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CHIEF EXECUTIVE SETS OUT INITIATIVES IN FIRST POLICY ADDRESS TO ATTRACT ENTERPRISES, INVESTMENTS AND TALENT THAT WILL ENHANCE COMPETITIVENESS



Hong Kong's Chief Executive, John Lee, delivered his first policy address on 19 October 2022.

In his policy address, 'Charting a Brighter Tomorrow for Hong Kong', Mr Lee outlined several initiatives to tackle Hong Kong's pressing economic, healthcare, land and housing issues, including the brain drain, while setting out his five-year vision for the city's development and the enhancement of Hong Kong's global competitiveness.

Within these initiatives, Mr Lee announced four new institutions will be set up with aims to 'compete for enterprise' and 'compete for talent' more proactively and aggressively.

Tables 1, 2 and 3 summarise the information that business and HR leaders may find relevant.



Table 1: Initiatives to attract enterprise, investment and talent

Highlights	Action plan	Target timeframe for implementation
<p>1. Set up a new Office for Attracting Strategic Enterprises (OASES) to attract high-potential and representative global strategic enterprises, such as life and health technology, artificial intelligence and data science, financial technology (Fintech), and advanced manufacturing and new energy technology.</p>	<p>Led by the Financial Secretary, the OASES will provide target enterprises with:</p> <ul style="list-style-type: none"> • tailored plans to assist them with aspects such as land, tax and financing; and • one-stop services in areas such as applying for a visa and arranging education for children. 	<p>To be announced in the coming months.</p>
<p>2. Establish a new Talent Service Unit (TSU) to formulate strategies for attracting talent from the Mainland and overseas and coordinating the relevant work.</p>	<p>Led by the Chief Secretary for Administration, the TSU will aim to attract at least 35,000 talented people a year by:</p> <ul style="list-style-type: none"> • providing one-stop support; • coordinating work on talent-admission applications and support; and • drawing up performance pledges to process applications more effectively. 	<p>To be announced at a later date.</p>
<p>3. Set up a new Dedicated Teams for Attracting Businesses and Talent (DTABT) department in the 17 Mainland offices and overseas Economic and Trade Offices to attract businesses and talent to pursue development in Hong Kong.</p>	<p>The DTABT will proactively approach target enterprises and talent to encourage them to pursue their development in Hong Kong.</p>	<p>To be announced at a later date.</p>
<p>4. Reserve HK\$30 billion from the Future Fund to establish a Co-Investment Fund (CIF) for attracting enterprises to set up operations in Hong Kong and for investing in their business.</p>	<p>The Hong Kong Investment Corporation Limited will be established to consolidate the Hong Kong Growth Portfolio and the Greater Bay Area (GBA) Investment Fund, the Strategic Tech Fund and the newly established HK\$30 billion CIF. The Government will steer the investment in strategic industries with the aim of attracting and supporting more enterprises to develop their business in Hong Kong.</p>	<p>To be announced at a later date.</p>

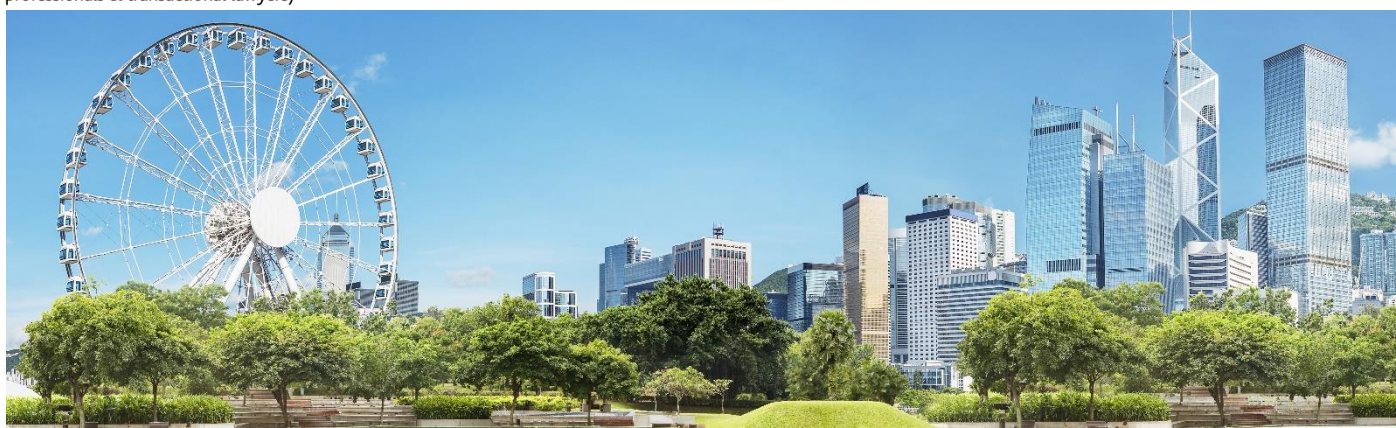
Table 2: Initiatives to attract talent from the Mainland and overseas

Highlights	Action plan	Target timeframe for formulating initiative
Implement the Top Talent Pass Scheme (TTPS) .	<p>Talented individuals who meet the following requirements will be able to obtain a two-year Pass to explore opportunities in Hong Kong. There is no limit on the number of people who can join the scheme. Applicants will need to show that they:</p> <ul style="list-style-type: none"> • have graduated from one of the world's top 100 universities; • have at least three years of work experience in the past five years*; and • received an annual salary of HK\$2.5 million or above in the past year. <p>*Individuals who have graduated in the past five years but have yet to fulfil the work experience requirement will also be eligible, but an annual quota of 10,000 people will apply.</p>	Government sources have stated that the scheme will launch in December 2022, and the aim is to process applications within a few weeks. The first batch of talented people is expected to arrive in Hong Kong in the first quarter of 2023.

Table 3: Initiatives to enhance six existing talent-admission schemes

Highlights	Action plan	Target timeframe for formulating initiative
1. Streamline the requirements of the existing General Employment Policy (GEP) and the Admission Scheme for Mainland Talent and Professionals (ASMTP) .	<ul style="list-style-type: none"> • The proposed initiative aims to fill vacancies in the 13 professions in the Talent List (see note) that are facing a shortage of local supply as well as vacancies for roles with an annual salary of HK\$2 million or above. • Employers will not be required to provide proof of their difficulty in recruiting locally when they apply for talent admission. 	To be announced by the Immigration Department later.
2. Suspend the annual quota under the Quality Migrant Admission Scheme (QMAS).	The annual quota for admission of quality migrants will be suspended for two years, and the approval process will be improved.	To be announced by the Immigration Department later.
3. Loosen the Immigration Arrangements for Non-local Graduates (IANG) .	<ul style="list-style-type: none"> • The limit of stay will be extended from one year to two years to make it easier for talent to stay in or come to Hong Kong for work. • In a two-year pilot, the scope of the arrangements will be expanded to cover graduates from the GBA campus of a Hong Kong university. 	To be announced by the Immigration Department later.
4. Extend the limit of stay for employment visas.	People who are admitted under the existing and newly launched talent admission schemes who secure employment may be issued with an employment visa that is valid for up to three years (currently, the first employment visa granted by the Immigration Department is valid for one to two years and can be renewed for two to three years).	To be announced by the Immigration Department later.
5. Enhance the Technology Talent Admission Scheme (TechTAS) .	The local employment requirement will be waived, extending the quota validity period to two years and expanding coverage to more emerging areas of technology.	To be announced by the Immigration Department later.
6. Refund Buyer's Stamp Duty and the new Residential Stamp Duty to incoming talent when they become a permanent resident of Hong Kong.	<ul style="list-style-type: none"> • Eligible incoming talent who become permanent residents of Hong Kong after living in Hong Kong for seven consecutive years will be able to apply for a refund of the Buyer's Stamp Duty and Residential Stamp Duty that they paid when purchasing their first residential property, as long as they still own that property. • The Ad Valorem Stamp Duty at Scale 2 rates will still be payable (the same as for ordinary permanent residents of Hong Kong). 	To be announced at a later date.

(Note: Professionals included in the Talent List of Hong Kong are: professionals in compliance in asset management, financial professionals in environmental, social and governance (ESG), waste treatment specialists, asset management professionals, marine insurance professionals, actuaries, fintech professionals, data scientists & cyber security specialists, innovation and technology experts, naval architects, marine engineers & superintendents of ships, creative industries and performing arts professionals, dispute resolution professionals & transactional lawyers)



Mr Lee said that the proposed strategies for attracting talent from the Mainland and abroad are very aggressive, stating that they will attract graduates from the world's top 100 universities with at least three years of work experience in the last five years to apply for the two-year Top Talent Pass Scheme.

The 2022 Policy Address also included strategies for grooming local talent, such as strengthening Hong Kong's education system and launching youth development schemes.

This suggests that Mr Lee believes local talent will stay in Hong Kong or be attracted to return as long as the region

maintains its competitive edge.

The success of these initiatives will largely depend on the actual execution of the proposed measures by government officials across several bureaus and departments. We will continue to keep you informed as these initiatives are developed and implemented in the near future.

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