

## Policy Matching Exercise by The British Chamber of Commerce in Hong Kong

Chief Executive Policy Address - 6 October 2021

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### Contents:

#### **1. Policy Matching Exercise – British Chamber Policy Address Submission**

Matching policy proposals from the British Chamber's 26 July 2021 [Policy Address Submission](#), with relevant announcements in the Chief Executive's [Policy Address speech](#) and Policy Address [Supplement document](#) delivered on 6 October 2021. The content focuses on new initiatives proposed by the administration.

#### **2. Additional Points of Interest**

This section highlights other announcements from the Policy Address speech and Supplement document which may be of relevance and interest to Chamber Members.

*Please note throughout the document, text in grey is taken from the [Policy Address speech](#) – numbers relate to the [paragraph numbers of the speech](#). Text in blue is taken from the [Policy Address Supplement document](#) – numbers e.g. P34) relate to the [page](#) the text is taken from.*

Additional information is available on the Policy Address website:

<https://www.policyaddress.gov.hk/2021/eng/index.html>

## 1. Policy Matching Exercise

Cover Letter	
British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
<ul style="list-style-type: none"> <li>Relaxation in COVID-19 measures: Border reopening/ quarantine measures</li> <li>Amendments to existing SME support schemes</li> <li>Proposal of consultations in financial markets</li> <li>Smart/ Sustainable city proposals</li> <li>Grasping opportunities in the GBA</li> <li>Liveable city proposals</li> </ul>	<p><b>Refer to the initiatives mentioned in the Policy Address (listed below).</b></p>
Rebuilding Our Economy (COVID measures, Support for SMEs, Financial Markets, Revitalising our Ports)	
British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
Supporting vaccination, reopening travel and relaxing social distancing requirements	
<ul style="list-style-type: none"> <li><u>COVID-19 measures:</u> <ul style="list-style-type: none"> <li>Reduction of quarantine days and relevant allowance to be made for unvaccinated children returning to Hong Kong;</li> <li>Development of a transparent roadmap for the opening up of the Hong Kong economy and its borders;</li> <li>Both Mainland and international borders to be reopened progressively;</li> </ul> </li> <li>Recognition of vaccine passports for all travellers entering and leaving Hong Kong;</li> <li>Relaxation in social distancing restrictions;</li> <li>Increase in the take-up of vaccination: proposal for further incentives to vaccination/ more than one choice of vaccines to be provided.</li> </ul>	<ul style="list-style-type: none"> <li>p.39 – “Seek the Central Government’s support for resuming quarantine-free travel with Mainland in a gradual, orderly and safe manner. (CMAB, FHB)”</li> <li>P.39 – “Facilitate major events to be held safely through adoption of “travel corridors” and “vaccine bubbles” to enable individuals and businesses to return to normal life as far as possible. (FHB, CEDB, HAB)”</li> <li>p.39 – <ul style="list-style-type: none"> <li>“Press ahead with vaccination of target groups, particularly the elderly over 70 years of age to protect them from serious illness if they were infected and to build a protective shield. (CSB, FHB)</li> <li>Evaluate the effectiveness of the vaccination programme to provide a third dose to those who need it to enhance the protection. (CSB, FHB)</li> <li>Liaise with the vaccine manufacturers to review the clinical data with a view to lowering the age limit for Sinovac. (CSB, FHB)”</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>• <u>Support for SMEs/ new businesses:</u> <ul style="list-style-type: none"> <li>- Further COVID relief measure required;</li> <li>- Streamlining the government grant application process;</li> <li>- Provision for greater flexibility for personal guarantee requirements under the Guaranteed Loans Scheme;</li>   <li>- Encouraging further support from financial institutions (FIs) to extend funding to SMEs:           <ol style="list-style-type: none"> <li>1) Speeding up process</li> <li>2) Communicating with FIs about offering portfolio guarantees</li> <li>3) Establishing Enterprise Capital Funds (ECFs)</li> </ol> </li> <li>- Exempting SMEs from audit requirements in certain circumstances</li> <li>- New programmes to support business creations, for example: offering grants through mainstream lenders</li>   <li>- Supporting formation of new businesses</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• p.96 – “Extend the application period of Special 100% Product of the SFGS to end-June 2022. (CEDB)”</li> <li>• p.96 – “Launch by end-2021 a self-service digital platform “EC Reach 2.0” for SMEs by the HKECIC to streamline the approval procedures and offer fast-track credit limit approval for SME policyholders, and to make it possible for policyholders to set their own credit limits (up to \$0.8 million) online without the need for separate approval. (CEDB)”</li> <li>• (49-51)       <ul style="list-style-type: none"> <li>- “The Hong Kong Monetary Authority (HKMA) is in the process of developing the Commercial Data Interchange, which is expected to commence operation next year. It will enables SMEs to make use of their own data to gain access to more convenient financing services.”</li> </ul> </li> <li>• P.96 – “Provide flexible indemnity ratio (60% to 90%) arrangements by HKECIC for policyholders to provide enhanced coverage to exporters under different risk situations. (CEDB)”</li> <li>• P.98 – “Use the Hong Kong Growth Portfolio to make strategic investments supporting Hong Kong’s development as an I&amp;T hub, particularly promoting the growth of start-ups. (FSTB)”</li> <li>• P.98 – “Provide tax concessions to eligible family offices to attract more family offices to establish presence in Hong Kong by amending the Inland Revenue Ordinance (Cap. 112), subject to industry consultation. (FSTB)”</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Financial Markets:</u> <ul style="list-style-type: none"> <li>- Review of how fiscal revenues to be raised to diversity sources of income, for example: taxes on investment income, capital gains and possibility of sales tax;</li>   <li>- Review of how to cater for the needs of equity issuers that have been affected by changes in the eligibility criteria for the Main Board;</li> <li>- Green Finance:           <ol style="list-style-type: none"> <li>1) International harmonisation of a green finance taxonomy</li> <li>2) Development of a common international framework for disclosure for registered and listed companies</li> <li>3) “Blended Green Finance”: combing capital and insurance from multinational and</li> </ol> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• P.98 –       <ul style="list-style-type: none"> <li>- “Promote the Green and Sustainable Finance Grant Scheme among market players to encourage issuance of more green and sustainable bonds and loans in Hong Kong. (FSTB)”</li> <li>- “Promote co-operation between the HKEX and the Guangzhou Futures Exchange in areas such as clearing, technology, product development and</li> </ul> </li> </ul>

<p>national development institutions with private sector capital.</p> <ul style="list-style-type: none"> <li>- Ambition to leading in ESG reporting;</li> <li>- Consideration of regulation on “Business Trusts”;</li> <li>- Expansion of PPP models to cater large pipeline of infrastructure projects;</li> <li>- Exploration to expand HK’s trade finance model: <ul style="list-style-type: none"> <li>1) Tech-based credit-scoring models</li> <li>2) Real time transaction data</li> <li>3) Machine learning methods;</li> </ul> </li> <li>- Development of advanced digital asset infrastructure to lead in blockchain industry</li> </ul>	<p>marketing to drive the development of a green and low-carbon market in the region. (FSTB)”</p> <ul style="list-style-type: none"> <li>- “Assess the feasibility of developing Hong Kong into a regional carbon trading centre and explore opportunities presented by the carbon emission markets in the Mainland and overseas. (FSTB)”</li> <li>• P. 160 – “Study the development of professional qualification standards for the Fintech sector under the Qualifications Framework and, at the same time, include more courses related to Fintech and ESG in the list of reimbursable courses under the CEF, so as to enrich our talent pool. (FSTB, EDB and LWB)”</li> <li>• P.94 – <ul style="list-style-type: none"> <li>- Introduce legislative amendments to better safeguard investor interests and further propel the development of the securities market by enhancing the enforcement regime of the Securities and Futures Commission and its regulatory regimes for investment funds. (FSTB)</li> <li>- Introduce legislative amendments to implement a risk-based capital regime to align Hong Kong’s regulatory standards with international standards. (FSTB)</li> </ul> </li> <li>• P.96 (mentioned above)</li> <li>• P.55 – “Introduce a statutory licensing regime for virtual asset services providers under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) to ensure the healthy and orderly development of the market. (FSTB)”</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Revitalised Ports and Marine Sector:</u> <ul style="list-style-type: none"> <li>- Ensuring supply of labour through trainings/ talent importation;</li> <li>- Incentives to automation;</li> <li>- Increase access to trade/ shipping line network through RCEP or incentives to attract new business lines;</li> <li>- Setting up Port Authority under Transport Bureau;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• P.96 – “Promote application of technology and drive the development of “Smart Port” to enhance the competitiveness of the Hong Kong Port. (THB)”</li> <li>• P.96 – “Introduce tax concessions to attract more shipping agents, shipbrokers and ship managers of the maritime industry to establish presence and conduct shipping business in Hong Kong. (THB)”</li> </ul>

<ul style="list-style-type: none"> <li>- Ensuring close coordination in infrastructure development esp. in the GBA, i.e. developing single market for logistics services in the GBA;</li>   <li>- Supporting transition to lower emission fuels for shipping.</li> </ul>	<ul style="list-style-type: none"> <li>• P.96 – “jointly develop the “GBA on the Rail” through the “Task Force for Hong Kong-Shenzhen Co-operation on Cross-Boundary Railway Infrastructure” (Task Force) established by the two governments. The Task Force will explore the enhancement of transport connection to boundary control points between Hong Kong and Shenzhen, and has embarked on the study on the Hong Kong-Shenzhen Western Rail Link connecting Hung Shui Kiu and Qianhai. (THB)</li>   <li>• P.96 – “Facilitate the adoption of sustainable shipping initiatives by the maritime industry including the latest requirements implemented by the International Maritime Organisation and the provision of Liquefied Natural Gas bunkering for ocean-going vessels. (THB)”</li> </ul>
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### An Expanded Role in the GBA

(Re-opening Borders, Free Movement of Capital, People, Data and Goods, Arts Hub)

British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
<ul style="list-style-type: none"> <li>• <b>Boundary reopening as first priority;</b></li> <li>• <b>Free movement of:</b> <ol style="list-style-type: none"> <li>1) <u>Capital</u> <ul style="list-style-type: none"> <li>- as international corporate treasury centre for Mainland and multinational corporations operating in the GBA;</li> <li>- as dispute resolution centre of GBA contracts;</li> <li>- strengthen role in the GBA Green Finance Alliance;</li> </ul> </li> <li>2) <u>People</u> <ul style="list-style-type: none"> <li>- encourage exchange and communications;</li> <li>- proposal for “GBA card”;</li> </ul> </li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• P.96 – <ul style="list-style-type: none"> <li>- “Seek to introduce more liberalisation measures under the CEPA framework, in particular allowing Hong Kong enterprises and professionals to enjoy greater preferential access over other foreign investors to the Mainland market in strategic locations such as the GBA and Hainan. In this connection, Qianhai with its enlarged jurisdiction will be a priority. (CEDB)”</li> <li>- “Step up collaboration between Invest Hong Kong and relevant Mainland agencies to attract overseas companies to invest in the Mainland via Hong Kong, and to encourage Mainland enterprises to make good use of Hong Kong to go global. (CEDB)”</li> </ul> </li>   <li>• P.95 – “Work in collaboration with Shenzhen to proactively study the extension of the “Quota-free scheme for Hong Kong private cars travelling to Guangdong via the HZMB” to a Hong Kong/Shenzhen land boundary control point such that Hong Kong private cars can travel to both the eastern and western parts of Guangdong without quota. (THB)”</li> <li>• P.161 – “Pursue the introduction of a GBA endorsement/visa to promote the southbound and northbound movement of business personnel and high-quality talents within the GBA. The Hong Kong Special Administrative Region Government will actively follow up and discuss the initiative with relevant Central</li> </ul>

<p>3) <u>Data</u></p> <ul style="list-style-type: none"> <li>- joint regulatory framework to offer post-sales services, i.e. allowing HK insurers to establish post-sales service centres in GBA;</li> <li>- GBA Big Data Platform;</li> <li>- pilot schemes for basis data;</li> </ul> <p>4) <u>Goods</u></p> <ul style="list-style-type: none"> <li>- harmonisation of logistics across the GBA;</li> <li>- greater alignment in customs and administrations;</li> <li>- encouragement to digitalise;</li> </ul> <p style="text-align: center;">- sustainable aviation;</p> <ul style="list-style-type: none"> <li>• <b>Wealth Management Connect:</b> <ul style="list-style-type: none"> <li>- Expand the investment scope/ aggregate or individual quota of Wealth Management Connect;</li> <li>- Relax sales and marketing restrictions of Wealth Management Connect;</li> </ul> </li> <li>• <b>Other Connect Schemes:</b> <ul style="list-style-type: none"> <li>- Stock Connect to include IPO Connect;</li> <li>- Considering a GBA Commodity Connect;</li> </ul> </li> <li>• Lowering threshold for company eligibility for cross-border RMB sweeping structures in GBA;</li> <li>• Simplifying approval process for offshore bonds issuance for Mainland enterprises;</li> </ul> <p>• Clearer guidelines on cross-border digital account opening in the GBA;</p> <ul style="list-style-type: none"> <li>• <b>Insurance Connect:</b> <ul style="list-style-type: none"> <li>- Collaboration with GBA regulators to integrate cross-border processes;</li> <li>- Development of online self-service platforms for policy holders;</li> <li>- Consistent omni-channel;</li> </ul> </li> <li>• <b>Legal:</b> <ul style="list-style-type: none"> <li>- Aim to extend the practice of applying HK civil and commercial law for HK enterprises registered in Qianhai;</li> </ul> </li> </ul>	<p>Authorities for its early implementation. (SB)”</p> <ul style="list-style-type: none"> <li>• P.96 – “Expedite the development of a financial data infrastructure entitled “Commercial Data Interchange” by the HKMA for commissioning in 2022 to promote digitalisation of trade finance and enhance export financing support. (FSTB)”</li> <li>• P.96 – “Press ahead with the development of Phase 2 and Phase 3 of Trade Single Window to set up a centralised IT platform for one-stop lodging of over 40 business-to-government import and export-related trade documents and roll out Phase 2 in 2023 by batches. Conduct further trade engagement to finalise the implementation details of Phase 3 with a view to submitting funding proposal to the LegCo in 2022-23. (CEDB)”</li> <li>• P. 136 – “Use big data to enhance aviation safety, as well as training and operational efficiency. (SB)”</li> <li>• P.93 – “Consolidate Hong Kong’s status as the largest offshore RMB business hub by promoting two-way RMB flow as well as offshore RMB products and tools. (FSTB)”</li> <li>• P.93 – “Facilitate the issuance of offshore RMB bonds including bonds to be issued by the Shenzhen Municipal Government. (FSTB)”</li> <li>• P.97 – <ul style="list-style-type: none"> <li>- “Strive for further liberalisation measures for wholly owned Hong Kong enterprises in the GBA when entering into civil and commercial contracts to be able to choose Hong Kong law as the applicable law,</li> </ul> </li> </ul>
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<ul style="list-style-type: none"> <li>• <b>Arts &amp; Culture:</b> <ul style="list-style-type: none"> <li>- Strengthening HK as a centre for Arts and Culture:</li> <li>- ArtsGBA (cultural exchanges/ connecting with other global centres to for concerts)</li> </ul> </li> </ul>	<p>and choose Hong Kong as the seat of arbitration. (DoJ)”</p> <ul style="list-style-type: none"> <li>- “Ride on the unique characteristic of “One Country, Two Systems and Three Jurisdictions” in the GBA and explore possible study on the interface of laws in the GBA (for example, in IP and e-commerce matters) with a view to devising mutually recognised standards and mechanisms in protecting business interests, thereby opening up vast business opportunities. (DoJ)”</li> <li>- “Make full use of the Joint Conference Mechanism of the GBA Legal Departments to strengthen legal exchanges and collaborations and to promote the use of the dispute resolution services of Hong Kong in the GBA. (DoJ)”</li> </ul> <ul style="list-style-type: none"> <li>• P.99 – <ul style="list-style-type: none"> <li>- “Expand the diversity and contents of famous culture brands like Art Basel Hong Kong and Hong Kong Arts Festival and hold large-scale arts markets to attract high-end visitors. (HAB)”</li> <li>- “Showcase the arts and cultural achievements of Hong Kong and promote cultural exchanges through the Hong Kong Week and similar activities. (HAB)”</li> <li>- “Co-operate with Mainland and overseas cultural institutions to solicit the exhibition of their precious cultural relics in Hong Kong and to lend Hong Kong arts and cultural collections for their exhibition. (HAB)”</li> <li>- “Expand further Hong Kong’s cultural links with the Mainland and overseas by working in collaboration with Mainland provinces and municipalities, overseas countries as well as cultural organisations to provide more performance opportunities for local arts groups and broaden the audience of Hong Kong’s arts and cultural programmes. (HAB)”</li> </ul> </li> </ul>
<p><b>Building Land and Development Pipeline</b> (Infrastructure, Land Supply, Lantau Tomorrow Vision and Other Development Opportunities)</p>	
<p><b>British Chamber Ask / Proposal</b></p>	<p><b>Corresponding Proposal in the Policy Address</b></p>
<ul style="list-style-type: none"> <li>• Establishment of PPP for future construction</li> </ul>	<ul style="list-style-type: none"> <li>• P.55 – “Leverage private sector expertise to speed up public housing construction by adopting a new contract procurement model to allow contractors to undertake design and construction in a single contract, and improve the standard design and material standards to further improve the efficiency of the construction of public housing. The Housing Department can then focus its existing design manpower on expediting the pre-construction planning of new projects with a view to</li> </ul>

<ul style="list-style-type: none"> <li>• Development of private agricultural land*;</li> <li>• Redevelopment of brownfield sites/ poorly used military areas*;</li> <li>• Creation of New Development Areas*;</li> <li>• Streamlining land acquisition and development process (rezoning, land resumption, land swaps, land lease modification)</li> <li>• More innovative approach to be taken to develop Lantau Tomorrow Vision (LTV) project from an environment, smart city policy standpoint;</li> <li>• Clearer explanation on situations concerning 2047 leases;</li> <li>• Adopting VALUE based approach than COST based for all major infrastructure projects.</li> </ul> <p>* All interlinked in the New Territories (please refer to our previous submission in response to the public engagement process re Land Supply Task Force 2018)</p>	<p>letting out the construction contracts as early as possible. (THB)”</p> <ul style="list-style-type: none"> <li>• p. 57 – “Streamline and enhance the public private partnership scheme under the new nature conservation policy to better balance development and conservation. (ENB)”</li> <li>• Over 860 hectares of brownfield sites will be gradually redeveloped for housing and other uses, accounting for over 54% of total brownfield areas.</li> <li>• P.55 – “Pursue development in various parts of the New Territories including the NDAs in the light of the Northern Metropolis Development Strategy announced in the 2021 PA. (DEVB)”</li> <li>• P.55 – “Further streamline the development control procedures by taking a critical and root and branch examination of the statutory town planning, environmental impact assessment, land resumption and works-related procedures and vigorously adopt other administrative measures. (DEVB, ENB and other bureaux)”</li> <li>• P. 100 – “Co-ordinate efforts of works departments for further promoting applied R&amp;D in public works projects. Through the adoption of innovative construction methods, new materials and digital technology, the construction time and cost can be reduced and hence the overall productivity of the construction industry can be uplifted. (DEVB)”</li> <li>• (21-31) <b><u>The Northern Metropolis</u></b> The Northern Metropolis covers two district administration areas including Yuen Long District and North District, with a total land area of about 300 square kilometres, it is a large-scale urban space which is formed by interactions among various factors including geographic characteristics, economic functions, ecological environment, transport connections and development policies. In the metropolis, the multi-functional land uses with highly concentrated residential and working population and enterprises can drive the economic development in its neighbouring areas. It is the most vibrant area where urban development and major population growth of Hong Kong in the next 20 years will take place. With as many as seven land-based boundary control points, the Northern Metropolis will be the most important area in</li> </ul>
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	Hong Kong that facilitates our development integration with Shenzhen and connection with the GBA.
<b>Building in a Better Way</b> (More Modern and Sustainable Building Designs and Codes, Construction Innovation and Project Management)	
<b>British Chamber Ask / Proposal</b>	<b>Corresponding Proposal in the Policy Address</b>
<ul style="list-style-type: none"> <li>• Improvement of technological and building standards; updating Building Regulations; approval of more innovative construction technologies;</li> <li>• Sustainable building design and construction techniques;</li> <li>• Driving cost and carbon reduction in Government contracts at design stage;</li> <li>• Revisit specifications for minimum cementitious quantities in concrete;</li> <li>• Promoting HK rating system for buildings based on carbon footprint, best in line with overseas best practice;</li> <li>• Enhance use of Building Information Modelling (BIM)/ Design for Manufacture and Assembly (DfMA)/ Modular Integrated Construction (MiC) etc.;</li> <li>• Introduction of the Buildability Design Appraisal System (B-score) for building approvals;</li> <li>• Continual of the rollout of most suitable version of NEC contract forms;</li> <li>• Introduction of Security of Payment Legislation (SOPL);</li> <li>• Promotion of a safety culture up and off-site construction;</li> <li>• The Building Department being more proactive and collaborative with the HK Government re Final Report of the Commission of Inquiry into the Construction Works.</li> </ul>	<ul style="list-style-type: none"> <li>• P. 138 – “Develop an accurate 3D digital underground utilities database with a view to facilitating the construction industry to plan and conduct the underground works efficiently and reducing road closure time resulting from the excavation works, thereby benefiting the community as a whole. The database is expected to be progressively established in 2023. (DEVB)”</li> <li>• P. 100 – “Co-ordinate efforts of works departments for further promoting applied R&amp;D in public works projects. Through the adoption of innovative construction methods, new materials and digital technology, the construction time and cost can be reduced and hence the overall productivity of the construction industry can be uplifted. (DEVB)”</li> <li>• P. 100 –             <ul style="list-style-type: none"> <li>- “Further promote the adoption of MiC in private residential, public housing, social welfare and hospital projects. (DEVB)”</li> <li>- “Actively drive digitalisation of public works including the adoption of Digital Works Supervision System, BIM, and the development of digital integrated platform. (DEVB)”</li> </ul> </li> <li>• P.196 – “Further strengthen protection of workers’ occupational safety and health, including promoting the adoption of Construction Design and Management in construction works and amending the relevant legislation to raise penalties for committing occupational safety and health offences. (LWB)”</li> </ul>

	<ul style="list-style-type: none"> <li>• P.196 – “Collaborate with the property management and construction industries to promote the use of light-duty working platforms for minor renovation and repair works carried out in residential units, in order to promote safety of above-ground work. (LWB)”</li> <li>• P.196 – “Collaborate with the concerned industries to implement health-friendly measures at workplace, in order to encourage property management employees and construction workers to properly manage their health and risks of contracting cardiovascular and cerebrovascular diseases. (LWB)”</li> </ul>
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## A More Digital, Smarter City

(Smart Logistics, Government Procurement, Smart Payment)

British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
<ul style="list-style-type: none"> <li>• <b>Smart Logistics:</b> <ul style="list-style-type: none"> <li>- Expedite digitization for documentation to speedup customs procedures for businesses/ domestic and cross-border e-commerce and general logistics capabilities;</li> <li>- Ensure adequate supply of land for modern logistics and port backup facilities;</li> <li>- Encourage application of 5G technology in logistics and logistics vehicle fleets to convert to lower/ zero roadside emissions vehicles;</li> </ul> </li> <li>• <b>Administration’s role:</b> <ul style="list-style-type: none"> <li>- Adopt the IT procurement process for digital transformation;</li> <li>- Administration should consider an SME sandbox environment that is timebound with a budget, for example to extend the regulatory sandboxes set up by the Administration for FinTech; opening up all technology initiatives to start-ups, so they can co-innovate with the Administration;</li> </ul> </li> <li>• <b>Smart Payment:</b> <ul style="list-style-type: none"> <li>- Smart payment as mandatory for all taxis;</li> <li>- Partnering with payment owners to use data for Smart City/ emission reduction development.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• P.136 – “Integrate more smart elements into such areas as customs clearance, contraband detection, intelligence gathering and case investigation, and introduce artificial intelligence and big data analytics equipment and systems progressively. (SB)”</li> <li>• p.136 – “Commission the automated parking system projects in Tsuen Wan and Tai Po in 2021 and 2022 respectively. (THB)”</li> <li>• P.94 – “Actively examine with the Mainland the suggestion of establishing a one-stop sandbox network to facilitate financial institutions and technology companies in Guangdong, Hong Kong and Macao to test cross-border Fintech applications, thereby promoting cross-border development of Fintech in the GBA. (FSTB)”</li> </ul>

## Building a Healthier City

(Developing a Digital Health Strategy, Oncology, Drug Provision, Mental Health, Private Healthcare and Staying Healthy)

### British Chamber Ask / Proposal

- Development of digital health;
- Oncology care:
  - Introduction of more cancer screenings by utilizing District Health Centres (DHC)/ PPP with Electronic Health Records (EHRs);
  - Improvement of cancer registry;
  - Consideration for Certificate of Pharmaceutical Product (CPP) for areas of unmet medical needs;
  - Prioritise inclusion of drugs into the safety net;
  - Relaxing criteria to enlist more innovative cancer drugs for reimbursement into the safety net;
- Mental health:
  - Allocate more resources in identifying and treating mental illnesses/ encouraging employers to provide mental illness covered insurance;
  - Adopting PPP approach to support diagnosing and treating child mental health issues;
- Physical/ Sporting activity;

### Corresponding Proposal in the Policy Address

- P.194 – “Provide a dedicated structure in the HA to facilitate more institutions to explore the potential use of healthcare data for R&D collaboration with the HA, and make use of a wider network of the HA hospitals for research and clinical trial purposes. (FHB)”
- p.175 – “Adopted a risk-based approach for breast cancer screening, with screening service provided to eligible women aged between 44 and 69 starting from September 2021. (FHB)”
- p. 98 – “Explore collaboration between the HA and HKSTPC on the use of the HA’s clinical data for R&D. (ITB, FHB)”
- p. 98 – “Expedite the legislative process for registering drugs containing new chemical or biological entity under the Pharmacy and Poisons Regulations. (FHB)”
- p.193 – “Commence in 2022 the main phase of Hong Kong Genome Project, under which whole genome sequencing and analysis will be conducted for more patients having diseases with genetic predisposition and their family members. Around 50 000 whole genome sequencing will be conducted. Patients will benefit from more accurate diagnosis and more personalised treatment. In the long term, the Project will promote clinical application and innovative scientific research on genomic medicine locally. (FHB)”
- p. 197 – “Subject to the outcome of the pilot scheme launched in July 2021, roll out a brand-new thematic funding scheme on outdoor adventure training activities for more NGOs to provide systematic and quality outdoor adventure training activities for young people. (HAB)”

<ul style="list-style-type: none"> <li>• Consideration for salaries tax reduction for qualifying premiums paid by policyholders of a critical illness/ life protection insurance policy</li> </ul>	
<p><b>A More Liveable and Inclusive Hong Kong</b> (Climate change and Environmental challenges, Education, Diversity and Inclusion)</p>	
<p><b>British Chamber Ask / Proposal</b></p>	<p><b>Corresponding Proposal in the Policy Address</b></p>
<ul style="list-style-type: none"> <li>• <b>Environment:</b> <ul style="list-style-type: none"> <li>- Clearer plans needed to reduce carbon emissions with SMEs and community in new Climate Action Plan this year;</li> <li>- Working with the two power companies to achieve early carbon emission reduction;</li> <li>- Proposals needed to improve energy efficiency;</li> </ul> </li> </ul> <p>- Higher standards and clarifications needed for energy and waste management;</p> <p>- Setting out priorities for public/ private investments to mitigate risks from hazards and climate change;</p> <p>- Higher transparency needed to help businesses assess carbon impact of new infrastructure projects;</p>	<ul style="list-style-type: none"> <li>• P. 134 – <ul style="list-style-type: none"> <li>- “Set out in the “Hong Kong’s Climate Action Plan 2050” the targets to achieve net-zero carbon emissions for electricity generation, electrify the transportation, and provide adequate waste-to-energy facilities before 2050. Conduct five-yearly reviews with a view to reducing total carbon emissions by half before 2035 (as compared to the 2005 level) and achieving carbon neutrality before 2050. (ENB)”</li> <li>- “Improve the energy efficiency of buildings and promote energy-saving style of living with a view to reducing by 2050 the respective electricity consumption of commercial buildings and residential buildings by 30% to 40% and by 20% to 30% (using the operational conditions of 2015 as the comparison basis) and achieve half of the above targets by 2035. (ENB)”</li> <li>- “Take forward mitigation and adaptation measures for tackling climate change with a rough estimate of \$240 billion in the next 15 to 20 years. (ENB, DEVB)”</li> <li>- “Promote adoption of RE in public and private projects as well as through regional co-operation, with a view to increasing its share in the fuel mix to 7.5–10% by 2035 and to 15% gradually thereafter. (ENB)”</li> </ul> </li> <li>• P.135 – <u>Enhancing Waste Management</u></li> <li>• P. 134 – “Consult the relevant trades on progressively phasing down the use of hydro-fluorocarbons to combat climate change and fulfil HKSAR’s international obligations under the “Montreal Protocol on Substances that Deplete the Ozone Layer”, and prepare for the necessary work on legislative amendments. (ENB)” <ul style="list-style-type: none"> <li>- P.134 – “Take forward mitigation and adaptation measures for tackling climate change with a rough estimate of \$240 billion in the next 15 to 20 years. (ENB, DEVB)”</li> </ul> </li> <li>• P.135 – Promoting Electric Vehicles;</li> </ul>

<ul style="list-style-type: none"> <li>• <b>Education:</b> <ul style="list-style-type: none"> <li>- Dedicated team for regulation and oversight of schools offering non-local curriculum;</li> <li>- Social assistance/ support to poorer families;</li> <li>- STEM education (refer to below);</li> </ul> </li> <li>• <b>Diversity and Inclusion (D&amp;I):</b> <ul style="list-style-type: none"> <li>- Administration to take the lead in promoting D&amp;I, and publicise private sector’s commitments;</li> <li>- Tripartite working group with HK Stock Exchange and businesses suggested to review boardroom and leadership diversity;</li> <li>- Working group for parental leave rights, e.g. shared paid parental leave;</li> <li>- Flexible working;</li> </ul> </li> </ul> <p>- Gender pay gap review to meet international quality standards;</p> <p>- STEM education: encourage female teachers to take up STEM subjects teaching/ grant for women studying STEM degrees in HK; allocating resources for female into STEM subjects;</p> <p>- Recognition of same-sex marriage;</p> <p>- Review of mandatory retirement age.</p>	<ul style="list-style-type: none"> <li>• (129) – “Moreover, we will launch a Pilot Rehabilitation Programme for Employees Injured at Work next year to help injured employees recover and return to work early.”</li> <li>• P.160 – “Review the Global STEM Professorship Scheme in consultation with the participating universities to seize opportunity to build up a critical mass of research talents for Hong Kong. (ITB)”</li> <li>• P.157 – “Amend the Education Ordinance (Cap. 279) to extend the retirement age of the newly-joined teaching staff in aided schools from 60 to 65. (EDB)”</li> </ul>
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## A Revitalised Brand Hong Kong

(Refresh of “Asia’s World City”, Focus on I&T, Promotion of Arts and Culture)

British Chamber Ask / Proposal	Corresponding Proposal in the Policy Address
<ul style="list-style-type: none"> <li>• Promote HK’s leadership position in the I&amp;T sector;</li> </ul>	<ul style="list-style-type: none"> <li>• P.97 – “Reserve the majority of the 88 hectares of land (to be created through the Ma Liu Shui Reclamation and relocation of the Sha Tin Sewage Treatment Works to caverns) for I&amp;T development and commence the related study in the first half of 2022, with construction work of the I&amp;T facilities expected to commence progressively around 2029. (DEVB, ITB)”</li> <li>• P.98 – <ul style="list-style-type: none"> <li>- “Commence construction of Cyberport 5 to increase the gross-floor area of Cyberport by about 41% within four years, and reserve land in the New Territories West under the North Metropolis Development Strategy for development of a landmark I&amp;T facility with scale comparable to Cyberport to facilitate collaboration with Qianhai. (ITB)”</li> <li>- “Provide additional 150 hectares of land for I&amp;T use in the San Tin/Lok Ma Chau area (including the</li> </ul> </li> </ul>

<p>- HKSTP should be more clearly positioned as the global pioneering collaboration facilitator;</p> <p>- Continuous regulatory sandboxes;</p> <ul style="list-style-type: none"> <li>• Promote HK as an attractive place to visit, live and work with broad and inclusive society;</li> <li>• Promote HK's role within the GBA, Mainland, Asia and globally;</li> <li>• Promote HK as a hub for financial services &amp; arts and culture.</li> </ul>	<p>surrounding areas of HSITP), which will be consolidated and developed as the San Tin Technopole under the Northern Metropolis Development Strategy. Together with the 87 hectares of land in HSITP, the whole Technopole can provide a total of about 240 hectares of land for I&amp;T use, which in terms of gross-floor area, is equivalent to about 16.5 Hong Kong Science Parks. (ITB)"</p> <ul style="list-style-type: none"> <li>• P.97 – "Invite the HKSTPC to explore the second Advanced Manufacturing Centre to enable more high value-added and high-technology manufacturing processes and production lines to set up operations in Hong Kong. (ITB)"</li> <li>• P.94 (mentioned above)</li> <li>• P. 134 - 141</li> <li>• P. 98 – "Set up, by HKSTPC, the "GBA InnoAcademy" at its branch in Shenzhen to serve as a resource centre, training hub, exchange platform for talents, and also the "GBA InnoExpress" to nurture start-ups and support I&amp;T enterprises to go global and attract foreign investment. (ITB)"</li> <li>• Points mentioned in sections above; specific points made in relation to Arts and Culture on p.99 "Developing Hong Kong into an East-meets-West Centre for International Cultural Exchange"</li> </ul>
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## 2. Additional Points of Interest

*This list does not fully capture all proposals from the Policy Address, rather it is a snapshot of business policy related announcements which may be of relevance and interest to Chamber members and its Committees.*

### Land Supply

#### (21-31) The Northern Metropolis

The Northern Metropolis covers two district administration areas including Yuen Long District and North District, with a total land area of about 300 square kilometres, it is a large-scale urban space which is formed by interactions among various factors including geographic characteristics, economic functions, ecological environment, transport connections and development policies. In the metropolis, the multi-functional land uses with highly concentrated residential and working population and enterprises can drive the economic development in its neighbouring areas.

It is the most vibrant area where urban development and major population growth of Hong Kong in the next 20 years will take place. With as many as seven land-based boundary control points, the Northern Metropolis will be the most important area in Hong Kong that facilitates our development integration with Shenzhen and connection with the GBA.

#### Transport Infrastructure-led Development

The consolidation of the Northern Metropolis and its expansion in terms of development capacity will also be driven by a transportation system with railways as its backbone. The railway projects proposed in the Development Strategy include: (i) constructing the Hong Kong-Shenzhen Western Railway linking

up Hung Shui Kiu/Ha Tsuen and Qianhai of Shenzhen; (ii) extending the Northern Link, which is being planned, northwards to connect to the new Huanggang Port in Shenzhen via the Hong Kong-Shenzhen Innovation and Technology Park (HSITP) in the Lok Ma Chau Loop (the Loop); (iii) exploring the extension of the East Rail Line to Luohu, Shenzhen and the provision of co-location arrangement at the boundary control point on the Shenzhen side and provision of a new railway station for non-boundary crossing service between the existing Lo Wu Station and the Sheung Shui Station, with a view to unleashing the development potential around Lo Wu/Man Kam To and Sheung Shui North; (iv) extending the Northern Link eastwards from the Kwu Tung Station to connect with the areas of Lo Wu, Man Kam To and Heung Yuen Wai, and further southwards to Fanling via Ta Kwu Ling and Queen's Hill; and (v) examining the feasibility of constructing an automated people mover system from Tsim Bei Tsui to Pak Nai to promote the development of the area and Lau Fau Shan.

#### Increasing Land Supply for I&T Uses

The Development Strategy puts forward a proposal to make an optimal use of the land vacated upon relocation of the Lok Ma Chau Control Point to the new Huanggang Boundary Control Point in Shenzhen, and a portion of the adjacent fish ponds and rural land. This, together with the original land use planning in the San Tin/Lok Ma Chau Development Node, will provide about 150 hectares of additional land for I&T uses to develop the San Tin Technopole, with a view to creating a critical mass of I&T facilities with greater economy of scale.

#### Developing Industries and Creating Job Opportunities

The Development Strategy suggests that Hong Kong should leverage this opportunity to upgrade Hung Shui Kiu/Ha Tsuen and make it the New Territories North Modern Services Centre, and to build sizable landmark I&T facilities in Lau Fau Shan facing Qianhai on the other side of the Shenzhen Bay, to provide enormous job opportunities in the Northern Metropolis.

#### Building an Eco-environment

The Development Strategy suggests that a proactive conservation policy should be formulated and implemented. Through the gradual resumption of several hundred hectares of private wetlands and fish ponds by the Government for enhanced management, the ecological 19 functions of around 2 000 hectares of conservation area will be enhanced, thus achieving better conservation of wetlands in Hong Kong while creating a quality living environment for the Northern Metropolis.

#### Increasing Land Supply for Housing

Upon the full development of the entire Northern Metropolis, a total of 905 000 to 926 000 residential units, including the existing 390 000 residential units in Yuen Long District and North District, will be available to accommodate a population of about 2.5 million. The total number of jobs in the Metropolis will increase substantially from 116 000 at present to about 650 000, including 150 000 I&T-related jobs.

p.55 –

#### Unlocking Land in the New Territories

- Pursue development in various parts of the New Territories including the NDAs in the light of the Northern Metropolis Development Strategy announced in the 2021 PA. (DEVB)
- Review the administration of Tso/Tong to unlock the development potential of Tso/ Tong land through amendment to the New Territories Ordinance (Cap. 97) in consultation with Heung Yee Kuk. (HAB)
- Extend the "standard rates" for premium assessment from redevelopment of IBs to land exchange cases in the NDAs. (DEVB)

#### "Green Belt" Zone Review

- Conduct a new round of review of sites zoned "Green Belt" to identify potential developable land. The screening process is expected to complete in mid-2022, to be followed by technical studies. (DEVB)

### **Enhancing Hong Kong's Position as an International Financial Centre**

p.93 –

#### Mutual Market Access

- Launch the first Mainland A-share index futures contract product in Hong Kong to provide a risk management tool for offshore investors investing in the A-share market. (FSTB)

- Launch Southbound Trading under Bond Connect with the successful experiences of Northbound Trading to provide Mainland institutional investors a convenient channel in Hong Kong to flexibly allocate bond assets outside the territory. (FSTB)

#### Promoting the Development of Listing Platform

- Review listing rules of the Hong Kong Exchanges and Clearing Limited (HKEX) to continue to meet the needs of issuers and investors locally and around the globe, and conduct public consultation on the proposal of establishing a listing regime for special purpose acquisition companies in Hong Kong. (FSTB)
- Further attract Mainland enterprises that are interested in listing offshore by providing China Concept Stocks with a fund-raising option that faces international investors. Actively consider implementing detailed measures to simplify the listing of issuers having substantial business in the Greater China area. (FSTB)
- Launch a new platform “FINI” by HKEX to allow market participants and regulatory authorities to process IPOs applications simultaneously on an electronic platform to expedite the IPO process and reduce market risks of investors. (FSTB)

### **Enhancing Hong Kong’s Position as an International Trade Centre**

(47) The current-term Government is keen to foster closer commercial, trade and investment relations with the Association of Southeast Asian Nations (ASEAN). We are also seeking to join the Regional Comprehensive Economic Partnership (RCEP) as soon as possible. In the context of “domestic circulation” under the “dual circulation” development pattern of our country, we will continuously seek to create more favourable conditions for Hong Kong enterprises to enter the Mainland market under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA).

p.95 –

- Strengthen, by leveraging the opening of the Dubai ETO and its Investment Promotion Unit, economic and trade ties with the Middle East, including seeking to forge FTAs and IAs, and attracting inward investment and business presence from the region. (CEDB)

### **Consolidating Hong Kong’s Status as an International Aviation Hub**

p.99 –

- Commence operation of the Third Runway at the HKIA in 2022, with the Three Runway System targeted for full completion in 2024. (THB)
- Collaborate with Dongguan and commence trial run of the sea-air intermodal cargo transshipment at HKIA in end-2021. (THB)

### **Developing into a Centre for International Legal and Dispute Resolution Services in the Asia-Pacific**

(52-53) The rule of law in Hong Kong provides reassurance to Mainland and international investors when conducting business transactions and resolving commercial disputes in Hong Kong. To press ahead with the development of Hong Kong into a major centre for international legal and dispute resolution services in the Asia-Pacific region, we will adopt a wide range of measures including attracting international legal and dispute resolution institutions to set up offices in the Hong Kong Legal Hub, promoting international legal co-operation and exchanges, as well as securing international organisations to hold decision-making meetings in Hong Kong. The DoJ has successfully secured the hosting of the Asian-African Legal Consultative Organization Annual Meeting and the inter-sessional meeting of Working Group III of the United Nations Commission on International Trade Law in Hong Kong at the end of this year.

To enable the legal sector to meet the need for legal and dispute resolution services in the GBA, the DoJ will continue to organise the GBA Legal Professional Examination, develop a set of unified qualification, accreditation and other relevant standards for mediators in the GBA, take forward the measures of allowing wholly-owned Hong Kong enterprises registered in Qianhai, Shenzhen to adopt Hong Kong law and choose for arbitration to be seated in Hong Kong, and strive to extend such measures to other areas of Shenzhen and even the entire GBA.