

Business-Related Measures in Budget 2020 - 21

A) Measures which support businesses in short term	
Low-interest loan	<p>27a. The Government will introduce a concessionary low-interest loan under the SME Financing Guarantee Scheme, under which 100% guarantee will be provided by the Government. The application period will last for six months. The maximum amount of loan for eligible enterprises is based on their salary and rental expenditures for six months, subject to a ceiling of \$2 million. The repayment period is up to three years and, on an opt-in basis, a principal moratorium is available for the first six months during which only interest payments have to be made. The Government will provide guarantee of up to \$20 billion under this concessionary loan scheme</p> <p><i>(Eligible enterprises should have been operating for at least three months as at end-December 2019, and have suffered at least a 30% decline in sales turnover in any month since February 2020 compared with the monthly average of any quarter in 2019. It is expected to be rolled out within one month after the Government obtains approval of funding from the Finance Committee of the LegCo. Here for details. Nonetheless, it may still take some time for banks to approve the loan.)</i></p>
Profits tax reduction	<p>27b. The Government will reduce profits tax for the year of assessment 2019/20 by 100 per cent, subject to a ceiling of \$20,000. The reduction will be reflected in the final tax payable for the year of assessment 2019/20</p> <p><i>(The proposed tax reduction will only be applicable to the final tax for the year of assessment 2019/20, but not to the provisional tax of the same year. Therefore, taxpayers are still required to pay the provisional tax on time as stipulated in the demand notes that have been issued to them. Here for details.)</i></p>
Rates waiver	<p>27c. The Government will waive rates for non-domestic properties for four quarters of 2020-21, subject to a ceiling of \$5,000 per quarter in the first two quarters and a ceiling of \$1,500 per quarter in the remaining two quarters for each rateable non-domestic property</p>
Registration fees waiver	<p>27d. The Government will waive the business registration fees for 2020-21</p>
	<p>27e. The Government will waive the registration fees for all annual returns (except for late delivery) charged by the Companies Registry for two years</p>
Utilities subsidy	<p>27f. The Government will provide a subsidy to each eligible non-domestic household accounts for four extra months to cover 75 per cent of their monthly billed electricity charges, subject to a monthly cap of \$5,000 per account</p>
	<p>27g. The Government will waive 75 per cent of water and sewage charges payable by non-domestic households for four extra months, subject to a monthly cap of \$20,000 and \$12,500 respectively per household</p>

A) Measures which support businesses in short term	
Rental and other fees subsidy or reduction	27h. The Government will provide a new round of rental subsidy for six months to local recycling enterprises
	27i. The Government will reduce rental by 50 per cent for another six months for eligible tenants of government properties, government land and EcoPark
	27j. The Government will reduce rental and fees by 50 per cent for another six months for eligible operators of properties covered by short-term waivers
	27l. The Government will offer another six months of fees and rent reduction for cruise lines and existing tenants of the Cruise Terminal
Subsidy to the construction industry	31. The Construction Industry Council will draw \$200 million from its levy income to provide around 6,000 eligible small and medium-sized contractors and registered subcontractors with a financial subsidy, capped at \$20,000 each

B) Measures for market development	
Financial market	53. The Government will waive the stamp duty on stock transfers paid by ETF market makers in the course of creating and redeeming ETF units listed in Hong Kong
	54. The Government plans to issue green bonds totalling \$66 billion within the next five years, having regard to the market situation
	55. The Government plans to launch a further issuance of iBond this year to promote the further development of the retail bond market
	56. The Government will continue issuing Silver Bonds to provide Hong Kong residents aged 65 or above with more appropriate investment products, and to encourage the financial sector to continue to develop the silver market
	62. The Government plans to provide tax concession for carried interest issued by private equity funds operating in Hong Kong subject to the fulfilment of certain conditions
	63. The Government will further enhance Hong Kong's anti-money laundering and counter-terrorist financing (AML/CTF) regime, and consider incorporating virtual asset service providers and dealers in precious metals, stones and jewellery into the AML/CTF regulatory framework

B) Measures for market development	
Maritime	78. The Government will amend the relevant legislation to provide tax concessions for the ship leasing business, including offering a profits tax exemption to qualifying ship lessors and a half-rate profits tax concession to qualifying ship leasing managers. Besides, profits tax will be halved for eligible insurance businesses including marine insurance. The Government will also explore other tax measures to attract more global shipping business operators and commercial principals to set up business in Hong Kong
Logistics	79. The Government will introduce a pilot subsidy scheme on technology application this year with an injection of \$345 million. Each eligible third party logistics service provider will receive subsidies to implement up to four projects, subject to a cumulative subsidy ceiling of \$1 million
Tourism	80. The Government will allocate an additional amount of over \$700 million for the Hong Kong Tourism Board to step up promotion and revive the tourism industry when the epidemic is over
Trade	81. The Government will allocate an additional funding of \$150 million to the Trade Development Council (TDC) for organising various initiatives to promote Hong Kong; setting up Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops in major overseas cities; and organising trade delegations. In addition, the Anti-epidemic Fund has also set aside resources to provide subsidies to enterprises for attending conferences and exhibitions organised by the TDC, and subsidise the conferences and exhibitions to be held at the Hong Kong Convention and Exhibition Centre and the Asia World-Expo

C) Measures for innovation and technology	
R&D	66. The Government will explore the establishment of a third InnoHK research cluster in addition to the two clusters under development (healthcare technologies and AI/robotics technologies) in Science Park
	67. The Government will continue to provide enhanced tax deduction for qualifying R&D expenditure incurred by enterprises and subsidise local R&D work through the Innovation and Technology Fund (ITF), with a view to fostering technology transfer as well as application and commercialisation of R&D results. The Government will extend next month the coverage of the Public Sector Trial Scheme to all technology companies conducting R&D activities in Hong Kong
	126. The Government will propose setting up a \$200 million Green Tech Fund to support R&D and application of decarbonisation and green technologies, and the sharing of R&D findings

C) Measures for innovation and technology	
Re-industrialisation and industry development	69. The Government will inject \$2 billion into the ITF for launching the Re-industrialisation Funding Scheme to provide financial support for manufacturers on a matching basis for setting up new smart production lines in Hong Kong. The Government will also provide Science Park with an additional funding of \$2 billion for converting an old factory in the Yuen Long Industrial Estate into a Microelectronics Centre to provide modern manufacturing facilities
	70. From April 2020 onwards, the Government will enhance the Technology Voucher Programme to promote the wider use of technological services and solutions among local enterprises for increasing their productivity or upgrading and transforming business processes. The Government's funding ratio will increase from the current level of two-thirds to three-fourths, and the funding ceiling from \$400,000 to \$600,000. The ceiling on the number of approved projects will also rise from four to six
Infrastructure	71. The HKSTPC is exploring the feasibility of Phase 2 of the Science Park Expansion Programme. The Government will earmark \$3 billion for the programme

D) Measures for green economy	
Electric vehicles	127. The Government will update the Clean Air Plan to, among other things, examine the policy of further promoting the use of EVs, and also formulate Hong Kong's first roadmap on the popularisation of EVs
	128. As regards charging facilities, the Government will launch a \$2 billion pilot scheme this year. The scheme aims to subsidise the installation of charging-enabling infrastructure in eligible car parks of private residential buildings
	129. The Government is researching into electric public light buses that are suitable for local use and the basic specifications and requirements of the associated charging facilities. The Government will earmark \$80 million for a pilot scheme under which green PLBs running on fixed routes will pioneer the switch to EVs
Diesel commercial vehicles	130. The Government is preparing for the launch of a scheme in the second half of this year to phase out about 40,000 Euro IV diesel commercial vehicles, and setting aside \$7.1 billion for ex-gratia payment to the vehicle owners concerned
	131. The Government plans to launch a pilot scheme for electric ferries serving ferry routes in the Victoria Harbour, earmarking \$350 million for this purpose
Electric ferries	
Waste paper recycling	132. The Government will set aside a sum of not less than \$300 million each year starting from 2020-21 for implementing a scheme to recycle waste paper

D) Measures for green economy	
Cleaner production	133. The Cleaner Production Partnership Programme encourages Hong Kong-owned factories to adopt cleaner production technologies, so as to help improve the regional environment. The Government has earmarked \$300 million to extend the programme for five years up to March 2025

E) Smart city measures	
Smart traffic	137. The Government has earmarked \$1 billion for the Smart Traffic Fund to provide funding support for enterprises or organisations to conduct research and application on vehicle-related I&T. The Fund is expected to commence operation in 2020-21
Geospatial data	138. The Government will launch the high-quality territory-wide 3D digital map in phases starting from this year, and roll out the Common Spatial Data Infrastructure Portal for full operation by end-2022. It will further earmark \$60 million for the establishment of the first Geospatial Lab to encourage the public to make use of spatial data in developing mobile applications
Digitisation of Works Supervision System	139. Starting from the second quarter of this year, all public works projects will adopt the digital works supervision system in phases. The Government will allocate \$100 million to develop an integrated digital platform for data integration and information exchange in order to strengthen project supervision

F) Measure to support hiring	
Funding for hiring the elderly, young people and persons with disabilities	29. The Government will provide an additional annual funding of \$30 million to enhance the employment programmes of the Labour Department, with a view to further encouraging employers to hire the elderly, young people and persons with disabilities. These initiatives include raising the ceiling of the on-the-job training allowance payable to employers under the Employment Programme for the Elderly and Middle-aged, the Youth Employment and Training Programme as well as the Work Orientation and Placement Scheme. The enhanced measures are expected to be implemented in the second half of this year