

Transcript of remarks by CE at media session (with video)

Following is the transcript of remarks by the Chief Executive, Mrs Carrie Lam, at a media session today (April 21):

Reporter: Good morning, a few questions. First question regarding the press releases concerning the Liaison Office, did the Liaison Office or any Mainland officials got involved or order the changes of the press release? And if it's a mistake to say that the Liaison Office is regulated by Article 22, why has the Government been making this mistake for so long without correcting itself over the years? Second question, why should the Liaison Office be exempt from paying stamp duties for the hundreds of properties it bought in Hong Kong when it says it's not a department of the Central Government? And will the Government recover that sum of money? Third question regarding the extension of the social distancing measures for another two weeks, why are we extending these measures for longer when we are only seeing very few cases in recent days, even zero new cases yesterday, and is it really taking a good balance between fighting the epidemic and keeping society running because many businesses have already been closed for quite a while and they are losing money as the days go by? Thank you very much.

Chief Executive: Of the three questions, first of all, I don't think it is very meaningful to talk about the process or the internal process leading to the issue of press release. What is important is the crux of the matter. The crux of the matter is Hong Kong is facing a serious situation as far as the Legislative Council House Committee is concerned. After a period of six months, 15 meetings and hours of discussion, we are still not able to have a Chairman of the House Committee to enable us to take through the various legislative proposals. So that is the crux of the matter.

The second point is, of course, throughout the years I do confess that the Government's expression of the position on this particular issue has not been clear and consistent. But it is now all very clarified. It was clarified by me last Tuesday from various perspectives and it is now clarified by the Government statement, which said very clearly that it is erroneous to treat the Liaison Office of the Central People's Government as an office set up by one of the departments of the Central Government because the Liaison Office is representing the Central People's Government to oversee matters of Hong Kong. But I have to stress that doesn't mean that the Liaison Office is interfering into Hong Kong's affairs, especially those affairs which fall within our high degree of autonomy because that high degree of autonomy also comes from the Central Government and is well enshrined in the Basic Law.

Now the second point about exemption of properties purchased by the Liaison Office from the stamp duty, it is laid down in the law. I suspect before 1997, it is equally applicable to the UK Government. Under the Stamp Duty Ordinance Section 41(1), all the Central Government, Hong Kong SAR

Government and statutory bodies in the name of the public offices like the Financial Secretary Incorporated (FSI), they are not required to pay the stamp duty without any conditions attached to it. That's a legal position and that legal position has been explained previously in Legislative Council. So there is nothing new. This also indicates that we do have people who want to rouse public controversy by digging out old issues and try to rehash them again.

About the social distancing measures, this is indeed a very difficult balancing act. You are right that, on one hand, we want to fight the virus to keep our citizens safe. But on the other hand, if the city is dead, it doesn't have any business, people do not have normal activities, that becomes also very difficult. So in striking this balance we have to, first of all, take science as a basis. I'm sure you remember time and again whenever I talk about our anti-pandemic work, I said that we have the advice of the experts, the four experts appointed to the expert advisory panel. Secondly is really to assess the risks. And thirdly is to evaluate the impact on the business, on the economy, on the social living and so on. I have come to this view, together with the advice of the experts and my colleagues, that for the time being, the better balance to be struck and the safer approach to ensure all the successes that Hong Kong have achieved over the last three months will not be wasted, is to extend these social distancing measures for another 14 days, which would take us to the first week in May. Of course, meanwhile, we will closely monitor the situation. The reason why we could more readily take this position as far as impact on business is concerned is because we will immediately roll out those measures approved by the Legislative Council Finance Committee last Saturday. For example, you will have heard about a 100 per cent loan guarantee scheme, which has started to receive applications yesterday. I was told that 300 applications have been received by the banks and ten have already been approved by the Hong Kong Mortgage Corporation. So we are using that sort of speed to help the business to stay afloat, while they will have to tolerate the impact of these social distancing measures.

(Please also refer to the Chinese portion of the transcript.)