

LOCAL VESSELS ADVISORY COMMITTEE

Non-Accountable Subsidy for Local Commercial Non-Mechanised Vessels Used for Cargo Operation or Marine Construction Works

Purpose

Members are invited to note this paper which sets out details about the Government's provision of a one-off non-accountable subsidy of \$10,000 for local commercial non-mechanised vessels used for cargo operation or marine construction works.

Background

2. The Finance Committee of the Legislative Council approved the establishment of the "Anti-epidemic Fund" on 21 February 2020 to provide assistance or relief to enterprises hard hit by the present epidemic or affected by anti-epidemic measures. Subsequently, the Marine Department ("MD") issued to members Paper No. 1/2020, which set out the details about the provision of a one-off survey fee subsidy for all eligible local commercial vessels and a one-off non-accountable subsidy of \$10,000 for local commercial mechanised vessels.

3. Considering the fact that local commercial non-mechanised vessels used for cargo operation or marine construction works were also hard hit by the epidemic, the Government has decided to extend the scope of the above one-off non-accountable subsidy of \$10,000 to cover **local commercial non-mechanised vessels used for cargo operation or marine construction works**. Details are set out below.

Details

Eligible Vessels

4. With the extended coverage of subsidy from the government, **local commercial non-mechanised vessels used for cargo operation or marine construction works** (i.e. some of the Class II non-mechanised vessels;

“non-mechanised vessel” refers to a vessel not installed with a propulsion engine as indicated on the operating licence) may also be granted a one-off non-accountable subsidy of \$10,000 provided one of the following eligibility criteria is met -

- (i) A vessel which held a valid operating licence¹ on 21 February 2020; or
- (ii) A vessel which failed to comply with the requirement in paragraph 4(i), but held a valid operating licence¹ between 1 June 2019 and 20 February 2020, with the operating licence successfully renewed on or before 20 August 2020; or
- (iii) A vessel of which the shipowner had already submitted to MD all documents required before 21 February 2020 for the application for an operating licence, but was not issued with a valid operating licence on 21 February 2020 as MD’s internal audit exercise was in progress.

Form of Subsidy Provision

5. **Shipowners are not required to submit applications** for the non-accountable subsidy. If necessary, MD will contact individual shipowners in accordance with their circumstances for further information, in order to verify their vessel’s eligibility for the subsidies concerned². It is expected that MD will notify eligible shipowners in writing in early May 2020, and will request verification of information, including the name and address of the payee (including the shipowner or his/her authorized person), from them at the same time. Upon receipt of confirmation of the payees’ particulars from the shipowners concerned, MD will grant each eligible shipowner (or the shipowner’s authorized representative) the non-accountable subsidy **in the form of a crossed cheque by post.**

6. As to the eligibility of local vessels for the subsidies concerned, MD’s decision shall be final.

Marine Department
May 2020

¹ Except for a temporary licence.

² The shipowner of a landing pontoon is required to provide the contract or any relevant supporting documents to prove that the vessel was used for cargo handling or engaged in marine construction works between 1 June 2019 and 21 February 2020.