



The Honourable Mrs Carrie Lam Cheng Yuet-ngor  
Chief Executive of the Hong Kong SAR  
Chief Executive's Office  
2 Tim Mei Avenue, Tamar  
Hong Kong

7 April 2022

Dear Chief Executive,

I would like to thank you and your colleagues for hosting the Consul Generals and International Chambers at the virtual meeting on 28 March. The meeting was well received and provided an opportunity for a constructive dialogue on the issues which are front of mind as Hong Kong comes out of the Fifth Wave.

I would like to raise two areas for consideration following the meeting and after further discussion with our members.

### **2022 Employment Support Scheme (ESS)**

You encouraged us all to come back to you with any comments we have on the recently announced ESS scheme which I understand will be brought to LegCo shortly for funding approval. Elizabeth Fung from Secretary Yau's office has also reached out to us for comments. I was also pleased to note that you announced modifications and a substantial increase to the scheme at your daily press conference earlier today; however, I still thought it useful to write to you to inform you of our members' comments on the scheme as you had so requested.

We certainly welcome the reintroduction of a further ESS scheme, albeit modified and reduced from that which was introduced in 2020. Indeed, we had asked for this in a recent letter to the Financial Secretary and to target those of our members hardest hit by the Fifth Wave and the social distancing restrictions. At this stage, not all the details of the scheme are available so we have based our comments below are based on those details that are currently available (including those announced today) and on the operation of the 2020 scheme.

- We understand that the 2022 scheme will cover a period of three months and payments will be made in three equal instalments. We recommend making all the payments in one amount upfront in May. Cashflow is key for many businesses struggling at this time and the earlier the support is made available the better. This would also be consistent with the 2020 scheme.
- Under the 2020 scheme, MPF returns were used as the basis for determining relevant employees. This methodology can exclude employees who are over 65 and



those under 18 which can account for a material proportion of a relevant company's workforce, particularly in the F&B sector which is one of the hardest hit. As an alternative, we would recommend using the end of March IR56B return as the baseline.

- Under the 2020 scheme, the salary covered was 50 per cent with a maximum of HKD 9,000 per head. The scheme as previously announced was HKD8,000 per head but excluding those earning a monthly salary greater than HKD30,000. Our members had some reservations with this formulation, particularly as the figure of HKD30,000 seems somewhat arbitrary and may have the unintended consequence of putting at risk the jobs of those who are marginally over this threshold. We would accordingly recommend adopting a formula similar to the 2020 scheme and were pleased to note that you announced the removal of this limit at your press conference today.
- It was not clear how part-time workers will be covered under the scheme, particularly where they earn less than HKD8,000 per month. We would recommend that such employees be covered by the scheme and that payment is made to include those earning less than HKD8,000 per month. We were pleased to see that part-time workers were included in your comments earlier today.
- We were asked by Ms Fung to comment specifically on the proposed Tentative Additional Exclusion List under the 2022 scheme. In that regard, we have no particular comments and understand the underlying premise of targeting small businesses. We appreciate the changes that were proposed in your comments today.
- Our experience of the application process for the 2020 scheme was that it was simple, well prepared and straightforward; we would hope that the process for the 2022 scheme will be equally straightforward.

## **Exemptions to COVID restrictions under Cap 599E**

We were pleased to see the recent relaxation in relation to travel restrictions, most notably the removal of the flight bans (including from the UK) and the reduction of the quarantine period to seven days. This is helpful in allowing stranded Hong Kong residents to return to Hong Kong and to encourage more international business travel. Our view remains that the goal has to be to get to quarantine-free travel, both to the mainland and internationally, and to achieve that goal as soon as practicably possible.

In the short term, however, there remain three significant challenges for international businesses operating in Hong Kong:

- Currently, and for the last two years, there has been no ability for non-Hong Kong residents to enter Hong Kong. This has made it impossible for senior Head Quarter staff with global or Asian responsibilities (including CEOs and Chairmen) based in, say, the UK to visit their operations in Hong Kong. This is both a management and a governance issue as well as, in many cases, a regulatory issue. I know from discussions with our members, that this is an increasingly challenging matter as



senior executives with global responsibilities begin to travel more extensively given the elimination of travel restrictions in many parts of the world.

- The current restrictions (even in their recently relaxed form) still present a practical challenge for those executives based in Hong Kong with regional responsibilities. These executives have been unable to fulfil their regional responsibilities by visiting their operations around the Asian region. As a consequence, many have decided to relocate to jurisdictions where travel is easier, at least on a temporary basis. A relaxation of rules to allow these regional heads to move across the international border more freely would be very welcome.
- The reduction of the airline suspension period from two weeks to one week is helpful. However this still creates enormous uncertainty for travellers. This continues to be a disincentive to arrange travel to and from Hong Kong.

In respect of the first two points, I believe that the Government has the power under Cap 599E (Compulsory Quarantine of Persons Arriving at Hong Kong from Foreign Places Regulation) to grant appropriate exemptions; and I would like to ask you to consider appropriate exemptions to cover these two situations and to provide some short term relief before Hong Kong can move to broader relaxations. In the case of non-resident visitors, I appreciate that this may need to come with some restrictions as to their movements whilst in Hong Kong; and, in the case of regional heads, with a preference for home quarantining.

A decision to lift the airline suspension mechanism would also be tremendous boost to Hong Kong and its reputation as an international business, financial and logistics hub.

I would be very happy to discuss these areas further with you or your colleagues.

Yours sincerely,

**Peter Burnett OBE**  
**Chairman**  
**The British Chamber of Commerce in Hong Kong**

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