

The Government announces extension of government fee and rental waivers/concessions and the application period of the Special 100 per cent Guarantee Product under the SME Financing Guarantee Scheme

The Government announced today (August 25) that it will extend the 35 existing groups of waivers/concessions of government fees and charges as well as the rental or fee concessions applicable to eligible government properties and eligible short-term tenancies and waivers to sustain the support for businesses and individual sectors in view of the on-going impact of coronavirus disease 2019 (COVID-19) on economic activities. The Government will also make an additional funding injection of \$35 billion and extend the application period of the Special 100 per cent Guarantee Product under the the SME Financing Guarantee Scheme (SFGS) in order to help resolve the cash flow problem of enterprises.

"Although the Hong Kong economy has gradually regained momentum since early this year, the epidemic is still affecting the business environment of different sectors and we consider that it is necessary to sustain the support for them. We therefore decide to extend various measures and guarantee products for assisting businesses and relevant sectors, thereby reducing their costs and cash flow pressure," the Financial Secretary, Mr Paul Chan said.

The waivers/concessions of government fees and charges will benefit a wide range of sectors from aviation, maritime, logistics, agriculture and fisheries, retail, catering, construction to tourism and entertainment. The majority of the waivers/concessions of government fees and charges will be extended for one year and take effect from October 1, 2021, while the remaining ones will progressively take effect on a later date upon the expiry of the respective existing measures. The Executive Council advised and the Chief Executive ordered yesterday the making of 26 pieces of subsidiary legislation to give effect to the extension of some of these existing waivers/concessions of fees and charges. The Government will publish in the Gazette these subsidiary legislation, together with 7 others made by relevant authorities, on August 27, 2021, and will submit the related subsidiary legislation to the Legislative Council (LegCo) in September 2021 for negative vetting. The estimated revenue forgone to the Government arising from the extension of these waivers/concessions of fees and charges amounts to \$2,036 million. The proposed extension of fee waiver by the Construction Industry Council (CIC) in respect of the registration of construction workers will also be implemented in this legislative exercise and the estimated revenue

forgone for the CIC is about \$10 million. Details of the waivers/concessions of fees and charges are summarised at Annex.

The current arrangement of granting 75 per cent rental or fee concessions applicable to eligible tenants of government properties and eligible short-term tenancies and waivers under the Lands Department was scheduled to expire on October 1, 2021. The Government will extend the concessions by six further months to March 31, 2022, and the resulting estimated revenue forgone to the Government amounts to \$1,376 million. During the period, tenants who have to close their properties at the request of the Government will continue to receive full rental waiver for the duration of the closure.

The Government will also extend the application period of the Special 100 per cent Guarantee Product under the SFGS by six months to June 30, 2022. The Government will seek the approval of the Finance Committee of the LegCo to provide an additional \$35 billion of financial commitment, thereby increasing the Government's total commitment under the SFGS to \$218 billion.

Moreover, as economic recovery is still laden with uncertainties given the fluctuating pandemic situation around the world, the Hong Kong Monetary Authority together with the Banking Sector SME Lending Coordination Mechanism already announced in mid-July a further 90-day repayment deferment for trade facilities under the Pre-approved Principal Payment Holiday Scheme until the end of October.