



Consolato Generale d'Italia
Hong Kong



Hong Kong Government 2020-21 Budget. Measures to Support Enterprises and Safeguard Jobs

The Financial Secretary Paul Chan Mo-po delivered **the 2020-21 Budget** on Wednesday 26 February in front of the Legislative Council.

The Financial Secretary illustrated a range of counter-cyclical measures to help Hong Kong tackle the current economic difficulties and to support the community during challenging times by making optimal use of the fiscal reserves.

The Government, in particular, set aside a total of **HK\$18.3 billion** to implement a new raft of measures aimed at safeguarding jobs and supporting enterprises and to extend the validity of other initiatives.

To provide further relief to the community, the Government will also implement measures to give assistance to citizens and permanent residents.

SUPPORT ENTERPRISES AND SAFEGUARD JOBS

New relief measures include:

- A. **introducing 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 HK\$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 HK\$20 billion under this concessionary loan scheme;
- B. **reducing profits tax for the year of assessment 2019/20 by 100%, subject to a ceiling of HK\$20,000**. The reduction will be reflected in the final tax payable for the year of assessment 2019/20;
- C. **waiving rates for non-domestic properties for four quarters of 2020-21**, subject to a ceiling of HK\$5,000 per quarter in the first two quarters and a ceiling of HK\$1,500 per quarter in the remaining two quarters for each rateable non-domestic property;
- D. **waiving the business registration fees for 2020-21**;
- E. **waiving the registration fees for all annual returns** (except for late delivery) charged by the Companies Registry for two years.

SUPPORT ENTERPRISES AND SAFEGUARD JOBS

Existing measures whose validity will be extended include:

- A. providing a subsidy to each eligible non-domestic household accounts for four extra months to cover **75% of their monthly billed electricity charges**, subject to a monthly cap of HK\$5,000 per account;
- B. waiving **75% of water and sewage charges** payable by non-domestic households for four extra months, subject to a monthly cap of HK\$20,000 and HK\$12,500 respectively per household;
- C. **reducing rental by 50%** for another six months for eligible tenants of government properties, government land and EcoPark;
- D. **reducing rental and fees by 50%** for another six months for eligible operators of properties covered by short-term waivers;
- E. providing hirers of civic centres under the Leisure and Cultural Services Department (LCSD) with **a 50% reduction of hire charges** for another six months.

RELIEVE PEOPLE'S BURDEN

Measures to ease the financial burden of the public include:

- A. **disbursing HK\$10,000 to Hong Kong permanent residents aged 18 or above**, with a view to encouraging and boosting local consumption on the one hand, and relieving people's financial burden on the other;
- B. **reducing salaries tax and tax under personal assessment for the year of assessment 2019/20 by 100%, subject to a ceiling of HK\$20,000**. The reduction will be reflected in the final tax payable for the year of assessment 2019/20;
- C. **waiving rates in respect of residential properties** for four quarters of 2020-21, subject to a ceiling of HK\$1,500 per quarter for each rateable property;
- D. providing **an extra allowance to eligible social security recipients**, equal to one month of the standard rate Comprehensive Social Security Assistance payments, Old Age Allowance, Old Age Living Allowance or Disability Allowance. Similar arrangements will apply to recipients of the Work Incentive Transport Subsidy;
- E. **paying the examination fees for school candidates** sitting for the 2021 Hong Kong Diploma of Secondary Education Examination.