Fight the Virus Together
Support Hong Kong Together

The Government of the Hong Kong Special Administrative Region
HKSAR Government's package of measures to support individuals and businesses affected by COVID-19

April 2020
FOREWORD

Through our concerted efforts in tackling COVID-19, we have managed to keep the number of confirmed cases at a relatively low level in this pandemic, and prevent large scale community outbreak. As our economy is facing unprecedented challenges, we need the same fighting spirit and togetherness to preserve the vitality of the economy, retain jobs and relieve people’s financial burdens.

As you will read from this booklet, the Hong Kong Special Administrative Region Government has taken some exceptional measures to deal with this unprecedented situation. Costing a total of HK$287.5 billion, these measures are –

• Simple to understand
• Easy to access
• Quick to disburse funds
• Sufficiently broad-based benefiting large numbers of individuals and businesses while also focused on the especially hard-hit sectors
• Paving the way for economic recovery

With Hong Kong’s fundamental strengths and Hong Kong people’s resilience, I am confident that TOGETHER we shall ride out the storm.

Carrie Lam
Chief Executive
Retain Jobs
Employers may choose any one month from January to March 2020 taking into account their own circumstances. If the number of employees and payrolls in January are higher than those in subsequent months, the wage subsidies to be disbursed by the Government will enable employers to rehire employees to meet their operational needs.

- The Government will provide wage subsidies to eligible employers who undertake not to make workers redundant during the subsidy period, and to spend 100% of the subsidy on paying wages for their employees.

- All employers who have been making Mandatory Provident Fund (MPF) contributions or have set up Occupation Retirement Schemes for employees are eligible (except the HKSARG, statutory bodies and subvented staff in Government funded organisations, etc). 1.5 million employees are expected to benefit.

- Wage subsidies for each employer calculated on 50% of salary at a “specified month”* (capped at a salary of $18,000) for 6 months. To be disbursed to employers in two tranches, with the first before end-June 2020.

- Grant a one-off lump-sum subsidy of $7,500 to about 215,000 self-employed persons who have made MPF contributions in the past 15 months.

- About 800,000 persons in three sectors, i.e. construction, catering and road transport (mainly taxi and red minibus drivers), which are not well covered by MPF, will be taken care of by the respective sector-specific schemes.

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Supporting the unemployed

• Temporarily relax the asset limits for able-bodied applicants of the Comprehensive Social Security Assistance (CSSA) Scheme by 100% for 6 months. Expect to benefit 40 000 households. The CSSA is a household-based scheme, helping recipients meet their basic needs. The value of an owner-occupied residential property of able-bodied households will be disregarded as asset for a grace period of 12 months.

Job creation

• Invest $6 billion to create around 30 000 jobs in the public and private sectors for people of different skill sets and academic qualifications, benefitting professionals and technicians, fresh graduates, middle level and grassroots workers.

• The Government will recruit about 10 000 civil servants and create about 5 000 short-term intern positions for young people in the coming year.
Job advancement

To encourage staff to learn new skills

- **Matching Grants for Skills Upgrading**: Provide matching grants for training programmes for staff in the public and private sectors ($100 million).

- Provide $2.5 billion to the Employees Retraining Board to **enhance the Love Upgrading Special Scheme** to provide 10,000 additional places and increase the maximum monthly allowance of all eligible trainees to $5,800.

- Provide about **$90 million in subsidies to appointed training bodies** of the Employees Retraining Board so that training centres can maintain basic operations.

- Provide about **$30 million in training subsidies** to some **600 consulting firms in the construction sector**.

- Additional annual funding of $30 million to enhance Labour Department’s employment programmes by **raising the ceiling of on-the-job training allowance**.
Job advancement

Help enterprises to apply technology

• Distance Business Programme: 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).

• **Subsidise the public and private sectors for projects deploying 5G technologies**, subject to a cap of $500,000 for each project. Expect to subsidise 100 projects (about $60 million).

• LAWTECH Fund: **Assist the legal sector and related persons to procure / upgrade their information technology systems** and arrange relevant LAWTECH training for staff to support the development of remote hearings. About 700 stakeholders will benefit (about $40 million).

• Provide Online Dispute Resolution services for disputes related to or arising from COVID-19 (about $70 million).
Support Enterprises
Provide subsidies to businesses affected by the epidemic

- The epidemic, together with measures to reduce people flows and increase social distance, has affected many businesses, including the tourism, catering, transport and retail sectors, the arts and culture sector, agriculture and fisheries, conventions and exhibitions business, property management companies, hawkers, registered tutorial schools; as well as amusement game centres, cinemas, fitness centres, beauty parlours, etc which have closed due to Government measures to safeguard public health.

- The Government has introduced more than 70 measures, under the first round of Anti-Epidemic Fund (AEF) (being disbursed or under application), the 2020-21 Budget (pending approval by the Legislative Council) and the second round of AEF announced recently, to help these sectors tide over current difficulties through one-off grants, cash subsidies, rental waivers, etc.
The progress of several subsidy schemes which have attracted more attention under the first round of AEF is as follows –

- Eligible holders of food licence are receiving a one-off grant of $80,000 or $200,000 each. Over 23,000 applications have been approved so far, involving a total grant of $3.1 billion.

- Over 480,000 eligible construction workers and 7,000 construction companies are receiving a one-off subsidy. More than $700 million has been disbursed.

- Qualified retail shops are receiving a one-off relief grant of $80,000. More than 90,000 applications were received and more than $400 million has been disbursed.

- “Arts and Culture Sector Subsidy Scheme” supports various arts organisations and freelance arts workers. Over $66 million has been disbursed. These arts groups will make use of the subsidies to pay the salaries of their staff, contractors and freelance workers as much as possible.
Major measures under the second round of AEF include:

- **Tourism Industry** – **Subsidy** to licensed travel agents ranging from $20,000 to $200,000; travel agents’ staff and active freelance tourist guides and tour escorts will each receive a monthly subsidy of $5,000 for 6 months; licensed hotels will receive a subsidy of $300,000 or $400,000 and tour coach drivers a one-off subsidy of $10,000.

- **Passenger Transport** – Reimburse 100% of the actual regular repair and maintenance costs and insurance premium for 6 months for the franchised bus companies, franchised/licensed ferry operators and the Tramways Limited; provide the registered owner of a taxi, red minibus, non-franchised bus, school private light bus and hire car, as well as the licence holder of green minibus service a one-off subsidy of $30,000 for each vehicle; provide each eligible active taxi and red minibus driver a monthly subsidy of $6,000 for 6 months.

- **Catering Sector** – **Subsidy** ranging from $250,000 to $2.2 million (paid in two tranches during a 6-month period) for licensed catering outlets selling or supplying food for consumption on their premises. To support employment, catering outlets receiving the subsidy are required to undertake not to implement redundancy of staff during the subsidy period, and that not less than 80% of the subsidy for the respective months would be used for paying staff salaries. About 16,000 licensed catering outlets and their employees are expected to benefit, involving about $9.5 billion.
• Aviation Industry – One-off subsidy of $1 million per large aircraft and $200,000 per small aircraft will be provided to the eligible air operators. Aviation support services and cargo facility operators at HKIA will receive a one-off subsidy of up to $3 million.

• Education sector – One-off relief grant of $80,000 will be offered to each eligible catering outlet (namely, tuck shops, canteens, and restaurants) in primary schools, secondary schools, University Grants Committee-funded universities, the Vocational Training Council and self-financing post-secondary institutions.

• Construction sector – One-off subsidy of $7,500 to each eligible construction worker; and $20,000 or $10,000 to each construction-related enterprise not eligible for the first-round measures. Such enterprises include eligible constructors, specialist contractors, works contractors, suppliers, etc.

• Provide a one-off grant of $7,500 to each registered coach under National Sports Associations and Sports Organisations who has proven coaching record in the past year as well as each instructor, coach, trainer and provider of interests classes for schools or organisations subvented by the Social Welfare Department.

Please press QR code for details of items under the second round of AEF:
Ease cash flow of businesses

- Under the SME Financing Guarantee Scheme, a special 100% concessionary low-interest loan to be introduced for which the Government provides 100% guarantee. The “principal moratorium” will be extended from 6 months to 1 year, and the Government will increase its guarantee commitment from $20 billion to $50 billion. The special loan will be rolled out before end of April.

- Loans under the 80% and 90% guarantee products will enjoy an interest subsidy up to 3% and be open to application by listed companies, both valid for 1 year.

- Maximum loan amount for all loan guarantee products will also be raised -

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<thead>
<tr>
<th>Guarantee Product</th>
<th>Maximum Loan Amount Raised to</th>
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<tr>
<td>80% guarantee product</td>
<td>$18 million</td>
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<tr>
<td>90% guarantee product</td>
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<tr>
<td>100% special guarantee product</td>
<td>$4 million</td>
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Please press QR code for details of the SME Financing Guarantee Scheme:
• **Reduce profits tax by 100% in Year of Assessment (YA) 2019-20**, subject to a ceiling of $20,000.

• **Waive rates for non-domestic properties in 2020-21**, subject to a ceiling of $5,000 per quarter in the first two quarters, and a ceiling of $1,500 per quarter in the remaining two quarters.

• **Waive business registration fees in 2020-21**.

• **Waive registration fees for annual returns** charged by the Companies Registry for 2 years.

• Provide **75% rental concession** to eligible tenants of government premises and eligible holders in respect of tenancies on government land from April to September 2020.

• Provide **75% electricity charges subsidy to non-residential accounts** for 8 months with a monthly cap of $5,000.

• **Waive 75% water and sewage charges** for non-domestic accounts for 12 months till November 2020.

• Increase the **waiver amount of rental fees of venues under the Leisure and Cultural Services Department from 50% to 75%** for the period from April 2020 to September 2020.

• Grant **interest-free deferral of loan repayment for 2 years** to those self-financing post-secondary institutions and non-profit-making international schools which have taken loans from the Government.
Protect Livelihoods
Benefiting our citizens

- **$10,000 cash payout** to each Hong Kong permanent resident aged 18 or above.

- **MTRCL to provide a 20% fare concession** for 6 months from 1 July.

- To temporarily relax the threshold of the **Public Transport Fare Subsidy Scheme from $400 to $200**, from July to December.

- Grant **interest-free deferral of loan repayment** for 2 years to students receiving loans from the Working Family and Student Financial Assistance Agency.

- Provide an additional **$1,000** for each student receiving $2,500 under the Student Grant for the 2019/20 school year.
Relieving tax burden

- Reduce salaries tax and tax under personal assessment for YA 2019-20 by 100%, subject to a ceiling of $20,000.

- Deadline for payment of salaries tax, tax under personal assessment and profits tax for YA 2018-19 that due in April to June this year automatically extended for 3 months.

- Waive rates of domestic properties for four quarters of 2020-21, subject to a ceiling of $1,500 per quarter.
Supporting people in need

- **Extra 1 month payment of CSSA standard rate**, Old Age Allowance, Old Age Living Allowance or Disability Allowance. Similar arrangement will apply to Work Incentive Transport Subsidy.

- **Pay 1 month’s rent** for lower income tenants living in public rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society.

- Eligible Working Family Allowance (WFA) households and Student Financial Assistance (SFA) households will benefit from a one-off special allowance. **WFA households will receive a lump sum equivalent to two-month allowance**, while SFA households will receive a one-off grant of $4,640.

- **Provide a monthly allowance of $1,000** to each cleansing worker, toilet attendant, security staff engaged by service contractors of the Government and Hong Kong Housing Authority for no less than 4 months.
Keep workers employed
Help businesses to stay afloat
Relieve the financial burden of individuals and businesses
Help the economy to recover once the epidemic is well contained

We will hold on
Hong Kong will come through