

**Forty-second Meeting of
The Business Facilitation Advisory Committee**

Catering Business (Social Distancing) Subsidy Scheme

Purpose

This paper briefs members on the immediate financial relief by the Government's Catering Business (Social Distancing) Subsidy Scheme under the Anti-epidemic Fund to catering outlets carrying on a business to sell or supply food for consumption on their premises.

Background

2. To provide financial support to the sectors hard-hit by the Coronavirus Disease 2019 (COVID-19) outbreak, the Government rolled out on 5 March 2020 a Food Licence Holders Subsidy Scheme under the Anti-epidemic Fund for the food business sector. A one-off subsidy was provided to eligible licence holders of the 8 types of food business (including general restaurants, marine restaurants, factory canteens, light refreshment restaurants, fresh provision shops, food factories, bakeries and siu mei and lo mei shops) with the premises in operation. As at close of application for the Scheme on 4 May, over 28 900 applications have been received and over \$3.6 billion subsidies have been disbursed for eligible food licence holders.

3. As social distancing is key to delaying the spread of the disease, the Prevention and Control of Disease (Requirements and Directions)(Business and Premises) Regulation (Cap.599F) took effect on 28 March 2020 to restrict the operation of catering business and specified premises. The Government imposed the social distancing measures and some specified premises (including karaoke establishments, nightclubs and bars/pubs) were even required to close under the directions. In this connection, the Government provides immediate financial relief to catering outlets carrying on a business to sell or supply food for consumption on their premises of which the business is hard hit by the measures.

Catering Business (Social Distancing) Subsidy Scheme

4. With funding approval by the Finance Committee on 18 April 2020, Government rolled out on 5 May a Catering Business (Social Distancing) Subsidy

Scheme under the Anti-epidemic Fund for the related food business sector. A one-off subsidy, disbursed in 2 tranches on equal splitting basis, will be provided to eligible licence holders of the four categories of food premises in operation including general restaurants, light refreshment restaurants, marine restaurants and factory canteens in accordance with the approved floor area of the licensed premises, as set out in the table below, primarily in support of payment of employees' salaries during a six-month period following approval of his application.

Licensed area	Level of subsidy (to be disbursed in 2 tranches on equal splitting basis)
Not exceeding 100m ²	\$250,000
>100m ² - 200m ²	\$500,000
>200m ² - 400m ²	\$900,000
>400m ² - 700m ²	\$1,650,000
>700m ²	\$2,200,000

5. In addition, each eligible catering outlets directed to close whole of its licensed premises, including karaoke establishments, nightclubs and bars/pubs, is eligible for a further one-off subsidy of \$50,000. Cooked food/light refreshment stalls at public markets managed by Food and Environmental Hygiene Department (FEHD) would each be eligible to apply for a one-off subsidy of \$50,000.

6. The measures are estimated to benefit about 17 000 catering outlets with total amount of subsidy approximate 9,520 million involved.

Application Criteria

7. In general, to apply for the Catering Business (Social Distancing) Subsidy Scheme, an applicant is required to fulfil the following criteria :

- (a) the applicant holds on 29 February 2020 a valid general restaurant, light refreshment restaurant, marine restaurant and factory canteen licence (full or provisional licence) issued by FEHD ; AND
- (b) the related food business licence is valid and the food business is in operation on the date of submission of the application and on the date of approval of the application ; AND
- (c) no application for transfer, voluntary surrender or cancellation of food business licence in respect of the licensed food premises is under

processing in the period from the date of submission of the application to the date of approval of the application ; AND

- (d) the food business licence (full or provisional licence) must be valid throughout the whole period from the date of approval of this application till end of October 2020. If the licence expires before the end of October, FEHD may consider to recover from the applicant any approved subsidy released and all related expenses incurred.

8. As an exceptional arrangement, an applicant not holding a related valid food business licence on or before 29 February including cases in which application for transfer of licence was lodged on or before this specified date and in case of provisional licence which has expired irrespective of the expiry date, and subject to fulfillment of specific criteria as appropriate might also apply for the Subsidy.

9. Safeguard measures would also be put in place to avoid abuse with regard to proportionality, reasonableness and practicability. Among other things, an applicant would be required, at the time of application –

- (a) to undertake that there would be no redundancy of staff for three months (i.e. May – July 2020) on receipt of the first tranche of subsidy and another three months (i.e. August – October 2020) on receipt of the second tranche;
- (b) to undertake that not less than 80% of the subsidies for respective months would be used to pay salaries of staff working at the licensed premises;
- (c) to undertake to submit on or before the 22nd day of the month that follows each month in the period from May to October 2020 a certificate issued by a Certified Public Accountant (practising) (CPA) certifying the total staff salaries and total number of salaried staff working at the licensed premises for each of the months in the period ;
- (d) to submit a certificate of the total amount of staff salary and total number of staff (salaried or otherwise) working at the above licensed premises for the month of March 2020 issued by a CPA to enable verification of compliance with the requirements under this Subsidy Scheme ; and
- (e) to declare that it has not submitted any application under the Employment Support Scheme (ESS) and once the application lodged with FEHD has been approved then the applicant will become ineligible to apply under the ESS.

Application Procedure

10. Eligible food business licence holders shall successfully submit application during the period from 5 May 2020 to 5 June 2020 through FEHD website or respective District Environmental Hygiene Office of FEHD by online application, by post or in person. Upon approval, the first tranche of subsidy will be released to the licensees by a crossed cheque and sent by post to the address of the licensed premises according to the record of the FEHD tentatively within two to three weeks from the date of receipt of the application.

11. Before the second tranche of subsidy will be released, a notification duly signed by the applicant shall be submitted to FEHD in August 2020 confirming that the CPA had issued the said certificates for the month of May, June and July 2020 and there was no redundancy of staff and not less than 80% of the subsidies released is used to pay salaries of staff working at the premises in those months.

Advice Sought

12. Members are invited to note and give advice on the content of this paper.

Food and Environmental Hygiene Department
May 2020