

立法會
Legislative Council

LC Paper No. FC6/20-21
(These minutes have been
seen by the Administration)

Ref : FC/1/1(22)

Finance Committee of the Legislative Council

Minutes of the 23rd meeting
held at Conference Room 1 of the Legislative Council Complex
on Saturday, 18 April 2020, from 9:00 am to 12:49 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen

Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kiwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai, JP
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan, JP
Dr Hon Pierre CHAN
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Public officers attending:

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| Mr James Henry LAU Jr, JP | Secretary for Financial Services and the Treasury |
| Ms Alice LAU Yim, JP | Permanent Secretary for Financial Services and the Treasury (Treasury) |
| Mr Raistlin LAU Chun, JP | Deputy Secretary for Financial Services and the Treasury (Treasury) ¹ |
| Mr Mike CHENG Wai-man | Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch) |
| Mr Matthew CHEUNG Kin-chung, GBM, GBS, JP | Chief Secretary for Administration |
| Ms Angelina KWAN Yuen-ye, JP | Head, Human Resources Planning and Poverty Co-ordination Unit, Chief Secretary for Administration's Private Office |
| Miss Carrie CHANG Kar-wai | Administrative Assistant to Chief Secretary for Administration |
| Ms Teresa CHENG, GBS, SC, JP | Secretary for Justice |
| Mr Edward YAU Tang-wah, GBS, JP | Secretary for Commerce and Economic Development |
| Miss Eliza LEE Man-ching, JP | Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) |
| Mr Joe WONG Chi-cho, JP | Commissioner for Tourism, Commerce and Economic Development Bureau |
| Mr Raymond LI Ling-cheung, JP | Executive Director and Chief Executive Officer, Hong Kong Mortgage Corporation Limited |
| Mr Joshua LAW Chi-kong, GBS, JP | Secretary for the Civil Service |
| Mr Hermes CHAN Shun-hee | Director of General Grades, Civil Service Bureau |
| Mr Michael WONG Wai-lun, JP | Secretary for Development |
| Mr Francis CHAU Siu-hei, JP | Deputy Secretary for Development (Works) (3) |
| Mr Kevin YEUNG Yun-hung, JP | Secretary for Education |
| Dr CHOI Yuk-lin, JP | Under Secretary for Education |
| Mr WONG Kam-sing, GBS, JP | Secretary for the Environment |
| Mrs Vicki KWOK WONG Wing-ki, JP | Deputy Director of Environmental Protection (2) |

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| Prof Sophia CHAN Siu-chee, JP | Secretary for Food and Health |
| Miss Vivian LAU Lee-kwan, JP | Director of Food and Environmental Hygiene |
| Mr Andrew LAI Chi-wah, JP | Deputy Secretary for Financial Services and the Treasury (Treasury) 2 |
| Mr Chris SUN Yuk-han, JP | Deputy Secretary for Financial Services and the Treasury (Financial Services) 1 |
| Mr LAU Kong-wah, JP | Secretary for Home Affairs |
| Mr YEUNG Tak-keung, JP | Commissioner for Sports, Home Affairs Bureau |
| Miss Vega WONG Sau-wai, JP | Deputy Director of Home Affairs (2) |
| Mr Nicholas YANG Wei-hsiung, GBS, JP | Secretary for Innovation and Technology |
| Dr David CHUNG Wai-keung | Under Secretary for Innovation and Technology |
| Ms Annie CHOI Suk-han, JP | Permanent Secretary for Innovation and Technology |
| Dr LAW Chi-kwong, GBS, JP | Secretary for Labour and Welfare |
| Mrs Helen KWOK LI Mung-ye | Assistant Director of Social Welfare (Youth and Corrections) |
| Mr Frank CHAN Fan, JP | Secretary for Transport and Housing |
| Mr Kevin CHOI, JP | Deputy Secretary for Transport and Housing (Transport)2 |

Clerk in attendance:

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| Ms Anita SIT | Assistant Secretary General 1 |
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Staff in attendance:

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| Ms Angel SHEK | Chief Council Secretary (1)1 |
| Miss Bowie LAM | Council Secretary (1)1 |
| Miss Queenie LAM | Senior Legislative Assistant (1)2 |
| Mr Frankie WOO | Senior Legislative Assistant (1)3 |
| Miss Yannes HO | Legislative Assistant (1)7 |

- Item 1** — **FCR(2020-21)2**
- HEAD 142** — **GOVERNMENT SECRETARIAT : OFFICES OF THE CHIEF SECRETARY FOR ADMINISTRATION AND FINANCIAL SECRETARY**
- Subhead 700** **General non-recurrent**
Item 803 **Anti-epidemic Fund**
- HEAD 170** — **SOCIAL WELFARE DEPARTMENT**
Subhead 700 **General non-recurrent**
New item **"Special Scheme of Assistance to the Unemployed"**
- HEAD 152** — **GOVERNMENT SECRETARIAT : COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**
- Subhead 700** **General non-recurrent**
Item 833 **SME Financing Guarantee Scheme—Special Concessionary Measures**
- LOAN FUND**
- HEAD 252** — **LOANS TO SCHOOLS/TEACHERS**
Subhead 104 **Loans to non-profit-making international schools**
Subhead 106 **Start-up loan for post-secondary education providers**
- HEAD 254** — **LOANS TO STUDENTS**
Subhead 101 **Means-tested loan for tertiary students pursuing publicly-funded programmes**
Subhead 102 **Non-means-tested loan scheme**
Subhead 103 **Means-tested loan for post-secondary students**
- HEAD 262** — **PRIMARY PRODUCTS**
Subhead 101 **Fisheries Loans**

Continuation of the discussion on agenda item FCR(2020-21)2

The Finance Committee ("FC") continued with the discussion on item FCR(2020-21)2.

2. The Chairman reminded members of the requirements under Rules 83A and 84 of the Rules of Procedure. The Chairman declared that he was an Executive Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited.

Measures for job retention, job creation and job advancement

Job creation

3. Expressing concern about youth employment, Ir Dr LO Wai-kwok said that relatively fewer positions were created by measures under the item for job training of young people. Ir Dr LO also suggested that the Administration should create jobs by undertaking works projects in collaboration with other public bodies.

4. In reply, Chief Secretary for Administration ("CS") said that the Government would recruit more than 10 000 civil servants and provide about 5 000 intern positions. Meanwhile, some of the 30 000 time-limited positions would be suitable for young people.

Employment Support Scheme

5. Mr Andrew WAN asked whether the Administration could include a statement or application conditions under the Employment Support Scheme ("ESS") to make it clear to the applicants the consequences and liabilities of violating their undertakings, so as to avoid the loopholes mentioned by members. Secretary for Labour and Welfare ("SLW") replied that applicants for ESS would be required to provide undertakings. The Government would give the relevant details when announcing ESS.

6. Mr James TO asked whether members of the public could submit information or documents such as their business registration certificates or tax returns as proof of eligibility under ESS.

7. In response, CS said that:

- (a) if the Government relaxed the eligibility criteria under ESS, a very wide -gap would be created, and more time would be required for its implementation; and
- (b) employers could not prove their eligibility under ESS simply by presenting proof of tax payments.

8. Mr SHIU Ka-fai spoke in support of the item. Mr SHIU sought information about subsidy entitlement if an employee was made to take no-pay leave on alternative days during the period from January to March 2020, such that his wage went down from \$18,000 to \$9,000. In other words, he asked whether the amount of subsidies was to be calculated on the basis of 50% of \$9,000, i.e. \$4,500. SLW replied that, for example, if

an employer received the subsidies, the number of his employees on the payroll in June 2020 must be no less than the total number of paid and unpaid employees in March 2020. If an employee was on no-pay leave in March 2020, the employer should give him paid leave (such as half-pay leave) in June 2020. He also confirmed that the calculation method mentioned by Mr SHIU was correct.

9. Mr LAM Cheuk-ting declared that he did not hold any shares in any property management companies ("PMCs"). Mr LAM pointed out that in the case of many housing estates, PMCs would claim wage expenses of security guards from the relevant owners' corporations ("OCs") on an accountable basis. In other words, such wages were actually paid by OCs. However, wage subsidies under ESS would be paid to PMCs rather than OCs. He sought the reasons for that. The Chairman considered that if PMCs could benefit from ESS, they might reduce or freeze the management fees charged, which would in turn benefit property owners. SLW replied that the Government's aim was to disburse subsidies under ESS to members of the public as soon as possible.

10. Dr CHIANG Lai-wan was concerned that employees without Mandatory Provident Fund ("MPF") contributions could not benefit under ESS. She also enquired about the following:

- (a) whether employers who had no need to lay off employees or even had plans to employ additional temporary staff were entitled to apply for wage subsidies under ESS; and
- (b) what would be the maximum amount of subsidies to be provided for individual employers under ESS.

11. In response, SLW said that:

- (a) overall speaking, all employers (except for those not qualified for the scheme) were entitled to apply for wage subsidies under ESS, provided that they must spend all subsidies in paying wages to their employees; and
- (b) the Government did not have any information on the employees of individual companies, but individual employers (for example, companies with a large number of employees) might be able to receive a substantial amount of subsidies under ESS.

12. Mr Kenneth LAU asked whether outsourced contractors who provided services for both the Government and other organizations were eligible for ESS. SLW replied that the income of staff employed by outsourced contractors specifically to provide services under Government contracts was guaranteed as they were paid either directly or indirectly by the Government. They therefore would not be eligible for the scheme as providing them with subsidies was against the objective of ESS. That said, other staff employed by such contractors would be eligible.

Provision of one-off relief to specific sectors

13. Mr CHAN Han-pan and Mr James TO were concerned that some trades such as freight forwarding, wholesale, laundry, interest classes and play groups had yet to benefit under the relief measures implemented by the Administration. Expressing his hope that such trades would not be left out in the third round of the Anti-epidemic Fund ("the Fund"), Mr CHAN enquired about the Administration's plan to support downstream trades.

14. In reply, CS advised that the Government would need to provide immediate and specific assistance to those sectors hard-hit by the pandemic and facing closures or operational restrictions as a result of the measures implemented by the Government. When implementing the second round of the Fund, the Administration would review whether there was room for improvement in various measures.

15. Mr IP Kin-yuen was concerned about the different amounts of subsidies provided for various sectors. For example, he said that mahjong parlours were provided with a subsidy of \$100,000, but tutorial schools and education centres which were equally hard-hit by the pandemic were only provided with a subsidy of \$40,000. Mr IP sought the reasons for the different amounts of subsidies provided.

16. In response, Under Secretary for Education said that:

- (a) the Government's aim of providing the subsidies was to relieve people's burdens and ride out the current difficulties with businesses. The Government must give overall consideration to the needs of different people and sectors, as well as its financial commitments;
- (b) tutorial schools could also apply for assistance under ESS, in addition to the subsidy of \$40,000; and

- (c) if a tutorial school was not registered with the Education Bureau, the Government would have no information to ascertain whether it was eligible for the subsidy.

17. Mr Andrew WAN asked whether there were delays in processing licence applications from businesses during the pandemic, such that they were only issued with provisional licences or their applications were not being processed. He also asked whether the affected restaurants could apply for the second round of the Fund. Director of Food and Environmental Hygiene ("DFEH") replied that restaurants issued with provisional licences and were in operation could apply for the second round of the Fund.

18. Mr CHAN Hak-kan asked why instructors or coaches under the Leisure and Cultural Services Department ("LCSD") were not provided with support by the Administration. Secretary for Home Affairs clarified that sports and recreational activities and training were organized by LCSD, as well as schools and social welfare organizations. The Government would provide support for the relevant coaches under different schemes.

Further enhancements to the SME Financing Guarantee Scheme

19. Mr Jeffrey LAM asked the Administration to illustrate with examples the details of loan guarantee products under the enhanced SME Financing Guarantee Scheme ("SFGS").

20. In response, Secretary for Commerce and Economic Development ("SCED") said that:

- (a) the attraction of SFGS lied with the offer of low interest loans and an optional principal moratorium to the applicants. The same option was also available for the existing 80% Guarantee Product and 90% Guarantee Product, in addition to the Special 100% Guarantee Product; and
- (b) for example, if an enterprise obtained a loan of \$4 million under the Special 100% Guarantee Product for a term of three years at an annual interest rate of 2.75%, the monthly repayment amount due to the enterprise would be reduced from \$115,000 to only \$9,167 under the enhanced SFGS. If the enterprise obtained a loan of \$4 million under the 90% Guarantee Product for a term of five years, the monthly repayment amount would be reduced from \$79,000 to only

\$13,000, and from \$56,000 to only \$9,167 if under the 80% Guarantee Product.

Providing unemployment support under the Comprehensive Social Security Assistance framework

21. Dr CHIANG Lai-wan, Ms Starry LEE and Ms YUNG Hoi-yan said that the Administration should provide appropriate support to the unemployed, for example, by setting up an unemployment relief fund. Regarding the Government's proposal to implement an unemployment support scheme under the Comprehensive Social Security Assistance ("CSSA") Scheme for a period of six months, Dr CHIANG pointed out that people who were unemployed did not want to apply for CSSA. She also suggested that conditions for applying for unemployment support be relaxed. Ms YUNG pointed out that assets of unemployed persons might exceed the CSSA requirements. CS replied that the Government would consider the relevant views.

Overall views on the second round of the Anti-epidemic Fund

22. Mr Jeffrey LAM asked how timely assistance could be provided to enterprises.

23. In response, CS said that:

- (a) under ESS, wage subsidies could be provided to enterprises who had been making MPF contributions;
- (b) sector-specific schemes had also been proposed under the second round of the Fund;
- (c) given its low interest rate and the option of principal moratorium for one year, the Special 100% Guarantee Product under SFGS could provide the greatest benefit to enterprises; and
- (d) the Government had also provided waivers or concessions in respect of water and sewage charges, electricity charges, business registration fees and rentals of government premises, and the deadline for profit tax payment had been extended for three months to assist enterprises.

24. Ms Starry LEE sought the Administration's plan for revitalizing the economy after the pandemic. CS replied that the second round of the

Fund already included measures to prepare for economic recovery, such as those in assisting business start-ups, nurturing talents and upgrading skills of workforce.

25. Ms YUNG Hoi-yan asked how the Administration could expedite the disbursement of subsidies to the public, and whether a one-stop platform could be provided for members of the public to enquire about information on the application of subsidies. Mr Jeffrey LAM sought the timetables for disbursing subsidies to the public.

26. In response, CS said that:

- (a) the Government had formulated different application methods for different subsidy schemes to facilitate early and convenient application of subsidies by members of the public. For instance, enterprises could submit online applications for the Retail Sector Subsidy Scheme, such that the vetting and approval process could be expedited. During the three-week application period, more than 90 000 applications had been received, and subsidies were disbursed to enterprises even before the close of application. In the first stage, 10 000 applications had been approved;
- (b) the first tranche of subsidies under ESS would be disbursed in June 2020; and
- (c) according to the experience gained in the first round of the Fund, the Administration could generally start to disburse the subsidies within a few weeks if the relevant relief measures did not involve a large number of applications, especially for those sectors that were licensed by the Government.

Financial commitment

27. Dr Priscilla LEUNG was concerned that the Government might need to meet the expenditure arising from various relief measures through issuing bonds. She asked whether the Administration would consider earmarking \$30 billion to support those persons who had yet to benefit from previous relief measures. Secretary for Food and Health replied that the Government would spare no effort in combating the pandemic and always stay vigilant.

Other relief or support measures outside the second round of the Anti-epidemic Fund

First round of the Anti-epidemic Fund

28. Dr Priscilla LEUNG was concerned that of the 5 400 licensed hawkers, about 3 000 licensees of Class II and Class III licences could not benefit from the relief measures under the Fund. She asked whether any measures were available to benefit those persons. DFEH replied that under the first round of the Fund, licensed hawkers were all eligible for a subsidy of \$5,000, regardless of the categories of commodities they sold. Moreover, licensed hawkers could also benefit from relief measures announced by the Financial Secretary earlier such as waiver of licence fees. Also, they needed not shoulder the burden of rent.

29. Mr IP Kin-yuen pointed out that some parents had relayed to him that they had yet to receive the Student Grant under the first round of the Fund. He called on the Administration to disburse the grants as soon as possible.

A third round of the Anti-epidemic Fund

30. Mr Steven HO held that apart from the pandemic, social incidents that took place since June 2019 were also a major cause of Hong Kong's economic downturn. He suggested that the Administration should consider launching a third round of the Fund.

Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities

31. Dr Junius HO and Ms Elizabeth QUAT spoke in support of the item. Ms QUAT also called on the Administration to expeditiously relax the age eligibility of the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (commonly known as the \$2 transport fare concession scheme) to cover elderly persons aged between 60 and 64.

Other matters

Newspaper distributor's licence

32. Citing media reports about a District Council member who had been issued with a newspaper distributor's licence for publishing his work reports, Mr HO Kai-ming sought an explanation from the Administration

on the mechanism for vetting and approving newspaper distributor's licences. Mr LAM Cheuk-ting held that it was in order for the Administration to approve the relevant licence application so long as the applicant had complied with all the requirements in the process. If any person saw any problem with the application system, they could suggest amendments to the system.

33. In response, SCED said that:

- (a) the Government would review whether an applicant organization met the requirements in relation to newspaper registration;
- (b) the Administration established different schemes under the second round of the Fund according to specific criteria, so as to benefit particular groups of beneficiaries; for instance, by specifying that only organizations registered on or before a specific date could benefit; and
- (c) if the situation cited by Mr HO Kai-ming was prejudicial to any elections, it would fall within the scope of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554).

Statement made by the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region

34. Mr CHU Hoi-dick referred to the statement made by the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region ("LOCPG") on 17 April 2020, saying that if members belonging to the pro-democracy camp voted against item FCR(2020-21)2, it would be "a malicious act which put their own political interests above the personal safety, livelihood and welfare of Hong Kong people, which was most 'intolerable'". The statement also said that those members must "foot the bill" for their own acts. However, section 19 of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) clearly provided that it was an offence for any person to endeavour to compel any member by force or menace to declare himself in favour of or against any motion or matter pending before the Council or a committee. Mr CHU asked whether LOCPG's statement, which was tantamount to a threat that members should not vote against the financial proposal, was in contravention of the Legislative Council (Powers and Privileges) Ordinance. Secretary for Justice said that she considered Mr CHU's question unrelated to the agenda item under discussion by FC. She had

also responded to the media's enquiries on the matter the day before, and she had nothing to add.

Arrangement of scrutiny of this item

35. At 9:41 am, the Chairman advised that FC had already spent 13 hours on the discussion of the item. As some members had been repeating their points time and again, he considered that the item had been thoroughly discussed. He would end the discussion and put the item to vote five minutes later.

36. Dr Fernando CHEUNG, Mr Jeremy TAM and Mr HUI Chi-fung queried the Chairman's justification for "drawing the line". They held that given the substantial amount of funding involved, i.e. over \$130 billion, members still had many questions about the details of proposed schemes under the item. If FC hastily approved the funding, it would be difficult for members to scrutinize the content and implementation details of the relief measures and put forward suggestions for improvements. They were also worried that upon FC's approval of the item, the Administration would not take post-meeting follow-up questions and requests from members seriously. In response, the Chairman pointed out that he must strike a balance between allowing members sufficient time for questions and the progress of meeting. He suggested that members could communicate with the Government through different channels (including written follow-up requests) after the meeting. CS undertook that after the item was approved by FC, the relevant government officials would strive to respond to enquiries from members on the Fund, and if necessary, Members could also approach him directly.

Motion to adjourn discussion on agenda item FCR(2020-21)2

37. At 10:30 am, Mr CHU Hoi-dick moved without notice under paragraph 39 of the Finance Committee Procedure ("FCP") that discussion on item FCR(2020-21)2 be adjourned ("the adjournment motion").

38. Before discussion on the adjournment motion, Mr CHAN Chi-chuen asked whether the Administration could, subject to FC's passage of the adjournment motion, immediately amend the content of item FCR(2020-21)2 as per the views and suggestions raised by members and submit the amended item to FC for consideration there and then, and whether the Chairman could convene another meeting on the same day to consider the amended item. Meanwhile, Mr CHU Hoi-dick asked when the Administration could resubmit an amended item to FC for consideration if the discussion paper was to be amended to the effect that

the scope of ESS be expanded to cover employees aged 65 or above without MPF contributions.

39. Mr Alvin YEUNG was concerned that even if the adjournment motion was carried, the Administration might still disregard members' views and resubmit item FCR(2020-21)2 intact to FC for consideration.

40. Dr Junius HO criticized that members belonging to the pro-democracy camp were stalling the progress of the meeting. He considered that FC should start discussion on the adjournment motion as soon as possible, instead of wasting time on other matters.

41. At the Chairman's invitation, Permanent Secretary for Financial Services and the Treasury (Treasury) responded that as item FCR(2020-21)2, involving a total estimated expenditure amounting to \$137.5 billion, was a complicated funding application with interconnected proposals containing various relief measures and other relevant measures to support individuals and businesses hard hit by the pandemic, it would be difficult for the Government to make major and meaningful amendments thereto within a short time. Regarding Mr CHU Hoi-dick's suggestion to expand the scope of ESS to cover employees aged 65 or above without MPF contributions, she said that members had already expressed many views on the scheme at yesterday (17 April) and today's meetings, to which clear responses had been given by relevant government officials.

42. At 10:38 am, Mr CHU Hoi-dick spoke on his adjournment motion. He said that moving the adjournment motion would hopefully put pressure on the Administration to amend the content of item FCR(2020-21)2 within a short period of time in response to various demands put forth by members, without having to veto the item. Such demands included:

- (a) expanding the scope of ESS to cover employees aged 65 or above without MPF contributions;
- (b) increasing the amount of subsidy provided for self employed persons ("SEPs") from the original one-off subsidy of \$7,500 to a monthly subsidy;
- (c) disbursing the wage subsidies provided for employers under ESS to employees directly; and
- (d) setting up an additional non-means-tested unemployment relief fund.

Mr CHU pointed out that as it might take months for the Administration to launch a third round of the Fund, it could not help address the imminent difficulties faced by members of the public. He called on members to support his adjournment motion, so that the Administration would amend the content of the item within a short period of time in response to members' demands and a greater number of people would be benefited.

43. Mr CHU Hoi-dick also referred to the statement made by LOCPG on 17 April, saying that the claim made by members belonging to the pro-democracy camp to the media about not excluding the possibility of vetoing item FCR(2020-21)2 was most "intolerable", and that they must "foot the bill" for their own acts. He held that the said statement was tantamount to a threat against Members of the Legislative Council ("LegCo"), and according to section 19(a) of the Legislative Council (Powers and Privileges) Ordinance, it was an offence if any person "endeavours to compel any member by force or menace to declare himself in favour of or against any motion or matter pending before the Council or a committee". He emphasized that LegCo Members were elected by Hong Kong people, and LOCPG had no right to interfere with the acts or voting preference of Members.

44. Mr Alvin YEUNG, Mr CHAN Chi-chuen, Ms Claudia MO, Mr HUI Chi-fung, Mr LEUNG Yiu-chung, Mr KWONG Chun-yu, Dr Fernando CHEUNG, Mr WU Chi-wai, Mr SHIU Ka-chun, Dr Helena WONG, Dr KWOK Ka-ki and Mr Jeremy TAM spoke in support of the adjournment motion. Mr HUI, Mr LEUNG, Mr KWONG, Dr CHEUNG, Mr WU, Mr SHIU, Dr WONG and Dr KWOK criticized that the second round of the Fund launched by the Administration failed to support the most needy people as resources were not allocated evenly. They pointed out that as a result of the COVID-19 pandemic, all businesses in Hong Kong were facing a bleak prospect. Many shops were closed down, and employees were laid off. The number of CSSA applications had increased substantially in recent months. Nonetheless, the second round of the Fund could not really benefit the most disadvantaged groups including those who were unemployed or underemployed, freelancers, SEPs and employees aged 65 or above without MPF contributions. On the contrary, some enterprises gaining profits despite the sluggish market during the pandemic could apply for wage subsidies under ESS, which was tantamount to a waste of public money. These members suggested that the Administration should amend the content of the item specifically to address the needs of the aforesaid people, such as by setting up an unemployment relief fund and expanding the scope of ESS to cover those employees aged 65 or above without MPF contributions.

45. Mr Alvin YEUNG, Mr CHAN Chi-chuen, Ms Claudia MO, Mr HUI Chi-fung, Mr LEUNG Yiu-chung, Dr Helena WONG, Dr KWOK Ka-ki and Mr Jeremy TAM all expressed dissatisfaction against the statement made by LOCPG on 17 April. These members considered that LOCPG shall be bound by Article 22 of the Basic Law ("BL 22"). However, LOCPG said in the statement that the Hong Kong and Macao Affairs Office of the State Council and LOCPG were "bodies authorized by the Central People's Government ("CPG") to handle issues relating to Hong Kong" and not "department[s] of the Central People's Government" within the general meaning of BL 22. They were worried that such a view meant that the powers of LOCPG were above the Basic Law and not subject to any control. These members further pointed out that in its statement, LOCPG said that "the malicious act of the opposition Members to put their own political interests above the personal safety, livelihood and welfare of Hong Kong people was most 'intolerable'", and that members belonging to the pro-democracy camp must "foot the bill" for their own acts. This was in effect a threat to Members that they must vote for item FCR(2020-21)2, and more so, a blatant intervention in the business of LegCo, as well as a breach of the principles of "one country, two systems" and a "high degree of autonomy". They also criticized that the Government had failed to safeguard the rights and interests of Hong Kong by giving LOCPG a free hand to interfere in the internal affairs of Hong Kong.

46. Dr CHIANG Lai-wan, Ms Elizabeth QUAT, Mr KWOK Wai-keung, Dr Junius HO, Mr SHIU Ka-fai, Mr Holden CHOW, Mr Tony TSE, Mr Paul TSE, Mr HO Kai-ming, Ms Alice MAK, Mr LUK Chung-hung, Dr Priscilla LEUNG, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Mr Steven HO, Mr MA Fung-kwok and Ms CHAN Hoi-yan spoke against the adjournment motion. In gist, these members considered that if the adjournment motion was carried, FC could no longer discuss and vote on item FCR(2020-21)2, which practically meant that the item had been vetoed. As a result, needy enterprises and members of the public could not benefit from various relief measures proposed under the item.

47. These members pointed out that there were indeed many shortcomings in the second round of the Fund, in particular, the lack of sufficient assistance measures for the unemployed, SEPs and elderly employees aged 65 or above. That said, many sectors had been hard hit by the social incidents since June 2019 and the COVID-19 pandemic, most notably tour escorts and guides, school bus drivers and nannies, public light bus drivers, instructors of interests classes, etc. Those people urgently needed the support provided under the item upon its approval by FC. They criticized that members belonging to the pro-democracy camp were using people's well-being as a bargaining chip to compel the

Administration to amend the content of the item according to their wishes. Such an act was immoral, and those members were putting politics before people's livelihood. They considered that members should first approve item FCR(2020-21)2 to relieve people's hardships and then request the Administration to further improve the relief measures or launch a third round of the Fund through other channels.

48. Regarding the statement made by LOCPG on 17 April, Dr CHIANG Lai-wan, Ms Elizabeth QUAT, Mr KWOK Wai-keung, Dr Junius HO, Mr Holden CHOW, Mr Paul TSE, Mr HO Kai-ming, Ms Alice MAK, Dr Priscilla LEUNG, Mr LEUNG Che-cheung, Mr Steven HO and Mr MA Fung-kwok considered that LOCPG, being a body authorized by CPG" to handle issues relating to Hong Kong, had the constitutional duty to ensure that CPG's policies were implemented by the Hong Kong Special Administrative Region Government to safeguard Hong Kong people's well-being. Given that members of the pro-democracy camp were paralyzing the operation of LegCo through various means including filibustering, such that LegCo could no longer perform its rightful duties, it was incumbent upon LOCPG to speak against the situation, and it was not an interference in Hong Kong's internal affairs. They criticized that members belonging to the pro-democracy camp were using the matter as an excuse to stall the meeting progress and hinder the Government's anti-epidemic efforts. Dr Junius HO and Mr HO Kai-ming opined that while the enactment of the Hong Kong Human Rights and Democracy Act of 2019 by the United States Congress last year (which sought to impose sanctions on specific persons) was truly an act of interfering in Hong Kong's internal affairs and a threat to Hong Kong people, members belonging to the pro-democracy camp had not spoken against it. It was clearly a double standard on their part.

49. At the Chairman's invitation, CS spoke in response to the adjournment motion. He said that there were indeed shortcomings in the second round of the Fund, but various measures were practical and could be implemented expeditiously to benefit members of the public affected by the pandemic. He undertook that where practicable, the Government would explore ways to improve the relevant relief measures with Members or other stakeholders. Underlying the urgency of item FCR(2020-21)2, he called on members to put aside their prejudices and approve the financial proposal as soon as possible.

50. Regarding the remarks made by Mr Alvin YEUNG when he spoke on the adjournment motion about SCED once saying that the specific application method of the Special 100% Guarantee Product under SFGS had yet to be finalized and time was needed to arrange for its

implementation, SCED clarified that the aforesaid scheme would be launched next Monday (20 April). As regards the enhancements proposed under item FCR(2020-21)2 on SFGS, subject to FC's approval of the item today, the relevant proposals could also be launched next Monday.

51. Mr CHU Hoi-dick spoke in reply in respect of his adjournment motion. He considered that there was cross-party consensus on how to improve the second round of the Fund, at least regarding several issues, which included (a) netting in employees aged 65 or above without MPF accounts under ESS; (b) increasing the amount of subsidy for SEPs; (c) setting up a non-means-tested unemployment relief fund; and (d) disbursing the wage subsidies under ESS directly to employees and not employers. He called on members to support the adjournment motion, such that the Government could refine the second round of the Fund within a short period time in response to the demands of members.

52. Mr Steven HO sought an explanation from the Administration on the impact of item FCR(2020-21)2 if the adjournment motion was passed, including that on FC's scrutiny process.

53. In response, CS pointed out that if fundamental changes were to be made to various measures under item FCR(2020-21)2, the Government would need to carefully examine the matters internally. Therefore, if the adjournment motion was passed, it would be difficult for the Government to give an undertaking on when the item could be resubmitted to FC for consideration, and without doubt, the implementation of the second round of the Fund would be delayed. He undertook that where practicable, the Government would review how the relevant relief measures could be improved. He called on members to be practical and approve the item expeditiously.

54. At 12:31 pm, the Chairman put the adjournment motion to vote. At the request of members, the Chairman ordered a division. The motion was [negatived](#).

55. At 10:59 am, the Chairman directed that the meeting be suspended. The meeting resumed at 11:12 am.

Scheduling an additional meeting

56. At 12:32 pm, the Chairman advised that today's meeting was originally scheduled to end at 1:00 pm. As some members were still waiting for their turn to speak on agenda item FCR(2020-21)2, and FC had received a total of 20 FCP 37A motions proposed by members that he ruled

to be directly related to the item, he would, after voting on the adjournment motion, consult members as to whether an additional meeting could be held today to complete the deliberation on item FCR(2020-21)2

57. At 12:37 pm, the Chairman directed that the meeting be suspended for him to consult members' views on holding an additional meeting. The meeting resumed at 12:48 pm.

58. The Chairman advised that having consulted the views of members from different political parties and groupings, they generally agreed to hold an additional meeting today to complete the deliberation on item FCR(2020-21)2. He had already instructed the Secretariat to issue a circular informing members that an additional 2-hour meeting of FC would be held today from 1:00 pm to 3:00 pm.

[Post-meeting note: The notice of an additional meeting to be held on 18 April 2020 from 1:00 pm to 3:00 pm was issued to members vide LC Paper No. FC155/19-20 on the same day.]

Points of order

59. At 11:13 am, when speaking on the adjournment motion, Mr HUI Chi-fung said that some members of the public claimed that they had received surgical masks produced by the Correctional Services Department (commonly known as "CSI masks") from the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") and the Hong Kong Federation of Trade Unions ("FTU"). He queried whether the Administration had given the CSI masks to DAB and FTU for free.

60. Both Mr CHAN Han-pan of DAB and Mr LUK Chung-hung of FTU denied that the political party or organization to which they belonged had ever received CSI masks from the Administration for free. Criticizing Mr HUI Chi-fung's allegation as offensive, they asked Mr HUI to provide evidence to substantiate his claim or else, he should withdraw those remarks. The Chairman called on members to stop arguing.

61. At 11:42 am, when speaking on the adjournment motion, Dr Fernando CHEUNG said that it was "low-down" for members belonging to the pro-establishment camp to mention family members of those members belonging to the pro-democracy camp when they spoke to criticize the latter. Dr CHIANG Lai-wan considered the remark of Dr CHEUNG an attack and insult against other members and called on the Chairman to stop the relevant acts.

62. The Chairman said that the remarks of members reflected their personal qualities and integrity. It was inappropriate for members to engage in a war of words with vulgarities, which was most disappointing to members of the public. He called on members to have mutual respect for each other.

63. At 12:49 pm, the Chairman declared the meeting closed.

Legislative Council Secretariat
20 October 2020