

Operator and managers of unlicensed guesthouses fined

Three women were fined from \$4,000 to \$10,000 at Kowloon City Magistrates' Courts and West Kowloon Magistrates' Courts today (February 27) for contravening the Hotel and Guesthouse Accommodation Ordinance.

The courts heard that in June 2017 and April and August last year, officers of the Office of the Licensing Authority (OLA), the Home Affairs Department, inspected three suspected unlicensed guesthouses on Ho Pui Street in Tsuen Wan, Fuk Wa Street in Sham Shui Po and Ferry Street in Jordan. During the inspections, the OLA officers posed as lodgers and successfully rented rooms in the guesthouses on a daily basis.

According to the OLA's records, these guesthouses did not possess licences under the Ordinance on the days of inspection. The women responsible for operating and managing the premises were charged with contravening section 5(1) of the Ordinance.

A department spokesman stressed that operating or managing an unlicensed guesthouse is a criminal offence and will lead to a criminal record. Upon conviction, the offender is liable to a maximum fine of \$200,000 and two years' imprisonment.

The spokesman appealed to anyone with information about suspected unlicensed guesthouses to report it to the OLA through the hotline (Tel: 2881 7498), by email (hadlaeng@had.gov.hk), by fax (2504 5805) using the report form downloaded from the OLA website (www.hadla.gov.hk), or through the mobile application "Hong Kong Licensed Hotels and Guesthouses".

Suspected MERS case reported

The Centre for Health Protection (CHP) of the Department of Health today (February 27) reported a suspected case of Middle East Respiratory Syndrome (MERS), and again urged the public to pay special attention to safety during travel, taking due consideration of the health risks in the places they visit. The case is detailed below:

Sex	Female
Age	30

Affected area involved	Israel
High-risk exposure	Nil
Hospital	Tuen Mun Hospital
Condition	Stable
MERS-Coronavirus preliminary test result	Pending

"Travellers to the Middle East should avoid going to farms, barns or markets with camels; avoid contact with sick persons and animals, especially camels, birds or poultry; and avoid unnecessary visits to healthcare facilities. We strongly advise travel agents organising tours to the Middle East to abstain from arranging camel rides and activities involving direct contact with camels, which are known risk factors for acquiring MERS Coronavirus (MERS-CoV)," a spokesman for the CHP said.

Locally, the CHP's surveillance with public and private hospitals, with practising doctors and at boundary control points is firmly in place. Inbound travellers and members of the public who recently visited the Middle East and developed relevant symptoms within 14 days will be classified as suspected MERS cases. They will be taken to public hospitals for isolation and management until their specimens test negative for MERS-CoV.

Travellers to affected areas should maintain vigilance, adopt appropriate health precautions and take heed of personal, food and environmental hygiene. The public may visit the MERS pages of the [CHP](#) and its [Travel Health Service](#), MERS statistics in [affected areas](#), the CHP's [Facebook Page](#) and [YouTube Channel](#), and the World Health Organization's [latest news](#) for more information and health advice. Tour leaders and tour guides operating overseas tours are advised to refer to the CHP's [health advice on MERS](#).

[FS introduces Budget measures to counter uncertain economic outlook, support businesses and residents](#)

The Financial Secretary, Mr Paul Chan, in his 2019-20 Budget today (February 27), announced measures to relieve people's burden and support enterprises to help counter the challenges facing Hong Kong's economy.

Mr Chan said five main factors were influencing Hong Kong's positioning

and future direction, namely United States-China trade relations, changes in international co-operation, opportunities in emerging Asian economies, the strategic opportunities of Mainland China and development of innovation and technology.

Overall, Hong Kong's economy grew by 3 per cent in 2018, at the lower end of forecasts.

For 2019, Mr Chan forecast economic growth of between 2 to 3 per cent in real terms for Hong Kong .

He forecast headline inflation and underlying inflation of about 2.5 per cent each in 2019, compared to 2.4 per cent and 2.6 per cent respectively in 2018.

The budget surplus for the 2018-19 financial year is forecast to be \$58.7 billion.

With the latest internal and external developments in mind, Mr Chan said he would "make optimal use of the fiscal surplus", introducing "one-off measures to support enterprises and alleviate peoples' hardship".

He also announced a series of relief measures to ease the financial burden, including:

(1) reducing salaries tax and tax under personal assessment for 2018-19 by 75 per cent, subject to a ceiling of \$20,000. This will benefit 1.91 million taxpayers and reduce government revenue by \$17 billion;

(2) reducing profits tax for 2018-19 by 75 per cent, subject to a ceiling of \$20,000. This will benefit 145 000 taxpayers and reduce government revenue by \$1.9 billion;

(3) waiving rates for four quarters of 2019-20, subject to a ceiling of \$1,500 per quarter for each rateable property, benefitting an estimated 3.29 million properties at a cost to the Government of \$15 billion;

(4) providing an extra allowance to social security recipients, equal to one month of the standard rate Comprehensive Social Security Assistance payments, Old Age Allowance, Old Age Living Allowance or Disability Allowance. This will involve an additional expenditure of about \$3.84 billion. Similar arrangements will apply to recipients of the Working Family Allowance and Work Incentive Transport Subsidy, involving an additional expenditure of about \$149 million;

(5) providing a one-off grant of \$2,500 for each student in need to support learning, an expenditure of about \$890 million;

(6) paying examination fees for school candidates sitting for the 2020 Hong Kong Diploma of Secondary Education Examination, an expenditure of about \$160 million; and

(7) providing, on a one-off basis, elderly persons eligible for the Elderly

Health Care Voucher Scheme with an additional \$1,000 worth of vouchers, an expenditure of about \$1.024 billion . The accumulation limit of vouchers will also be raised from \$5,000 to \$8,000 to allow users greater flexibility.

The Financial Secretary also proposed various measures targeting enterprises, including:

- (1) waiving business registration fees for 2019-20, benefiting 1.4 million business operators. This will reduce government revenue by \$2.9 billion;
- (2) regularising the Technology Voucher Programme and rolling out enhancement measures, including doubling the funding ceiling for each enterprise from \$200,000 to \$400,000;
- (3) injecting another \$1 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund);
- (4) extending the geographical scope of the BUD Fund;
- (5) increasing the funding ceiling per enterprise under the BUD Fund to \$3 million this year; and
- (6) extending the application period of the special concessionary measures under the SME Financing Guarantee Scheme to 30 June 2020, to help SMEs facing liquidity problems.

In preparing the Budget, Mr Chan said he had adhered to the new fiscal philosophy of current-term Government of adopting forward-looking and strategic financial management principles to invest for Hong Kong and relieve people's burden on the premise of ensuring healthy public finances.

Mr Chan added that, given the volatile global political and economic landscape, the Government would continue to invest resources to improve and enhance public services.

"Hard-working and flexible, Hong Kong people have weathered tough times and grown tougher. With confidence, hope and concerted efforts, we will definitely be able to see the sunshine through the clouds!" Mr Chan said.

LCQ10: Measures to enhance fire safety in buildings

Following is a question by the Hon Shiu Ka-chun and a written reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (February 27):

Question:

The Fire Safety (Buildings) Ordinance (Cap 572) (the Ordinance), which came into operation on July 1, 2007, requires that the fire safety measures of composite and domestic buildings which were constructed, or with their plans of the building works first submitted for approval, on or before March 1, 1987, be enhanced to a level that meets the current fire safety standards. The Fire Services Department and the Buildings Department will, after inspecting the buildings, issue Fire Safety Directions (Directions) to owners or occupiers to specify the required fire safety improvement works. However, some owners of buildings aged above 50 years and built without lifts in Yau Tsim Mong District have relayed to me that they have encountered quite a number of difficulties in complying with the Directions, including the inability of owners who are retirees to pay the huge costs of works and the absence of owners' corporations (OCs) to coordinate the relevant works. On assisting owners of such old buildings in carrying out fire safety improvement works, will the Government inform this Council:

- (1) of the number of old buildings which currently do not meet the fire safety requirements and the categories to which they belong (i.e. composite or domestic buildings) and, among them, (i) the percentage of those with OCs established and (ii) the number of those located in Yau Tsim Mong District;
- (2) of the number of old buildings whose owners have been issued the Directions by the authorities since the Ordinance came into operation, with a breakdown by the required fire safety improvement works;
- (3) of the respective current numbers of old buildings, with a breakdown by the category to which they belong, for which the required fire safety improvement works (i) are being carried out and (ii) have been completed; and
- (4) as some owners refuse to share the costs of works and some old buildings do not have an OC to coordinate the relevant works, of the authorities' new measures to assist the owners concerned in complying with the Directions?

Reply:

President,

The Fire Safety (Buildings) Ordinance (Cap 572) (the Ordinance) stipulates that composite and domestic buildings which were constructed on or before March 1, 1987, or with the plans of the building works first submitted for approval on or before that day (target buildings), must be enhanced to meet modern fire protection requirements. The Ordinance is enforced by the Fire Services Department (FSD) and the Buildings Department (BD). The FSD is responsible for fire service installations and equipment (FSIs), while the BD is responsible for fire safety measures in relation to planning, design and construction of buildings. The FSD and the BD will issue Fire Safety Directions (Directions) to owners and/or occupiers with regard to fire safety measures of the relevant buildings and specify the required fire safety improvement works.

Before issuing any Directions, the FSD and the BD will deploy officers

to conduct a joint inspection of the target building. Direction(s) will be issued to owners and/or occupiers in light of the actual condition of the building and in accordance with the Ordinance, requiring them to provide appropriate FSIs and/or carry out works in relation to fire safety construction, with a view to enhancing the fire safety of their building.

We appreciate that individual old buildings may not be able to fully comply with the requirements of the Directions due to their structural or spatial constraints. As such, the FSD and the BD have been adopting a flexible and pragmatic approach in handling each case, on the premise of not compromising basic fire safety. Having regard to the condition of individual buildings and/or information provided by the authorised persons in relation to the execution of the Directions (for instance, the building structure, and whether there are spatial constraints), the departments will consider enforcing certain requirements flexibly or accepting alternative proposals put forward by the owners. Case officers of the FSD and the BD are prepared to meet with the owners and their appointed authorised persons, registered structural engineers, consultants or registered fire service installation contractors, to explain to them the substance of the Directions and assist them in solving potential problems concerning the works.

Having consulted the relevant departments, my reply to Hon Shiu's question is as follows:

(1) to (3) Based on BD's information, about 13 500 target buildings are regulated under the Ordinance. The FSD and the BD conduct joint inspections for these buildings in two stages: about 10 500 target composite buildings (TCBs) will be inspected in the first stage, after which about 3 000 target domestic buildings (TDBs) will be inspected in the second stage.

The two departments are now conducting the first stage of inspections. As at January 31, 2019, the two departments have inspected 8 953 TCBs. The second stage of inspecting TDBs will commence upon completion of the first-stage inspection.

As at January 31, 2019, the FSD and the BD have issued Directions to the owners and occupiers of 7 298 TCBs. Among the TCBs issued with Directions, around half of them have set up owners' corporations (OCs). As far as Yau Tsim Mong District is concerned, Directions have been issued to 1 544 TCBs.

Among the TCBs with Directions issued, 195 have complied with the Directions on FSIs issued by the FSD and 154 have complied with Directions on fire safety construction in relation to planning, design and construction of buildings issued by the BD. Among these TCBs, 44 have complied with the Directions of both the FSD and the BD. The remaining TCBs have yet to comply with the Directions (i.e. they are still carrying out or planning for the fire safety improvement works as required under the Directions, or have not taken any follow-up action yet). The FSD and the BD do not keep any breakdown of the number of buildings which are carrying out fire safety improvement works.

As stated above, before issuing any Direction on improvement works in relation to FSIs or fire safety construction, the FSD and the BD will deploy officers to conduct a joint inspection of a target building, with a view to issuing Direction(s) to owners and/or occupiers in light of the actual condition of the buildings and in accordance with the requirements of the Ordinance. Hence, the fire safety improvement works required for each target building may vary. The FSD and the BD do not keep any breakdown of the types of fire safety improvement works required of target buildings.

(4) We are aware that in complying with the requirements under the Ordinance, some owners may encounter financial difficulties and problems in coordination amongst owners/occupants of the buildings. As such, the FSD and the BD have been maintaining close liaison with the Home Affairs Department (HAD), the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA), and have also been taking an active part in offering professional advice to owners of old buildings in relation to financial support and owners/occupants' coordination, with a view to assisting the owners to comply with the Directions as soon as practicable.

Regarding financial assistance, in order to assist owners of private buildings in conducting maintenance and repair works for their buildings, the Government, the HKHS and the URA have been operating various financial assistance schemes for owners in need. Those schemes include the Building Safety Loan Scheme, the Common Area Repair Works Subsidy and the Building Maintenance Grant Scheme for Elderly Owners, all of which have been consolidated into the Integrated Building Rehabilitation Assistance Scheme (IBRAS) launched by the URA. Fire safety improvement works pertaining to the Ordinance have been incorporated into the list of works eligible for subsidies or loans under these schemes. Besides, an information leaflet about the IBRAS is attached to the Directions for eligible persons' reference and application of subsidies (if in need).

To further assist owners of old buildings, the Government has devoted about \$2 billion to launch the Fire Safety Improvement Works Subsidy Scheme (FSWS) in 2018 for subsidising owners of TCBs for complying with the fire safety improvement requirements under the Ordinance. The FSWS is administered by the URA, and subsidised buildings may be granted up to 60 per cent of the works costs and the consultancy fees. We hope that through the FSWS, further financial support can be provided to owners of old buildings, so that they may commence works as soon as possible to comply with the requirements under the Ordinance and enhance the fire safety standards of these old buildings.

Besides, we understand that the so-called "three-nil" buildings (i.e. buildings without OCs, residents' organisations or property management companies), or target buildings without OCs but with other residents' organisations (such as owners' committees or mutual aid committees (MACs)), may encounter difficulties in coordinating fire safety improvement works. Therefore, the FSD and the BD will refer the list of such target buildings without OCs to the HAD so that the latter can assist the owners of the buildings concerned in establishing OCs.

To strengthen the provision of free professional advice and support services to old buildings and enhance building management and maintenance works, the HAD has since 2011 implemented the Building Management Professional Advisory Service Scheme. The scheme engages professional property management companies to provide owners of old buildings with one-stop professional support services, which include organising and assisting the owners in the establishment of OCs, helping them to apply for various subsidies or loan schemes for repair works, as well as following up on the repair works and tendering matters. Noting that some owners of old buildings are not residing therein and this may pose difficulties in OC formation and proper building management, the HAD has also launched the Resident Liaison Ambassador (RLA) Scheme to recruit owners/residents to serve as RLAs and unite the efforts of owners/residents to assist in improving the management and environment of the buildings, with the long-term goal of promoting the formation of OCs in such buildings through the RLAs or other residents' organisations.

To further assist owners, OCs, owners' committees and MACs in handling issues related to building management and large-scale maintenance projects, the HAD launched the Central Platform on Building Management in September 2018 which conducts regular briefings for owners, OCs, owners' committees and MACs, and invites relevant government departments and organisations, (including the BD, the FSD, the Electrical and Mechanical Services Department, the Hong Kong Police Force, the Independent Commission Against Corruption, the URA and the Competition Commission) to introduce various services and schemes on building management and maintenance. Owners, OCs and owners' committees participating in these one-stop briefings can learn more about the details and application procedures of related services and schemes, as well as the means of contact for future enquiries. Representatives from the BD and the FSD will attend the briefings to explain to participants the Ordinance and relevant requirements.

Upon issuing Directions to "three-nil" buildings, the FSD will publicise the recruitment of Fire Safety Ambassadors and Building Fire Safety Envoys in these buildings in a timely manner, with a view to enhancing the residents' awareness of fire prevention and facilitating coordination of improvement works for FSIs in the future. The Social Services Team appointed by the BD will also provide further support if the need arises, including coordinating residents of the buildings in carrying out the related works, and aptly assisting them in applying for suitable financial assistance schemes, etc. Case officers of the FSD and the BD will from time to time attend, upon invitation, the owners' meetings of target buildings to provide detailed responses to enquiries in relation to the Ordinance.

If the owners of target buildings need time to form an OC or require more time to prepare for and carry out the improvement works, the enforcement authorities will duly consider their applications for extending the compliance period of the Directions, in the light of the justifications provided and/or the scale of works involved and so forth.

The relevant departments will review the measures implemented from time

to time and continue to explore various options, with a view to streamlining the procedures in conducting fire safety improvement works for old buildings and reducing the costs incurred by the owners, subject to basic fire safety not being compromised. We hope that these measures will enhance the fire safety level of the old buildings, strengthen the protection for people who work, live or carry out various activities in these places, and reduce the threat of fire.

FS uses Budget to help diversify economy, promote innovation and technology

The Financial Secretary, Mr Paul Chan, in his 2019-20 Budget today (February 27) unveiled a raft of initiatives to promote economic development and diversify Hong Kong's economy to enhance competitiveness and overcome challenges posed by changes in the external economy.

Mr Chan said innovation and technology (I&T) development was a priority for Hong Kong, with over \$100 billion committed by the current-term Government.

"The development of I&T will bring huge economic benefits to Hong Kong," he said.

"The intellectual property so generated can be commercialised to drive ancillary economic activities, thus creating quality employment opportunities and enabling people to live comfortably by adopting new technology."

Mr Chan earmarked \$5.5 billion for the development of the Cyberport 5 expansion project, which is expected to provide about 66 000 square metres of floor area, including offices, co-working space, conference venues and data service platforms.

Mr Chan proposed allocating not less than \$800 million over the next five years to support applied research and development (R&D) work in designated universities, key laboratories and research centres.

He set aside \$16 billion for University Grants Committee-funded universities to enhance or refurbish campus facilities, including the provision of additional facilities essential for R&D activities.

The Budget also proposes increasing the monthly allowance for researchers to a maximum of \$21,000 under the Researcher Programme and extends from two to three years the funding period under the Researcher Programme and the Postdoctoral Hub Programme.

Under the Technology Start-up Support Scheme for Universities, the Government will double the maximum annual funding for each university to \$8 million, starting from 2019-20, to better nurture university start-ups.

To help foster local technology talent, \$500 million will be allocated to launch the IT Innovation Lab in Secondary Schools Programme over the coming three school years.

Mr Chan announced the launch of a Re-industrialisation Funding Scheme under the Innovation and Technology Fund (ITF), injecting \$2 billion into the ITF to subsidise manufacturers on a matching basis to set up smart production lines in Hong Kong.

On fintech, Mr Chan said virtual banking licences would soon be issued by the Hong Kong Monetary Authority (HKMA). He also announced that the HKMA would set up an Academy of Finance in mid-2019 to groom financial talent.

Other initiatives to promote financial services include:

- * issuing the first batch of government green bonds;
- * studying establishing a limited partnership regime and introducing a more competitive tax arrangement to attract private equity funds to set up and operate in Hong Kong;
- * promoting mutual recognition of funds with other jurisdictions;
- * providing tax concessions for marine insurance and the underwriting of specialty risks, and facilitating the issuance of insurance-linked securities;
- * promoting the use of the Faster Payment System for payment of government fees and charges; and
- * increasing to \$400 million the amount of seed capital for the Financial Reporting Council.

To enhance Hong Kong's role as a international hub for legal services, the Financial Secretary earmarked \$150 million to support the development and initial operation of an online arbitration and mediation platform by non-governmental organisations.

He also set aside \$353 million to enable the Hong Kong Tourism Board to expand its promotion of Hong Kong's image as a premier tourism destination.

On creative services, the Government will inject an additional \$1 billion into the Film Development Fund in the 2019-20 fiscal year. The Government will also raise the production budget limit of the Film Production Financing Scheme to \$60 million, and the maximum subsidy for each film to \$9 million, to support local mid budget film productions.