

BFAC appreciates Innovation and Technology Commission's contribution to innovation and technology upgrading in industrial and commercial sectors

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

The Business Facilitation Advisory Committee held its 54th meeting today (June 12). At the meeting, members were briefed by the Innovation and Technology Commission (ITC) on the New Industrialisation Acceleration Scheme (NIAS) to be launched under the Innovation and Technology Fund (ITF) and the latest progress of various enterprise-oriented funding schemes.

The NIAS will provide funding support to enterprises from industries of strategic importance (i.e. life and health technology, artificial intelligence and data science, advanced manufacturing and new energy technologies) which set up new smart production facilities in Hong Kong with an investment of not lower than \$200 million on a one (Government) to two (Company) matching basis, subject to a funding ceiling of \$200 million. Furthermore, the NIAS will provide additional financial incentives for NIAS enterprises to engage research talent, and facilitate them in employing non-local technical personnel required for setting up or operating new production facilities in Hong Kong. The ITC aims to attract 50 to 100 enterprises to set up new production facilities in Hong Kong with a corresponding direct investment of no less than \$20 billion from these enterprises under the NIAS starting from 2024-25 over a period of five to eight years.

At present, there are 18 funding schemes under the ITF, supporting five innovation and technology (I&T) areas, namely supporting research and development, facilitating technology adoption, nurturing I&T talent, supporting technology start-ups, and fostering an I&T culture. The ITC briefed members on the latest progress of 11 enterprise-oriented funding schemes (e.g. the Enterprise Support Scheme, the New Industrialisation Funding Scheme, the Research Talent Hub, the Research, Academic and Industry Sectors One-plus Scheme, and the Patent Application Grant).

The Committee appreciated the ITC's effective use of the ITF to help upgrade the I&T standard of the industrial and commercial sectors, and its committed efforts in supporting enterprises in moving towards smart production and promoting the development of downstream industries in Hong Kong.

The Committee also received the work reports of its three task forces:

Wholesale and Retail Task Force (WRTF)

- The Fire Services Department (FSD) briefed the WRTF on the key amendments to the Dangerous Goods Ordinance, Cap. 295 (DGO) and e-services for dangerous goods (DG) related applications. Salient points of the legal amendments covered classification, packing, marking and labelling requirements of DG, categorisation of different types of Exempt Quantity, introduction of DG in Consumer Packs, issue of "The Code of Practice for Control of Dangerous Goods on Land" to the trades, etc. The FSD has actively launched and promoted the use of e-services among enterprises and citizens for the development of "Smart Government". The WRTF welcomed the briefing by the FSD on the key amendments to the DGO and its e-services.
- The Department of Health (DH) briefed the WRTF on the new mechanism ("1+" mechanism) for the registration of new drugs in treating life-threatening or severely debilitating diseases in Hong Kong and the updates on the measure of using Hong Kong registered drugs and medical devices used in Hong Kong public hospitals in Guangdong-Hong Kong-Macao Greater Bay Area (GBA) (the Measure). Under the "1+" mechanism, applications for registration of new drugs that are supported with local clinical data and recognised scope of application by local experts are required to submit approval evidence from the drug regulatory authority of one reference country (instead of two). Furthermore, as a facilitation measure for Hong Kong residents working and living in the GBA to seek healthcare services, the Measure allows designated healthcare institutions operating in the GBA to use Hong Kong-registered drugs and medical devices used in Hong Kong public hospitals with urgent clinical use, subject to the approval of the People's Government of Guangdong Province. The WRTF welcomed the "1+" mechanism, and considered the mechanism would enable Hong Kong to be more proactive in expediting the approval of applications for registration of new drugs for life-threatening or severely debilitating diseases and would also strengthen Hong Kong's capacity of drug evaluation.
- Pursuant to the announcement in the 2024-25 Budget, the Government will set up a Digital Corporate Identity (CorpID) Platform to enable the authentication of identity and verification of signatures for enterprises using electronic government services or conducting online business transactions in a secure, convenient and efficient manner without having to go through complicated procedures, thus saving time and reducing the risk of human error. The Office of the Government Chief Information Officer (OGCIO) briefed the WRTF on this Platform and collected their views. According to the OGCIO's plan, the Platform will be launched progressively from end-2026. The WRTF welcomed the CorpID Platform and expressed concerns regarding the user-friendliness, digital security and promotion of the Platform. The OGCIO acknowledged members' concerns and will continue to solicit suggestions and opinions from the industry on the Platform through different channels during the implementation process.

Food Business and Related Services Task Force (FRSTF)

- The Food and Environmental Hygiene Department (FEHD) briefed the FRSTF on several food business facilitation measures. These include introducing a Composite Permit covering multiple restricted food items, reducing the reminders issued for compliance with licensing requirements by letter or

email, new licence fee payment arrangements for temporary food factory licences and exploring the extension of the full licence validity period. The FRSTF welcomed the above new measures, and suggested the FEHD provide flexibility to the trades in selecting licensing period when extending the licence validity period.

- The FEHD briefed the FRSTF on the proposed inclusion of a licensing condition requiring food business operators to provide consumer advice on the consumption of oysters to be eaten raw (raw oysters). The FRSTF raised strong objection to the proposal, queried the effectiveness of the measure and expressed concern about the impact on the catering business.
- The OGCI0 briefed the FRSTF on the CorpID Platform to be implemented. The FRSTF welcomed the work on establishing the Platform, and suggested the OGCI0 consider the provision of management functions when designing the Platform for companies to ensure the proper use of CorpID by their employees in conducting e-business activities on behalf of the companies.

Task Force on Business Liaison Groups (BLGTF)

- The FSD briefed the BLGTF on the proposed implementation details of the Registered Fire Engineer (RFE) Scheme. Under the Scheme, RFEs will be allowed to provide fire risk assessment and certification services which are currently only provided by the FSD for applications of licences for specified premises. Legislative procedures for the implementation of the Scheme are in progress.
- The FSD briefed the BLGTF on the enhanced e-services, which aim to cover the entire application process from e-submission, e-payment, to the issuance of licences/certificates in electronic form. Facilitation arrangements have also been made to allow applications made in the capacity of a company to upload an image of their company chop as proof of identity in lieu of a digital signature in the e-submission. The BLGTF thanked the FSD for the briefings and their efforts in introducing business facilitation measures.
- The OGCI0 briefed the BLGTF on the CorpID Platform to be implemented. The BLGTF welcomed the above Platform and suggested that when designing and implementing the Platform, the OGCI0 should note that the majority of companies in Hong Kong are small and medium enterprises which may not be proficient in mastering the use of information technology in their business operations.

The Committee also expressed appreciation of the commitment and achievements of the bureaux and departments in continuously implementing the business facilitation measures under the Be the Smart Regulator Programme to enhance their business licensing services.