

LCQ10: Proof of identity as journalists

Following is a question by the Hon Wong Ting-kwong and a written reply by the Secretary for Home Affairs, Mr Lau Kong-wah, in the Legislative Council today (December 4):

Question:

At present, there is no official organisation in Hong Kong responsible for issuing press cards. According to the constitution of the Hong Kong Journalists Association (HKJA), its membership is classified into six categories, among which only full members may be issued with press cards. It has been reported that during a number of public meetings and processions held since June this year, some demonstrators at the scene disguised themselves as journalists by wearing self-made press cards in order to conceal their identity. In this connection, will the Government inform this Council:

- (1) of the respective numbers of persons arrested, prosecuted and convicted since June this year for using forged press cards; the punishments imposed on those convicted;
- (2) as some police officers have indicated that they find it difficult to distinguish between the different types of membership cards and press cards issued by HKJA and to judge the authenticity of such cards, of the measures put in place by the Government to assist police officers in verifying whether the cardholders are journalists during law enforcement; and
- (3) given that HKJA is only a trade union registered under the Trade Unions Ordinance (Cap. 332) rather than a professional body vested with statutory powers to regulate its members, and that HKJA and the various news organisations issue press cards on their own, making it difficult for people to ascertain if the cardholders are journalists, whether the Government will set up a statutory body responsible for issuing official press cards; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Security Bureau and the Constitutional and Mainland Affairs Bureau, I provide a consolidated reply to the Hon Wong Ting-kwong's question as follows:

- (1) In August this year, the Police received a report from the Hong Kong Journalists Association about a suspected forged press card found at the protest scene. In addition, when handling recent protests, the Police found that some people dressed as journalists left the protest scene after being

enquired by the Police's Media Liaison Team, or engaged in acts inconsistent with the reporting work of professional journalists, which include obstructing the Police's arrest operations. This raised doubts about the authenticity of their identity as journalists. The Police do not maintain the detailed figures requested in the question. The Police would like to remind the public that anyone who produces, holds or uses a forged press card may commit forgery-related offences and is liable to a maximum penalty of imprisonment for 14 years.

(2) The Police respect press freedom and the media's right to reporting. While the Police will make every effort to facilitate media reporting as far as circumstances permit during operations, it is their statutory duty to ensure public safety and public order. Both the press and the Police have their respective responsibilities. Mutual understanding and co-operation would be conducive to the work of both sides.

Hong Kong does not have any official organisation responsible for issuing press identification. As stated in the question, according to the constitution of the Hong Kong Journalists Association, only full members may be issued with press cards. For the Police, relevant guidelines have been formulated for officers to identify and verify the identity of media practitioners during public order events or other police operations by proof of identity or documents issued by media organisations or associations. When covering public order events, media practitioners should bring along proof of identity of reporters or testimonials issued by their companies and may wear easily recognisable clothing and armbands for easy identification by police officers at the scene.

We believe that real professional journalists will not engage in illegal acts while reporting. We also hope that journalists would identify the people around them to discern whether they are really reporting. This could help prevent people, disguised as journalists, from engaging in acts with ulterior motives. If anyone comes across suspected fake journalists, they may inform the Police's Media Liaison Team for follow-up, which include checking the work passes issued to these journalists by their organisations and asking them to leave the front-line reporting area.

(3) Press freedom is Hong Kong's core value protected by the Basic Law and is the fundamental right enjoyed by the people of Hong Kong. The Government is firmly committed to safeguarding and respecting press freedom, and providing a suitable environment in which the media industry could exert its function as the fourth estate.

As to the suggestion of establishing an official organisation responsible for issuing press identification, the Chief Executive already responded at the media session on October 19, 2019. Respecting the freedom of press, the Government has no intention or plan to establish an official organisation to issue press identification.

The Government, as always, will continue to safeguard press freedom, facilitate media reporting and uphold the core value of Hong Kong.

LCQ17: Assisting first-time home buyers

Following is a question by the Hon Paul Tse and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (December 4):

Question:

The Chief Executive has indicated in this year's Policy Address that, in order to assist first-time home buyers, the Government would immediately raise the caps on the value of the properties under the Mortgage Insurance Programme of the HKMC Insurance Limited. The maximum value of properties, eligible for insurance coverage for mortgage loans with 90 per cent loan-to-value ratio borrowed by first-time home buyers, was raised from \$4 million to \$8 million. On the other hand, it is learnt that a professional investor, who is also a member of a committee under the Securities and Futures Commission (SFC), has called for the abolition of the MPF system given his projection that one-third of the returns from the Mandatory Provident Fund (MPF) accounts of members of the public will go into the pockets of fund managers. On assisting first-time home buyers, will the Government inform this Council:

(1) as some members of the property agency trade have pointed out that following the implementation of the aforesaid measure, property prices have rebounded, ending a four-month downward trend, with the transaction prices of some properties even rising by almost 20 per cent, whether the Government has assessed if the aforesaid measure has created the effect that first-time home buyers have to pay more for down payments and mortgage payments; if it has assessed and the outcome is in the affirmative, whether it will consider, through other policies, assisting first-time home buyers in making good use of their personal assets to meet the relevant expenses;

(2) as quite a number of members of the public have indicated that they are unable to purchase their own homes as they cannot afford the substantial down payments to the tune of several hundred thousand dollars, whether the Government will, from the perspectives of protecting the MPF accumulated contributions of members of the public from being nibbled away by fund managers, allowing members of the public to make good use of their personal assets, and alleviating the pressure to be borne by members of the public in purchasing their first homes, consider afresh my suggestion of allowing first-time home buyers to use their MPF accumulated contributions to pay for down payments and the relevant expenses; if not, of the reasons for that;

(3) whether it has studied if the pressing housing problem can be effectively alleviated by allowing first-time home buyers to use their MPF accumulated contributions for home purchases; if it has studied and the outcome is in the

affirmative, of the details; if it has not, whether it will conduct such a study and seek the views of the public; and

(4) having regard to the comments that the practice of the Government in compelling members of the public to make MPF contributions for decades, in the clear knowledge that they are being exploited by fund managers, is tantamount to forcing members of the public to "accept discounted salary payments each month" and to "keep making contributions which have no prospect of recovery of losses", which has not only undermined the ability of members of the public in purchasing their first homes, but also resulted in the continuous accumulation of public grievances and public anger, thereby eroding the public's confidence in the Government's implementation of policies, and the former Central Policy Unit even anticipated that a governance crisis similar to "Occupy Central by the elderly" may emerge as a result, whether the Government will seriously review the views and suggestions put forward by members of the public and the aforesaid SFC member by exploring every possible means to compensate members of the public for the MPF accumulated contributions that have been nibbled away by fund managers, or examining the abolition of the MPF system directly?

Reply:

President,

Having consulted the Transport and Housing Bureau, my reply to the various parts of the question is as follows:

(1) The latest amendments to the Mortgage Insurance Programme (MIP) aim at providing more commensurate support to first-time homebuyers, or people wishing to upgrade their homes, who have sufficient repayment abilities but cannot afford the down payment. While the applicable property value caps of the MIP have been adjusted, borrowers are still required to meet a host of specific eligibility criteria for the MIP applications, including meeting a 50 per cent debt-to-income ratio and paying extra premium for risk mitigation purpose. For applicants with mortgage loans exceeding a loan-to-value ratio of 80 per cent, the HKMC Insurance Limited (HKMCI) has imposed additional eligibility criteria, including that borrowers must be first-time homebuyers and regularly salaried.

Fluctuations in the property market are affected by many factors. The Government has time and again reminded potential homebuyers to carefully consider their needs and repayment ability before making a decision on buying a property. The HKMCI will closely monitor the property market condition and evaluate the effectiveness of the MIP in due course.

In assisting home purchase by the public, the Government has spared no effort in increasing public housing supply and building a housing ladder. Aside from launching the Home Ownership Scheme, Green Form Subsidised Home Ownership Scheme and White Form Secondary Market Scheme, etc. to meet the home ownership aspirations of the community (including first-time homebuyers), the Government has also launched the Starter Homes (SH) pilot

project targetting Hong Kong residents with higher income who have never owned any residential property in Hong Kong. The first SH pilot project was launched last year and received positive response in the community. In view of this, it was announced in the "The Chief Executive's 2019 Policy Address" that the Government would put up a site on Anderson Road in Kwun Tong for sale in the first quarter of 2020 for the second SH pilot project. In addition to building private housing units, the developer will be required under land sale conditions to offer approximately 1 000 SH units for sale at below-market prices to eligible applicants specified by the Government.

(2) and (3) The objective of the Mandatory Provident Fund (MPF) System is to require the working population to save part of their income for meeting basic retirement needs in the future. Therefore, MPF accrued benefits should be kept in the System as far as possible and should only be withdrawn to meet retirement needs.

Regarding the suggestion to allow withdrawal of MPF for the purpose of home purchase, there have been diverse views in the community, including quite a number of objections and reservations. The Mandatory Provident Fund Schemes Authority (MPFA) has reviewed relevant arrangements in other jurisdictions. Compared with other places, the MPF contribution rate is relatively low in Hong Kong. The low MPF contribution rate is intended to allow flexibility for scheme members to freely use their remaining income to meet their other needs. Allowing scheme members to withdraw MPF for home purchase will greatly reduce the MPF protection available to them upon retirement. The objective of the MPF is to accumulate wealth through long-term and regular mandatory investments with the benefit of cost averaging. As a matter of fact, as at December 2018, the average accrued benefits of MPF members was only \$186,000. Therefore, the actual effect of early withdrawal of part of their accrued benefits for helping home purchase is limited. Furthermore, the risk of investing in real estate is much higher than that of MPF funds. If the accrued benefits are used as a lump sum for down payment, when property price drops and property owners become unable to repay their mortgages, scheme members will lose their retirement savings or even run into more debts, which goes against the original objective of the MPF System.

(4) The MPF System has been in place for almost 19 years since its inception on December 1, 2000. Its operation has become more mature and its assets have grown continuously. As at September 2019, total MPF accumulated assets for scheme members amounted to \$905 billion. Investment returns accounted for \$237.1 billion, net of fees and expenses, or over one-fourth of the total MPF assets. The annualised rate of return since the inception of the MPF System is 3.6 per cent, exceeding the corresponding inflation rate of 1.9 per cent over the same period. Over the years, the MPFA has initiated different measures to drive down MPF fees. The Fund Expense Ratio of MPF funds has dropped from 2.1 per cent in December 2007 to the current rate of 1.5 per cent, representing a reduction of almost 30 per cent.

Apparently, the MPF as a retirement savings channel for the general public has its merits. The Government will work with the MPFA to continuously refine and enhance the MPF System, such as through the establishment of an eMPF Platform and the review of the fee cap of the Default Investment

Strategy. We will continue to improve the operating efficiency of MPF schemes and lower fee levels for the benefit of scheme members.

EDB to launch new round of E-APP applications tomorrow

The Education Bureau (EDB) will launch a new round of applications under the Electronic Advance Application System for Post-secondary Programmes (E-APP) (www.eapp.gov.hk) tomorrow (December 5) to enable current Hong Kong Diploma of Secondary Education (HKDSE) Examination candidates to make advance applications for full-time locally accredited sub-degree and undergraduate programmes that are not covered under the Joint University Programmes Admissions System (JUPAS) for the 2020/21 academic year (including sub-degree programmes under the Study Subsidy Scheme for Designated Professions/Sectors and most of the eligible programmes under the Non-means-tested Subsidy Scheme for Self-financing Undergraduate Studies in Hong Kong). More than 30 post-secondary institutions and their subsidiaries will take part in the new round of the E-APP.

The E-APP is a free electronic application platform. Applicants may complete one application via the E-APP to apply for most post-secondary programmes that are not covered under the JUPAS. Relevant institutions will process applications from the E-APP as early as possible and may give eligible candidates conditional offers before the announcement of HKDSE Examination results.

The main round of E-APP applications will run from tomorrow until May 15, 2020, and the second round of applications will last from May 22 to June 30, 2020. In general, institutions will first process applications received in the main round.

"Before applying via the E-APP, students may browse the Concourse for Self-financing Post-secondary Education website (www.cspe.edu.hk), which provides information on post-secondary institutions and details of about 450 full-time locally accredited higher diploma, associate degree and undergraduate programmes that are not covered under the JUPAS for the 2020/21 academic year, including their tuition fees, entry requirements, and accreditation and recognition by relevant professional bodies. Institutions' estimated numbers of intake places, their application and admission arrangements for the 2020/21 academic year as well as their past admission scores and graduate statistics will also be uploaded onto the Concourse," a spokesperson for the EDB said.

The Concourse will also provide information on full-time University Grants Committee-funded undergraduate programmes offering senior year places, and self-financing top-up degree programmes in the 2020/21 academic year, so

as to help graduates and students of sub-degree programmes plan their further studies.

LCQ14: Mortgage Insurance Programme

Following is a question by the Hon Chan Chun-ying and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (December 4):

Question:

In the Policy Address delivered on October 16 this year, the Chief Executive indicated that in order to assist first-time home buyers, the Government would immediately raise the caps on the value of the properties under the Mortgage Insurance Programme of the HKMC Insurance Limited. The maximum value of properties, eligible for insurance coverage for mortgage loans with 90 per cent loan-to-value (LTV) ratio borrowed by first-time home buyers, was raised from \$4 million to \$8 million, and the maximum value of properties, eligible for insurance coverage for mortgage loans with 80 per cent LTV ratio, was raised from \$6 million to \$10 million. In this connection, will the Government inform this Council:

(1) whether it has estimated the number of first-time home buyers who may benefit from the aforesaid measure; if so, of the details; if not, the reasons for that;

(2) given that following the implementation of the aforesaid measure, quite a number of owners of residential properties with original price tags between \$5 million and \$10 million have immediately "withdrawn putting up their flats for sale" or raised the price tags, whether the Government, prior to announcing the measure, foresaw such situations; if so, of the details; if not, the reasons for that; and

(3) as some academics have pointed out that while the aforesaid measure enable the acquisition of flats by certain people who originally did not have adequate financial ability to do so, such people will become property owners in negative equity in the event that the property market takes a downturn that causes a drop in the values of their properties by 10 per cent or more, whether the Government has assessed the moral hazards of implementing the measure; if so, of the details; if not, the reasons for that?

Reply:

President,

My reply to the various parts of the question is as follows:

(1) The latest amendments to the Mortgage Insurance Programme (MIP) aim at providing more commensurate support to first-time homebuyers, or people wishing to upgrade their homes, who have sufficient repayment abilities but cannot afford the down payment. From October 17 to November 22 this year, around 1 300 applications, of which over 90 per cent were first time homebuyers, have been approved by the HKMC Insurance Limited (HKMCI).

(2) and (3) While the applicable property value caps of the MIP have been adjusted, borrowers are still required to meet a host of specific eligibility criteria for the MIP applications, including meeting a 50 per cent debt-to-income ratio and paying extra premium for risk mitigation purpose. For applicants with mortgage loans exceeding a loan-to-value ratio of 80 per cent, the HKMCI has imposed additional eligibility criteria, including that borrowers must be first-time homebuyers and regularly salaried.

Fluctuations in the property market are affected by many factors. The HKMCI will closely monitor the property market condition and evaluate the effectiveness of the MIP in due course. The Government has time and again reminded the public that home purchase is an important investment in a lifetime. Potential homebuyers should carefully consider their needs and repayment ability. Before making a decision on buying a property, members of the public are reminded to conduct prudent analysis, act in accordance with one's capacity and beware of various potential risks.

[Speech by FS at Joint Opening of SmartBiz Expo and Asian E-tailing Summit \(English only\) \(with photos\)](#)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Joint Opening of SmartBiz Expo and Asian E-tailing Summit (December 4):

Margaret (Executive Director of the Hong Kong Trade Development Council, Ms Margaret Fong), distinguished guests, ladies and gentlemen,

Good morning.

I'm delighted to join you, once again, for the Joint Opening of SmartBiz Expo and Asian E-tailing Summit.

This is the third year we are here to welcome a world of smart business. At the E-Tailing Summit, professionals network with online retail experts and enjoy the latest sourcing trends and market intelligence, including best e-

tailing practices.

For SmartBiz Expo buyers and sellers, the three-day trade fair is like Christmas came early. Its five thematic zones showcase just about everything a business could want for the new year. The Tech Zone, for example, features the latest business-transforming technology, while the Boosters spotlights both innovative products and services to help SMEs boost their smart-commerce competitiveness.

The Expo also puts a welcome spotlight on the two major national priorities: the Belt and Road Initiative and the Greater Bay Area development. This offers far-reaching opportunities to your business.

Hong Kong remains favourably positioned to develop e-commerce, and to serve as the region's e-commerce hub. We are blessed with world-class information and communications technology infrastructure. Our household broadband penetration rate is about 93 per cent, while our mobile penetration rate has reached a remarkable 280 per cent.

And we're committed to helping Hong Kong business, particularly SMEs, take full advantage of the digital transformation sweeping the world.

Our Technology Voucher Programme, for example, helps SMEs procure technological services and solutions to improve their productivity, transform their practices and enhance their online business, while upgrading cyber-security measures.

We're also dedicated to getting the money into your hands, faster and more efficiently. Last year, the Hong Kong Monetary Authority launched the Faster Payment System, enabling individuals and businesses to transfer funds instantly, seven days a week, 24 hours a day. The System has now recorded more than 3.6 million registrations. Transaction volume has also jumped by nearly 10 per cent every month, with the average number of daily transactions exceeding 150 000 with a total amount of around \$2.2 billion a day. The Hong Kong SAR Government now accepts payments of taxes, rates and water charges through the Faster Payment System.

At the same time, we established a common QR code. This standard is to help promote mobile retail payments, while providing a consistent user experience for merchants and consumers.

We're also working to create a smart city, focusing on the more than 70 measures recommended in the Smart City Blueprint for Hong Kong. Together with our pro-innovation government procurement policy, this should expand opportunities for local SMEs and start-ups.

There's much more in the smart works. For the moment, however, there's nothing more important than healing the divide in our society. Let me assure you, we are working hard to respond to the dissension. Through continuing dialogues, active communication, community initiatives and other means, we are hopeful of moving ahead, in harmony, in peace and in good faith.

My thanks to the Hong Kong Trade Development Council for organising the Asian E-tailing Summit and SmartBiz Expo for the third year in a row.

Ladies and gentlemen, I am grateful for your presence here today. I wish you the best of business this week and a smart and rewarding year ahead.

Thank you very much for having me.

