

BIPO TIMES



Comparison between Financial Assistance for Businesses in Hong Kong and Singapore after the Coronavirus Outbreak

Businesses across all segments of the global economy have been affected by COVID-19.

Governments around the world have implemented enhanced health, safety and social distancing measures to reduce the transmission of the virus. At the same time, they have also been very quick in responding to the changing situation on the ground, putting in place various grants, rebates and financial schemes to support businesses and individuals.

In this segment of BIPO Times, we have compiled an overview of some of the key Government grants across SEA and Australia – helping businesses make informed decisions while supporting individuals during these unprecedented times.

Hong Kong

In view of the challenges arising from the COVID-19 virus, the HKSAR Government announced a series of measures involving over HKD130 billion to support enterprises, employees and the public.

Some of the key measures include :

- Every Hong Kong permanent resident aged above 18 will receive HKD10,000 in cash, while the government also offers 100 per cent guarantee to Hong Kong companies taking low interest loans
- Individuals will receive rebates in salary and property tax, other government fees and a month of lower public housing rent

- The monthly allowance for low income families will be doubled and fees waived for public examinations to get into universities
- Lower profit tax for companies, government rents and rates to be reduced, electricity bills will be subsidised

These measures also include an HKD80 billion Employment Support Scheme (ESS) under which wage subsidies will be provided to eligible employers. The ESS is estimated to cover 260,000 employers employing 1.5 million employees. Under the scheme, employers can only spend the subsidies on employees and not other expenses such as rent, adding that they cannot lay off any employees during the 6 months they are receiving the subsidies.

Employee Support Scheme (ESS)

Over HKD130 billion to support enterprises, employees and the public.

Employment Support Scheme (ESS)

- Wage subsidies to eligible employers
- Subsidies utilised on employees, not other expenses such as rent
- Employers cannot lay off employees during the 6 months they are receiving subsidies.

Employee Support Scheme (ESS)

Employers select 1 month from Jan, Feb or Mar for calculation of salary subsidies, employee figures must be from March. Employer cannot implement redundancy.

Disbursed in two payments – first payment not later than Jun 2020.

- Rule 1: No decrease in no. of headcounts (i.e. no. of employees on payroll in June to August cannot be less than no. employees in March, incl on unpaid leave).
- Rule 2: All subsidies received must be given to employees.

Eligibility

All employers making MPF contributions except on exclusion list (i.e. HKSAR, statutory bodies, Government sub-vented staff).

Subsidy amount:

50% of employee monthly salary capped at HKD18K i.e. max HKD9K per month per employee

Subsidy period:

6 months
(June – November)

Application timeline:

May 2020 *tentative

It is also important to note that companies that fail to comply the rules will be asked to return the subsidies to the Government, plus an additional monetary penalty depending on the scale. While the measures are pending approval by the Legislative Council Finance Committee this week, further details will be announced by the Government after the approval.

Other proposals on providing relief to hard-hit sectors:

Transport sector

- Monthly subsidy of \$6,000 for a period of 6 months to each eligible active taxi and RMB driver and one-off subsidy of \$7,500 for taxi and RMB drivers who cannot meet all the eligibility
- A one-off subsidy of \$30,000 for the registered owner of each taxi and RMB
- A one-off subsidy of \$30,000 to the registered owner of each non-franchised bus (NFB), school private light bus (SPLB) and hire car;
- Reimburse 100% of the actual regular repair and maintenance costs and insurance premium for 6 months for the five franchised bus companies, nine franchised/licensed ferry operators and Hong Kong Tramways Limited

Tourism industry

- To provide each of the licensed travel agents with cash subsidy ranging from \$20,000 to \$200,000
- To provide each travel agents' staff and active freelance tourist guides and tour escorts holding a valid pass a monthly subsidy of \$5,000 for six months.
- To provide each licensed hotel with cash subsidy of \$300,000/\$400,000
- To provide each coach driver who mainly provides transport services for tourists with a one-off subsidy of \$10,000.
- To waive the monthly fixed rent and management fees of the operator of Kai Tak Cruise Terminal for six months; and provide subsidy to cruise lines by offering refund of berth deposits for cancelled ship calls during the suspension of immigration service when they schedule a prospective ship call.

Construction Sector

- Subsidy of \$7,500 to each eligible Registered Construction Worker;
- Subsidy of \$20,000 to each eligible contractor, specialist contractor and supplier, and company member of major construction-related trade associations; and a subsidy of \$10,000 to each eligible Registered Contractor and each eligible supplier of construction-related machineries and equipment rental

Aviation Sector

- One-off subsidy to the aviation sector which is hardly hit by the complete shutdown of international traffic:
- One-off subsidy of \$1 million per large aircraft and \$200,000 per small aircraft registered in Hong Kong.
- One-off subsidy of up to \$3 million (with 100 employees or above) / \$1 million (with less than 100 employees) to each aviation support services and cargo facilities operators.

Catering Support

- One-off subsidy ranging from \$250,000 to \$2.2 million to catering outlets* based on the size of their premises. Will be disbursed in two tranches, and not less than 80% of the subsidy has to be used to pay employees' salaries. There would be no redundancy of staff for 3 months after obtaining the subsidy.
- Each eligible catering outlet directed by the Government to close whole of its licensed premises (including karaoke establishments, bars/pubs and nightclubs) is eligible for a further one-off subsidy of \$50,000
- One-off subsidy of \$50,000 to tenants of cooked food/light refreshment stalls at public markets managed by the Food and Environmental Hygiene Department (FEHD)

One-off subsidy to businesses

Businesses that have been ordered to close or put in place specified precautionary measures pursuant to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F) will receive the following one-off subsidies :

- operator of amusement game centre: \$100,000.
- holder of commercial bathhouse licence: \$100,000.
- operator of fitness centre: \$100,000.
- operator of place of amusement (billiard establishments, public bowling-alleys and public skating): \$100,000.
- holder of a Place of Public Entertainment Licence (PPEL) (except cinema): \$100,000.
- holder of Mahjong / Tin Kau Licence: \$100,000.
- operator of club-house with a Certificate of Compliance (CoC): \$100,000.
- beauty parlour operator: \$30,000 to \$100,000 depending on the size of the premises, subject to a cap of \$3 million for each beauty parlour chain
- operator of massage establishment: \$30,000 to \$100,000 depending on the size of the premises, subject to a cap of \$3 million for each massage establishment chain.
- non-governmental operator of sports and recreational facilities on Government sites: \$100,000 for facilities provided on each Government site

Proposals on easing the cash flow and burden of businesses and individuals

Enhancing the SME Financing Guarantee Scheme

- Enhancements to the 80%, 90% and Special 100% Guarantee Products under the SME Financing Guarantee Scheme
- Estimated additional expenditure of around \$11.69 billion
- Additional guarantee commitment of \$30 billion

Rental and Fee Concessions for Government Premises

- To increase rental concessions for eligible businesses/organisations operating in government premises from 50% to 75% from April to September 2020.
- Businesses which have completely ceased operation (will receive a full rental waiver).
- To increase the rental or fee concessions from 50% to 75% in respect of eligible short-term tenancies and waivers administered by the Lands Department (LandsD) from April to September 2020

Singapore

A slew of measures to deal with the challenges of COVID-19 and long-term economic development were introduced by Deputy Prime Minister Heng Swee Keat in February 2020. Since then, the country has rolled out additional budget measures and enhanced grants / schemes in response to the constantly changing global situation resulting from COVID-19.

Here are some key things you should know :

1. Goods & Services Tax (GST)

Initially slated to be implemented in 2021 and 2025 (to be increased from 7% to 9%), these will not be implemented in 2021.

2. Support for all Households

Singaporean households will receive help to defray household expenses amid the coronavirus outbreak and economic weakness via a SGD1.6 million Care & Support budget to benefit all Singaporean adults aged 21 and older. In April 2020, all Singaporeans received a one-off "Solidarity" cash payment of SGD600 each, with those who qualify for the higher tiers receiving a further SGD300 or SGD600 in June. This is in addition to other rebates to households and older Singaporeans in the form of GST vouchers, reduction in conservancy fees, etc.

3. Helping Businesses Defray Wage Cost

- The new Job Support Scheme (JSS), similar to Hong Kong's ESS programme sees the Government support all active employers (except government organisations and representative offices) in retaining their local employees.
- The enhanced Wage Credit Scheme aims to support enterprises embarking on transformation initiatives, and encourages employers to share productivity gains with workers by co-funding wage increases.

These two schemes will support enterprises and help workers stay employed as part of a larger SGD4 billion Stabilisation and Support Package.

4. Helping Businesses with their Cash Flow

- A corporate income tax rebate of 25% of tax payable, capped at SGD15,000 per company, will be granted for the tax year of assessment 2020 and will benefit all tax-paying companies, costing the Government up to SGD400 million as part of the Stabilisation and Support Package
- The Enterprise Financing Scheme's Working Capital Loan will help SMEs access financing for working capital needs, will be enhanced for one year from March 2020 with the maximum loan quantum raised from SGD300,000 to SGD600,000, and the Government's risk share will be increased to 80 per cent, up from the current 50 per cent to 70 per cent.
- In addition, tenants and lessees of government-managed properties can also approach the agencies to discuss options for more flexible rental payments, such as instalment plans.
- Five sectors impacted directly by COVID-19 (eg: tourism, aviation, retail, food services, and point-to-point transport services) will receive enhanced support under the Jobs Support Scheme to cover 75% of gross monthly wages, per Singapore Citizen/Permanent Resident employee, up to a monthly wage cap of \$4,600 as well as property tax rebates, rental waivers, temporary bridging loans and training grants to support upskilling efforts.

5. Enhancements to support Singapore's Digital Transformation & Growth

The enhanced SMEs Go Digital programme will help SMEs build digital capabilities and cover the needs of 23 Industry Transformation Map sectors, up from 10. In addition, a new e-invoicing registration grant will also be introduced to help the nation go digital as businesses eliminate the need to handle paper invoices.

JOBS SUPPORT SCHEME

To encourage firms to *retain local workers* during this period of uncertainty, Government will *co-fund the first \$4,600 of monthly wages* — for every local worker in employment — for **9 months**

NEW

- Shareholder-directors with Assessable Income ≤ \$100k now eligible
- 75% wage support for **all sectors** in **May 2020**
- Special JSS payout to reach employers by **end-May 2020**

Period	Wage Support
Apr 2020 + May 2020	All Sectors: 75% wage support
Remaining Qualifying Months	Aviation & Tourism: 75% wage support
	Food Services: 50% wage support
	All Other Sectors: 25% wage support

JSS payouts will be made in the following months:

Month	Payout
Apr	1st Payout
May	NEW Special JSS to cover May 2020 wages
Jul	2nd Payout
Oct	3rd Payout

Version as of 21 Apr 2020, 1230 hrs

SUPPLEMENTARY BUDGET 2020

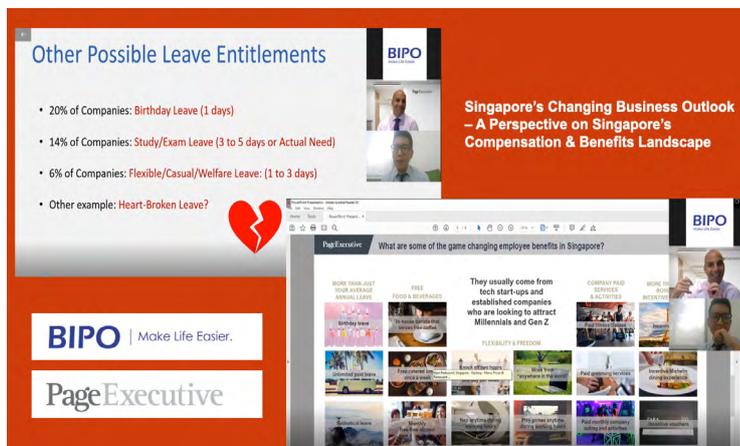
MOF MINISTRY OF FINANCE

SCAN FOR MORE DETAILS

With more countries putting in place safe-distancing measures and working from home, BIPO has been lending our support to the HR community by driving a series of webinars, aimed at helping HR professionals exchange ideas while staying connected during the current situation.

23 April 2020 | Singapore

BIPO and PageGroup co-hosted a webinar on Singapore's Changing Business Outlook – A Perspective on Singapore's Compensation & Benefits Landscape. Attended by over 50 HR professionals from Singapore and the region, our interactive hour-long webinar saw participants engrossed in a lively discussion – from topics on companies providing “heart-broken leave” to an engaging Q&A session with our dynamic speakers, Jon Goldstein (Regional Director, SEA & India – PageGroup) and Tom Ho (Senior Principal Consultant, BIPO). Participants were also given a quick overview of BIPO's employee benefits survey results covering the Singapore market.



28 April 2020 | Shanghai

Helping the international business community understand the business and employment landscape in Singapore, BIPO hosted a webinar with leading HR consulting firm, Mercer. Sharing insights on tapping Singapore business grants, BIPO's Alex Lau (Senior Finance Manager) highlighted the various schemes available from the Productivity Solutions Grant to SMEs Go Digital, aimed at promoting digital transformation efforts in Singapore. Mercer's Wing Wang (Consulting Director) shared best practices related to Global Mobility and International Assignments amid the current COVID-19 situation.

30 April 2020 | Taiwan

BIPO Taiwan recently hosted a free webinar to help employees prepare for their return to work amid COVID-19. With lots of insightful sharing, our webinar was hosted by Jemmy Wang (Business Development Manager), focused on how businesses manage the enhanced safety and precautionary measures while helping employees balance their professional and personal responsibilities. A great turn out on a Thursday afternoon that ended with a lively Q&A session and discussion.

About Us

BIPO is a leading one-stop human resources provider in Asia Pacific, focused on providing organisations with innovative ways to manage complex end-to-end HR processes. Through our cloud and mobile-based Human Resources Management system as well as industry-leading solutions such as Payroll Outsourcing, Attendance Automation, Business Intelligence, HR Consulting, Recruitment & Business Process Outsourcing and Flexible Employee Management, we help companies transform their HR operations to and beyond their expectations, while achieving business goals related to cost and profitability.

Founded in 2004, our APAC headquarters is in Singapore and R&D centre in Indonesia. We have offices in Australia, China, Hong Kong, India, Japan, New Zealand, Philippines, Vietnam, Taiwan and Thailand with business links in over 10 countries and regions.

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