

Labour Department highly concerned about fatal accident that happened in Tseung Kwan O yesterday

The Labour Department (LD) is highly concerned about a fatal accident that happened in a residential building in Tseung Kwan O yesterday afternoon (December 5), in which a male worker, while carrying out electrical work in the building, was suspected to have received an electric shock. He was certified dead later in the hospital. The LD is saddened by the death of the worker and expresses its deepest sympathy to his family.

The LD's spokesman said, "We commenced an immediate on-site investigation as soon as we were notified of the accident and issued suspension notices to the contractors concerned, suspending electrical work in the building. The contractors cannot resume the work process until the LD is satisfied that measures to abate the relevant risks have been taken."

The spokesman added, "We will complete the investigation as soon as possible to identify the cause of the accident, ascertain the liability of the duty holders and recommend improvement measures. We will take actions pursuant to the law if there is any violation of the work safety legislation."

The general duty provisions of the Occupational Safety and Health Ordinance require employers to provide safe working environments, plant and systems of work for their employees. Those who contravene the relevant provisions are liable to a maximum fine of \$10 million and imprisonment for two years on conviction on indictment; or \$3 million and imprisonment for six months on summary conviction.

In regard to yesterday's accident, the LD will issue a Work Safety Alert through its website and by email, giving a brief account of the accident concerned to duty holders, workers' unions, professional bodies of safety practitioners and others, and reminding the industry of the importance of following safety precautionary measures to prevent a recurrence of similar accidents.

The LD will also remind the employer concerned of the liability for employees' compensation under the Employees' Compensation Ordinance, assist family members of the deceased to claim employees' compensation and closely follow up on the case. For those with financial difficulties, the LD will assist them to apply for appropriate emergency funds. Subject to the needs and wishes of family members of the deceased, the LD will also liaise with the Social Welfare Department for financial or other assistance.

For the sake of securing the safety and health of employees at work, the LD appeals to employers to provide plant and systems of work that are safe

and without risks to health. Employees should co-operate with their employers, adopt all safety measures and use personal protective equipment provided properly to avoid endangering their own work safety and that of other workers.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, December 6, 2023 is 104.6 (up 0.2 against yesterday's index).

LCQ13: Assisting women in preventing breast cancer

Following is a question by the Hon Nixie Lam and a written reply by the Secretary for Health, Professor Lo Chung-mau, in the Legislative Council today (December 6):

Question:

It is learnt that breast cancer is one of the most common cancers among females in Hong Kong. A study has pointed out that 10 per cent to 15 per cent of breast cancer cases are attributed to hereditary factors, and there is a downward trend in the age profiles of such patients. In this connection, will the Government inform this Council:

(1) of (i) the cumulative number of breast cancer patients, (ii) the number of patients diagnosed with breast cancer and (iii) the number of breast cancer deaths in each of the past five years;

(2) given that the Department of Health (DH) has implemented the Breast Cancer Screening Pilot Programme (the Pilot Programme) since 2021 to provide breast cancer screening services to eligible women, and DH is now preparing for Phase 2 of the Pilot Programme, of the enhancement measures the Government plans to introduce for the Pilot Programme; whether it will make reference to the practices in other regions and gradually expand the target recipients of the Pilot Programme with a view to ultimately achieving breast cancer screening for all women in Hong Kong; if so, of the details; if not, the reasons for that;

(3) as it is learnt that the Hospital Authority (HA) currently provides free genetic testing for ovarian cancer patients to identify those who are

suitable for drug treatment, whether the Government knows if HA will consider extending the coverage of such testing to include breast cancer patients; if HA will, of the details; if not, the reasons for that; and

(4) of the details of the current publicity and education efforts to help the public prevent breast cancer?

Reply:

President,

The Government attaches great importance to cancer prevention and control. This is an important strategy to prevent and control non-communicable diseases. In 2001, the Government established the Cancer Coordinating Committee (CCC) to formulate strategies on cancer prevention and control and to steer the direction of work covering cancer prevention and screening, surveillance, research and treatment. The CCC is now chaired by the Secretary for Health and comprising members who are cancer experts, academics, doctors in public and private sectors as well as public health professionals. The Cancer Expert Working Group on Cancer Prevention and Screening (CEWG) established under the CCC regularly reviews local and international evidence and makes recommendations on cancer prevention and screening applicable to the local setting.

The reply, in consultation with the Department of Health (DH) and the Hospital Authority (HA), to the questions raised by the Hon Nixie Lam is as follows:

(1) The Hong Kong Cancer Registry of the HA and the DH maintain the statistics for the numbers of new cases and registered deaths of female breast cancer but not for the number of accumulated numbers of breast cancer patients. The relevant numbers from 2018 to 2022 are tabulated below:

	2018	2019	2020	2021	2022
New cases (Note)	4 618	4 761	4 956	5 565	—
Registered deaths	753	852	751	791	792

Note: Figure in 2022 is not yet available

(2) Based on the recommendations of the CEWG, the Government adopts a risk-based approach for breast cancer screening. Following this, the DH launched the Phase 1 of Breast Cancer Screening Pilot Programme in the latter half of 2021 to provide screening services for eligible women at three Woman Health Centres and 18 Elderly Health Centres, with an aim of detecting early breast cancer in women in the group defined by risk-based approach before any symptoms appear, so that treatment can be carried out early. The Primary Healthcare Office under the Health Bureau has also published the "Hong Kong Reference Framework for Life Course Preventive Care in Primary Healthcare" to provide guidance to healthcare professionals and enhance public awareness on self-health management including disease prevention and establishing healthy

lifestyle where a risk-based approach for breast cancer screening is also included. The Government is now reviewing the experience and effectiveness of the phase 1 programme, views of the CCC and the latest recommendations of the CEWG to decide on the implementation details for the next phase of breast cancer screening programme. Relevant details will be announced in due course.

When considering recommendations for any disease screening, the Government will refer to the evidence-based risk assessment and views of relevant experts from the perspective of public health, and take into account the perspective of good utilisation of medical resources to determine the priority. Excessive screening under public health programme not only wastes resources for the overall public health, but also runs out of resources that can be invested on other projects in greater need, and may pose unnecessary health risks to individuals, often causing more harm than good.

(3) At present, clinicians may use genetic testing to provide more accurate and most optimal treatment options for a more personalised and precise disease treatment. Since the second quarter in 2021, the HA has been providing genetic testing services for ovarian cancer patients in need under professional judgement of doctors and clinical indications of the patients. The HA would keep abreast of the latest development of genetic testing technology and opinion of expert groups to explore the applicability and needs for genetic testing services in the treatment of other cancers in due course.

(4) The DH has been promoting healthy lifestyle (including avoiding alcohol consumption, having regular physical activity, maintaining a healthy body weight and waist circumference) as the primary strategy in cancer prevention. Meanwhile, the DH practises risk-based breast cancer screening to detect early breast cancer in women for timely treatment. The DH has been raising public awareness in breast cancer prevention and breast health through various channels, including publishing articles, producing Announcements in the Public Interest for broadcasting through television, radio, online platforms, social media, etc.

In addition, the DH has also produced health education materials such as posters and pamphlet on breast health awareness and breast cancer prevention, and provided health messages on breast cancer prevention and screening for ethnic minorities in at least six ethnic minority languages (including Hindi, Nepali, Urdu, Thai, Bahasa Indonesia and Tagalog).

The Government will continue to strengthen the promotion of breast cancer prevention through various media channels, and collaboration with community partners and service providers.

LCQ8: Assisting enterprises to develop the Mainland domestic sales market and emerging markets

Following is a question by the Hon Sunny Tan and a written reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (December 6):

Question:

In October this year, the State President announced the eight major steps to support high-quality Belt and Road (B&R) co-operation, including the establishment of pilot zones for Silk Road e-commerce co-operation. On the other hand, the 2023 Policy Address has put forth a series of support measures for small and medium enterprises (SMEs) to develop the Mainland domestic sales market and emerging markets in the B&R countries and regions including the member states of the Association of Southeast Asian Nations (ASEAN) and the Middle East region, such as launching "E-commerce Easy" under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), as well as strengthening export credit insurance. In this connection, will the Government inform this Council:

(1) of the measures and policies in place to support enterprises, in particular SMEs, in grasping the great opportunities presented by Silk Road e-commerce;

(2) whether it will, by drawing reference from the launch of "Easy BUD" under the BUD Fund, extend the measures for shortening the application processing time and streamlining the procurement requirements to the funding schemes for SMEs such as the SME Export Marketing Fund, in order to further assist SMEs in grasping the opportunities in the Mainland domestic sales market and emerging markets; and

(3) given that the 2023 Policy Address has proposed to raise the statutory cap on the contingent liability of the Hong Kong Export Credit Insurance Corporation (HKECIC) to \$80 billion and that the HKECIC will upgrade its free credit check services for policyholders regarding buyers from the 10 ASEAN member states, whether the Government will further study the provision of financial and policy support for the HKECIC to assume more risks in respect of export credit insurance taken out by Hong Kong exporters for the Mainland domestic sales market and emerging markets?

Reply:

President,

Hong Kong is an active participant, contributor and beneficiary of the

Belt and Road Initiative. We have been fully participating in and contributing to the Belt and Road Initiative, serving as the functional platform for the Belt and Road. President Xi Jinping announced the eight major steps to bring Belt and Road co-operation to a new stage of high-quality development. Hong Kong has the unique advantage of enjoying the Mainland's strong support and being closely connected to the world to serve our functional platform role and utilise our experience gained in high-quality development to actively contribute towards these eight major steps. Apart from continuing to serve as a "super connector", Hong Kong will also leverage our strengths to be the "super value-adder" for the next stage of our country's Belt and Road development.

The Government will continue to establish and make use of various collaboration platforms to promote co-operation between Hong Kong and the Belt and Road countries in trade and commerce, professional services and cultural exchanges, including the organisation of government-level promotion events/exchange and sharing sessions, the annual Belt and Road Summit, exchange and sharing sessions for enterprises, seminars, project-matching meetings. Also, with a view to assisting Hong Kong enterprises in understanding the markets and investment potential of the Belt and Road countries and seizing new business opportunities, the Government will continue to organise missions to regions such as the Association of Southeast Asian Nations (ASEAN), the Middle East and Central Asia to strengthen connections with their counterparts therein.

Our reply to the three parts of the question is as follows.

(1) In view of the rapid growth of electronic commerce (e-commerce) business worldwide, in particular the vast domestic sales and e-commerce markets on the Mainland, the Chief Executive announced in the 2023 Policy Address a range of measures to enable Hong Kong's small and medium enterprises (SMEs) to seize opportunities and address challenges, including establishing the inter-departmental E-commerce Development Task Force by the Commerce and Economic Development Bureau to implement policies assisting SMEs in developing e-commerce business on the Mainland; organising Hong Kong Shopping Festivals on e-commerce platforms through the Hong Kong Trade Development Council (HKTDC); launching "E-commerce Easy" under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to provide funding support of up to \$1 million per enterprise for the implementation of e-commerce projects on the Mainland; and the Support and Consultation Centre for SMEs under the Trade and Industry Department (TID) taking lead and co-operating with the other three SME centres (the "SME Centre" under the HKTDC, the "SME One" under the Hong Kong Productivity Council, and TecONE under the Hong Kong Science and Technology Parks Corporation) to strengthen the provision of information on conducting e-commerce on the Mainland, with a view to enabling SMEs to leverage e-commerce to promote awareness of Hong Kong brands for developing the Mainland domestic sales market.

The Government will review the effectiveness of the aforementioned new measures in due course for further considering the way forward and the work to assist SMEs in developing e-commerce business.

(2) The performance pledge of the SME Export Marketing Fund (EMF) in processing applications is the same as that of "Easy BUD" under the BUD Fund, i.e. completing the processing of an application within 30 working days. The funding schemes administered by the TID, including the EMF, the BUD Fund and the Trade and Industrial Organisation Support Fund, have all adopted streamlined procurement requirements.

The TID will review continuously the operation of its funding schemes, so as to strike a reasonable balance between providing appropriate support for SMEs and safeguarding the proper use of public funds.

(3) The Hong Kong Export Credit Insurance Corporation (ECIC) was established in 1966 under the Hong Kong Export Credit Insurance Corporation Ordinance (Cap. 1115) (Ordinance), to provide Hong Kong exporters with export credit insurance to reduce the risk that exporters would not receive payment due to commercial or political events, thereby promoting and supporting the export trade.

Section 18 of the Ordinance stipulates that the Government shall guarantee the payment of all moneys due by the ECIC, while section 23 stipulates that the contingent liability of the ECIC under contracts of insurance shall not at any time exceed the sum as determined by the Legislative Council (LegCo) by resolution. Currently, the statutory maximum liability of the ECIC stands at \$55 billion, as determined by LegCo by resolution in 2017.

In the last few years, the ECIC has, amidst an uncertain economic and geopolitical environment, enhanced its support to exporters through measures such as the "100% Credit Limit Top-Up Scheme". As at end October 2023, the aggregate maximum liability of the ECIC under all of its valid policies amounted to around \$47 billion, close to its statutory maximum liability. In light of Hong Kong's resumption of normalcy and the gradual recovery of the global economy, the Chief Executive announced in the 2023 Policy Address that the Government would move a resolution in LegCo to raise the ECIC's statutory maximum liability from \$55 billion to \$80 billion, to ensure that the ECIC would possess sufficient underwriting capacity to continue to support Hong Kong exporters, especially companies seeking to expand into the Mainland and ASEAN markets. This significant increase in the statutory maximum liability would allow the ECIC to expand its insurance coverage in different markets, thereby reinforcing market confidence and demonstrating the Government's full support to the ECIC and Hong Kong exporters.

As at end October 2023, the Mainland was the ECIC's largest market in terms of insured business, accounting for 30.4 per cent of the ECIC's total insured business; while ASEAN was the third largest, accounting for 7.2 per cent thereof. To assist exporters in expanding into the ASEAN market, it was also announced in the 2023 Policy Address that the ECIC will strengthen its free credit check services to provide more support to Hong Kong exporters seeking to expand their business in ASEAN. As for the Mainland market, the ECIC has collaborated with five banks to launch in June 2023 the "risk-

sharing arrangement on domestic sales" on the Mainland, and will continue to discuss with its Mainland peers and credit agencies the possibility of co-operation, with a view to more effectively accessing credit information of Mainland buyers.

Government welcomes passage of Inland Revenue (Amendment) (Disposal Gain by Holder of Qualifying Equity Interests) Bill 2023

The Government welcomes the passage of the Inland Revenue (Amendment) (Disposal Gain by Holder of Qualifying Equity Interests) Bill 2023 by the Legislative Council today (December 6). The Bill gives effect to the Tax Certainty Enhancement Scheme proposed in the 2023-24 Budget Speech to provide greater certainty of non-taxation of onshore gains on disposal of equity interests (the gains) that are of capital nature.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "Hong Kong is committed to improving the business environment so as to attract more enterprises to Hong Kong and drive economic growth. The Tax Certainty Enhancement Scheme provides businesses with upfront certainty of the non-taxation of onshore gains on disposal of equity interests that are of capital nature through the application of simple and clear rules. This will also expedite tax determination and reduce the compliance cost. All these serve to facilitate business expansion and restructuring as well as the development of Hong Kong as a premier platform for international investment and business activities."

Currently, the Inland Revenue Department (IRD) adopts a "badges of trade" approach, where considerations are given to the relevant facts and circumstances of the case, to determine the nature of the gains and whether the gains are subject to tax. Under the Tax Certainty Enhancement Scheme, the gains made by an investor entity will be treated as capital in nature and not chargeable to tax if the investor entity has held certain equity interests in the investee entity throughout the continuous period of 24 months immediately before the date of disposal and those equity interests having been held amount to at least 15 per cent of the total equity interests in the investee entity, subject to certain conditions imposed to uphold the integrity of Hong Kong's tax system. This obviates the need for assessing the taxability of such gains based on the "badges of trade" approach.

The Tax Certainty Enhancement Scheme introduced by Hong Kong stands out from similar schemes in other tax jurisdictions in terms of tax

competitiveness by offering broader coverage for businesses and equity interests, along with a lower equity holding threshold. It also provides greater flexibility by allowing the minimum equity holding percentage of 15 per cent to be met by aggregating the equity interests held by the investor entity and its closely related entity/entities, and permitting the disposal of equity interests in tranches, subject to certain restrictions. There is no specified expiry date for the Tax Certainty Enhancement Scheme.

The Bill as passed will be gazetted on December 15, 2023. The scheme will be applicable to the gains where the disposal occurs on or after January 1, 2024, and the gains accrued in the basis period for a year of assessment beginning on or after April 1, 2023.

For more details, please visit the webpage of the IRD on the Tax Certainty Enhancement Scheme (www.ird.gov.hk/eng/tax/bus_taxcertainty.htm).