

LCQ9: Relief measures

Following is a question by the Hon Kenneth Leung and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 27):

Question:

In February and April this year, the Government injected \$30 billion and \$137.5 billion respectively into the Anti-epidemic Fund for launching two rounds of relief measures. However, quite a number of members of the public, including professionals, whose livelihood has been hit by the Coronavirus Disease 2019 epidemic, have indicated that they have not benefited from the relief measures. In this connection, will the Government inform this Council:

- (1) whether it has assessed the impacts of the epidemic on the accounting profession; if so, of the details; if not, the reasons for that;
- (2) of the reasons why no targeted measures are in place in the two rounds of relief measures to provide assistance for the business operators and practitioners of the accounting profession; and
- (3) whether it has plans to launch a new round of relief measures to provide targeted assistance for those members of the public who have been hit by the epidemic but have not benefited from the first two rounds of relief measures; if so, of the details; if not, the reasons for that?

Reply:

President,

The response to Member's question is as follows:

(1) The Government has been maintaining close liaison with the Hong Kong Institute of Certified Public Accountants and members of the profession in order to assess the impact of the coronavirus disease 2019 (COVID-19) pandemic on the accountancy sector, and introduced targeted measures to provide the sector with the appropriate support over the past few months:

(a) Due to health and safety concern, coupled with travel restrictions, some accounting firms encountered difficulty in conducting audit work for Hong Kong listed companies with Mainland operations. As a result these listed companies might not be able to meet the deadline specified in the listing rules for publishing their results announcements agreed by auditors, which could lead to suspension of trading in their shares. In view of the practical difficulty and pressure faced by the listed companies concerned in fulfilling their financial reporting obligations, the Securities and Futures Commission and the Stock Exchange of Hong Kong Limited issued guidance in February and March 2020 respectively. Listed companies with financial year ending on

December 31, which because of the pandemic were unable to publish their preliminary results announcements agreed by auditors on or before March 31, 2020 as originally required, were allowed continual trading in their shares by publishing preliminary results announcements without auditor's agreement or specified material financial information by the deadline. Subsequently, as the pandemic has continued, the relevant temporary measure also applies to listed companies with financial year ending on March 31, which are required to publish their preliminary results announcements with their auditors' agreement on or before June 30, 2020, so as to help allay the practical difficulty reflected to us by the sector.

(b) In order to facilitate members of the accountancy sector to travel to the Mainland to conduct backlogged audit work due to the pandemic for Hong Kong listed companies with Mainland operations, the Chief Secretary for Administration has designated, in accordance with section 4(1)(b) of the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C), that certified public accountants (practising) of registered practice units, who are required to travel to the Mainland to conduct audit work for Hong Kong listed companies with Mainland operations to assist those companies to fulfil their obligations under relevant Ordinances or other regulatory instruments, can be exempted from the compulsory quarantine arrangement. The Government will continue to provide the sector with timely assistance to tackle the impacts of the pandemic, having regard to factors such as the development of the pandemic in and outside Hong Kong, the need of the sector and the relevant public health risk, etc.

(2) and (3) In addition to the relief measures in the 2020-21 Budget costing \$120 billion, the Government has rolled out two rounds of Anti-epidemic Fund (AEF) measures, committing in total \$287.5 billion to tackle the unprecedented challenges caused by the pandemic. Apart from supporting the hard-hit sectors including aviation, tourism and others which have been directly affected by the Government's anti-epidemic measures, many other relief measures have comprehensive coverage to benefit the majority of citizens and enterprises (including the accountancy sector) for the goals of supporting enterprises, safeguarding jobs and at the same time paving the way for post-pandemic economic recovery.

Measures which benefit the accountancy sector include the Employment Support Scheme (ESS) totaling \$81 billion, the enhancement of the SME Financing Guarantee Scheme, the launch of the Distance Business Programme to support enterprises to continue business with technology adoption and related training, and the provision of matching grant for skills upgrading of staff in the public and private sectors, etc.

Accounting practitioners may also benefit from concessionary measures rolled out by the Government and a number of public organisations, including the \$10,000 cash payout to Hong Kong permanent residents aged 18 or above by the Government, deferrals of tax payments, support to the MTR Corporation to provide a fare discount, and relaxation of the Public Transport Fare Subsidy Scheme threshold. These measures, together with others introduced by the Airport Authority Hong Kong, the Hong Kong Monetary Authority and the

Insurance Authority, will support businesses and members of the public at large.

In formulating the specific plans under the two rounds of AEF and the Budget initiatives, the Government has strived to balance the interests of various sectors and the general public as far as possible. We hope that these measures can help address the imminent needs of the hard-hit enterprises and people. The Government will continue to closely monitor the pandemic and social situation, and consider further support measures as necessary.