

11 July 2023

Ms Bernadette Linn, JP  
Secretary for Development  
Development Bureau  
18/F, West Wing, Central Government Offices  
2 Tim Mei Avenue, Tamar  
Hong Kong

Dear Bernadette,

**Re: Legislative Proposal to Streamline the Arrangement  
for Extension of Land Leases**

The Hong Kong General Chamber of Commerce welcomes the Bureau's proposal to streamline the procedure for the extension of land leases, as contained in its paper presented to the Legislative Council Panel on Development for discussion on 23 May 2023 ("the Paper"). It would provide greater clarity and certainty for both businesses and households. By enhancing the speed and efficiency of the process, it would reduce costs, benefitting Hong businesses and its citizens. It may also have the welcome effect of encouraging investment, and economic activity generally.

While we generally welcome the proposal, we would like to put forward the following points for the Bureau's consideration:

1. The proposal currently excludes special purpose leases from its scope<sup>1</sup>, the aspect of which we suggest the Bureau to review. The benefits of the Proposal in terms of increased speed and efficiency, clarity, certainty etc. that we have outlined above would also apply in the case of special purpose leases, many of which involve heavy investment where clarity and certainty are especially important.
2. The Paper states that about three years' advance notice will be given by way of a gazette notice as to which leases will not be renewed (leases not being on the non-renewal list being subject to automatic renewal upon expiry).<sup>2</sup> We venture to suggest that such a period be extended to allow greater certainty for commercial planning and investment purposes.

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<sup>1</sup> Paper para 9.

<sup>2</sup> Paper para 10(a).

3. It would be helpful if more information could be given during the legislative process on the format and contents of the gazette notice, and how the proposed negative vetting process would work.
4. The Paper states that for leases that are listed as non-extended, “the proposed legislation will provide for an amendment mechanism allowing the Government to change a decision of not extending a lease to extending the same after administrative review”.<sup>3</sup> In the interests of greater certainty for business, it would be helpful if the Bureau would give more details during the legislative process about this proposed amendment and review mechanism, and how it would work. In the cases where owners may opt-out from lease extension, it would be helpful if more information could be given to how the process would work, and when banks as mortgagees will be informed of the opt-out decision if mortgaged properties are involved.

We hope that the above comments are helpful.

Yours sincerely,



George Leung  
CEO

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<sup>3</sup> Paper para 10(e).