

# **BFAC appreciates Government's efforts in launching further relief measures to support enterprises, employees and the public**

The following is issued on behalf of the Business Facilitation Advisory Committee Secretariat:

The Business Facilitation Advisory Committee held its 42nd meeting today (May 12). At the meeting, members received briefings on three major relief measures under the second round of the Anti-epidemic Fund, namely the Employment Support Scheme (ESS) of the Labour and Welfare Bureau, further enhancements to the SME Financing Guarantee Scheme (SFGS) of the Commerce and Economic Development Bureau (CEDB), and the Catering Business (Social Distancing) Subsidy Scheme (CBSS) of the Food and Environmental Hygiene Department (FEHD).

The Secretary for Labour and Welfare, Dr Law Chi-kwong, briefed members on the ESS which will be launched soon. The ESS, with a total commitment of \$81 billion under the second round of the Anti-epidemic Fund, aims to provide time-limited financial support to employers to retain their employees who will otherwise be made redundant due to the downturn in business. Except for organisations with employees' salaries not affected by the epidemic (including the Hong Kong Special Administrative Region Government, statutory bodies and subvented staff in government-funded organisations), all employers who have been making Mandatory Provident Fund (MPF) contributions or have set up Occupational Retirement Schemes will be eligible for the ESS. Employers joining the ESS are required to provide an undertaking not to implement redundancies during the subsidy period and to spend all wage subsidies from the Government in paying wages to their employees. The ESS is expected to benefit about 270 000 employers who have been making MPF contributions or have set up Occupational Retirement Schemes for over 1.77 million employees, and about 215 000 self-employed persons.

At the meeting, the CEDB and the HKMC Insurance Limited briefed members on a concessionary low-interest loan with 100 per cent Government guarantee and various enhancements under the SFGS to help ease the cash flow problem of Hong Kong enterprises which have been severely affected. For the Special 100 per cent Guarantee Product, the total guarantee commitment has increased from \$20 billion to \$50 billion while the maximum loan amount per enterprise has increased from \$2 million to \$4 million. Moreover, the application period has been extended from six months to 12 months, and the option for the principal moratorium is provided for the first 12 months instead of the first six months. The Special 100 per cent Guarantee Product started receiving applications from April 20, 2020.

The FEHD also briefed members on the CBSS. The scheme provides subsidies ranging from \$250,000 to \$2,200,000 to eligible licence holders of general restaurants, light refreshment restaurants, marine restaurants and factory canteens in operation according to the licensed area of the premises as specified in the licence. Not less than 80 per cent of the subsidy should be used to support the payment of salaries of employees working in the licensed premises from May to October. Moreover, under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), each eligible catering outlet directed to close the whole of its licensed premises under the Regulation, including karaoke establishments, nightclubs and bars or pubs, is eligible for a further one-off subsidy of \$50,000. This subsidy scheme is open for application from May 5 to June 5, 2020. It is estimated that the Scheme will benefit about 16 000 catering outlets and their employees.

The Committee expressed appreciation of the efforts made by the Government in launching further relief measures to support enterprises, employees and the public. The Chairman of the BFAC, Mr Wong Ting-kwong, believed that the relief measures could help businesses stay afloat, keep workers in employment and relieve their financial burden under the COVID-19 epidemic. He hoped that the measures could provide help to enterprises and various trades as soon as possible to tide them over this difficult time. He also hoped that the economy of Hong Kong could recover very soon.

The Committee also noted that 145 new business facilitation measures have been developed in 2019-20 under the "Be the Smart Regulator" Programme to reduce compliance costs to trades and further improve the regulatory environment for business. Among them, 107 measures have been completed in 2019-20. These completed measures have been published on the Business Facilitation Initiatives website for viewing by the business community and the public. The Committee expressed appreciation of the commitment and achievements of the bureaux and departments in further enhancing their business licensing services under the "Be the Smart Regulator" Programme.

Papers for the Committee meeting are available at [www.gov.hk/en/business/supportenterprises/bf/advisory/index.htm](http://www.gov.hk/en/business/supportenterprises/bf/advisory/index.htm) for public access.