



**For Immediate Release:**

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**The Chartered Institute of Management Accountants  
Makes Six Suggestions to Improve Economic Stimulus Packages in Hong Kong**

The Chartered Institute of Management Accountants (CIMA), the world's largest body of management accountants, welcomes the stimulus packages The Hong Kong SAR Government revealed last week to give relief to businesses and individuals caused by the COVID-19. Following discussions with members in Hong Kong, CIMA proposes six additional suggestions to further help individuals, the self-employed, sole traders, and businesses hit by the coronavirus outbreak.

Paulus Chau, Associate Director, Hong Kong and Emerging markets, said: "These are difficult times for everyone, and the efforts of The Hong Kong SAR Government are to be welcomed. There is, however, an opportunity to do more to help get the economy back on its feet more quickly through initiatives such as additional hiring in the public sector, reallocating financial support to the hardest hit sectors such as leisure, and measures to help cash-flow like extending rent relief for longer and incorporating mortgages within the relief scheme. Such extensions to the current Government plan would provide additional security and confidence needed to accelerate a sustainable recovery".

The full recommendations were set out in a letter sent to Mrs Carrie Lam, Chief Executive of The Government of the Hong Kong Special Administrative Region, on 14 April. A summary of the recommendations can be found below.

**1 Individual income support**

CIMA welcomes the announcement of the government to cover half of workers' monthly salaries as a much-needed lifeline. The wage will bring significant savings, ease cash flow and help keep jobs as COVID-19 continued to ravage economies worldwide. This will encourage employers not to terminate employees.

As the largest employer, the government may wish to consider introducing plans to hire those being made redundant in part time positions and other available avenues.

**2 Broaden support according to need**

Some sectors have been affected more than others, for example, Small-Medium Enterprises (SMEs), tourism and entertainment. The problem with the universal broad financial support is that not all companies need it. They have the cash and bank facilities to carry it through.

CIMA recommends that the government devises measures to ensure that financial aid is given to those who need it most.



### **3 Education & online learning**

There is a concern around the ability of the education sector to continue to develop the learning and development that the population of Hong Kong needs. CIMA recommends that the government engages with technology companies to assist low income students by providing resources such as laptops and other short-term solutions needed to engage in online learning. This will ensure all students are able to keep up with the studies.

To alleviate parents' burden, \$900 million has been allocated from the Anti-epidemic Fund to provide an additional \$1,000 to each recipient of the Student Grant for the 2019-20 school year, i.e. increase from \$2,500 to \$3,500. CIMA recommends that these grants should be extended to university students to subsidise their student allowances.

### **4 Small-Medium Enterprise (SME) Support**

The maximum amount of the loan per enterprise is the total amount of employee wages and rents for six months, or HK\$2 million, whichever is lower. CIMA recommends that the six months should be extended to one year for both rent and salaries to drive long term recovery.

Additionally, to help SMEs who own their premises, the scheme should be extended beyond just rent to cover mortgage payments for SMEs who have invested in owning their own premises.

CIMA would further encourage the government to use its leverage as a landowner to encourage leaseholders to support leasees through rent concessions or rent holidays for SMEs.

### **5 Cash flow improvement measures**

To allow small businesses to maintain their cash flow, especially when revenues are dropping, CIMA hopes that the government will consider cash flow improvement measures including delaying payment of provisional tax, delaying payment of provident funds by employers and employees and offering tax incentives to SMEs who continue to pay rental and salaries in full.

### **6 Speed and Simplicity in administration**

The relief measures provided by the government need to be more accessible to businesses. There are currently too many regulations and requirements that make it difficult for businesses to adapt and change.

The entrepreneurial spirit of Hong Kong business is rising during these challenging times. Businesses are looking at changing product lines, retooling factories and other ways to generate revenue. They need to be nimble and agile in order to enter and create new markets.

They need the same speed from the government in terms of licencing and regulations, particularly around essential products.

Grants must be accessible when there is the need and not after the fact. Lengthy procedures will drive companies, families and individuals to bankruptcy/poverty. CIMA recommends that the government give consideration to the administration and timing of grant disbursement.

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**Notes to editors:**

**About The Chartered Institute of Management Accountants**

The Chartered Institute of Management Accountants (CIMA), founded in 1919, is the world's leading and largest professional body of management accountants. As part of the Association of International Certified Professional Accountants (the Association) its members and students operate in 179 countries, working at the heart of business. CIMA members and students work in industry, commerce, the public sector and not-for-profit organizations. CIMA works closely with employers and sponsors leading-edge research, constantly updating its qualification, professional experience requirements and continuing professional development to ensure it remains the employers' choice when recruiting financially-trained business leaders.

**About the Association of International Certified Professional Accountants**

The Association of International Certified Professional Accountants (the Association) is the most influential body of professional accountants, combining the strengths of the American Institute of CPAs (AICPA) and The Chartered Institute of Management Accountants (CIMA) to power opportunity, trust and prosperity for people, businesses and economies worldwide. It represents 657,000 members and students in public and management accounting and advocates for the public interest and business sustainability on current and emerging issues. With broad reach, rigor and resources, the Association advances the reputation, employability and quality of CPAs, CGMAs and accounting and finance professionals globally.