation measures for tackling climate change with a rough estimate of \$240 billion in the next 15 to 20 years. (ENB, DEVB)” - “Promote adoption of RE in public and private projects as well as through regional co-operation, with a view to increasing its share in the fuel mix to 7.5–10% by 2035 and to 15% gradually thereafter. (ENB)” (158) “I will inject an additional funding of \$200 million into the Green Tech Fund (GTF), with a view to further promoting decarbonisation and enhancing

- Higher standards and clarifications needed for energy and waste management;
- Setting out priorities for public/ private investments to mitigate risks from hazards and climate change;

- Higher transparency needed to help businesses assess carbon impact of new infrastructure projects;

- **Education:**

- Dedicated team for regulation and oversight of schools offering non-local curriculum;
- Social assistance/ support to poorer families;

- STEM education (refer to below);

- **Diversity and Inclusion (D&I):**

- Administration to take the lead in promoting D&I, and publicise private sector's commitments;
- Tripartite working group with HK Stock Exchange and businesses suggested to review boardroom and leadership diversity;
- Working group for parental leave rights, e.g. shared paid parental leave;
- Flexible working;

- Gender pay gap review to meet international

environmental protection in Hong Kong.”

- P.135 – Enhancing Waste Management
- P. 134 – “Consult the relevant trades on progressively phasing down the use of hydro-fluorocarbons to combat climate change and fulfil HKSAR’s international obligations under the “Montreal Protocol on Substances that Deplete the Ozone Layer”, and prepare for the necessary work on legislative amendments. (ENB)”
 - P.134 – “Take forward mitigation and adaptation measures for tackling climate change with a rough estimate of \$240 billion in the next 15 to 20 years. (ENB, DEVB)”
- P.135 – Promoting Electric Vehicles;
- (159-160) “We will inject an additional sum of \$1.5 billion to extend the scheme for four years to the 2027-28 financial year. The scheme will support the installation of EV charging-enabling infrastructure for a total of about 140 000 parking spaces in some 700 existing private residential buildings, accounting for about half of the eligible parking spaces in Hong Kong. The Government is preparing to gradually convert some existing petrol or liquefied petroleum gas filling stations into quick charging stations. We will also explore the feasibility of developing some larger filling station sites under the “single site, multiple use” model.”
- (32) “To strengthen support for e-learning, the Quality Education Fund has set aside \$2 billion to launch a three-year programme starting from this school year, under which subsidies will be provided to schools to purchase mobile computer devices and portable Wi-Fi devices for loan to needy students. This initiative will facilitate the learning of students from grassroots families during the epidemic.”
- (129) – “Moreover, we will launch a Pilot Rehabilitation Programme for Employees Injured at Work next year to help injured employees recover and return to work

<p>quality standards;</p> <ul style="list-style-type: none"> - STEM education: encourage female teachers to take up STEM subjects teaching/ grant for women studying STEM degrees in HK; allocating resources for female into STEM subjects; <p>- Recognition of same-sex marriage;</p> <p>- Review of mandatory retirement age.</p>	<p>early.”</p> <ul style="list-style-type: none"> • P.160 – “Review the Global STEM Professorship Scheme in consultation with the participating universities to seize opportunity to build up a critical mass of research talents for Hong Kong. (ITB)” • (132) “The HKSAR Government has also launched a number of schemes such as the STEM Internship Scheme and the Research Talent Hub to provide incentives or subsidies for graduates to pursue a career in I&T.” • P.157 – “Amend the Education Ordinance (Cap. 279) to extend the retirement age of the newly-joined teaching staff in aided schools from 60 to 65. (EDB)”
<p>A Revitalised Brand Hong Kong (Refresh of “Asia’s World City”, Focus on I&T, Promotion of Arts and Culture)</p>	
<p>British Chamber Ask / Proposal</p>	<p>Corresponding Proposal in the Policy Address</p>
<ul style="list-style-type: none"> • Promote HK’s leadership position in the I&T sector; 	<ul style="list-style-type: none"> • P.97 – “Reserve the majority of the 88 hectares of land (to be created through the Ma Liu Shui Reclamation and relocation of the Sha Tin Sewage Treatment Works to caverns) for I&T development and commence the related study in the first half of 2022, with construction work of the I&T facilities expected to commence progressively around 2029. (DEVB, ITB)” • P.98 – <ul style="list-style-type: none"> - “Commence construction of Cyberport 5 to increase the gross-floor area of Cyberport by about 41% within four years, and reserve land in the New Territories West under the North Metropolis Development Strategy for development of a landmark I&T facility with scale comparable to Cyberport to facilitate collaboration with Qianhai. (ITB)” - “Provide additional 150 hectares of land for I&T use in the San Tin/Lok Ma Chau area (including the surrounding areas of HSITP), which will be consolidated and developed as the San Tin Technopole under the Northern Metropolis Development Strategy. Together with the 87 hectares of land in HSITP, the whole Technopole can provide a total of about 240 hectares of land for I&T use, which in terms of gross-floor area, is equivalent to about 16.5 Hong Kong Science Parks. (ITB)” • (58) “To help universities realise their R&D outcomes, I will double the amount of subsidy to \$16 million. The increased subsidy will be provided to start-ups of universities with private investments on a matching

<p>- HKSTP should be more clearly positioned as the global pioneering collaboration facilitator;</p> <p>- Continuous regulatory sandboxes;</p> <ul style="list-style-type: none"> • Promote HK as an attractive place to visit, live and work with broad and inclusive society; <p>• Promote HK's role within the GBA, Mainland, Asia and globally;</p>	<p>basis of one to one. Each start-up may receive an annual subsidy of up to \$1.5 million for a maximum of three years."</p> <ul style="list-style-type: none"> • P.97 – "Invite the HKSTPC to explore the second Advanced Manufacturing Centre to enable more high value-added and high-technology manufacturing processes and production lines to set up operations in Hong Kong. (ITB)" • (57) "Increase the funding allocated to the Hong Kong Growth Portfolio under the Future Fund by \$10 billion, of which \$5 billion will be used to set up a new investment fund, namely the Strategic Tech Fund. I will invite the HKSTPC and the Cyberport to identify technology enterprises which are of strategic value to Hong Kong as well as investment opportunities conducive to enriching the I&T ecosystem." • (131) "The HKSTPC and the Cyberport continue to provide young people with internship and training opportunities through various schemes." • P.94 (mentioned above) • P. 134 – 141 • (92) "organising the first Hong Kong Performing Arts Market. The large-scale arts market, which is designed for the performing arts industry, will serve as an integrated platform for showcasing the works of top-notch performing artists and arts groups from the Mainland, Hong Kong and overseas." • (99-100) "The scheme aims at providing incentives for the industry to develop and launch tourism products with cultural and heritage elements as well as supporting the operation of the Green Lifestyle Local Tour Incentive Scheme. Another sum of \$60 million will be used to sponsor the training of tourism practitioners for three years, with a view to further improving the professional standards and service quality of the industry. The HKTB will continue to launch the "Holiday at Home" campaign to support the industry. When cross-boundary travel gradually resumes, the HKTB will promote the "Open House Hong Kong" campaign in appropriate source markets, with a view to attracting tourists to revisit Hong Kong." • P. 98 – "Set up, by HKSTPC, the "GBA InnoAcademy" at its branch in Shenzhen to serve as a resource centre, training hub, exchange platform for talents, and also the "GBA InnoExpress" to nurture start-ups and support I&T enterprises to go global and attract foreign investment. (ITB)"
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| <ul style="list-style-type: none">• Promote HK as a hub for financial services & arts and culture. | <ul style="list-style-type: none">• P.20 – “facilitating the development of Hong Kong as an East-meets-West centre for international cultural exchange”• (94-96) “Allocate \$30 million to implement a Arts Technology Funding Pilot Scheme in the next financial year with the aim of encouraging the nine major performing arts groups to apply arts technology to enrich their stage production. Inject an additional amount of \$10 million into the Arts Capacity Development Funding Scheme in order to encourage small and medium-sized arts groups to further explore the use of arts technology under the scheme. In addition, the East Kowloon Cultural Centre is expected to be commissioned in phases next year. Earmark \$85 million each year to support its development into a major arts technology venue and incubator for the provision of structured training. Set aside \$70 million to upgrade the facilities of the performing venues under the Leisure and Cultural Services Department (LCSD), with a view to enabling arts groups to further apply technology in their performances, thereby enhancing audience experience.”• (136-137) “Allocate \$37 million over the next six years to provide professional training for the conservators of the LCSD and those of the Hong Kong Palace Museum, which will be opened soon, as well as increase the number of places under the museum trainees (conservation) programme and the summer internship programme. It is expected that the measures will benefit more than 150 people. Inject \$100 million into the Cantonese Opera Development Fund to further support Cantonese opera practitioners in enhancing their professional standards and pursuing continuous training, with a view to facilitating the long-term development of the Cantonese opera sector. It is expected that the measure will benefit 800 Cantonese opera practitioners.”• (167) “Popularisation of arts can enrich people’s quality of life. Starting from the 2024-25 financial year, I will allocate \$20 million per year for regularising the LCSD’s Community Arts Scheme, with the aim of providing more opportunities for members of the public to take part in arts and cultural activities, thereby promoting the integration of arts into our community.” |
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2. Additional Points of Interest

This list does not fully capture all proposals from the Policy and Budget Address (in HKD), rather it is a snapshot of business policy related announcements which may be of relevance and interest to Chamber members and its Committees.

Land Supply

(21-31) The Northern Metropolis

"The Northern Metropolis covers two district administration areas including Yuen Long District and North District, with a total land area of about 300 square kilometres, it is a largescale urban space which is formed by interactions among various factors including geographic characteristics, economic functions, ecological environment, transport connections and development policies. In the metropolis, the multifunctional land uses with highly concentrated residential and working population and enterprises can drive the economic development in its neighbouring areas.

It is the most vibrant area where urban development and major population growth of Hong Kong in the next 20 years will take place. With as many as seven land-based boundary control points, the Northern Metropolis will be the most important area in Hong Kong that facilitates our development integration with Shenzhen and connection with the GBA."

Transport Infrastructure-led Development

(26) "The consolidation of the Northern Metropolis and its expansion in terms of development capacity will also be driven by a transportation system with railways as its backbone. The railway projects proposed in the Development Strategy include: (i) constructing the Hong Kong-Shenzhen Western Railway linking up Hung Shui Kiu/Ha Tsuen and Qianhai of Shenzhen; (ii) extending the Northern Link, which is being planned, northwards to connect to the new Huanggang Port in Shenzhen via the Hong Kong-Shenzhen Innovation and Technology Park (HSITP) in the Lok Ma Chau Loop (the Loop); (iii) exploring the extension of the East Rail Line to Luohu, Shenzhen and the provision of colocation arrangement at the boundary control point on the Shenzhen side and provision of a new railway station for non-boundary crossing service between the existing Lo Wu Station and the Sheung Shui Station, with a view to unleashing the development potential around Lo Wu/Man Kam To and Sheung Shui North; (iv) extending the Northern Link eastwards from the Kwu Tung Station to connect with the areas of Lo Wu, Man Kam To and Heung Yuen Wai, and further southwards to Fanling via Ta Kwu Ling and Queen's Hill; and (v) examining the feasibility of constructing an automated people mover system from Tsim Bei Tsui to Pak Nai to promote the development of the area and Lau Fau Shan."

(125) "We are exploring the layout of railway and major road infrastructure in the territory, having regard to the development strategy set out in the "[Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030](#)". These studies are conducted to ensure that the [planning of infrastructure will cater for, or even reserve capacity to meet, the overall long-term development needs of Hong Kong, including the Development Strategy](#). Besides, the Transport Department has launched the Traffic and Transport Strategy Study to lay down the visions for Hong Kong's traffic and transport policies until 2050 and draw up a strategy blueprint, thereby ensuring that Hong Kong can build a safe, reliable, environmentally friendly and efficient traffic and transport system."

Increasing Land Supply for I&T Uses

(27) "The Development Strategy puts forward a proposal to make an optimal use of the land vacated upon relocation of the Lok Ma Chau Control Point to the new Huanggang Boundary Control Point in Shenzhen, and a portion of the adjacent fish ponds and rural land. This, together with the original land use planning in the San Tin/Lok Ma Chau Development Node, will provide about 150 hectares of additional land for I&T uses to develop the San Tin Technopole, with a view to creating a critical mass of I&T facilities with greater economy of scale."

Developing Industries and Creating Job Opportunities

(28) "The Development Strategy suggests that Hong Kong should leverage this opportunity to upgrade Hung Shui Kiu/Ha Tsuen and make it the New Territories North Modern Services Centre, and to build sizable landmark I&T facilities in Lau Fau Shan facing Qianhai on the other side of the Shenzhen Bay, to provide enormous job opportunities in the Northern Metropolis."

Building an Eco-environment

(29) "The Development Strategy suggests that a proactive conservation policy should be formulated and implemented. Through the gradual resumption of several hundred hectares of private wetlands and fish ponds by the Government for enhanced management, the ecological 19 functions of around 2

000 hectares of conservation area will be enhanced, thus achieving better conservation of wetlands in Hong Kong while creating a quality living environment for the Northern Metropolis.”

Increasing Land Supply for Housing

(30) “Upon the full development of the entire Northern Metropolis, a total of 905 000 to 926 000 residential units, including the existing 390 000 residential units in Yuen Long District and North District, will be available to accommodate a population of about 2.5 million. The total number of jobs in the Metropolis will increase substantially from 116 000 at present to about 650 000, including 150 000 I&T related jobs.”

(145-146) “145. Looking ahead, the 2022-23 Land Sale Programme will comprise a total of 13 residential sites and four commercial sites, capable of providing about 8 000 residential units and about 300 000 square metres of commercial floor area respectively. With the residential sites under the Land Sale Programme, together with railway property development, private development and redevelopment projects as well as the Urban Renewal Authority (URA)’s projects, the potential land supply for the whole year is expected to have a capacity of providing about 18 000 units. 146. As for land supply for private housing development in the short to medium term, we will secure approximately 103 hectares of land in the coming five years, and make available to the market sites for the production of over 57 000 units through land sales or putting up railway property developments for tender. Among such land, nearly 40 per cent comes from NDAs/New Town Extensions, another 40 per cent from other districts under the Government Land Sale Programmes, and the remaining from railway property developments in design stage. The above figures have not taken into account URA projects and other private land development projects.”

p.55 –

Unlocking Land in the New Territories

- “Pursue development in various parts of the New Territories including the NDAs in the light of the Northern Metropolis Development Strategy announced in the 2021 PA. (DEVB)
- Review the administration of Tso/Tong to unlock the development potential of Tso/ Tong land through amendment to the New Territories Ordinance (Cap. 97) in consultation with Heung Yee Kuk. (HAB)
- Extend the “standard rates” for premium assessment from redevelopment of IBs to land exchange cases in the NDAs. (DEVB)

“Green Belt” Zone Review

- Conduct a new round of review of sites zoned “Green Belt” to identify potential developable land. The screening process is expected to complete in mid-2022, to be followed by technical studies. (DEVB)”

Enhancing Hong Kong’s Position as an International Financial Centre

p.93 –

Mutual Market Access

- “Launch the first Mainland A-share index futures contract product in Hong Kong to provide a risk management tool for offshore investors investing in the A-share market. (FSTB)
- Launch Southbound Trading under Bond Connect with the successful experiences of Northbound Trading to provide Mainland institutional investors a convenient channel in Hong Kong to flexibly allocate bond assets outside the territory. (FSTB)

Promoting the Development of Listing Platform

- Review listing rules of the Hong Kong Exchanges and Clearing Limited (HKEX) to continue to meet the needs of issuers and investors locally and around the globe, and conduct public consultation on the proposal of establishing a listing regime for special purpose acquisition companies in Hong Kong. (FSTB)
- Further attract Mainland enterprises that are interested in listing offshore by providing China Concept Stocks with a fund-raising option that faces international investors. Actively consider implementing detailed measures to simplify the listing of issuers having substantial business in the Greater China area. (FSTB)
- Launch a new platform “FINI” by HKEX to allow market participants and regulatory authorities to process IPOs applications simultaneously on an electronic platform to expedite the IPO process and reduce market risks of investors. (FSTB)”

(81) “The mutual access of ETFs is expected to be implemented soon. As a risk management tool, the A-share index futures contract was also successfully launched last year. We will explore more risk management products.”

Financial Technology

(88) "The Fintech Proof-of-Concept Subsidy Scheme has received overwhelming response from the industry since its first launch last year. We will allocate a funding of \$10 million for launching a new round of the scheme this year. The aim is to promote continuous innovation by encouraging the financial industry to conduct Proof-of-Concept projects on more financial services and products. Besides, we propose to provide subsidies to research institutions under the new round of the scheme, so that they can put forward solutions as to how to remove development bottlenecks faced by the Fintech industry in Hong Kong."

(50) "In order to accelerate the progress of digital economy, I will set up a "Digital Economy Development Committee", with members comprising experts and scholars, industry elites, and relevant government officials."

Global Financial Leaders' Investment Summit

(110) "Invited the HKMA to organise a high-level investment summit."

Enhancing Hong Kong's Position as an International Trade Centre

(47) "The current term Government is keen to foster closer commercial, trade and investment relations with the Association of Southeast Asian Nations (ASEAN). We are also seeking to join the Regional Comprehensive Economic Partnership (RCEP) as soon as possible. In the context of "domestic circulation" under the "dual circulation" development pattern of our country, we will continuously seek to create more favourable conditions for Hong Kong enterprises to enter the Mainland market under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)."

p.95 – "Strengthen, by leveraging the opening of the Dubai ETO and its Investment Promotion Unit, economic and trade ties with the Middle East, including seeking to forge FTAs and IAs, and attracting inward investment and business presence from the region. (CEDB)"

(115) "In the coming year, the TDC will continue to enhance its mega promotion "Think Business, Think Hong Kong" to strengthen its promotional efforts in ASEAN and mature markets. Moreover, it will actively develop digital platforms to help Hong Kong enterprises explore business opportunities and develop overseas markets."

(116) "As at end-January 2022, the Government has subsidised 118 C&E events under the Convention and Exhibition Industry Subsidy Scheme launched not long after the onset of the COVID-19 outbreak. The scheme has also provided one-off immediate relief to organisers of 73 recurrent exhibitions in Hong Kong. The Government will actively consider attracting more event organisers to organise C&E activities in Hong Kong when the epidemic situation stabilises."

Consolidating Hong Kong's Status as an International Aviation Hub

p.99 –

- "Commence operation of the Third Runway at the HKIA in 2022, with the Three Runway System targeted for full completion in 2024. (THB)
- Collaborate with Dongguan and commence trial run of the sea-air intermodal cargo trans-shipment at HKIA in end-2021. (THB)"

Developing into a Centre for International Legal and Dispute Resolution Services in the Asia-Pacific

(52-53) "The rule of law in Hong Kong provides reassurance to Mainland and international investors when conducting business transactions and resolving commercial disputes in Hong Kong. To press ahead with the development of Hong Kong into a major centre for international legal and dispute resolution services in the AsiaPacific region, we will adopt a wide range of measures including attracting international legal and dispute resolution institutions to set up offices in the Hong Kong Legal Hub, promoting international legal cooperation and exchanges, as well as securing international organisations to hold decision-making meetings in Hong Kong. The DoJ has successfully secured the hosting of the Asian African Legal Consultative Organization Annual Meeting and the intersessional meeting of Working Group III of the United Nations Commission on International Trade Law in Hong Kong at the end of this year.

To enable the legal sector to meet the need for legal and dispute resolution services in the GBA, the DoJ will continue to organise the GBA Legal Professional Examination, develop a set of unified qualification, accreditation and other relevant standards for mediators in the GBA, take forward the

measures of allowing wholly-owned Hong Kong enterprises registered in Qianhai, Shenzhen to adopt Hong Kong law and choose for arbitration to be seated in Hong Kong, and strive to extend such measures to other areas of Shenzhen and even the entire GBA.”

COVID Measures

Stepping up Anti-epidemic Efforts

(23-25) “23. The Government promptly set up the Anti-epidemic Fund (AEF) to provide appropriate financial assistance for the affected individuals and businesses. 24. These measures, together with the relief measures under the AEF, involved a total financial commitment of over \$460 billion. 25. Besides, government departments have also devoted substantial resources to fighting the epidemic, including providing isolation facilities at Penny’s Bay and other appropriate locations, setting up a temporary hospital at the Asia World-expo, launching the vaccination programme, providing testing services and increasing the supply of medications, medical equipment etc., involving a total of over \$24 billion.”

(26-27) “Once again allocate substantial additional resources in the new financial year, including: (a) an additional funding of about \$22 billion for the Food and Health Bureau (FHB) to strengthen testing work, procure rapid antigen test kits and relevant services, and provide additional support for the Hospital Authority (HA); (b) an additional funding of \$6 billion for the Department of Health to procure more vaccines as booster doses for the general public; (c) an additional funding amounting to about \$7 billion in total for relevant departments to procure anti-epidemic items and services, implement anti-epidemic measures, etc.; (d) a total additional funding of \$500 million to be allocated within two years for the Food and Environmental Hygiene Department (FEHD) to enhance environmental hygiene services, particularly strengthening the street cleansing and refuse collection services, stepping up measures on rodent control and improving the hygiene of public markets in response to the epidemic. Meanwhile, the FEHD will strengthen inspections and enforcement actions to raise the community’s awareness about hygiene; and (e) a further injection of \$12 billion into the AEF for the construction of various anti-epidemic related facilities. 27. Besides, I have earmarked \$20 billion for other potential anti-epidemic needs. We will provide full support to fight the epidemic should more resources be required.”

Relieving People’s Hardship

(28-30) “28. Following one-off measures: (a) reducing salaries tax and tax under personal assessment for the year of assessment 2021/22 by 100 per cent, subject to a ceiling of \$10,000. The reduction will be reflected in the final tax payable for the year of assessment 2021/22. This measure will benefit 2.01 million taxpayers and reduce government revenue by \$13.1 billion; (b) providing rates concession for domestic properties for four quarters of 2022-23, subject to a ceiling of \$1,500 per quarter in the first two quarters and a ceiling of \$1,000 per quarter in the remaining two quarters for each rateable property. This measure is estimated to involve 2.99 million domestic properties and reduce government revenue by \$11.7 billion; (c) granting each eligible residential electricity account a subsidy of \$1,000. This measure will involve an expenditure of about \$2.8 billion and benefit around 2.8 million residential households; (d) providing an allowance to eligible social security recipients, equal to one half of a month of the standard rate Comprehensive Social Security Assistance payments, Old Age Allowance, Old Age Living Allowance or Disability Allowance. This measure will involve additional expenditure of about \$2,384 million. Similar arrangements will apply to recipients of the Working Family Allowance, involving additional expenditure of about \$117 million; and (e) paying the examination fees for school candidates sitting for the 2023 Hong Kong Diploma of Secondary Education Examination, incurring \$149 million. 29. We will also lower the threshold for the Public Transport Fare Subsidy Scheme from \$400 to \$200 from May to October this year. The Government will provide commuters with a subsidy amounting to one-third of their actual monthly public transport expenses in excess of \$200, subject to a maximum of \$500 per month. With an increase of \$1.08 billion in the subsidy amount, it is estimated that the scheme will benefit about 3.8 million commuters per month. 30. Moreover, I propose to provide a tax deduction for domestic rental expenses starting from the year of assessment 2022/23 so as to ease the burden of renting a private property on taxpayers liable to salaries tax and tax under personal assessment who are not owners of domestic properties, subject to a deduction ceiling of \$100,000 for a year of assessment. It is expected that government revenue will be reduced by \$3.3 billion. We plan to introduce a bill into the LegCo for scrutiny in the second quarter of this year.”

(31) “The 100% Personal Loan Guarantee Scheme rolled out last year has helped a lot of people. I will extend the scheme for one year until the end of April next year. The maximum loan amount per applicant will increase from six times to nine times of his/her average monthly income during employment, and the ceiling will increase from \$80,000 to \$100,000. In addition, the maximum

repayment period under the scheme will be extended from six years to 10 years, whereas the maximum duration of principal moratorium will be extended from 12 months to 18 months. The Hong Kong Monetary Authority (HKMA) and the lending institutions will also enhance the flexibility of the scheme to assist those with income substantially reduced under the epidemic.”

(39) “implement a new round of consumption voucher scheme, under which electronic consumption vouchers with a total value of \$10,000 will be disbursed by instalment to each eligible Hong Kong permanent resident and new arrival aged 18 or above through suitable stored value facilities.”

Supporting Enterprises

(34) “For easing the operating pressure of businesses, I propose: (a) reducing profits tax for the year of assessment 2021/22 by 100 per cent, subject to a ceiling of \$10,000. The reduction will be reflected in the final tax payable for the year of assessment 2021/22. This measure will benefit 151, 000 businesses and reduce government revenue by \$1.2 billion;”

Job Creation

(38) “To ease the unemployment situation due to the epidemic and the anti-epidemic measures, the Government has earmarked total funding of \$13.2 billion under the AEF to create time-limited jobs in the public and private sectors. As at end-2021, some 60 000 jobs were created under the two rounds of the Job Creation Scheme, of which about 45 000 jobs were filled. We have earmarked an additional funding of \$6.6 billion in the latest round of AEF injection for the creation of another 30 000 time-limited jobs.”

Technology Application

(63-64) “63. To promote further digitalisation in government operations, I have reserved \$600 million to conduct a comprehensive e-government audit in the coming three years with the aim of reviewing the progress made by government departments in using technologies, as well as assisting them in enhancing the efficiency of public service provision through the adoption of I&T solutions. 64. allocate a total of about \$85 million to the Intellectual Property Department (IPD) for enhancing Hong Kong’s capacity to conduct substantive examination in processing OGP applications. On trademarks, we are pressing ahead with the preparatory work for implementing the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks in Hong Kong. It is expected that an international trademark registration system will be put in place in Hong Kong next year at the earliest.”

(50) “In order to accelerate the progress of digital economy, I will set up a “Digital Economy Development Committee”, with members comprising experts and scholars, industry elites, and relevant government officials.”

Agriculture and Fisheries

(104-105) “104. I propose making two separate injections of \$500 million each into the SADF and the SFDF, as well as expanding the coverage of the funds and streamlining the application procedures as appropriate. This will support the development of the industry in terms of application of advanced technology and intensification of production, and help it seize the opportunities arising from the GBA development. 105. We will continue to take forward the measures under the New Agriculture Policy, including the establishment of the Agricultural Park (Agri-Park) in Kwu Tung South in the New Territories. The Agri-Park Phase 1 will provide about seven hectares of agricultural land. The works are expected to complete in phases from the second quarter of this year to 2023. As for Phase 2, the preparatory work has commenced and the project is expected to provide about 70 hectares of agricultural land.”

Attract Investment from the Mainland and Overseas

(108-109) “108. Competition among various economies in the aftermath of the pandemic will definitely intensify. We must step up our efforts in investment promotion to attract foreign enterprises to Hong Kong. Starting from the next financial year, the Government will provide an additional recurrent provision of around \$90 million in phases to strengthen InvestHK’s work and our investment promotion network in the Mainland and overseas. 109. At present, Hong Kong has signed 45 Comprehensive Avoidance of Double Taxation Agreements (CDTAs) and is in negotiations with 14 tax jurisdictions, with a view to minimising the risk of double taxation borne by foreign enterprises doing business in Hong Kong. We will continue to proactively expand our CDTA network.”

Talents

For Financial Services:

(128-130) "128. Having regard to the new trend of developing low-carbon and sustainable economy, we plan to launch a three-year Pilot Green and Sustainable Finance Capacity Building Support Scheme. Under the scheme, subsidies will be provided for the training and acquisition of relevant professional qualifications, so as to encourage practitioners in the financial and other relevant sectors to participate in the training. 129. We are also actively implementing the development of professional qualifications recognised under the Qualifications Framework for Fintech practitioners. The first batch of Fintech professional qualifications for the banking sector is expected to be rolled out this year. We will also implement the Pilot Scheme on Training Subsidy for FinTech Practitioners this year. Practitioners who have attained Fintech professional qualifications can receive reimbursement of 80 per cent of the tuition fees, and around 1 500 places will be offered. We will conduct a consultancy study this year, with a view to continuing developing Fintech professional qualifications for different financial sectors, thereby promoting comprehensive professional development of Fintech talent. The estimated expenditure of the scheme is \$43 million. 130. Besides, we have commissioned the Cyberport to implement a new round of Financial Practitioners FinTech Training Programme this year to provide training programmes and tuition fee subsidies for practitioners in the insurance and securities sectors. Subsidies will also be provided for the two sectors to organise their own training programmes."

(140) "Upon completion of a review of the Talent List of Hong Kong under the Quality Migrant Admission Scheme earlier on, the Government has added to the list the professions of "professionals in compliance in asset management" and "financial professionals in Environmental, Social and Governance", expanded the scope of some existing professions to include experts of "medical and healthcare sciences", "microelectronics", "integrated circuit design" and "arts technology", as well as refined the requirements on legal and dispute resolution professionals."

For Healthcare:

(133-135) "133. To step up our efforts in coping with the continuous healthcare manpower shortage in the future, I intend to gradually increase recurrent allocation, up to \$400 million a year as needed, for enhancing training for medical professionals starting from 2023/24 school year onward, including providing subsidies for students to enrol in taught postgraduate programmes on healthcare offered by University Grants Committee-funded universities, self-financing post-secondary institutions or public medical institutions. Students who have successfully completed the programmes can become medical professionals. Meanwhile, 500 more designated places will be provided under the Study Subsidy Scheme for Designated Professions/Sectors to provide subsidies for students to take self-financing undergraduate programmes on healthcare. 134. Besides, I will ask the FHB and the HA to explore waiving the clinical practicum training fees payable by tertiary institutions to the HA in respect of their subsidised undergraduate programmes and taught postgraduate programmes on healthcare. 135. Apart from the earmarked sum of \$20 billion as announced in the 2018 Policy Address, I will set aside another \$10 billion for the completion of the works to upgrade and increase the healthcare teaching facilities of the University of Hong Kong, Chinese University of Hong Kong and Hong Kong Polytechnic University. Upon completion of the proposed facilities, the three universities will have the capacity of coping with about 900 additional healthcare training places."

(140) "Upon completion of a review of the Talent List of Hong Kong under the Quality Migrant Admission Scheme earlier on, the Government has added to the list the professions of "professionals in compliance in asset management" and "financial professionals in Environmental, Social and Governance", expanded the scope of some existing professions to include experts of "medical and healthcare sciences", "microelectronics", "integrated circuit design" and "arts technology", as well as refined the requirements on legal and dispute resolution professionals."

For Construction Industry:

(138-139) "138. In order to train more new blood and upskill in-service workers, I propose to allocate \$1 billion to the Construction Industry Council for supporting manpower training, which includes increasing the training places and the amount of allowance for trades facing labour shortage to attract new entrants and job changers to the industry, and increasing the training places for upgrading semi-skilled construction workers to skilled workers and the amount of allowance. We will also step up our efforts to promote the professional image and career prospects of the construction industry in order to attract more young people to join."

Vocational and Professional Education and Training/ Continuing Education:

(141-142) "141. The Pilot Incentive Scheme to Employers and the Pilot International Study Programme under the Training and Support Scheme as well as the Pilot Subsidy Scheme for Students of Professional Part-time Programmes have been implemented by the Vocational Training Council (VTC) to facilitate workplace learning and assessment, broaden learners' horizon and encourage continuing education among the working population. The Government has decided to extend the schemes for two years to benefit more trainees."

(143) "To keep on promoting continuing education and encouraging members of the public to pursue self-enhancement, the Government will raise the subsidy ceiling of the Continuing Education Fund (CEF) from \$20,000 to \$25,000 per applicant and remove the upper age limit. This new initiative will benefit 760 000 more eligible persons as well as those who have opened a CEF account."