

Government welcomes passage of Inland Revenue (Amendment) (No. 4) Bill 2018

The Secretary for Food and Health, Professor Sophia Chan, welcomed the passage of the Inland Revenue (Amendment) (No. 4) Bill 2018 by the Legislative Council today (October 31).

The new Ordinance gives effect to a tax deduction under salaries tax and personal assessment to people who purchase eligible health insurance products for themselves or their specified relatives under the Voluntary Health Insurance Scheme (VHIS), starting from April 1, 2019.

Professor Chan said, "We will fully implement the VHIS with the added incentive of tax deduction."

Under the new arrangement, a taxpayer can claim deductions for VHIS premiums paid up to \$8,000 per insured person for insurance policies procured for the benefit of the taxpayer and all specified relatives, which cover the taxpayer's spouse and children, and the taxpayer's or his/her spouse's grandparents, parents and siblings.

"Compared with many existing indemnity hospital insurance products, Certified Plans under the VHIS are more attractive in a number of ways, such as guaranteed renewal until the insured reaches the age of 100, premium adjustment not being based on changes in the health condition of that individual insured, no "lifetime benefit limit", and coverage extended to include unknown pre-existing conditions and ambulatory procedures including endoscopy.

"We encourage the public to purchase Certified Plans under the VHIS, so that they may choose to use private healthcare services when in need, thereby alleviating the long-term pressure on the public healthcare system," Professor Chan said.

The VHIS Office of the Food and Health Bureau has already been established in early October 2018. With the passage of the Bill, the VHIS Office will invite insurers to participate in the VHIS and submit products for certification. The first batch of Certified Plans are expected to be approved in early 2019. Taxpayers who pay the premium for the Certified Plans on or after April 1, 2019, will be eligible for tax deduction.

For further information on the VHIS, please visit the dedicated website (www.vhis.gov.hk).

[Residential mortgage loans in negative equity September quarter 2018](#)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority announced today (October 31) the results of its latest survey on residential mortgage loans (RMLs) in negative equity.

Surveyed authorised institutions did not report any RMLs in negative equity at end-September 2018.

It is important to note that the figures derived from this survey relate only to RMLs provided by authorised institutions on the basis of first mortgages and which the reporting institution knows to be in negative equity (i.e. the outstanding loan amount with the reporting institution exceeds the current market value of the mortgaged property). Not included in these figures are RMLs associated with co-financing schemes which would be in negative equity if the second mortgages were taken into account. The extent to which such RMLs are in negative equity is not known because authorised institutions do not maintain records on the outstanding balances of the second mortgages.

The mortgage portfolios of the surveyed authorised institutions represent about 99 per cent of the industry total. The survey results have been extrapolated to estimate the position of the banking sector as a whole.

[Residential mortgage survey results for September 2018](#)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced the results of the residential mortgage survey for September 2018.

The number of mortgage applications in September decreased month-on-month by 55.6% to 7 977.

Mortgage loans approved in September decreased by 33.8% compared with August to HK\$31.6 billion. Among these, mortgage loans financing primary market transactions decreased by 34% to HK\$6.2 billion and those financing secondary market transactions decreased by 43.6% to HK\$11.8 billion. Mortgage

loans for refinancing decreased by 21.9% to HK\$13.6 billion.

Mortgage loans drawn down during September increased by 2% compared with August to HK\$32.9 billion.

The ratio of new mortgage loans priced with reference to HIBOR decreased from 93.5% in August to 83.2% in September. The ratio of new mortgage loans priced with reference to best lending rates increased from 4.6% in August to 15.1% in September.

The outstanding value of mortgage loans increased month-on-month by 1% to HK\$1,289.4 billion at end-September.

The mortgage delinquency ratio remained unchanged at 0.02% and the rescheduled loan ratio remained unchanged at nearly 0%.

[ArtSnap mini-festival within New Vision Arts Festival to be staged in November at Kwai Tsing Theatre \(with photos\)](#)

The New Vision Arts Festival (NVAF) will this Thursday (November 1) launch its mini-festival ArtSnap, hosting an array of interesting events at different corners of the Kwai Tsing Theatre and its vicinity.

ArtSnap is an innovative festival with an experimental spirit, from ideas and techniques to formats. Most of the shows in ArtSnap are creative works performed by local young and budding artists, giving audiences an opportunity to watch these improvisational interactive micro-programmes in addition to the large-scale stage shows in the NVAF.

ArtSnap programmes include:

- "LightSpace", a work featuring tungsten light bulbs presented by British lighting designer Michael Hulls (November 1 to 4);
- "Sound Walk – Sounds Telling Futures" (November 3, 4, 10 and 11) and "Sound Scoop – Here, Hear, Hong Kong" (November 1 to 14), by the production team Soundpocket, exploring the environment with participants through pre-recorded stories and sound clips;
- "The Modern-day Flavours of Nanyin and Naamyam", a synthesised jam session of traditional sounds presented by experimental musician Dickson Dee and Quanzhou nanyin performer Cai Yayi (November 2 and 3);

- "Forecasting", by Premier Stratagème from France, featuring a performer blending herself into imagery on a notebook computer (November 3 to 4);
- "How I learned to do BAD drifting", a mobile theatre work exploring the Kwai Tsing vicinity with a smartphone app presented by HerStory Polygon (November 3 and 4);
- "Mad Man (Irregular Version)", by Théâtre de la Feuille, using physical theatre to re-present Chinese writer Lu Xun's "The Diary of a Mad Man" (November 4);
- "Queen Zomia", by avant-garde artist Royce Ng, using holographic images captured within a transparent glass triangle and dream-like dialogues to visualise the life of warlord and opium trafficker Olive Yang (November 9 to 11);
- "1314", an out-of-the-box concert by pianist KaJeng Wong, exploring the meaning of existence with his music (November 10 and 11);
- "The Lighter Side of Street Hip Hop", a dance performance performed by Laotian-French choreographer-dancer Olé Khamchanla and six dancers from local dance group the Autistic Genius (November 10 and 11);
- "When I Grow Up ...", by young choreographer Victor Fung, inviting audiences to make friends through dance (November 10 and 11); and
- "Overlord", an innovative musical theatre work presented by the Shanghai Chinese Orchestra featuring pipa artist Yu Bing which is a collaboration between the NVAF and the China Shanghai International Arts Festival – Rising Artist's Work (November 13 and 14).

ArtSnap tickets are now available at URBTIX (www.urbtix.hk). For credit card telephone bookings, please call 2111 5999.

Organised by the Leisure and Cultural Services Department, the NVAF is celebrating its ninth edition this year and is being held from October 19 to November 18. For programme enquiries and concessionary schemes, please call 2370 1044 or visit www.newvisionfestival.gov.hk.





Financial results for the six months ended September 30, 2018

The Government announced today (October 31) its financial results for the six months ended September 30, 2018.

Expenditure for the period April to September 2018 amounted to HK\$251.1 billion and revenue HK\$175.8 billion, resulting in a cumulative year-to-date deficit of HK\$75.3 billion.

A government spokesperson said that the cumulative year-to-date deficit for the period was mainly due to the fact that some major types of revenue, including salaries and profits taxes, are mostly received towards the end of a financial year.

The fiscal reserves stood at HK\$1,027.6 billion as at September 30, 2018.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended September 30, 2018 HK\$ million	Six months ended September 30, 2018 HK\$ million
Revenue	31,006.8	175,750.5

Expenditure	(40,310.9)	(251,082.5)
Deficit	(9,304.1)	(75,332.0)
Financing		
Domestic		
Banking Sector (Note 2)	9,425.0	72,871.5
Non-Banking Sector	(120.9)	2,460.5
External	–	–
Total	9,304.1	75,332.0

Government Debts as at September 30, 2018 (Note 3)

HK\$1,500 million

Debts Guaranteed by Government as at September 30, 2018 (Note 4)

HK\$24,064.9 million

TABLE 2. FISCAL RESERVES

	Month ended September 30, 2018 HK\$ million	Six months ended September 30, 2018 HK\$ million
Fiscal Reserves at start of period	1,036,905.8	1,102,933.7
Consolidated Deficit	(9,304.1)	(75,332.0)
Fiscal Reserves at end of period (Note 5)	1,027,601.7	1,027,601.7

Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as at September 30, 2018 was HK\$134,936 million.

2. Includes transactions with the Exchange Fund and resident banks.

3. These were the outstanding institutional notes as at September 30, 2018, which were denominated in Hong Kong dollars with maturity in July 2019. They

do not include the outstanding bonds with nominal value of HK\$96,406 million and alternative bonds with nominal value of US\$3,000 million (equivalent to HK\$23,487 million as at September 30, 2018) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value of HK\$5,806 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$26,083 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,829 million as at September 30, 2018) will mature within the period from October 2018 to September 2019 and the rest within the period from October 2019 to March 2032.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the Special Concessionary Measures under the SME Financing Guarantee Scheme launched in 2012, and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$219,730 million being the balance of the Land Fund held in the name of "Future Fund" as from January 1, 2016, for long-term investments initially up to December 31, 2025. As from July 1, 2016, the Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.