

CHAPTER 4

Immigration Department

<p>Admission schemes for talent, investors and workers</p>

**Audit Commission
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ADMISSION SCHEMES FOR TALENT, INVESTORS AND WORKERS

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ADMISSION SCHEMES FOR TALENT, INVESTORS AND WORKERS

Executive Summary

1. As pre-entry control measures, persons who come to Hong Kong for employment, investment, residence, study or training and do not have the right of abode or right to land are required to apply for entry visas or permits before landing. The Government has introduced the following eight Admission Schemes to attract talent, investors and workers to work/stay in Hong Kong:

- (a) ***Admission Schemes for talent, professionals and non-local graduates.*** The four Schemes are the General Employment Policy (GEP) Employment Stream, the Admission Scheme for Mainland Talents and Professionals (ASMTP), the Quality Migrant Admission Scheme (QMAS) and the Immigration Arrangements for Non-local Graduates (IANG);
- (b) ***Admission Schemes for investors.*** The two Schemes are the GEP Investment Stream and the Capital Investment Entrant Scheme (CIES); and
- (c) ***Admission Schemes for importing foreign domestic helpers (FDHs) and workers.*** The two Schemes are the Admission Scheme for FDHs and the Supplementary Labour Scheme (SLS).

The Immigration Department (ImmD) is responsible for processing applications under the Admission Schemes and issuing visas or entry permits to successful applicants. Upon entry to Hong Kong, a person must comply with the limit of stay and such conditions of stay imposed by the ImmD under the Immigration Ordinance (Cap. 115). He may apply to the ImmD for permission of extension of stay. Except for FDHs and imported workers under the SLS, a person who has been admitted under the other six Admission Schemes and is lawfully and continuously an ordinary resident in Hong Kong for seven years may apply for permanent residence. According to ImmD Controlling Officer's Report, the total estimated expenditure of its pre-entry control programme for 2015-16 is \$281 million.

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2. In his 2015 Policy Address, the Chief Executive of the Hong Kong Special Administrative Region announced adopting a more proactive and targeted approach, as recommended by the Steering Committee on Population Policy (SCPP), to attract more outside talent to work and settle in Hong Kong by taking various enhancement measures. The duration of stay of successful applicants/entrants and their extension of stay pattern under the GEP, the ASMTP and the QMAS have been relaxed, and the consideration factors of the GEP Investment Stream have been specified. The Audit Commission (Audit) has recently conducted a review to examine the ImmD's work on the administration of the eight Admission Schemes.

Admission Schemes for talent, professionals and non-local graduates

3. *GEP Employment Stream and ASMTP.* The GEP Employment Stream aims to attract qualified professionals from overseas, Taiwan and Macao and the ASMTP aims to attract those from the Mainland to work in Hong Kong to meet local manpower needs. An application may be favourably considered if the applicant meets the eligibility criteria, including securing employment that cannot be readily taken up by the locals and his remuneration package is broadly commensurate with the market level. From January 2006 to December 2015, some 273,100 applications had been approved under the GEP Employment Stream with an average approval rate of 95.7% from 2011 to 2015. For the ASMTP, from its inception in July 2003 to December 2015, some 83,700 applications had been approved with an average approval rate of 91.7% from 2011 to 2015 (paras. 1.6(a) and (b), 2.2 and 2.3).

4. *Need to monitor GEP and ASMTP applications with long processing time.* From 2011 to 2015, the ImmD achieved its targets for processing entry visas and permits for the GEP Employment Stream and the ASMTP within four weeks (upon receipt of all supporting documents) for 90% of the applications. Audit's analysis of the actual processing time of approved applications from January 2014 to September 2015 from the receipt of the applications revealed that 665 (1%) of the 53,694 GEP approved applications and 1,055 (7%) of the 15,663 ASMTP approved applications had taken more than 90 days to process. Audit's sample check of 30 such applications further revealed that in 13 (43%) cases, there were delays on the part of the ImmD in requesting additional supporting documents from the applicants (paras. 2.4 and 2.5).

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5. *Need to provide more guidelines on the assessment of local availability and remuneration.* In processing GEP and ASMTP applications, the case officers should consider availability of local employees and market level of remuneration to ascertain whether the applicants meet the criteria stated in paragraph 3. While the ASMTP guidelines specified that the sponsoring companies (i.e. the employers) should be required to provide a declaration that genuine local recruitment efforts had been made but without success and such proof would be sought if necessary, the GEP guidelines did not have the same requirement. According to the ImmD, salary statistics reports prepared by the Census and Statistics Department and salary survey reports published by employment websites would be used for considering applicants' monthly remunerations but such practices were not laid down in its guidelines. In some cases, the applicants' remunerations were below the average/median salaries published by the information sources mentioned by the ImmD and the basis of accepting the remunerations as commensurate with the market level was not documented by the case officers (para. 2.6).

6. *Need to ensure compliance with laid-down guidelines in processing applications.* In processing GEP and ASMTP applications, there were guidelines requiring case officers to: (a) grant limit of stay to applicants subject to validity of their travel documents to ensure returnability to their countries of residence or citizenship; (b) approve limit of stay not exceeding the employment contract period or the limit stipulated by the ImmD, whichever is shorter; (c) vet intra-company transfer applications to ensure that the transferees have worked for the company for not less than one year; and (d) impose special conditions of stay on foreign cooks, including restricting the change of employer. However, Audit's sample check of approved applications revealed instances of non-compliance with the laid-down guidelines (paras. 2.10 to 2.16).

7. *QMAS.* The Scheme aims to attract highly skilled or talented persons to settle in Hong Kong. It is a quota-based scheme (currently 1,000 persons per year) operated under a points-based system, which includes the Achievement-based Points Test for individuals with exceptional talents or skills and outstanding achievements, and the General Points Test for other skilled and talented persons. Since its inception in June 2006 to December 2015, some 3,000 applications had been approved with an average approval rate of 28.9% from 2011 to 2015 (paras. 1.6(c) and 2.20).

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8. ***Need to incorporate a talent list for the QMAS.*** From January 2010 to September 2015, 713 applicants had submitted applications for two to four times (totalling 1,500 representing 14% of all 10,574 applications received in the period) but only 151 (21%) of them were successfully allocated a quota under the QMAS. The large number of repeat applications suggests that the applicants might be unclear about the targeted talent requirements. The ImmD needs to closely liaise with the Labour and Welfare Bureau (LWB), which is now considering the feasibility of drawing up a talent list to attract high quality talent, for incorporating the list into the QMAS once it is available so that prospective applicants are better informed before deciding whether they should submit an application (para. 2.28).

9. ***IANG.*** The Scheme aims to attract foreign and Mainland students who have obtained a degree or higher qualification in a full-time and locally-accredited local programme to stay/return and work in Hong Kong. Since its inception in May 2008 to December 2015, some 51,500 non-local graduate applications had been approved to stay/return and work in Hong Kong with an average approval rate of 99.9% from 2011 to 2015 (paras. 1.6(d), 2.31 and 2.33).

10. ***Need to verify authenticity of supporting documents.*** An IANG applicant/entrant is only required to submit photocopies of his academic/professional qualification and employment offer to support his entry application or extension-of-stay application. With the advances in information technologies (e.g. image processing technology), there is a risk that bogus documents may be used to support IANG applications. Audit research on similar schemes administered by overseas authorities reveals that the authenticity of supporting documents is verified by different means, e.g. applicants are required to provide an original endorsement letter from an education institution (paras. 2.34 and 2.35).

11. ***Need to document factors considered in assessing IANG applicants' job qualification requirements.*** For an entry application by a returning graduate (i.e. not a fresh graduate) or an application for extension of stay, the IANG requires an applicant/entrant to secure an employment offer which is at a level commonly taken up by degree holders and a remuneration package at market level. Audit's examination of 30 of 442 approved cases with monthly remunerations of \$9,000 or below from January 2010 to September 2015 revealed that in 6 cases, the case officers approved the applicants taking up the jobs which were specified for

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certificate holders/Form 5 graduates or above. There was no documentation on the factors that had been considered by the case officers in allowing IANG applicants to take up jobs that could be filled by local certificate holders/Form 5 graduates (paras. 2.36 to 2.38).

Admission Schemes for investors

12. ***GEP Investment Stream.*** Apart from the Employment Stream (see para. 3), the GEP has an Investment Stream to admit overseas, Taiwan and Macao investors who wish to set up or join in a business in Hong Kong, and are in a position to make substantial contributions to the economy. From January 2006 to December 2015, some 3,300 applications had been approved under the GEP Investment Stream with an average approval rate of 66.7% from 2011 to 2015 (paras. 1.6(e) and 3.4).

13. ***Need to improve the efficiency of processing applications.*** Audit's analysis of the actual processing time for approved GEP Investment Stream applications from the receipt of applications in the period January 2014 to September 2015 revealed that 193 (58%) of the 330 approved applications had taken more than 90 days to process. Audit's sample check of 15 such applications further revealed that on average, the case officers took 73 days in 3 cases to make further information requests and 87 days in 5 cases to grant approval after receipt of all supporting documents (paras. 3.5 and 3.6).

14. ***Need to improve business reviews for extension-of-stay applications.*** The ImmD may approve an entry application on the condition that a business review (covering office set-up, local recruitment and business performance) will be carried out upon the subsequent extension-of-stay application. Audit's sample check of 15 business review cases from January 2012 to September 2015 revealed that in four (27%) cases, while the applicants had not delivered the planned scale of operation as stated in the entry applications, the case officers approved their extension-of-stay applications without imposing the requirement of further business reviews (paras. 3.7 and 3.8(a)).

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15. **CIES.** The CIES was implemented in October 2003 to facilitate the entry for residence by persons who would make capital investment in permissible investment assets in Hong Kong but would not be engaged in the running of business. Since its inception to December 2015, some 28,200 applications with capital investment of some \$244 billion had been approved under the CIES with an average approval rate of 99.9% from 2011 to 2015. In view of the economic situation in Hong Kong, the Government decided to suspend the CIES with effect from 15 January 2015. The applications pending processing as at December 2015 totalled 11,429 (paras. 1.6(f) and 3.15).

16. ***Need to step up monitoring of the processing of CIES applications.*** Audit's examination of ten selected approved applications in 2014 and 2015 revealed that in two cases, the case officers took 49 and 60 months respectively to grant final approvals. The long processing time of the two cases was partly attributable to the case officers' belated actions as they had not reminded the applicants to submit the required information (such as proof of investment) until 10 and 25 months respectively after the submission deadlines (para. 3.21).

17. ***Need to tighten control over breaches of CIES Scheme Rules.*** The CIES Scheme Rules require a financial intermediary to notify the Director of Immigration that the applicant/entrant has not re-invested within 14 days the proceeds of sale of his scheme assets. Audit's examination of ten of some 300 cases of breaches of the requirements on re-investment revealed that the ImmD only issued warning letters to the entrants concerned a long time (averaging 525 days) after the breaches had occurred. Besides, in three of the ten cases, the entrants had breached the re-investment requirement two to four times each despite warning letters issued by the ImmD (para. 3.23).

Admission Scheme for foreign domestic helpers

18. Since early 1970s, the Government has allowed admission of FDHs in order to meet the acute shortage of local live-in domestic helpers. From 2011 to 2015, 492,139 applications had been approved with an average approval rate of 99.5%. As at December 2015, there were some 340,000 FDHs in Hong Kong (paras. 1.6(g) and 4.2).

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19. *Need to strengthen follow-up actions on suspected job-hoppers.* In response to the public concern that individual FDHs deliberately under-performed to cause their employers to terminate the contracts pre-maturely, the ImmD has taken measures to strengthen control over FDH entry-visa applications to curb possible abuses. Audit's examination of 30 selected suspected job-hopper cases (i.e. FDHs who had two or more pre-mature termination (PMT) records in 12 months preceding their new visa applications) revealed that seven cases were approved although the case officers had not contacted all their ex-employers who made adverse comments on the applicants' performance. Moreover, there were no laid-down procedures to guide case officers in processing new applications from suspected job-hoppers (paras. 4.7 to 4.11).

20. *Need to tighten the vetting of applications for FDHs performing driving duties.* Since January 2000, an FDH has been prohibited from performing all sorts of driving duties unless an employer can provide full justifications that he has genuine needs for his FDH to perform driving duties. From 2000 to 2015, the total number of successful applications for FDHs performing driving duties had increased by 125% from 903 to 2,032. Audit examination of ten approved applications revealed that the justifications provided in the application forms were travelling needs for performing commonly required domestic duties but there was no elaboration on why such travelling needs could only be met by an FDH performing driving duties (paras. 4.13 to 4.15).

Other administrative issues

21. *Need to properly maintain computer records.* All the entry and extension-of-stay applications under the various Admission Schemes are processed with the aid of a computer system. Audit's examination revealed that the remuneration or employment information of some GEP, ASMTP and IANG applications was not or incorrectly input into the computer system. A reliable database will facilitate the ImmD to compile management information for better decision making and resources planning (paras. 5.2 and 5.3).

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Way forward

22. *Need to periodically compile key statistics and conduct reviews on the effectiveness of the Admission Schemes.* To achieve the population policy objective as recommended by the SPCP (see para. 2), the Chief Executive in his 2015 Policy Address announced that various enhancement measures should be implemented in the Admission Schemes to deal with the ageing population and decline in labour force. Statistics on entrants obtaining right of abode and their duration of stay are key indicators of the entrants' willingness to work/stay in Hong Kong. However, such statistics were not periodically compiled by the ImmD because they could not be generated from the computer system readily. In light of the introduction of various enhancement measures in 2015, the ImmD needs to, in consultation with the Security Bureau, continue to monitor the implementation of such measures and review the effectiveness of the Schemes, taking on board the audit observations and recommendations in this Audit Report (paras. 6.2, 6.5 to 6.7 and 6.9).

Audit recommendations

23. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has recommended that the Director of Immigration should:**

Admission Schemes for talent, professionals and non-local graduates

- (a) **monitor GEP and ASMTP applications with long processing time (para. 2.18(a));**
- (b) **issue guidelines to set out clearly the required procedures for considering availability of local employees and market level of remuneration in processing GEP and ASMTP applications (para. 2.18(b)(i) and (ii));**
- (c) **closely liaise with the LWB to incorporate the talent list into the QMAS once it is available (para. 2.29(b));**
- (d) **tighten control over the verification of the authenticity of supporting documents submitted by IANG applicants/entrants (para. 2.40(a));**

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Admission Schemes for investors

- (e) **step up monitoring of the processing time of GEP entrepreneur applications (para. 3.13(b));**
- (f) **tighten control over breaches of Scheme Rules of the CIES (para. 3.24 (b));**

Admission Scheme for FDHs

- (g) **issue guidelines setting out the key follow-up procedures in processing new visa applications with PMT records (para. 4.17(b));**
- (h) **consider tightening the vetting of applications for FDHs performing driving duties (para. 4.17(e));**

Other administrative issues

- (i) **take measures to ensure the proper maintenance of computer records for the various Admission Schemes (para. 5.9(a)); and**

Way forward

- (j) **enhance the computer system to periodically generate statistics and review the effectiveness of the Admission Schemes (para. 6.10(a) and (b)(ii)).**

Response from the Government

24. The Government agrees with the audit recommendations.

PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

Background

1.2 The Government adopts an open immigration regime. Nationals of about 170 countries and territories are allowed visa-free visits to Hong Kong for periods ranging from 7 to 180 days. Mainland visitors may visit Hong Kong for periods ranging from 7 to 90 days under different arrangements (Note 1). Every visitor must possess a valid travel document, sufficient means of support and re-entry facilities to their countries of domicile.

1.3 Apart from visitors, professionals and businessmen are welcome to work and invest in Hong Kong. Non-local students are also allowed to enter Hong Kong for study. While effort is made to facilitate the entry and stay of visitors and those who contribute to Hong Kong's development and prosperity, the Immigration Department (ImmD), under the policy directives of the Security Bureau, exercises pre-entry immigration control to:

- (a) guard against the entry of undesirable persons to maintain Hong Kong's prosperity and stability;
- (b) facilitate the entry of talent and professionals to enhance Hong Kong's competitiveness while protecting the local labour force from unfair competition; and

Note 1: *Article 22 of the Basic Law states that "for entry into the Hong Kong Special Administrative Region, people from other parts of China must apply for approval". Residents from the Mainland who wish to visit Hong Kong should obtain an Exit-entry Permit for Travelling to and from Hong Kong and Macao and an appropriate exit endorsement from the Mainland authorities. There are different arrangements for entry of Mainland visitors. For example, under the Individual Visit Scheme for Mainland Residents, residents of all the 21 cities in Guangdong Province and 28 other cities may visit Hong Kong on an individual basis for a period of not more than seven days upon each entry.*

Introduction

- (c) facilitate the mobility of tourists and business people, making Hong Kong an attractive tourist and business centre.

1.4 As pre-entry control measures, persons who come to Hong Kong for employment, investment, residence, study or training and do not have the right of abode or right to land are required to apply for visas or entry permits (Note 2) before landing. Applicants may send their applications direct to the ImmD or through their sponsors in person or by post. The ImmD will finalise the applications upon receipt of all necessary documents in four to six weeks. Upon entry to Hong Kong, a person has to comply with the limit of stay and such conditions of stay imposed by the ImmD under the Immigration Ordinance (Cap. 115). Before expiry of the limit of stay, he may apply to the ImmD for permission of extension of stay. According to ImmD Controlling Officer's Report (COR), the total estimated expenditure of its pre-entry control programme for 2015-16 is \$281 million.

1.5 The ImmD charges a successful applicant a fee for a visa or an entry permit for entering Hong Kong or for extension of stay (see fees at Appendix A). The total estimated revenue of such fees for 2015-16 is \$129 million.

Admission Schemes

1.6 The Government has introduced various Admission Schemes to attract talent, professionals, non-local graduates and investors from other places to work or invest in Hong Kong. To address the problems of shortage of local live-in domestic helpers and shortage of labours in some industries, the Government has also established schemes to import foreign domestic helpers (FDHs) and workers in relevant industries. To qualify for admission under various schemes, applicants must meet the normal immigration requirements (Note 3) and the specific eligibility criteria of individual schemes. The ImmD is responsible for processing applications

Note 2: *For entry into Hong Kong, visas are issued to foreigners whereas entry permits are issued to residents of the Mainland, Macao and Taiwan.*

Note 3: *Applicants: (a) must possess valid travel documents with adequate returnability to their countries of residence or citizenship; (b) are of clear criminal record and raise no security or criminal concerns to Hong Kong; and (c) have no likelihood of becoming a burden to Hong Kong.*

under the following eight Admission Schemes (Note 4) with the aid of a computer system, namely the Application and Investigation Easy System (APPLIES — see para. 5.2):

Admission Schemes for talent, professionals and non-local graduates

- (a) ***General Employment Policy (GEP) Employment Stream.*** The Government has for many years admitted overseas, Taiwan and Macao professionals who possess special skills, knowledge or experience of value to and not readily available in Hong Kong under the GEP Employment Stream. Applicants must have a confirmed offer of employment, and the remuneration package of which must be broadly commensurate with the prevailing market rate of Hong Kong. From January 2006 to December 2015, some 273,100 applications had been approved under the GEP Employment Stream;
- (b) ***Admission Scheme for Mainland Talents and Professionals (ASMTP).*** The ASMTP was introduced in July 2003 with assessment criteria in line with those under the GEP Employment Stream. The objective was to attract qualified Mainland talent and professionals to work in Hong Kong in order to meet local manpower needs and enhance Hong Kong's competitiveness in the global market. From inception of the Scheme to December 2015, some 83,700 applications had been approved;
- (c) ***Quality Migrant Admission Scheme (QMAS).*** The QMAS was introduced in June 2006 for highly skilled or talented persons from the Mainland and overseas to settle in Hong Kong in order to enhance Hong Kong's economic competitiveness in the global market. The QMAS is a quota-based scheme (1,000 persons per year) operated under a points-based system, which includes the Achievement-based Points Test (APT) for individuals with exceptional talents or skills, and who have outstanding achievements (e.g. Olympic Games medallists and Nobel Prize winners) and the General Points Test (GPT) for other skilled and talented persons. The ImmD may seek advice from the Advisory

Note 4: *For the purpose of classifying the Admission Schemes by types, the Employment Stream (para. 1.6(a)) and the Investment Stream (para. 1.6(e)) of the General Employment Policy are treated as two separate Admission Schemes in this Audit Report.*

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Committee on Admission of Quality Migrants and Professionals (Note 5) on the assessment, point-scoring and quota allocation under the Scheme. Successful applicants are not required to secure an offer of local employment before taking up residence in Hong Kong. From inception of the Scheme to December 2015, some 3,000 applications had been approved;

- (d) ***Immigration Arrangements for Non-local Graduates (IANG)***. The IANG was launched in May 2008 to complement the policy initiative “Developing Hong Kong as a Regional Education Hub” (Note 6) endorsed by the Chief Executive of the Hong Kong Special Administrative Region in October 2007. It aims to attract non-local graduates (i.e. who have obtained a degree or higher qualification in a full-time and locally-accredited local programme in Hong Kong) to stay/return and work in Hong Kong so as to strengthen its human resources and competitiveness, and enhance its attractiveness to non-local students. Successful applicants may be granted 12 months’ stay on time limitation without other conditions of stay. They are free to take up and change employment during their permitted stay without the need to seek prior approval from the ImmD. From inception of the Scheme to December 2015, some 51,500 non-local graduates had been approved to stay/return and work in Hong Kong;

Admission Schemes for investors

- (e) ***GEP Investment Stream***. Apart from the Employment Stream (see para. (a)), the GEP has an Investment Stream to admit overseas, Taiwan and Macao investors who wish to set up or join in a business in Hong Kong, and are in a position to make substantial contributions to the

Note 5: *The Advisory Committee, chaired by a non-official chairperson and comprises three government officials (one representative each from the Labour and Welfare Bureau, the Security Bureau and the Labour Department) and 18 non-official members. The Committee considers the socio-economic needs of Hong Kong and other relevant factors for making recommendations on the allocation of available quota in each selection exercise.*

Note 6: *The education hub policy aims to attract quality non-local students to study in Hong Kong, internationalise the local higher education sector and increase the exposure of local students. The measure helps address the manpower needs of Hong Kong and enhance its overall competitiveness.*

economy. In addition to the amount of investment, they have to satisfy the ImmD on matters such as the nature of business to be established, number of jobs to be created for local people, and economic benefits to be brought to Hong Kong. From January 2006 to December 2015, some 3,300 applications had been approved under the GEP Investment Stream;

- (f) ***Capital Investment Entrant Scheme (CIES)***. The CIES was implemented in October 2003 to facilitate the entry for residence by persons (Note 7) who would make capital investment in permissible investment assets (Note 8) in Hong Kong but would not be engaged in the running of business. The investment threshold was originally set at \$6.5 million but was subsequently raised to \$10 million in October 2010. From inception of the Scheme to December 2015, some 28,200 applications with capital investment of some \$244 billion had been approved. In view of the economic situation in Hong Kong, the Government considered that attracting capital investment entrants would no longer be a priority and decided to suspend the CIES with effect from 15 January 2015 (Note 9);

Admission Schemes for importing FDHs and workers

- (g) ***Admission Scheme for FDHs***. Since early 1970s, the Government has allowed admission of FDHs to Hong Kong in order to meet the acute shortage of local live-in domestic helpers. With employment terms (Note 10) set out in the two-year Standard Employment Contract, FDHs

Note 7: *In this context, persons refer to foreign nationals (except nationals of Afghanistan, Cuba and the Democratic People's Republic of Korea), Macao residents, Chinese nationals who have obtained permanent resident status in a foreign country, stateless persons who have obtained permanent resident status in a foreign country with proven re-entry facilities and Taiwan residents.*

Note 8: *Permissible investment assets originally included real estate and financial assets (such as equities, debt securities and certificates of deposits). Since October 2010, real estate has been suspended as permissible investment asset.*

Note 9: *The suspension does not affect applications received before the suspension date.*

Note 10: *The employment terms include a mandatory wage level not lower than prevailing Minimum Allowable Wage, free accommodation and return passage to and from the place of origin on expiry of the two-year contract or on contract termination.*

Introduction

may perform full-time and live-in domestic duties such as household cleaning and taking care of the elderly and children. From 2006 to 2015, 909,861 FDHs had been admitted under the Scheme. As at December 2015, there were some 340,000 FDHs working in Hong Kong; and

- (h) ***Supplementary Labour Scheme (SLS)***. The SLS was introduced in 1996 to allow employers with genuine difficulties in finding suitable staff locally to import workers at technician level or below. The SLS is administered by the Labour Department. Members of the Labour Advisory Board (Note 11) are invited to give views on the applications to the Commissioner for Labour. There are no overall or industry-specific quotas under the SLS and all applications are considered on a case-by-case basis. After approval-in-principle is granted by the Labour Department, employers will arrange submission of visa/entry permit applications for their prospective imported workers to the ImmD for processing and issuing visas/entry permits. Imported workers are required to return to their places of origin on completion of their employment contracts. From January 2006 to December 2015, some 18,500 workers (mainly for the community, social and personal services industry, the agriculture and fishing industry, and the construction industry) had been admitted under the SLS.

1.7 Under the Immigration Ordinance, a person who is lawfully and continuously an ordinary resident in Hong Kong for seven years may apply for permanent residence. Furthermore, persons admitted under the Admission Schemes for talent, professionals, non-local graduates and investors may bring in their spouses and unmarried children below the age of 18 to Hong Kong. However, the Ordinance provides that FDHs or imported workers should not be treated as ordinary residents and therefore they cannot apply for right of abode in Hong Kong. Besides, they cannot bring in their dependants (see Appendix B). The number of approved applications under the Admission Schemes from 2011 to 2015 is shown in Table 1.

Note 11: *The Labour Advisory Board, chaired by the Commissioner for Labour, is a non-statutory body responsible for advising the Commissioner on labour matters. It has 12 unofficial members (6 representing employers and 6 others representing employees).*

Table 1
Number of approved applications under the Admission Schemes
(2011 to 2015)

Admission Scheme	Number of approved applications					Percentage increase/ (decrease) from 2011 to 2015
	2011	2012	2013	2014	2015	
Admission Scheme for talent, professionals and non-local graduates						
GEP Employment Stream	30,064	28,150	28,070	31,461	34,198	14%
ASMTF	8,088	8,105	8,017	9,313	9,229	14%
QMAS	292	251	298	338	240	(18%)
IANG	5,258	6,756	8,704	10,375	10,269	95%
Admission Scheme for investors						
GEP Investment Stream	493	475	310	215	205	(58%)
CIES	4,187	3,804	3,734	4,855	2,739	(35%)
Admission Scheme for importing FDHs and workers						
FDH	101,505	102,581	95,057	95,060	97,936	(4%)
SLS	1,602	2,159	2,582	2,543	3,852	140%
Others						
Dependant	28,363	27,063	27,593	30,227	26,412	(7%)
Overall	179,852	179,344	174,365	184,387	185,080	3%

Source: ImmD records

Remarks: The approved applications did not include extension-of-stay applications.

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Recent developments

1.8 In January 2015, the Chief Secretary for Administration's Office issued a Report on Population Policy Strategies and Initiatives (hereinafter referred to as the 2015 Population Policy Report) setting out the strategies and initiatives put forward by the Steering Committee on Population Policy (SCPP — Note 12). According to the Report, one-third of the Hong Kong's population in 2041 will be 65 years old or above and the ageing population will lower the labour force participation rate (the proportion of the labour force within the total population aged 15 or above) from 59.4% in 2013 to 49.5% in 2041. To address population ageing and anticipated decline in labour force, the Chief Executive, in his Policy Address of January 2015, announced adopting the SCPP's proposed five-pronged strategy, one of which was "adopting a more proactive and targeted approach to attract more outside talent to work and settle in Hong Kong" (Note 13), by taking the following enhancement measures:

- (a) implement a pilot scheme to attract the second generation of Chinese Hong Kong permanent residents who have emigrated overseas to return to Hong Kong;
- (b) encourage talent and entrepreneurs to come and stay in Hong Kong by relaxing the stay arrangements under the GEP, the ASMTP and the QMAS;
- (c) adjust the QMAS (see para. 1.6(c)) scoring points to attract quality migrants with an outstanding educational background or international work experience to come to Hong Kong;

Note 12: *The SCPP, chaired by the Chief Secretary for Administration and comprised both official and non-official members, was reconstituted in December 2012. Between October 2013 and February 2014, a public engagement exercise was conducted to seek public views on strategies and measures to address the demographic challenges.*

Note 13: *The other four strategies were: (a) unleashing the potential of local labour force; (b) nurturing local manpower; (c) fostering a supportive environment for forming and raising families; and (d) promoting active ageing.*

- (d) list clearly the factors to be considered when processing applications to enter Hong Kong for investment under the GEP to attract more entrepreneurs from overseas to develop their business in Hong Kong, and suspend the CIES (see para. 1.6(f)); and
- (e) study, with regard to overseas experience, the feasibility of drawing up a talent list to attract, in a more effective and focused manner, high-quality talent to support Hong Kong's development as a diversified and high value-added economy.

1.9 Following the 2015 Policy Address:

- (a) the Admission Scheme for the Second Generation of Chinese Hong Kong Permanent Residents (ASSG) was introduced in May 2015 as a pilot scheme to attract the second generation of Chinese Hong Kong permanent residents, aged 18 to 40, from overseas to return to Hong Kong. Applicants must have a good educational background and are not required to have secured an employment offer before entry. As at December 2015, the ImmD had received 211 applications and approved 108 under the ASSG (Note 14);
- (b) the initial duration of stay of successful applicants under the GEP and the ASMTP on employment condition and QMAS entrants under the GPT has been relaxed from one year to two years (or in accordance with the duration of the employment contract for GEP and ASMTP applicants, whichever is shorter). The extension of stay pattern for all entrants under the GEP, the ASMTP and the QMAS (GPT) will also be relaxed from 2+2+3 years to 3+3 years (or in accordance with the duration of employment contract for GEP and ASMTP applicants, whichever is shorter). Top-tier GEP, ASMTP and QMAS entrants (Note 15) may be

Note 14: *This audit review does not cover the ASSG as it is a pilot scheme newly introduced in May 2015.*

Note 15: *This refers to GEP and ASMTP entrants who have been permitted to take up employment as professionals for not less than two years and have an assessable income of not less than \$2 million in the previous year of salaries tax assessment, and QMAS entrants who have the same threshold of assessable income.*

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granted a 6-year extension of stay. Furthermore, QMAS entrants under the APT may be granted a stay of eight years upon entry instead of the previous pattern of 1+2+2+3;

- (c) the consideration factors of the GEP Investment Stream have been specified to include business plan, business turnover, financial resources, investment sum, number of jobs created locally and introduction of new technology or skills. Furthermore, the ImmD may favourably consider an application from an applicant who wishes to establish or join a start-up business supported by a government-backed programme; and
- (d) to facilitate the entry of talent with an outstanding academic background and those with international work experience, with effect from May 2015, an additional 30 points under the GPT of the QMAS will be awarded to graduates of renowned institutions recognised internationally and an additional 15 points to applicants with not less than two years of graduate or specialist level international work experience.

1.10 In his Policy Address of January 2016, the Chief Executive further said that the Government proposed to make greater efforts to attract talent and planned to set up a dedicated platform to provide employment information for the second generation of Hong Kong migrants, Hong Kong students educated in overseas tertiary institutions and overseas professionals.

Organisation of the ImmD

1.11 The Visa and Policies Branch of the ImmD, headed by an Assistant Director of Immigration, is responsible for formulating, reviewing and implementing policies in respect of visas/permits and extension of stay. The Branch has two divisions, each headed by a Principal Immigration Officer (see organisation chart at Appendix C), namely:

- (a) ***Visa Control (Policies) Division.*** The Division formulates and reviews policy and assessment procedures on visa matters and handles petitions/appeals/judicial reviews relating to the Certificate of Entitlement Scheme and visa control matters; and

- (b) *Visa Control (Operations) Division.* The Division processes applications for entry into Hong Kong for visit, employment, investment, training, residence and study, applications for extension of stay from visitors and temporary residents, and applications for Certificate of Entitlement to the right of abode in Hong Kong.

As at 31 December 2015, the Visa and Policies Branch had a strength of 538 staff, comprising 396 disciplined staff and 142 civilian staff.

Audit review

1.12 In October 2015, the Audit Commission (Audit) commenced a review to examine the ImmD's work on the administration of the eight Admission Schemes mentioned in paragraph 1.6(a) to (h), focusing on:

- (a) Admission Schemes for talent, professionals and non-local graduates (PART 2);
- (b) Admission Schemes for investors (PART 3);
- (c) Admission Scheme for FDHs (PART 4);
- (d) other administrative issues (PART 5); and
- (e) way forward (PART 6).

Audit has found room for improvement in the above areas and has made a number of recommendations to address the issues.

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General response from the Government

1.13 The Secretary for Security welcomes and the Director of Immigration agrees with the audit recommendations. The Secretary has said that the Security Bureau will monitor the progress of the ImmD's work closely to ensure that the audit recommendations are implemented as far as possible.

Acknowledgement

1.14 Audit would like to acknowledge with gratitude the assistance and full cooperation of the staff of the ImmD during the course of the audit review.

PART 2: ADMISSION SCHEMES FOR TALENT, PROFESSIONALS AND NON-LOCAL GRADUATES

2.1 This PART examines the admission of talent, professionals and non-local graduates, focusing on:

- (a) administration of GEP Employment Stream and ASMTP (paras. 2.2 to 2.19);
- (b) administration of QMAS (paras. 2.20 to 2.30); and
- (c) administration of IANG (paras. 2.31 to 2.41).

Administration of GEP Employment Stream and ASMTP

2.2 The objective of the GEP Employment Stream and the ASMTP is to attract qualified talent and professionals to work in Hong Kong in order to meet local manpower needs and enhance Hong Kong's competitiveness in the global market. Applicants should possess special skills, knowledge or experience of value to and not readily available in Hong Kong (Note 16). The schemes are quota-free and non-sector specific. The Employment and Visit Visas Section (EVV Section) of the Visa Control (Operations) Division is responsible for processing entry applications under the GEP and the Extension Section of the Division for extension-of-stay and change-of-employment applications. As at December 2015, 38 staff in the EVV Section and 26 staff in the Extension Section were deployed to administer the GEP among other duties. For the ASMTP, the Quality Migrants and Mainland Residents Section (QMMR Section) of the Division is responsible for processing entry, extension-of-stay and change-of-employment applications. As at December 2015, 21 staff in the QMMR Section were deployed to administer the ASMTP.

Note 16: *Both the GEP Employment Stream and Investment Stream are not applicable to nationals of Afghanistan, Cambodia, Cuba, the Democratic People's Republic of Korea, Laos, Nepal and Vietnam, and Chinese residents of the Mainland.*

Admission Schemes for talent, professionals and non-local graduates

2.3 Apart from the normal immigration requirements (see Note 3 to para. 1.6), an application may be favourably considered if:

- (a) the applicant has a good education background, normally a first degree in the relevant field, but in special circumstances, good technical qualifications, proven professional abilities and/or relevant experience;
- (b) there is a genuine job vacancy;
- (c) the applicant has a confirmed employment offer and is employed in a job relevant to his academic qualifications or work experience that cannot be readily taken up by the local work force; and
- (d) the remuneration package (including income, accommodation, medical and other fringe benefits) is broadly commensurate with the prevailing market level for professionals in Hong Kong.

An analysis of the applications received and processed under the GEP Employment Stream and the ASMTP from 2011 to 2015 is shown in Table 2.

Admission Schemes for talent, professionals and non-local graduates

Table 2

**Analysis of applications under GEP Employment Stream and ASMTP
(2011 to 2015)**

Application	Number of applications					Percentage increase/ (decrease) from 2011 to 2015
	2011	2012	2013	2014	2015	
GEP Employment Stream						
Received	32,491	30,769	31,416	34,664	36,052	11 %
Approved	30,064	28,150	28,070	31,461	34,198	14 %
Rejected	857	1,402	1,764	1,821	922	8 %
Case closed (Note)	1,094	1,119	1,311	1,439	1,064	(3 %)
Processed	32,015	30,671	31,145	34,721	36,184	13 %
ASMTP						
Received	9,591	10,461	10,185	10,983	11,034	15 %
Approved	8,088	8,105	8,017	9,313	9,229	14 %
Rejected	209	896	1,230	831	711	240 %
Case closed (Note)	963	1,303	981	819	921	(4 %)
Processed	9,260	10,304	10,228	10,963	10,861	17 %

Source: ImmD records

Note: A case would be closed when the applicant withdrew his application or when the application could not be processed (e.g. due to failure to provide required information).

Remarks: The average approval rates (i.e. applications approved ÷ (applications processed – cases closed) × 100%) from 2011 to 2015 were 95.7% and 91.7% for the GEP Employment Stream and the ASMTP respectively.

Need to monitor GEP and ASMTP applications with long processing time

2.4 According to the ImmD Guidebook to applicants, it normally takes four weeks to process visa/entry permit applications for employment upon receipt of all required documents. The ImmD set the targets for processing entry visas and permits for employment and for processing entry permits under the ASMTP “within four weeks (upon receipt of all supporting documents) for 90% of the applications” in the COR. For the purpose of reporting the achievement of the processing time targets, the period between the time of receipt of applications and that of all supporting documents would not be counted. The targets were achieved from 2011 to 2015 for 96.1% to 98.9% of the applications. Audit noted that for applications without all supporting documents available at the time of submission, the actual processing time counting from the receipt of applications could, in some cases, take more than four weeks. Audit analysis of the actual processing time of approved applications from the receipt of the applications from January 2014 to September 2015 (Note 17) revealed that:

- (a) for the GEP, 665 (1% of 53,694 approved applications) had taken more than 90 days to process (averaging 122 days); and
- (b) for the ASMTP, 1,055 applications (7% of 15,663 approved applications) had taken more than 90 days to process (averaging 130 days).

2.5 Audit’s sample check of 30 approved GEP and ASMTP cases with processing time longer than 90 days revealed that in 13 (43%) cases, there were delays on the part of the ImmD in requesting additional supporting documents. For example, in one case, the case officer requested additional information (such as details of the job duties) from the sponsoring company (i.e. the employer) on 24 April 2014 (about one month after receipt of the application on 21 March 2014). While not all of the requested information was received on 22 May 2014, the case officer only requested the outstanding and further information on 29 October 2014 (i.e. 5 months later). The reply was received on 11 November 2014 and the application was approved on 27 November 2014. In Audit’s view, there is a need to monitor GEP and ASMTP applications with long processing time to ensure the timely admission of talent and professionals to meet local manpower needs.

Note 17: *The analysis covered applications received from January 2014 to September 2015 which were approved from January 2014 to December 2015.*

***Need to provide more guidelines
on the assessment of local availability and remuneration***

2.6 As reflected in Table 2, the average approval rates for the GEP Employment Stream and the ASMTP during 2011 to 2015 were 95.7% and 91.7% respectively. The number of applications processed also increased by 13% from 32,015 in 2011 to 36,184 in 2015 for the GEP Employment Stream and by 17% from 9,260 in 2011 to 10,861 in 2015 for the ASMTP. According to the ImmD, in processing the GEP and ASMTP applications, the case officers should consider availability of local employees and market level of remuneration to ascertain whether the applicants meet the criteria stated in paragraph 2.3(c) and (d). Audit's examination of approved GEP and ASMTP cases revealed room for enhancement in the assessment of local availability and remuneration:

- (a) ***Local availability.*** The common application form used for the GEP and the ASMTP requires a sponsoring company to provide justifications for employing an applicant and the reasons why the post cannot be filled by the locals. According to the ImmD's departmental guidelines, supporting documents for proof of local recruitment will normally be exempted but the Sections responsible for processing applications would issue operational instructions as appropriate. Audit noted that:
 - (i) the QMMR Section's ASMTP guidelines specified that the sponsoring companies should be required to provide a declaration that genuine local recruitment efforts had been made but without success and such proof would be sought if necessary. However, Audit's sample check of 20 approved ASMTP applications (for which the required information was not available) revealed that in seven cases, the case officers concerned had not requested proofs of local recruitment. There was no documentation on the reasons why the declaration or relevant proof was not obtained; and
 - (ii) the GEP guidelines issued by the EVV Section did not contain the same declaration or proof of local recruitment requirement as the ASMTP guidelines. As the eligibility criteria for both the GEP and the ASMTP schemes are the same, Audit considers that the ImmD should issue guidelines to ensure that the assessments of local availability for GEP applications are carried out in a manner consistent with that of ASMTP applications; and

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(b) **Remuneration.** According to the ImmD, case officers would make reference to information including the salary statistics reports prepared by the Census and Statistics Department (C&SD), salary survey reports published by two specified employment websites and information provided by relevant professional bodies in considering market level of remuneration. However, such practices were not laid down in the ImmD's guidelines. Audit reviewed 51 approved cases for the Information Technology Manager position and 217 approved cases for the Accounting/Finance Manager position during 2010 to 2015 (up to September) and noted that the monthly remunerations of some applicants were below the average/median monthly salaries published by the information sources mentioned by the ImmD. However, the case officers concerned had not documented the basis of accepting the remunerations as commensurate with the market level for such cases. Details are as follows:

- (i) according to the C&SD, the average monthly salaries of Information Technology Managers during 2010 to 2015 ranged from \$35,100 to \$60,700. According to one of the ImmD's specified employment websites, the average monthly salaries during the same period ranged from \$34,518 to \$43,766. According to another employment website specified by the ImmD, as at February 2016, the median monthly salary of Information Technology Managers for the period from March 2015 to February 2016 was \$41,282. However, 13 (25%) of 51 Information Technology Manager positions approved had monthly remunerations of below \$30,000 (averaging \$22,808). No notations were made for the 13 cases on how the case officers had satisfied themselves that the remunerations of the applicants were commensurate with the market level;
- (ii) according to the C&SD, the average monthly salaries of Accounting/Finance Managers during 2010 to 2015 ranged from \$40,500 to \$71,900. According to one of the ImmD's specified employment websites, the average monthly salaries during the same period ranged from \$34,861 to \$44,261. According to another employment website specified by the ImmD, as at February 2016, the median monthly salary of Accounting Managers for the period from March 2015 to February 2016 was \$35,731. For Finance Managers, the median monthly salary

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during the same period was \$47,772. However, 56 (26%) of the 217 Accounting/Finance Manager positions approved had monthly remunerations of below \$30,000 (averaging \$22,322). No notations were made for the 56 cases on how the case officers had satisfied themselves that the remunerations of the applicants were commensurate with the market level; and

- (iii) according to the ImmD, in all 69 (13 plus 56) cases, the case officers concerned had considered that the applicants' remunerations were commensurate with the market level but the basis used in the assessments had not been documented.

2.7 In Audit's view, the ImmD needs to issue guidelines setting out clearly the required procedures for considering availability of local employees and market level of remuneration to ensure that the Admission Schemes' criteria are applied consistently to all applications. The ImmD also needs to tighten control to ensure that the laid-down guidelines on considering availability of local employees in processing ASMTP applications are complied with at all times.

Need to improve the random check arrangements in verifying applicants' qualifications

2.8 The GEP and ASMTP applicants are only required to submit photocopies of their academic/professional qualifications and employment offers to support their entry applications. According to ASMTP guidelines, in warranted cases (Note 18), the applicants are required to apply for verification of their qualifications at the China Academic Degrees and Graduate Education Development Centre (Note 19)

Note 18: *These include cases where the issuing institutes of the academic certificates are not found in the education institute list provided by the Education Bureau or cannot be verified by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, or the authenticity of the academic certificates is in doubt.*

Note 19: *The Centre is an administrative department directly under the Ministry of Education of the Mainland. One of its functions is to engage in the researches into the degree equivalency between China and foreign countries, and between Mainland and Hong Kong, Macao and Taiwan.*

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and arrange for the verification results to be sent to the ImmD directly. Regarding the authenticity of documents from the other professionals such as cooks, the applicant may be required to apply to the relevant Notary offices for confirmation.

2.9 Audit's examination of the arrangements in verifying the GEP and ASMTP applicants' qualifications revealed the following issues:

- (a) according to ASMTP guidelines, the case officers of the QMMR Section should verify the applicants' qualification documents and supervisors should randomly select 5% of the potential approval cases for performing the same verification procedures. In January 2016, Audit requested the QMMR Section to provide evidence of the supervisors' random checks for review. In response, the QMMR Section said in February and March 2016 that case officers had conducted verification on the applicants' qualifications in warranted cases with the documentation received scanned and the applications checked and endorsed by supervisors in the computer system. However, records of the 5% random checks had not been maintained; and
- (b) as for the GEP Scheme, Audit noted that the EVV Section had not issued specific guidelines on verification of applicants' qualifications and there was no similar requirement on random checks as that of the ASMTP. In response to Audit's enquiry, the EVV Section said in February 2016 that as a general and normal practice, case officers would require clarification and verification of documents in case of doubt.

In Audit's view, the ImmD needs to improve the random check arrangements in verifying applicants' qualification documents for both GEP and ASMTP applications.

Need to tighten control over approval on limit of stay

2.10 ***Returnability requirement not met.*** According to the ImmD's guidelines, to ensure returnability of an applicant to his country of residence or citizenship, the limit of stay granted is subject to validity of the applicant's travel document. The limit of stay will only be approved up to 7 days before the expiry date of the travel

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document for GEP entry cases (Note 20). An extension of stay will not normally be granted beyond one month before the expiry date of the applicant's travel document for all GEP cases. For ASMTP cases, the extension of stay will not be normally granted beyond one month (before 17 March 2014) and 7 days (since 17 March 2014) before the expiry date of the applicant's travel document. Audit analysed the ImmD's computer records of the GEP cases and the ASMTP extension-of-stay cases (see Note 20) from 2010 to 2015 (up to September) and found that the approved limit of stay of 10,449 approved cases appeared to have exceeded the stipulated requirements, accounting for about 3% of some 354,000 cases analysed (Note 21).

2.11 Audit selected 90 such approved cases for further examination and noted the following:

- (a) 54 (60%) cases were related to the case officers' oversight of the expiry dates of the travel documents; and
- (b) the remaining 36 (40%) cases involved incorrect data recorded in the computer system. For example, in some cases, although new travel documents were subsequently provided by the applicants, the ImmD had not updated the computer records or the data were not correctly input into the system. According to the ImmD, as the expiry date of travel document was not a mandatory data input field, the data captured in the system might not be up-to-date.

In Audit's view, the ImmD needs to remind its case officers to ensure that the returnability requirement is met in granting approval on limit of stay. The ImmD also needs to take measures to ensure that data maintained in the computer system are accurate and up-to-date.

Note 20: *The immigration requirement for ASMTP applicants is different. After an ASMTP application is approved, the applicant should apply for an Exit-entry Permit for Travelling to and from Hong Kong and Macao and an exit endorsement from the Public Security Bureau Office. As the documents are not available at the time of application, the returnability test will be carried out by ImmD staff at the control point when the applicant arrives in Hong Kong.*

Note 21: *Audit's analysis excluded applications without records of travel document expiry date in the computer system.*

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2.12 *Limit of stay granted beyond contract period.* According to ImmD guidelines, the initial duration of stay of successful non-top-tier applicants under the GEP and the ASMTP is two years and the extension of stay pattern for them is 3+3 years or in accordance with the duration of the employment contract, whichever is shorter. Audit's sample check of 30 applications approved from 2010 to 2015 revealed that in four cases (Note 22), the limit of stay granted exceeded the contract periods by 101 to 456 days (averaging 277 days). The ImmD needs to remind its case officers to strictly follow the laid-down guidelines in approving limit of stay.

Need to tighten checking of applications for intra-company transfer

2.13 According to ImmD guidelines, an employee at managerial or professional level is allowed to enter Hong Kong for intra-company transfer provided that he has worked with the company for not less than one year. In addition to the requirement that the remuneration provided should be at market level, the number of transferees sponsored by a company at any one time should also be reasonable. In this regard, the company is required to state in the application form the number of local and expatriate staff employed.

2.14 From 2010 to 2015 (up to September), there were 51,543 and 8,326 applications approved through intra-company transfer under the GEP and the ASMTP. Audit's sample check of 30 applications approved during the period suggested that there were inadequacies in the ImmD's vetting process, as follows:

- (a) in 11 (37%) approved GEP cases, the sponsoring companies had not provided the number of local and non-local staff in the application forms or only provided incomplete (e.g. only the number of local staff was provided) or outdated information. There was no evidence to show that

Note 22: *These involved an entry application and a change-of-employment application for the GEP, and two change-of-employment applications for the ASMTP.*

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the ImmD had requested the relevant information from the companies concerned and assessed the reasonableness of the local and expatriate staff mix (Note 23); and

- (b) in 10 (33%) approved GEP cases, the applicants had worked for the companies for less than one year (averaging 4 months) but the ImmD still approved the applications.

The ImmD needs to remind case officers to strictly follow the laid-down guidelines in checking applications for intra-company transfer.

Need to ensure compliance with requirement on special conditions of stay of foreign cooks

2.15 It is the ImmD's policy to tighten control of the conditions of stay of foreign cooks employed by local restaurants under the GEP. According to the guidelines, special conditions of stay should be imposed on foreign cooks by the Section Head (Chief Immigration Officer), namely:

- (a) they should work for a specific employer and that change of employer is not permitted; and
- (b) they should stay in Hong Kong until the end of their limit of stay or two weeks after termination of employment contract, whichever is earlier.

2.16 Audit's sample check of 20 GEP applications approved during 2010 to 2015 involving foreign cooks revealed that in 7 (35%) cases, the special conditions of stay for foreign cooks were not imposed. Audit also noted that the special conditions of stay for foreign cooks were not applied to cooks under the ASMTP.

Note 23: *According to the EVV Section, in 7 cases, although the relevant information had not been provided by the sponsoring company in the GEP application forms, the case officers had made reference to other application forms submitted by the same company under the ASMTP and for training visas in assessing the GEP applications.*

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2.17 Apart from foreign cooks, there were no laid-down guidelines on whether special conditions should also apply to other types of catering professionals. Audit noted that there were inconsistencies in imposing special conditions of stay by case officers. For example, special conditions of stay were imposed in some cases on bakers, chef trainers and mixologists but not others. In Audit's view, the ImmD needs to review the consistency of the practices of imposing special conditions of stay on cooks and catering professionals.

Audit recommendations

2.18 **Audit has recommended that the Director of Immigration should, in administering the GEP and the ASMTP:**

- (a) monitor GEP and ASMTP applications with long processing time to ensure that case officers take prompt actions on requesting and following up additional information from applicants;**

- (b) issue guidelines to set out clearly the required procedures for:**
 - (i) considering availability of local employees in processing GEP applications in line with those for ASMTP applications;**

 - (ii) considering market level of remuneration in processing both GEP and ASMTP applications; and**

 - (iii) documenting the justifications in cases where the laid-down guidelines cannot be followed,**

and take measures to ensure relevant staff's compliance with the laid-down guidelines;

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- (c) **improve the random check arrangements in verifying applicants' qualification documents for GEP and ASMTP applications;**
- (d) **remind case officers to:**
 - (i) **ensure that the returnability requirement is met in approving the limit of stay;**
 - (ii) **strictly follow the laid-down guidelines in approving limit of stay in accordance with duration of the employment contracts where applicable;**
 - (iii) **strictly follow the laid-down guidelines in checking applications for intra-company transfer; and**
 - (iv) **ensure that special conditions of stay for foreign cooks under the GEP are imposed in accordance with the ImmD's policy;**
- (e) **take measures to ensure that the data maintained in the computer system for processing GEP/ASMTP applications are accurate and up-to-date; and**
- (f) **review the consistency of the practices of imposing special conditions of stay on cooks and professionals in the catering industry.**

Response from the Government

2.19 The Director of Immigration agrees with the audit recommendations. He has said that the ImmD:

- (a) has stepped up monitoring of cases with prolonged processing time. Case officers have been reminded to adhere to the laid-down guidelines in processing the GEP and the ASMTP applications; and

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- (b) will conduct reviews on:
 - (i) the alignment of the assessment procedures for local availability as well as remuneration in processing both the GEP and the ASMTTP applications; and
 - (ii) the imposition of special conditions of stay on cooks and professionals in the catering industry,

and take appropriate follow-up measures based on the review results.

Administration of QMAS

2.20 The QMAS aims to attract highly skilled or talented persons to settle in Hong Kong (see para. 1.6(c)). The Scheme is promoted to interested persons through the Government's Economic and Trade Offices in overseas countries and in the Mainland, and the website of the ImmD. It is a quota-based scheme (currently 1,000 persons per year) operated on a points-based system. Since its inception in June 2006 to December 2015, 3,305 applicants (Note 24) were successfully allotted a quota (averaging 348 per year). Table 3 shows that from 2011 to 2015, while the number of annual applications received had increased by 9% from 1,674 to 1,829, the number of annual applications approved dropped by 18% from 292 to 240.

Note 24: *Of the 3,305 quotas allotted, 3,042 quotas were allotted under the GPT and 263 quotas under the APT (see para. 2.22).*

Table 3

**Analysis of applications under QMAS
(2011 to 2015)**

Application	Number of applications					Percentage increase/ (decrease) from 2011 to 2015
	2011	2012	2013	2014	2015	
Received	1,674	1,965	1,787	2,341	1,829	9%
Approved	292	251	298	338	240	(18%)
Rejected	471	604	736	884	789	68%
Case closed (Note)	703	720	710	1,335	820	17%
Processed	1,466	1,575	1,744	2,557	1,849	26%

Source: ImmD records

Note: A case would be closed when the applicant withdrew his application or when the application could not be processed (e.g. due to failure to provide required information).

Remarks: The average approval rate (i.e. applications approved ÷ (applications processed – cases closed) × 100%) from 2011 to 2015 was 28.9%.

2.21 The QMMR Section is also responsible for administering the QMAS. As at December 2015, 19 staff in the QMMR Section were deployed to administer the QMAS.

Selection mechanism

2.22 A QMAS applicant meeting the normal immigration requirements (see Note 3 to para. 1.6) will be assessed by one of the two points-based tests (see para. 1.6(c)) according to his choice:

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- (a) **GPT.** The GPT uses five point-scoring factors (i.e. age, academic/professional qualifications, work experience, language proficiency and family background — Note 25) to assess the points which an applicant can score. The prevailing pass point is 80 (Note 26) out of a possible 195 points; and
- (b) **APT.** Under the APT, an applicant can score either 0 or 195 points depending on whether he can meet the criteria for achievement (e.g. Olympic medal, Nobel Prize or lifetime achievement award from industry).

2.23 Each application attaining the pass point will be further assessed on its individual merits by one of the four Panels (Note 27) of the Advisory Committee on Admission of Quality Migrants and Professionals (the Committee — see Note 5 to para. 1.6(c)) for approval based on the following factors:

- (a) **Education.** The awarding institution is one that is representative of its field of study;
- (b) **International exposure.** The applicant has valuable international exposure that is regarded as a plus by his sector;

Note 25: *The maximum points for each factor are: age (30), academic/professional qualifications (70), work experience (55), language proficiency (20) and family background (20).*

Note 26: *The QMAS aims to cast the net wider for talent from places all over the world and expand the pool of candidates for selection. With a pass point set at 80, young talent with strong academic background (e.g. a doctorate degree) but with less work experience may also be selected.*

Note 27: *The four Panels, each comprises five to six members of different sectors, are responsible for assessing applications of their respective sectors, including: (a) manufacturing, architecture, surveying, engineering and construction, and information technology and telecommunications sectors; (b) financial and accounting services, legal services, logistics and transportation, and commerce and trade sectors; (c) broadcasting and entertainment, catering and tourism, arts and culture, and sports sectors; and (d) business support and human resources, academic research and education, human health and veterinary services and others sectors.*

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- (c) ***Language skills.*** The applicant possesses language skills other than Chinese/English that are needed by his sector;
- (d) ***Career track record/professional training.*** The career track record and other professional training of the applicant are likely to bring contribution to Hong Kong; and
- (e) ***Future plan.*** The applicant has a concrete and feasible plan which is relevant to his past experience.

Applications that require further deliberation and review (Note 28) will be discussed at the Committee for making decisions. A successful applicant is required to attend an interview in which the authenticity of his documents is verified.

Need to document justifications for recommending or rejecting GPT applications

2.24 Audit examined the records of 55 GPT selection exercises conducted by the Committee (11 exercises) and its Panels (44 exercises) from January 2013 to September 2015. Audit found that:

- (a) the Committee recorded in the minutes of meetings details of the deliberations in the selection exercises and justifications for allotting or not allotting a quota to an applicant; and
- (b) the Panels used a standard pre-printed form called “comments sheet” to record their assessments on the applications in the selection exercises (i.e. by making a tick mark against the list of choices under the comments and justifications columns (Note 29)). General comments made in the selection exercises were also recorded in the minutes of meetings.

Note 28: *If an applicant possesses specific or unique profile (e.g. having a doctorate degree) but his application is not recommended by a Panel, the Committee will review his application.*

Note 29: *There are four choices under the comments column (viz. exceptional, highly recommended, recommended and marginal) and six choices under the justification columns (i.e. the five factors mentioned in para. 2.23 and others).*

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2.25 Audit also found that in three selection exercises of some 750 GPT applications, the Panels had not provided any justifications for recommending eight applications and assessing two other applications as “marginal” either by checking against the appropriate boxes in the comments sheets or stating the justifications in the minutes of meetings.

2.26 In Audit’s view, proper documentation of the justifications for recommending or rejecting QMAS applications is important to support accountability and ensure consistency in assessing applications in future selection exercises. The ImmD needs to remind the Panels to record their justifications in this regard.

Need to incorporate a talent list for the QMAS

2.27 From 2011 to 2015, the number of rejected QMAS applications had increased by 68% from 471 in 2011 to 789 in 2015 (see Table 3 in para. 2.20). In response to Audit’s enquiry in February 2016, the ImmD said that the Committee would consider the socio-economic needs of Hong Kong, the sectoral mix of candidates and other relevant factors (see para. 2.23) before making recommendation to the Director of Immigration on allocating quota in each selection exercise.

2.28 Audit noted that from January 2010 to September 2015, 713 applicants had submitted applications for two to four times each (totalling 1,500 representing 14% of all 10,574 applications received in the period) but only 151 (21%) of them were successfully allocated a quota under the QMAS. The large number of repeat applications suggests that the applicants might be unclear about the targeted talent requirements. In pursuance of the Chief Executive 2015 Policy Address, the Labour and Welfare Bureau (LWB) is now considering the feasibility of drawing up a talent list to attract high quality talent to support Hong Kong’s development (see para. 1.8(e)). In Audit’s view, the ImmD needs to closely liaise with the LWB for incorporating the talent list into the QMAS once it is available so that prospective applicants are better informed before deciding whether they should submit an application.

Audit recommendations

- 2.29 **Audit has recommended that the Director of Immigration should:**
- (a) **remind the Panels of the QMAS to record their justifications for recommending or rejecting an application in the GPT selection exercise; and**
 - (b) **closely liaise with the LWB to incorporate the talent list into the QMAS once it is available so that prospective applicants are better informed before deciding whether they should submit an application.**

Response from the Government

2.30 The Director of Immigration agrees with the audit recommendations. He has said that the ImmD will follow up the audit recommendations in paragraph 2.29(a) and (b) with the Panels of the QMAS and the LWB respectively.

Administration of IANG

2.31 The IANG aims to attract foreign and Mainland students (Note 30) who have obtained a degree or higher qualification in a full-time and locally-accredited local programme to stay/return and work in Hong Kong so as to strengthen its human capital and enhance its attractiveness to non-local students (see para. 1.6(d)). A non-local fresh graduate who wishes to apply for the IANG needs to submit an application within six months after the date of his graduation. He is not required to have an offer of employment upon application. On the other hand, a non-local graduate who wishes to return to work in Hong Kong beyond six months after his graduation is required to secure an offer of employment upon application.

Note 30: *The IANG is not applicable to nationals of Afghanistan, Cambodia, Cuba, the Democratic People's Republic of Korea, Laos, Nepal and Vietnam.*

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2.32 Upon approval of an IANG application, the applicant becomes an IANG entrant and he may normally be granted 12 months' stay. He is free to take up and change employment without the need to seek prior approval from the Director of Immigration. Upon application for extension of stay before expiry of his limit of stay, he is required to have secured an offer of employment as in the case of a returning graduate. Successful entrants will normally be permitted to stay in Hong Kong in a pattern of 2+2+3 years.

2.33 The QMMR Section is responsible for administering the IANG. As at December 2015, five staff in the Section were deployed to process the IANG applications (Note 31). As indicated in Table 4, from 2011 to 2015, the number of IANG approved applications had increased by 95% from 5,258 in 2011 to 10,269 in 2015 (i.e. an average increase of some 1,200 cases per year).

Note 31: *According to the ImmD, staff in the QMMR Section are flexibly deployed to cope with upsurges in workload among different units in the Section.*

Table 4

**Analysis of applications under IANG
(2011 to 2015)**

Application	Number of applications					Percentage increase from 2011 to 2015
	2011	2012	2013	2014	2015	
Received	5,313	6,803	8,750	10,444	10,337	95%
Approved	5,258	6,756	8,704	10,375	10,269	95%
Rejected	0	0	0	3	3	—
Case closed (Note)	33	35	35	64	59	79%
Processed	5,291	6,791	8,739	10,442	10,331	95%

Source: ImmD records

Note: A case would be closed when the applicant withdrew his application or when the application could not be processed (e.g. due to failure to provide required information).

Remarks: The average approval rate (i.e. application approved ÷ (applications processed – cases closed) × 100%) from 2011 to 2015 was 99.9%.

Need to verify authenticity of supporting documents

2.34 An IANG applicant/entrant is only required to submit photocopies of his academic/professional qualification and employment offer to support his entry application or extension-of-stay application. Unlike the QMAS (see para. 2.23), he is not required to attend any interview when the original copies of his supporting documents can be inspected. In response to Audit’s enquiry, the ImmD said in February 2016 that:

- (a) case officers would check the application history of IANG applicants in the APPLIES (see para. 1.6) to confirm their non-local student status; and

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- (b) the case officers might request fresh graduates to provide original transcripts of academic records, graduation certificates or supporting letters from the degree awarding institutions if the cases warranted. For returning graduates, since it was impracticable to request them to submit original copies of their documents, the ImmD would check with the respective degree awarding institutions in case of doubt.

2.35 With the advances in information technologies (e.g. image processing technology), there is a risk that bogus documents may be used to support IANG applications. Audit research on similar schemes administered by overseas authorities reveals that the authenticity of supporting documents is verified by different means (e.g. applicants are required to provide an original endorsement letter from an education institution or to submit certified copies of original documents). In Audit's view, the ImmD needs to tighten the control over the verification of the authenticity of supporting documents submitted by IANG applicants (e.g. sample checking original documents or requesting confirmation from relevant education institutions).

Need to document factors considered in assessing IANG applicants' job qualification requirements

2.36 For an entry application (by a returning graduate) or an application for extension of stay (by a fresh/returning graduate), the IANG requires an applicant/entrant to secure an employment offer which is at a level commonly taken up by degree holders and the remuneration package is at market level. Audit analysed the computer records of the approved IANG cases by remuneration levels (for the period January 2010 to September 2015) and found that 442 of some 34,000 cases had monthly remunerations of \$9,000 or below. Audit randomly selected 30 of the 442 approved cases to examine:

- (a) the academic/professional requirements of the applicants' jobs as specified by the employers in the employment contracts/application forms; and
- (b) the comments made by the case officers for recommending or rejecting an application.

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2.37 Audit's examination revealed that the case officers' written comments on the academic/professional qualification requirements of the applicants' jobs did not always tally with those specified by the employers. In 6 of the 30 approved cases selected for audit examination, while the application forms/employment contracts submitted by the employers specified that the jobs (e.g. account clerk) were open to certificate holders/Form 5 graduates or above, the case officers concerned noted down on file that the entry requirement was a bachelor degree and the job duties were highly professional and technical in nature.

2.38 Upon Audit's enquiry in February 2016, the ImmD said that in processing the applications, the case officers concerned had considered the following factors:

- (a) whether the applicants/entrants possessed the qualification/experience which suited the job requirements;
- (b) the employers' comments on the potential of the applicants/entrants; and
- (c) whether the remuneration packages offered were at market level.

However, there was no documentation that these factors had been considered by the case officers in the cases reviewed by Audit. Audit considers that the ImmD needs to remind case officers to document all the factors considered in assessing the applicants' job qualification requirements.

Need to establish a database of current market remuneration package

2.39 According to the ImmD, in processing IANG applications, the case officers needed to ascertain whether an IANG applicant/entrant could meet the criteria of securing an employment offer of degree level with remuneration at market level and would make reference to the latest graduate employment survey reports of local universities, the remuneration packages offered by reputable employers and recruitment advertisements in local media (e.g. newspapers and recruitment journals). In this connection, Audit notes that the ImmD has not established a database to maintain information on current market remuneration

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package of young graduates employed in various industries to facilitate case officers' reference. To improve the efficiency and effectiveness of the assessment of IANG applications and subsequent reviews by supervisory staff, the ImmD needs to consider establishing such a database.

Audit recommendations

2.40 **Audit has *recommended* that the Director of Immigration should:**

- (a) **tighten control over the verification of the authenticity of supporting documents submitted by IANG applicants/entrants;**
- (b) **remind case officers to document all the factors considered in assessing IANG applicants' job qualification requirements; and**
- (c) **consider establishing a database of current market remuneration package of young graduates employed in various industries to facilitate case officers' assessment of IANG applications.**

Response from the Government

2.41 The Director of Immigration agrees with the audit recommendations. He has said that the ImmD:

- (a) has stepped up the verification of the authenticity of supporting documents submitted by IANG applicants/entrants;
- (b) has reminded case officers to document all factors considered in assessing IANG applications; and
- (c) will consider the feasibility of establishing a database as recommended in paragraph 2.40(c).

PART 3: ADMISSION SCHEMES FOR INVESTORS

3.1 This PART examines the admission of investors, focusing on:

- (a) administration of GEP Investment Stream (paras. 3.2 to 3.14); and
- (b) administration of CIES (paras. 3.15 to 3.25).

Administration of GEP Investment Stream

3.2 Overseas, Taiwan and Macao persons who wish to enter/stay in Hong Kong for investment as entrepreneurs (i.e. establishing or joining in a business in Hong Kong) shall apply for admission under the GEP Investment Stream (see para. 1.6(e)). The scheme is quota-free and non-sector specific. The EVV Section is responsible for processing entry applications and the Extension Section for extension-of-stay applications. An application may be favourably considered if, apart from meeting the same conditions under the GEP Employment Stream mentioned in paragraph 2.3(a), the applicant is in a position to make substantial contribution to the economy of Hong Kong.

3.3 Before the implementation of enhancement measures in May 2015 (see para. 1.9(c)), in assessing whether the applicant was in a position to make substantial contribution to the economy of Hong Kong, factors such as nature of business, mode of operations, financial and staffing situation of the company, and financial situation of the applicant were considered. Currently, other factors including business plan, business turnover, financial resources, investment sum, number of jobs created locally and introduction of new technology or skills are also considered.

3.4 Entrepreneurs admitted under the GEP Investment Stream will normally be granted an initial stay in Hong Kong for 24 months upon entry. They may apply for extension of stay within four weeks before their limit of stay expires. Extension of stay, if approved, will normally follow the 3+3 years pattern. An analysis of the applications received and processed under the GEP Investment Stream from 2011 to 2015 is shown in Table 5.

Table 5

**Analysis of applications under GEP Investment Stream
(2011 to 2015)**

Application	Number of applications					Percentage increase/ (decrease) from 2011 to 2015
	2011	2012	2013	2014	2015	
Received	702	718	793	581	368	(48%)
Approved	493	475	310	215	205	(58%)
Rejected	49	85	354	270	90	84%
Case closed (Note)	108	99	199	93	69	(36%)
Processed	650	659	863	578	364	(44%)

Source: ImmD records

Note: A case would be closed when the applicant withdrew his application or when the application could not be processed (e.g. due to failure to provide required information).

Remarks: The average approval rate (i.e. applications approved ÷ (applications processed – cases closed) × 100%) from 2011 to 2015 was 66.7%.

Need to improve the efficiency of processing applications

3.5 In the COR, the ImmD has reported the performance for processing visa/entry permit applications under the GEP Investment Stream together with that for the GEP Employment Stream against the same performance target of processing 90% of the applications within four weeks (upon receipt of all supporting documents — see para. 2.4). For the purpose of reporting the attainment of the processing time target, the period between the time of receipt of applications and that of all supporting documents would not be counted. Audit analysed the actual processing time for approved GEP Investment Stream applications from the receipt

of applications from January 2014 to September 2015 (Note 32) and found that 193 (58%) of the 330 approved applications had taken more than 90 days with an average processing time of 137 days.

3.6 Audit selected 15 cases with processing time exceeding 90 days for examination and found that:

- (a) in 14 cases, the case officers requested the following additional documents from the applicants to facilitate processing:
 - (i) in 13 (93%) cases, documents filed with the Companies Registry (e.g. latest annual returns or incorporation forms);
 - (ii) in 11 (79%) cases, tenancy agreements or supporting documents on office set-up; and
 - (iii) in 6 (43%) cases, licences or certificates of a particular type of business (e.g. financial institution licences issued by the Securities and Futures Commission).

While these documents were frequently requested by case officers, they were not included in the checklist of submission of documents in the relevant guidebook for applicants. To enhance processing efficiency, the ImmD needs to review the types of additional documents required for processing and include them in the checklist so that the applicants can submit such documents together with their applications at an early time; and

- (b) in 3 cases, upon receipt of additional documents from the applicants, the case officers took over 30 days (averaging 73 days) to make further information requests. In 5 cases, the time lapse between the receipt of all supporting documents and granting the approval was over 30 days (averaging 87 days). The ImmD needs to step up monitoring of the processing time of applications to ensure that prompt actions are taken in obtaining/following up any additional supporting documents from applicants.

Note 32: *The analysis covered applications received from January 2014 to September 2015 which were approved from January 2014 to December 2015.*

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Need to improve business reviews for extension-of-stay applications

3.7 The ImmD may approve an entry application on the condition that a business review will be carried out upon the subsequent extension-of-stay application in warranted cases (e.g. a newly established business). The review will cover aspects such as office set-up, local recruitment and business performance. For such a review, the ImmD will require the applicant to submit documents (such as tenancy agreements) to support his application. Of the 1,148 entry applications approved from January 2012 to September 2015, 157 (14%) were subject to business reviews.

3.8 Audit examined a sample of 15 business review cases handled by the Extension Section to identify areas where improvements can be made. Audit noted the following issues:

- (a) in four (27%) cases, while the applicants had not delivered the planned scale of operation (e.g. setting up offices/recruiting local staff) as stated in the entry applications, the case officers approved their extension-of-stay applications without imposing the requirement of further business reviews (see an example in Case 1); and

Case 1

1. The applicant stated in the entry application in November 2013 that he planned to employ 9 local staff each for setting up two retail shops and another 8 local staff for the wholesale business. The application was approved with a condition that a business review should be carried out.

2. The business review conducted in November 2014 revealed that only one retail shop had been opened with one local staff employed to operate the shop. However, the application for extension-of-stay was approved without requiring a further business review.

Source: Audit analysis of ImmD records

- (b) in two (13%) cases, there was room for enhancement in obtaining reliable supporting documents for business reviews (see an example in Case 2).

Case 2

1. When approving the entry application in September 2012, the case officer stated on file that Mandatory Provident Fund (MPF) contribution record for local staff employed should be examined in the business review.
2. While the applicant failed to provide MPF records for his local employees in three subsequent business reviews conducted in December 2013, September 2014 and October 2015, his extension-of-stay application in October 2015 was approved without requiring a further business review.
3. Upon Audit's enquiry, the ImmD said that the applicant had provided a staff list as a supporting document of employing local employees. However, the staff list was prepared by the applicant's company and could not provide the same level of assurance as MPF contribution records.

Source: Audit analysis of ImmD records

3.9 Business reviews are important to ascertain whether the entrants under the GEP Investment Stream have delivered the planned scale of operation as stated in the entry applications. In Audit's view, the ImmD needs to remind case officers to ascertain that the GEP entrepreneur entrants have done so (including obtaining reliable proof in warranted cases) before approving their extension-of-stay applications. For doubtful cases, the approval should be granted subject to further business reviews.

Need to obtain the stipulated supporting letters in processing extension-of-stay applications

3.10 Since May 2015, the ImmD has required a GEP entrepreneur applicant for extension of stay to submit a supporting letter indicating his contribution to Hong Kong. According to ImmD guidebook for applicants, the supporting letter

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should include information on the applicants' business, such as the amount of capital invested and to be invested in the coming three years, the number of posts created for local employees with post titles and those to be created in the coming three years. Audit examined a sample of 30 approved extension-of-stay cases (with applications submitted after May 2015) and found that the stipulated information on the applicants' contribution to the economy of Hong Kong was not always obtained by the case officers. Details are as follows:

- (a) in 15 (50%) applications, the applicants concerned provided information in accordance with the pre-May 2015 requirements (i.e. the office positions held by the applicants and remunerations received) instead of the stipulated supporting letters on their contribution to the economy of Hong Kong; and
- (b) in 9 (30%) applications, the supporting letters submitted did not contain all the required information or the contribution made was not clearly stated. For example, in 5 (56%) of the 9 applications, the numbers of posts to be created for local employees in the coming three years were not stated in the supporting letters. In another case, the required information was not stated in exact terms in the supporting letter, i.e. the applicant had invested millions of dollars in Hong Kong, and the company had employed some full-time and part-time staff and would employ at least two full-time staff.

3.11 In Audit's view, the ImmD needs to take measures to ensure that the stipulated supporting letters with all the required information are always obtained for processing extension-of-stay applications. Given that the supporting letters are prepared by the applicants' companies, the ImmD also needs to obtain proof on their claimed contributions in warranted cases.

Need to maintain statistics on GEP entrepreneur entrants' contribution to Hong Kong's economy

3.12 Since May 2015, the ImmD has required case officers to input GEP entrepreneur entrants' business information (such as business sector, amount of capital invested and to be invested in the coming three years, and number of posts created for local employees and those to be created in the coming three years) into the computer system for statistical analysis of their contribution to the economy of

Hong Kong in order to evaluate the effectiveness of the scheme. However, such requirement only applies to entry and change-of-status applications but not for extension-of-stay applications. In Audit's view, the ImmD needs to maintain computerised information on the GEP entrepreneur entrants' sustained contribution to the local economy since their admission to Hong Kong. Such computerised information is useful for compiling statistics for evaluating the extent of achievement of the GEP Scheme.

Audit recommendations

3.13 **Audit has *recommended* that the Director of Immigration should:**

- (a) **include the types of supporting documents required for processing GEP entrepreneur applications in the checklist of submission of documents in the relevant guidebook for applicants;**
- (b) **step up monitoring of the processing time of GEP entrepreneur applications to ensure that prompt actions are taken in obtaining/following up any additional supporting documents from applicants;**
- (c) **remind case officers to ascertain that the GEP entrepreneur entrants have delivered the planned scale of operation as stated in their entry applications (including obtaining reliable proof in warranted cases) before approving their extension-of-stay applications. For doubtful cases, the approval should be granted subject to further business reviews;**
- (d) **take measures to ensure that the stipulated supporting letters with all the required information are always obtained for processing extension-of-stay applications;**
- (e) **obtain proof on the GEP entrepreneur applicants' claimed contributions to Hong Kong in warranted extension-of-stay cases; and**
- (f) **maintain computerised information on the GEP entrepreneur entrants' sustained contributions to the local economy.**

Response from the Government

3.14 The Director of Immigration agrees with the audit recommendations. He has said that the ImmD:

- (a) has stepped up monitoring of the processing time and reminded case officers of guidelines and requirements for applications under the GEP Investment Stream; and
- (b) will also explore the feasibility and cost-effectiveness of the enhancement of the APPLIES having due regard to operational efficiency.

Administration of CIES

3.15 The CIES was introduced in October 2003 to facilitate the entry for residence by persons who make capital investment in permissible investment assets but would not be engaged in the running of any business in Hong Kong. Notwithstanding the suspension of the CIES since 15 January 2015, the ImmD is continuing to process applications received before the suspension date (see para. 1.6(f)). Table 6 shows the number of CIES applications received and processed by the ImmD from 2011 to 2015. Approved applications have declined by 35% from 4,187 in 2011 to 2,739 in 2015. The applications pending processing as at December 2015 totalled 11,429 (see para. 3.18). According to the ImmD, after suspension of the CIES, reinforcement staff have been redeployed back to other fronts of the ImmD to cope with pressing operational needs. As at December 2015, 33 staff were deployed to administer the CIES.

Table 6

**Number of applications under CIES
(2011 to 2015)**

Application	Number of applications				
	2011	2012	2013	2014	2015
Received	3,384	6,508	9,227	6,083	2,851 (Note 2)
Approved	4,187	3,804	3,734	4,855	2,739
Rejected	2	1	1	10	2
Case closed (Note 1)	274	471	645	1,012	1,264
Processed	4,463	4,276	4,380	5,877	4,005

Source: ImmD records

Note 1: A case would be closed when the applicant withdrew his application or when the application could not be processed (e.g. due to failure to provide required information).

Note 2: Some 1,800 applications were received on 14 January 2015 when the Government announced that the CIES would be suspended on the next day.

Remarks: The average approval rate (i.e. applications approved ÷ (applications processed – cases closed) × 100%) from 2011 to 2015 was 99.9%.

3.16 A CIES applicant must have net assets of not less than \$10 million throughout the two years preceding his application (Note 33). Under the CIES, the applicant must invest not less than \$10 million in permissible investment assets which include equities, debt securities, certificates of deposits, subordinated debts and eligible collective investment schemes or a combination of these assets (i.e. specified financial assets). He is also required to provide an undertaking to the

Note 33: *To streamline the application procedure as well as shortening the processing time of application, with effect from 16 March 2009, an applicant may at his own cost engage a Certified Public Accountant (Practising) to issue a report to demonstrate that he has met the personal asset requirement.*

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ImmD that he agrees to abide by the Scheme Rules (Note 34). In essence, the Scheme Rules prescribe that an applicant/entrant should not reduce his investment commitment while he is permitted to stay in Hong Kong (see Appendix D). The Scheme Rules also specify that the Director of Immigration is expected, for example, to scrutinise closely:

- (a) transactions between parties not at arm's length (e.g. associated persons under the influence of the applicant/entrant); and
- (b) suspected "back-to-back" arrangements where the applicant's/entrant's holding of specified financial assets by borrowing or leveraging against those assets.

3.17 In processing an application, the ImmD may grant an applicant a formal approval or an approval-in-principle, as follows:

- (a) ***Formal approval.*** A formal approval is granted if an applicant has met one of three specified investment requirements. For example, he has invested permissible investment assets of not less than \$10 million within and thereafter throughout the period beginning six months before submission of his application; or
- (b) ***Approval-in-principle.*** An approval-in-principle is granted if an applicant can demonstrate that he has net assets/equity to which he is absolutely beneficially entitled with a market value of not less than \$10 million net throughout the two years preceding the date he lodged his application. A formal approval will be granted after the entrant furnishes proof of his investments (within and thereafter throughout the period beginning six months after approval-in-principle has been granted).

Note 34: *If an applicant/entrant breaches any part of his undertaking to the Director of Immigration, he and his dependants would not be allowed to stay in Hong Kong. In addition, the applicant/entrant may be liable to a fine and to imprisonment on conviction if: (a) there is a breach of any of the conditions of stay imposed; or (b) he has made untruthful declaration or statement for the purpose of the Scheme.*

An entrant who has obtained formal approval is permitted to stay in Hong Kong for two years and may apply for an extension of stay every two years (Note 35). From October 2003 to December 2015, some 28,200 CIES applications had been approved and the total values of the investments made by CIES entrants at the times when formal approvals were granted to them amounted to \$244 billion (see Appendix E).

3.18 Owing to an increase in the number of CIES applications over the years, the number of CIES applications pending processing as at December 2015 was 11,429. An ageing analysis (see Table 7) revealed that in 10,084 applications where approvals-in-principle/formal approvals have not been granted, 1,714 (17%) had been submitted for two years or more. Apart from the 10,084 outstanding applications, there were another 1,345 applications with approvals-in-principle granted but still awaiting final approvals. In 1,213 (90%) of these 1,345 cases, two years or more had elapsed since submission of applications.

Table 7

**Ageing analysis of outstanding CIES applications
(December 2015)**

Time elapsed since submission (Year)	Number of applications		Total
	pending processing	with approved-in-principle granted	
< 1	2,511	5	2,516
1 to < 2	5,859	127	5,986
2 to < 3	1,629	1,179	2,808
3 to < 4	71	25	96
≥ 4	14	9	23
Overall	10,084	1,345	11,429

} 1,714 (17%) } 1,213 (90%) } 2,927 (26%)

Source: Audit analysis of ImmD records

Note 35: *Upon completion of not less than seven years of continuous ordinary residence in Hong Kong, the entrant and his dependants may apply for right of abode.*

Admission Schemes for investors

3.19 According to the ImmD, it will process CIES applications in chronological sequence based on the dates of application submission. The ImmD estimated that it might take two to three years to clear the backlog of applications.

Need to step up monitoring of the processing of CIES applications

3.20 According to the ImmD, it has not made specific performance pledge for the CIES because the procedures involved are more complicated and more supporting documents are required. Audit selected 30 closed (i.e. no formal approval granted) cases for examination and found that:

- (a) for 10 (33%) cases which were closed before approval-in-principle was granted, the case officers, on average, sent out the first request for further information 11 months after receipt of applications; and
- (b) for 18 (60%) out of 20 cases which were closed after approval-in-principle was granted, the case officers, on average, sent out the first request for proof of investment 18 months after the stipulated six-month period (see para. 3.17(b)).

3.21 Audit's examination of ten selected approved cases with processing time longer than 10 months from some 7,000 approved CIES applications in 2014 and 2015 revealed that in two cases, the case officers took 49 and 60 months respectively to grant final approvals. Audit found that the long processing time of the two cases was partly attributable to the case officers' belated actions. For example, the case officers concerned had not reminded the applicants to submit the required information (such as proof of investment) until 10 and 25 months respectively after the submission deadlines.

3.22 In light of Audit's findings in paragraphs 3.20 and 3.21, the ImmD needs to step up monitoring of the processing of CIES applications to ensure that prompt follow-up actions are taken in obtaining additional information or ascertaining whether the investment requirements have been met.

Need to tighten control over breaches of CIES Scheme Rules

3.23 The Scheme Rules require a financial intermediary to notify the Director of Immigration that the applicant/entrant has not re-invested within 14 days the proceeds of sale of his scheme assets (see (d)(i) in Appendix D). Audit randomly selected ten of some 300 cases of breaches of the requirements on re-investment within 14 days for examination and found that:

- (a) in all ten cases (nine discovered by the ImmD and one informed by a financial intermediary), the ImmD only issued warning letters to the entrants concerned a long time (averaging 525 days) after the breaches had occurred; and
- (b) in three of the ten cases, the entrants had breached the re-investment requirement two to four times each despite warning letters issued by the ImmD.

In Audit's view, the ImmD needs to tighten control over breaches of Scheme Rules to ensure that the CIES entrants meet the investment requirement (Note 36). Such control actions may include timely issue of warning letters to the entrants and taking more stringent actions against cases of repeated breaches after issue of warning letters.

Audit recommendations

3.24 **Audit has recommended that the Director of Immigration should:**

- (a) **step up monitoring of the processing of CIES applications to ensure that prompt follow-up actions are taken in obtaining additional information or ascertaining whether the investment requirements have been met; and**

Note 36: *As at December 2015, the ImmD should ensure that some 24,800 approved applicants/entrants from January 2009 to December 2015 meet the investment requirement.*

Admission Schemes for investors

- (b) **tighten control over breaches of Scheme Rules of the CIES, including:**
 - (i) **timely issue of warning letters to the entrants concerned; and**
 - (ii) **taking more stringent actions against cases of repeated breaches after issue of warning letters.**

Response from the Government

3.25 The Director of Immigration agrees with the audit recommendations. He has said that:

- (a) the ImmD has reminded case officers to tighten monitoring of the processing of CIES applications and to uphold the Scheme Rules; and
- (b) regarding Audit's observations in paragraph 3.21, only a small number (i.e. 25 (0.33%) of 7,600 cases) of all applications with formal approval granted in 2014 and 2015 took more than 48 months to process. Nevertheless, the ImmD would continue to stay alert and flexibly deploy manpower resources to expedite the processing of CIES applications as far as practicable.

PART 4: ADMISSION SCHEME FOR FOREIGN DOMESTIC HELPERS

4.1 This PART examines the administration of the Admission Scheme for FDHs.

Administration of Admission Scheme for FDHs

4.2 Since early 1970s, the Government has allowed admission of FDHs to perform full-time and live-in domestic duties in Hong Kong (see para. 1.6(g)). To apply for admission, an FDH must have two-year relevant work experience and the sponsor (i.e. the prospective employer) is a Hong Kong resident who is proved to be financially capable of employing an FDH. At present, the sponsor must have a household income of not less than \$15,000 per month or assets of not less than \$350,000 (Note 37) to support the employment of an FDH for the whole two-year contract period. From 2006 to 2015, 909,861 FDHs had been admitted under the Scheme. As at December 2015, there were some 340,000 FDHs in Hong Kong. Table 8 shows that the number of approved applications under the FDH Scheme had decreased by 4% from 101,505 in 2011 to 97,936 in 2015.

Note 37: *The sponsor may also submit proof of assets of comparable amount (currently \$350,000) which is approximately the total sum of the income threshold of \$15,000 per month for the 24-month contract period.*

Admission Scheme for foreign domestic helpers

Table 8

Analysis of applications under Admission Scheme for FDHs (2011 to 2015)

Application	Number of applications					Percentage increase/ (decrease) from 2011 to 2015
	2011	2012	2013	2014	2015	
Received	104,138	105,955	99,132	98,149	105,590	1%
Approved	101,505	102,581	95,057	95,060	97,936	(4%)
Rejected	278	345	535	486	713	156%
Case closed (Note)	3,938	3,870	3,519	3,292	3,624	(8%)
Processed	105,721	106,796	99,111	98,838	102,273	(3%)

Source: ImmD records

Note: A case would be closed when the applicant withdrew his application or when the application could not be processed (e.g. due to failure to provide required information).

Remarks: Of the total 492,139 approved applications from 2011 to 2015, the average approval rate (i.e. applications approved ÷ (applications processed – cases closed) × 100%) was 99.5%.

4.3 As at December 2015, 149 staff in the Foreign Domestic Helpers Section (FDH Section) under the Visa Control (Operations) Division (see Appendix C) were responsible for processing visa applications for FDHs.

Need to review stipulated financial requirements

4.4 The household income threshold of \$15,000 has been adopted since the 1970s. In 1994, the “four times Minimum Allowable Wage” was adopted as the basis of determining the income threshold. In 2001, an inter-departmental Working Group on Review of Policies relating to FDHs (Note 38) found that the income threshold was unrealistically low on account of inflation over the years and therefore recommended a review to be conducted shortly to reflect the wage index movements, followed by regular reviews in future to reduce the possibility of underpayment of wages for FDHs.

4.5 In March 2016, the Labour Department informed Audit that:

- (a) the recommendation of the Working Group had not been pursued by the then Education and Manpower Bureau (Note 39). The household income and the asset thresholds were to ensure that employers had the means to pay wages to the FDHs for the whole 24-month contractual period. There was no indication so far that there was a deteriorating trend of wage defaults involving FDHs and their employers, thereby warranting any urgent need for a review of the income threshold; and
- (b) there were over 340,000 FDHs in Hong Kong and many of them were helping families with children and elders, including retirees who relied on their other incomes (e.g. retirement benefits, contribution from their children) or savings. In view of the ageing population and the anticipated manpower shortage problem, the number of FDHs was likely to grow in the coming years. The household income and asset thresholds formed part of the Government’s FDH policy and should be considered cautiously and holistically with a basket of socio-economic factors.

Note 38: *The Working Group, comprising representatives from the then Education and Manpower Bureau, the Labour Department and the ImmD (who were invited to attend meetings involving immigration of FDHs), reviewed policies on FDHs.*

Note 39: *Following the reorganisation of the Government Secretariat with effect from 1 July 2007, the manpower portfolio under the Education and Manpower Bureau was taken up by the LWB.*

Admission Scheme for foreign domestic helpers

As such, the Labour Department is of the view that any increase of the income and asset thresholds must be considered carefully with due regard to the above and other relevant factors.

4.6 Audit noted that, while the Minimum Allowable Wage of the FDHs had increased five times in the past six years from \$3,580 in 2010 to \$4,210 in 2015 (Note 40), the household income and asset thresholds had remained unchanged since the 1970s. As more than 14 years have elapsed since the inter-departmental Working Group's last review of the household income threshold, Audit considers that the ImmD should liaise with the Labour Department to conduct a review on the household income and the asset thresholds for employing FDHs, taking into consideration the need to ensure sponsors' financial capability and other socio-economic factors.

Need to strengthen follow-up actions on suspected job-hoppers

4.7 The two-year Standard Employment Contract (see para. 1.6(g)) stated that if a contract is terminated before its expiry, the employer and the FDH shall give the Director of Immigration a notice (pre-mature termination (PMT) notification) in writing within seven days of the date of termination (Note 41). From time to time, there were media reports alleging that individual FDHs deliberately

Note 40: *Owing to the adjustments in the Minimum Allowable Wage, the household income threshold of \$15,000 was lower than the "four times Minimum Allowable Wage" level from December 1996 to January 1999 and from late September 2012 onwards. Audit estimated that, in order to meet the "four times Minimum Allowable Wage" level, the household income threshold for employing an FDH in 2015 should be \$16,840 (i.e. \$4,210 × 4) instead of \$15,000 and the asset threshold should be about \$400,000 (i.e. \$16,840 × 24) instead of \$350,000.*

Note 41: *These records will be kept and taken into account by the ImmD in considering future applications made by the FDH for visa or extension of stay.*

under-performed to cause their employers to terminate the contracts pre-maturely (Note 42). On termination, instead of returning to their place of origin, the FDHs took a short trip to Macao or the Mainland pending approval of their entry visa for a new employment (Note 43).

4.8 In response to the public concern, the FDH Section has taken the following measures to strengthen control over FDH entry-visa applications to curb possible abuses:

- (a) **Phase 1.** From June 2012 to June 2013, the FDH Section identified entry-visa applications of FDHs with two or more PMT records within six months preceding their new visa applications for further scrutiny of their previous contract duration, termination reasons given by ex-employers and other case facts (Note 44);
- (b) **Phase 2.** In June 2013, the ImmD established a Special Duty Team (SDT — Note 45) within the FDH Section to further tighten the control. From late June to August 2013, the identification criteria were enhanced to cover FDHs who had two or more PMT records in 12 months preceding their new visa applications. The SDT would proactively contact the ex-employers of the suspected job-hoppers for a better assessment of their new visa applications;
- (c) **Phase 3.** From September 2013 to November 2014, the identification criteria were further enhanced to cover those FDHs who had two or more PMT records in any 12 months within the two years preceding their new visa applications; and

Note 42: *The alleged incentives of an FDH are: (a) one-month salary in lieu of notice from employer (in case of immediate termination); and (b) possibly money in lieu of free passage for returning to her place of origin.*

Note 43: *The ImmD might reduce the period of stay of an FDH who used this means to prolong the period of stay in Hong Kong for searching a new employer.*

Note 44: *As at June 2013, the FDH Section had identified some 1,000 FDHs as suspected job-hoppers. Subsequently, some 3% of the identified applications were rejected.*

Note 45: *The SDT comprised one Senior Immigration Officer and two Immigration Officers.*

Admission Scheme for foreign domestic helpers

- (d) **Phase 4.** A review by the ImmD found that the identification criteria used in Phase 3 did not have a significant impact on identifying job-hoppers and they had lengthened the processing time. The ImmD decided to revert back to the identification criteria adopted in Phase 2 with effect from mid-December 2014 and formed a Special Screening Unit (Note 46) in the SDT to speed up the identification process of suspected job-hoppers.

Up to December 2015, the SDT had identified and processed 6,960 suspected job-hopper cases and refused 606 (8.7%) of the pertinent visa applications. Besides, 745 cases (10.7%) were closed either because the applicants withdrew their applications or the applications could not be processed (e.g. the required information was not provided by the applicants).

4.9 Audit extracted from the ImmD's computer system some 3,000 visa applications from January to September 2015 of FDHs who had two or more PMT records in 12 months preceding their applications, and randomly selected 30 cases for examination. Audit noted that there were no guidelines setting out the key procedures on processing visa applications with PMTs. Individual case officers of the SDT had taken one or more of the following courses of actions:

- (a) scrutinising the comments in the PMT notices/complaint letters;
- (b) contacting ex-employers by telephone;
- (c) arranging an interview with the FDHs concerned;
- (d) reviewing the duration of service in previous contracts; and
- (e) considering other relevant facts (e.g. whether the FDH had provided false statements in previous applications).

Note 46: *The Special Screening Unit comprised one Immigration Officer and two Clerical Assistants.*

Admission Scheme for foreign domestic helpers

4.10 Audit's examination of the 30 randomly selected cases also revealed that, in eight cases, the ex-employers of the FDHs had made adverse comments on their performance in the PMT notices/complaint letters. All eight visa applications had been approved although in seven cases, not all the ex-employers had been contacted:

- (a) **Cases 3 to 6.** The four cases had been followed up by the individual units of the FDH Section instead of the SDT. There was no documentary evidence showing that the case officers had tried to contact any of the ex-employers who had adverse comments on the applicant FDHs before approving the visa applications; and
- (b) **Cases 7 to 9.** The three cases had been followed up by the SDT. Audit noted that:
 - (i) in Case 7, the case officer had only made one telephone call to one ex-employer and gave up after the call was unanswered;
 - (ii) in Case 8, the case officer had only successfully contacted a family member of one ex-employer who had made adverse comments on the FDH's performance. The case officer had not contacted the other ex-employer after the first telephone call was unanswered; and
 - (iii) in Case 9, the case officer had not contacted the two ex-employers after the first telephone calls to them were unanswered.

In one of the 30 cases examined by Audit (Case 10), the FDH had three PMT records in 12 months preceding her visa application but the reasons for termination of contract were not stated. The case officer successfully contacted the first ex-employer who made some adverse comments on the FDH's performance. However, the visa application was approved without having successfully contacted the other two ex-employers to ascertain the reasons for the premature termination of contracts.

Admission Scheme for foreign domestic helpers

4.11 While the ImmD had established the SDT to address the job-hopping problem of FDHs, there were no laid-down procedures to guide case officers in processing new applications with PMT records. Upon Audit's enquiry, the ImmD said in February 2016 that case officers had to process new applications with PMT records on case-by-case merits by considering a wide array of factors including contacting the ex-employers to gather further information on the past performance of the FDHs (see para. 4.9). However, in view of the variation in the extent of follow-up actions on new applications with PMT records mentioned in paragraph 4.10 above, Audit considers that the ImmD needs to issue guidelines setting out the key follow-up procedures to ensure consistency in processing such applications. If there is an operational need for other units in the FDH Section to handle new applications with PMT records, the ImmD also needs to ensure that the unit case officers follow the same follow-up procedures.

Need to timely process PMT notifications and update the computer records

4.12 Upon receipt of PMT notifications from employers/FDHs, the FDH Section needs to expeditiously process such notifications and update the computer records in order to facilitate early identification of suspected job-hoppers for further actions. Audit's analysis revealed that, while the monthly average number of 10,928 PMT notifications received in 2015 was the lowest in the past five years from 2011 to 2015, the monthly average number of such notifications pending processing had increased by 44% from 4,298 in 2011 to 6,202 in 2015 (see Table 9). In this regard, the ImmD said that it had endeavoured to process the PMT notifications and update the computer records timely. Subsequently, the number of PMT notifications pending processing as at the year end of 2015 was 3,683, 57% down from 8,471 in 2014. Audit notes the ImmD's recent efforts and considers that the ImmD should continue to expedite the processing of PMT notifications and updating the computer records to support the SDT's work in addressing the job-hopping problem of FDHs.

Admission Scheme for foreign domestic helpers

Table 9

**Analysis of PMT notifications
(2011 to 2015)**

PMT notification	Average number per month				
	2011 (Note)	2012	2013	2014	2015
Received	11,249	13,147	12,706	12,278	10,928
Processed	11,326	13,150	12,965	11,765	11,327
Pending processing (monthly average)	4,298	5,308	3,768	7,000	6,202
Pending processing (year end)	5,462	5,423	2,316	8,471	3,683

Source: Audit analysis of ImmD records

Note: A backlog of 6,400 PMT notifications were carried forward from December 2010 to January 2011.

Need to tighten the vetting of applications for FDHs performing driving duties

4.13 Since January 2000, the Standard Employment Contract (see para. 1.6(g)) has prohibited FDHs from performing all sorts of driving duties to prevent employers from employing FDHs to work as full-time chauffeurs (Note 47). Nevertheless, individual employers who have genuine needs for their FDHs to perform driving duties may apply to the ImmD for special permission. In a paper submitted to the Legislative Council in May 2011, the ImmD explained that when applying for special permission to perform driving duties, an employer should provide full justifications that:

Note 47: *This restriction becomes one of the conditions of stay imposed on the FDHs.*

Admission Scheme for foreign domestic helpers

- (a) his FDH has to perform any of the five broad categories of domestic duties (i.e. household chores, cooking, looking after aged persons in the household, baby-sitting and child-minding); and
- (b) the driving duties are incidental thereto and arising therefrom. Details of such driving duties should also be provided.

4.14 Audit noted that, while the number of FDHs in Hong Kong had increased by 57% from 216,790 in 2000 to 340,380 in 2015, the total number of successful applications for FDHs performing driving duties had increased by 125% from 903 to 2,032 (Note 48) during the same period. Table 10 shows the total number of approved and rejected applications by the ImmD from 2011 to 2015.

Table 10
Number of approved and rejected applications
for FDHs performing driving duties
(2011 to 2015)

Year	Approved application			Rejected
	New	Renewal	Total	
2011	346	1,058	1,404	4
2012	347	1,404	1,751	3
2013	358	1,551	1,909	4
2014	236	1,530	1,766	8
2015	284	1,748	2,032	4

Source: ImmD records

Note 48: *The actual number of FDHs permitted to carry out driving duties was more than 2,032 in 2015 because the permission would be valid for the contract period of two years.*

4.15 Audit's examination of the ImmD's computer records of ten approved applications revealed that the justifications provided in the application forms were travelling needs for performing commonly required domestic duties, such as:

- (a) taking children to and from schools;
- (b) taking other domestic helpers to and from market/groceries stores/laundry stores;
- (c) taking pets to veterinarian/salon; and
- (d) taking elders/children to and from clinic.

There was no elaboration on why such travelling needs could only be met by an FDH performing driving duties. Upon Audit's enquiry, the ImmD said in February 2016 that the case officers concerned had to consider, among others, the location of the destinations and the individual needs of the household members when assessing the applications concerned. However, Audit could not find any documentation on these factors having been considered by the case officers. As it is the responsibility of the employers concerned to provide full justifications for employing FDHs to perform driving duties, Audit considers that the ImmD needs to tighten the vetting of such applications (such as requiring employers to demonstrate their special needs for FDHs performing such duties).

Need to require FDHs to declare driving offence records

4.16 ImmD guidelines do not require an FDH applicant for special permission to perform driving duties to declare in the application form his previous driving offence information. In this connection, Audit noted that in one case, an FDH was allowed to perform driving duties for three consecutive employers notwithstanding that there were adverse comments on his driving behaviour. In processing the applications for FDHs to perform driving duties, the case officers did not require the FDH to provide information on whether he had any driving-related convictions. Audit considers that the ImmD needs to take improvement measures in this regard.

Audit recommendations

- 4.17 **Audit has *recommended* that the Director of Immigration should:**
- (a) **liaise with the Labour Department to conduct a review on the household income and the asset thresholds for employing FDHs, taking into consideration the need to ensure sponsors' financial capability and other socio-economic factors;**
 - (b) **issue guidelines setting out the key follow-up procedures for all case officers in the FDH Section to ensure consistency in processing new visa applications with PMT records;**
 - (c) **remind case officers in the SDT and all other units in the FDH Section to make greater efforts to contact the ex-employers of PMT cases, especially those who have made adverse comments on the performance of the applicant FDHs, for clarification before making decisions on their new visa applications;**
 - (d) **continue to expedite the processing of PMT notifications and updating the computer records; and**
 - (e) **consider tightening the vetting of applications (including renewals) for FDHs performing driving duties by requiring:**
 - (i) **employers to provide full justifications for employing FDHs to perform driving duties; and**
 - (ii) **FDHs to make a declaration to indicate whether they have any driving-related convictions in and outside Hong Kong.**

Response from the Government

4.18 The Director of Immigration agrees with the audit recommendations. He has said that the ImmD:

- (a) will liaise with the Labour Department for its review on the sponsors' household income and the asset thresholds for employing FDHs;
- (b) will issue guidelines on follow-up actions for FDH visa applications with PMT records;
- (c) has reminded case officers to follow up on adverse comments given by FDHs' ex-employers of PMT cases;
- (d) has expedited the processing of PMT notifications; and
- (e) will closely scrutinise applications for FDHs performing driving duties and study the feasibility of requiring FDHs to make a declaration of driving-related convictions.

PART 5: OTHER ADMINISTRATIVE ISSUES

5.1 This PART examines other administrative issues relating to the Admission Schemes.

Information system

Need to properly maintain computer records

5.2 All the entry and extension-of-stay applications under the various Admission Schemes are processed with the aid of the computer system known as the APPLIES. In the funding paper submitted to the Finance Committee of the Legislative Council in May 2004 (Note 49), the Security Bureau said that, to cope with increasing workload and continuous demand for service improvements, achieve productivity improvement and provide necessary management information for better decision making and resources planning, the ImmD had to enhance its computer system. The APPLIES which was rolled out in December 2008 had the following features:

- (a) case officer assessing applications and handling investigation cases would work in a paperless environment supported by imaging facilities, automatic tracking and case distribution functions, online processing capability as well as expert system technology to facilitate decision making and investigation;
- (b) the public would be able to submit applications for most services by electronic means and obtain services and the processing time could be significantly shortened. The applicants could also check the progress of the applications by electronic means;
- (c) the system would integrate standalone systems developed through end user computing to provide better system support to process applications; and

Note 49: *In May 2004, the Finance Committee approved funding of \$337 million for upgrading two computer systems, namely APPLIES and the Electronic Records Programme. A cost breakdown of the two systems was not available.*

- (d) the system would provide enhanced functionalities to investigation officers including information analysis, data dissemination and operation support.

The ImmD also expected that the APPLIES would render better support to various Admission Schemes launched by the Government such as the ASMTP and the CIES.

5.3 Audit's examination of computer records of the Admission Schemes kept in the APPLIES revealed inadequacies. For example:

- (a) **GEP and ASMTP.** While the monthly remunerations of GEP entry applicants were input into the computer system for easy retrieval and analysis purposes, there was no similar mandatory input requirement for extension-of-stay applications. Besides, in 12 (40%) of the 30 GEP and ASMTP entry applications examined by Audit, the monthly remuneration information was incorrectly input into the system. For example, in one case, an Information Technology Consultant's monthly remuneration in foreign currency equivalent to HK\$29,760 was incorrectly input as HK\$64,500;
- (b) **QMAS.** Of some 3,600 approved extension-of-stay applications from January 2010 to September 2015, the expiry dates of the travel documents of 232 cases were not input;
- (c) **IANG.** Of some 34,000 computer records for the period January 2010 to September 2015 captured by the APPLIES, some information was not input into the APPLIES (e.g. name of the employers (67 cases), work posts of the applicants/entrants (627 cases) and remuneration package of the applicants/entrants (721 cases)); and
- (d) **FDHs.** Some of the contract renewal applications and PMT notifications (see para. 4.12) received after late 2015 had not been scanned into the computer system up to February 2016.

A complete and reliable database will facilitate the ImmD to compile necessary management information for better decision making and resources planning (see para. 5.2). In Audit's view, the ImmD needs to take measures to improve the proper maintenance of computer records in the APPLIES.

Other administrative issues

Need to enhance the functions of APPLIES

5.4 Audit also notes that the QMMR Section needs to rely on a tailor-made programme to supplement the APPLIES for the purpose of capturing data of QMAS applicants for data analysis purpose. Audit considers that efforts should be exerted to use the APPLIES to integrate standalone systems developed through end user computing as stated in the 2004 Finance Committee Paper (see para. 5.2(c)).

5.5 Besides, the computer records of FDHs in the APPLIES might not be maintained in a way to facilitate easy retrieval of information for statistical analysis. For example, there was no identifier for rejected applications for special permission to undertake driving duties in the computer system. Audit considers that the ImmD should explore the feasibility of enhancing the functions of the APPLIES to address the above inadequacies.

Supervisory checks

Need to improve supervisory-check arrangements

5.6 The ImmD has put in place supervisory-check arrangements to provide quality assurance on the decisions made by case officers in processing visa/permit applications under various Admission Schemes. However, Audit's examination of the supervisory-check records for the period 2010 to 2015 has revealed the following inadequacies in the present supervisory-check arrangements:

- (a) the number of supervisory checks carried out was less than the stipulated requirements. Besides, there was insufficient documentation on the conduct of supervisory checks in the spot-check registers of the QMAS, the IANG, the CIES and the SLS for certain periods (see some examples in Appendix F);
- (b) there was no specified supervisory-check requirement on entry-visa and contract renewal applications in the FDH Section; and
- (c) the extent of checks was not specified in the relevant guidelines for the ASMTP.

Audit considers that the ImmD needs to enhance the supervisory-check arrangements to provide sufficient monitoring and evaluation of the quality of decisions made by case officers in processing visa/permit applications under various Admission Schemes.

Cost recovery of visas/entry permits and extension of stay

5.7 The ImmD charges a fee of \$190 for visas, entry permits and extension of stay under the various Admission Schemes (see Appendix A). The fee took effect from February 2015 after a costing exercise completed by the ImmD in mid-2014, which was eight years after the previous fee revision in June 2006 (Note 50). Notwithstanding the fee increase by 19% from \$160 to the current level of \$190, the cost-recovery rate of the current fee was only 26% in 2014.

5.8 In his 2013-14 Budget Speech, the Financial Secretary emphasised the need to review fees and charges systematically for upholding the “user pays” principle. Audit considers that the ImmD should review the need for improving the cost-recovery rates of visas/entry permits and extension of stay and consider setting a target recovery rate for such fees in the long run.

Audit recommendations

- 5.9 **Audit has *recommended* that the Director of Immigration should:**
- (a) **take measures to ensure the proper maintenance of computer records for the various Admission Schemes, taking into account the audit findings mentioned in paragraph 5.3;**
 - (b) **explore the feasibility of enhancing the functions of the APPLIES to address the inadequacies mentioned in paragraphs 5.4 and 5.5;**

Note 50: *Since 2010, the ImmD had conducted two costing exercises in 2010 and 2012 respectively but it was agreed that no fee revision would be suggested.*

Other administrative issues

- (c) **enhance the supervisory-check arrangements to provide sufficient monitoring and evaluation of the quality of decisions made by case officers in processing visa/permit applications under various Admission Schemes; and**
- (d) **review the need for improving the cost-recovery rate of visas/entry permits and extension of stay and consider setting a target cost-recovery rate in the long run.**

Response from the Government

5.10 The Director of Immigration agrees with the audit recommendations. He has said that the ImmD:

- (a) has reminded case officers of the importance of data accuracy;
- (b) will explore the feasibility and cost-effectiveness of enhancing the functions of the APPLIES having due regard to operational efficiency; and
- (c) has reminded case officers to keep records of supervisory checks.

PART 6: WAY FORWARD

6.1 This PART explores the way forward for the administration of the GEP, the ASMTP, the QMAS and the IANG.

Proactive and targeted approach to attract talent

6.2 In his 2015 Policy Address, the Chief Executive adopted the five-pronged strategy to deal with demographic challenges (i.e. ageing population and decline in labour force) with a view to achieving the following population policy objective as recommended by the SCPP (Note 51):

“To develop and nurture a population that will continuously support and drive Hong Kong’s socio-economic development as Asia’s world city, and to engender a socially inclusive and cohesive society that allows individuals to realise their potential, with a view to attaining quality life for all residents and families.”

As one of the strategies was “adopting a more proactive and targeted approach to attract more outside talent to work and settle in Hong Kong”, the Chief Executive also announced in his Policy Address that various enhancement measures should be implemented (see para. 1.8(a) to (e)).

Note 51: *The SCPP, chaired by the Chief Secretary for Administration, currently consists of government officials as members, including the Secretary for Security and the Director of Immigration.*

Way forward

6.3 Following the 2015 Policy Address, the Government implemented various enhancement measures (including the introduction of the ASSG, relaxation of stay arrangements for GEP, ASMTP and QMAS entrants, specification of consideration factors of the GEP Investment Stream and revision of the GPT of the QMAS — see para. 1.9(a) to (d)). Up to January 2016, the Government had not announced the study result on the feasibility of drawing up a talent list (Note 52) to attract, in a more effective and focused manner, high-quality talent (see para. 1.8(e)).

6.4 According to the 2015 Population Policy Report (see para. 1.8), importing talent and professionals is considered the most direct and effective means to meet the huge demand for talent in the local market and to build up human capital stock in Hong Kong. Hitherto, the role of the Government has been to facilitate the local market to bring in talent, professionals, entrepreneurs and non-local graduates through the GEP, the ASMTP, the QMAS and the IANG. With the adoption of a more proactive and targeted approach to attract talent, the SCPP will, as indicated in its terms of reference:

- (a) oversee the implementation of new or improved measures formulated and review the progress from time to time to ensure that such measures have been followed through; and
- (b) keep in view the main social and economic challenges brought about by the ageing population, refine existing policies and measures as necessary, and coordinate cross-bureaux initiatives to ensure that the policy measures remain relevant and effective to address the challenges.

Note 52: *According to the 2015 Population Policy Report (see para. 1.8), many overseas countries are proactively attracting talent through targeted immigration programmes, such as the Shortage Occupation List in the United Kingdom and the Skilled Occupation List in Australia.*

Need to periodically compile key statistics for measuring the effectiveness of the Admission Schemes

6.5 The objectives of the Admission Schemes are to attract talent, professionals, entrepreneurs and non-local graduates to stay and work in Hong Kong in order to meet local manpower needs and enhance Hong Kong's competitiveness in the global market. Under the population policy, these entrants will help support and drive Hong Kong's socio-economic development. Over the years, the ImmD has approved a number of entrants under the GEP, the ASMTP (Note 53), the QMAS and the IANG (who may apply for permanent residence after residing in Hong Kong for not less than seven years — see para. 1.7).

6.6 Upon Audit's requests in December 2015 and January 2016, the ImmD provided Audit with the following statistics:

- (a) the number of entrants who had obtained right of abode for the four Admission Schemes (in accordance with their status at the time of application). As indicated in Table 11, from 2009 to 2015, a total of 32,274 entrants had obtained right of abode in Hong Kong, with an increase of 306% from 1,804 in 2009 to 7,327 in 2015; and
- (b) the number of GEP and ASMTP entrants with breakdown by duration of stay as at the end of December 2015. As indicated in Table 12, of the 71,986 GEP entrants and 16,234 ASMTP entrants who resided in Hong Kong as at December 2015, 1,525 (2%) and 1,447 (9%) had stayed in Hong Kong for seven years or more respectively.

The above statistics are key indicators of the entrants' willingness to work/stay in Hong Kong. Audit noted that the ImmD had not periodically compiled such statistics.

Note 53: *About half of the GEP and ASMTP entrants were engaged in short-term employment of less than 12 months.*

Table 11**Number of entrants having obtained right of abode
(2009 to 2015)**

Year	Number of entrants				
	GEP	ASMTF	QMAS	IANG	Total
2009	1,531	130	6	137	1,804
2010	1,939	179	6	313	2,437
2011	2,648	406	11	827	3,892
2012	2,706	440	24	983	4,153
2013	3,831	647	50	1,360	5,888
2014	4,319	693	118	1,643	6,773
2015	4,494	905	186	1,742	7,327
Total	21,468	3,400	401	7,005	32,274

Source: ImmD records

Table 12

**Number of GEP and ASMTP entrants
with breakdown by duration of stay
(December 2015)**

Period for which entrants had stayed in Hong Kong	GEP		ASMTP		Total	
	Number	%	Number	%	Number	%
Less than one year	18,017	25%	4,593	28%	22,610	26%
One year to less than three years	24,655	34%	4,703	29%	29,358	33%
Three years to less than five years	17,221	24%	3,368	21%	20,589	23%
Five years to less than seven years	10,568	15%	2,123	13%	12,691	15%
Seven years or more	1,525	2%	1,447	9%	2,972	3%
Total	71,986	100%	16,234	100%	88,220	100%

Source: ImmD records

Remarks: Figures refer to those who have a valid limit of stay in Hong Kong as GEP and ASMTP entrants as at the end of December 2015. The above analysis excluded those entrants who had obtained right of abode in Hong Kong (see Table 11).

6.7 In response to Audit's enquiry in January 2016, the ImmD said that:

- (a) the statistics on the number of entrants who had obtained permanent residence under the Admission Schemes and the number of entrants by their duration of stay as shown in Tables 11 and 12 respectively could not be generated from the computer system readily. As such, the ImmD needed to engage manpower resources to manually retrieve a huge amount of data from the computer system to compile such statistics; and

Way forward

- (b) the ImmD had therefore compiled such statistics on a need basis.

In Audit's view, the ImmD needs to enhance its computer system to periodically generate these statistics for closely monitoring the effectiveness of the Admission Schemes in attracting and retaining talent, professionals, entrepreneurs and non-local graduates.

6.8 *Analysis of entrants' employment by trade and industry.* Audit noted that the ImmD had conducted analyses of entrants' employment by trade and industry sectors for the approved entry applications of the ASMTP and the QMAS. Such analyses are useful to show whether the Admission Schemes are attracting the types of talent and professionals that meet the local manpower needs. For the GEP and the IANG, the ImmD has started to input employment sector data into the computer system since September 2014 and end of October 2014 respectively. Based on available data, the ImmD provided Audit with the analyses of entrants' employment by trade and industry sectors for the GEP and the IANG. Details of such analyses for the GEP, the ASMTP, the QMAS and the IANG are shown at Appendices G to J. In Audit's view, the ImmD needs to periodically analyse entrants' employment for the four Admission Schemes. Such analyses together with the statistics on the number of entrants who had obtained right of abode or stayed in Hong Kong for seven years or more are useful for the SCPP to review the progress of the enhanced measures under the Admission Schemes (see para. 6.4(a)). Audit considers that the ImmD needs to periodically provide such information for reference by the SCPP.

Need to conduct reviews on the effectiveness of Admission Schemes

6.9 To meet changing social and economic needs of Hong Kong, the Government has conducted reviews from time to time to evaluate the effectiveness of the Admission Schemes in attracting and retaining outside talent to stay and work in Hong Kong. As laid down in the best practice guide entitled "A User Guide to Post Implementation Reviews" issued by the Efficiency Unit in February 2009, conducting a post-implementation review is a good practice of modern day public sector management. It helps bureaux and departments evaluate whether a programme/project has achieved its intended objectives, review its performance and capture learning points to improve the delivery and outputs of future programmes/projects. In light of the introduction of various enhancement measures under the Admission Schemes in 2015 (see para. 6.3), the ImmD needs to, in

consultation with the Security Bureau, continue to monitor the implementation of such measures and review the effectiveness of the Schemes, taking on board the audit observations and recommendations in this Audit Report.

Audit recommendations

6.10 **Audit has *recommended* that the Director of Immigration should:**

- (a) **enhance the computer system to periodically generate statistics for monitoring the effectiveness of the GEP, the ASMTP, the QMAS and the IANG in attracting and retaining talent, professionals, entrepreneurs and non-local graduates for reference by the SCPP; and**
- (b) **in consultation with the Secretary for Security:**
 - (i) **continue to monitor the implementation of the various enhancement measures under the Admission Schemes mentioned in paragraph 6.3; and**
 - (ii) **review the effectiveness of the Admission Schemes in attracting and retaining outside talent to stay and work in Hong Kong, taking on board the audit observations and recommendations in this Audit Report.**

Response from the Government

6.11 The Director of Immigration agrees with the audit recommendations. He has said that while the Security Bureau/the ImmD will continue to monitor/review the effectiveness of the various Admission Schemes, the ImmD will explore the feasibility and cost-effectiveness of enhancement of the APPLIES having due regard to operational efficiency.

**Fees for visas, entry permits
and extension of limit of stay
(December 2015)**

Item	Fee (\$)
Ordinary visa/entry permit	190
Extension of limit of stay (Note)	190
Entry permit valid for one entry	190

Source: ImmD records

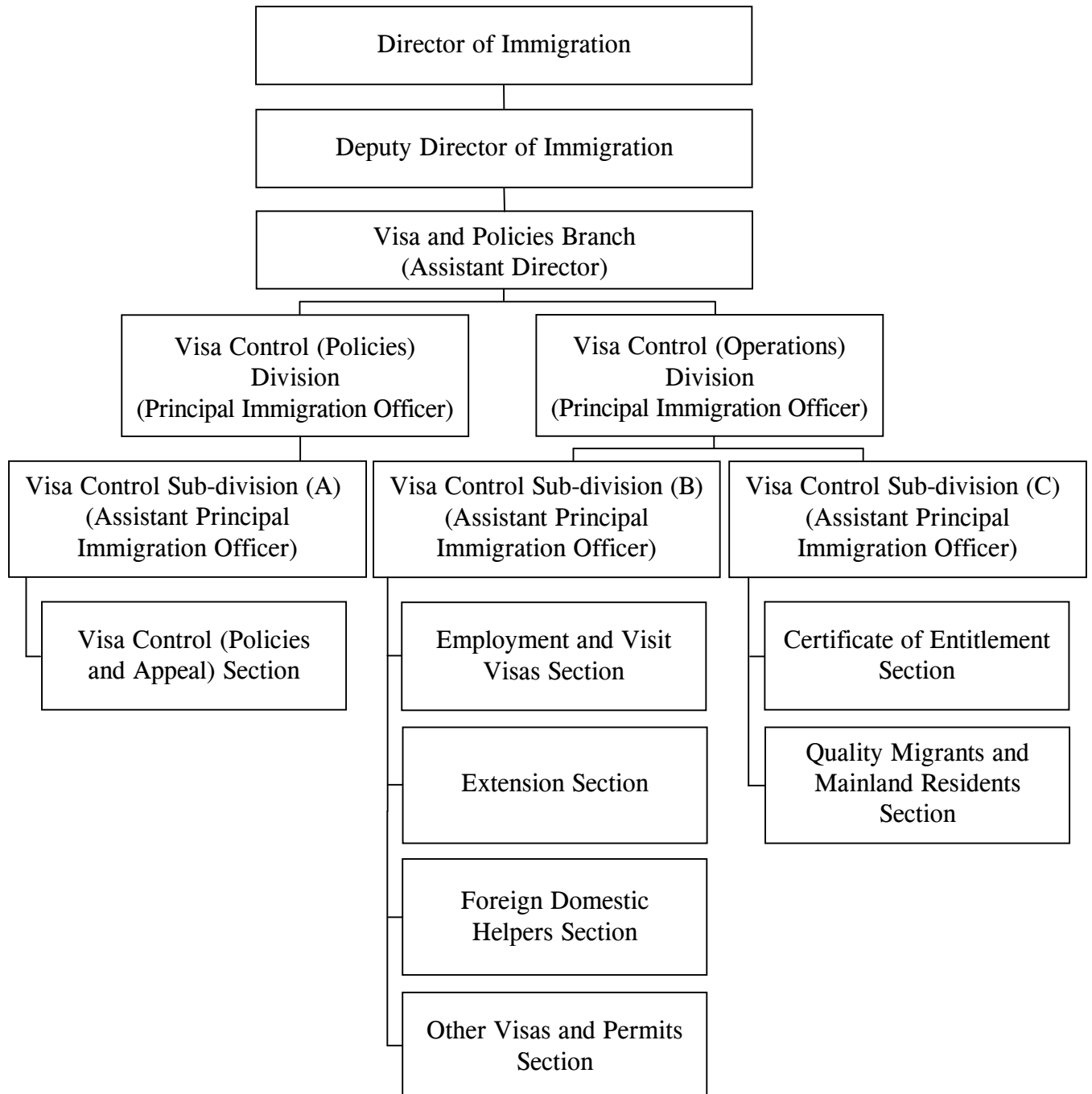
Note: This includes changes of conditions of stay.

**Eligibility for right of abode of admitted persons
and entry of their dependants under Admission Schemes**

Admission Scheme	Target person	Eligibility for right of abode of admitted person	Eligibility for entry of dependant
Admission Scheme for talent, professionals and non-local graduates			
GEP Employment Stream	Overseas, Taiwan and Macao talent and professionals	Yes	Yes
ASMTF	Mainland talent and professionals	Yes	Yes
QMAS	Mainland and overseas highly skilled or talented persons	Yes	Yes
IANG	Non-local graduates	Yes	Yes
Admission Scheme for investors			
GEP Investment Stream	Overseas, Taiwan and Macao investors	Yes	Yes
CIES	Capital investment entrants	Yes	Yes
Admission Scheme for importing FDHs and workers			
FDH	FDHs	No	No
SLS	Workers at technician level or below in industries with manpower shortage	No	No

Source: ImmD records

**Immigration Department:
Organisation chart (extract)
(31 December 2015)**



Source: ImmD records

Remarks: In addition to administering the eight Admission Schemes covered in this Report, the Visa and Policies Branch also provides assistance and/or processes applications for entry for visit, study and training, and other admission schemes, such as One-way Permit Scheme and Certificate of Entitlement Scheme.

Main provisions in the Scheme Rules of the CIES

The Scheme Rules provide that an applicant/entrant should:

- (a) transact only the permissible investment assets in designated account opened with a single financial intermediary (the ring-fencing requirement);
- (b) reinvest the entire proceeds from the sale of assets notwithstanding that he can switch investments among permissible investment assets (portfolio maintenance requirement). The applicant/entrant is not required to top-up the value of his investment asset should its market value fall below \$10 million;
- (c) make a declaration to the Director of Immigration every 12 months that he is the absolute beneficial owner of the investment assets in his designated account; and
- (d) enter into an agreement with the financial intermediary for the management and operation of the designated account. The agreement requires that, among others, the financial intermediary shall notify the Director of Immigration in writing:
 - (i) within seven working days that the applicant/entrant has not re-invested within 14 days the proceeds of sale or other realisation of investment assets; and
 - (ii) within 14 working days the composition and the acquisition cost of the designated account (i.e. annual statement) after each subsequent anniversary of the grant of formal approval to the applicant/entrant.

Source: ImmD records

**Investments made by CIES entrants
(October 2003 to December 2015)**

Investment	Amount (\$ million)	Percentage (%)
Equities	104,180	42.8%
Eligible collective investment scheme	55,906	23.0%
Real estate (Note)	42,588	17.5%
Debt securities	39,431	16.1%
Certificate of deposits	1,440	0.5%
Subordinated debt	2	0.1%
Total	243,547	100%

Source: ImmD records

Note: Real estate has ceased to be permissible investment asset since October 2010.

Examples of supervisory-check requirements and audit findings

GEP	<p>Supervisory-check requirements:</p> <p>5% of the intra-company transfer entry applications and on 50 routine extension-of-stay applications approved by the case officers monthly</p> <p>Audit findings:</p> <p>The number of intra-company transfer entry cases approved by case officers was not readily available from 2013 to 2015 (on average, 39 cases were checked monthly). For extension-of-stay applications, the supervisory-check requirement was not met in 26 of the 36 months from 2013 to 2015 (on average, 28 cases were checked monthly).</p>
QMAS	<p>Supervisory-check requirements by Senior Immigration Officers:</p> <p>4% of entry applications, 5% of extension-of-stay applications and 4% of original document verifications conducted by Immigration Officers monthly</p> <p>Audit findings:</p> <p>The guideline was outdated as the above duties were performed by Senior Immigration Officers.</p>
SLS	<p>Supervisory-check requirements:</p> <p>5% of approved applications</p> <p>Audit findings:</p> <p>There was no record in spot-check register showing that the required spot checks had been carried out in periods from March 2012 to July 2012, September 2012 to April 2013, June 2013 to July 2013 and September 2013 to June 2015.</p>

Source: Audit analysis of ImmD records

**Analysis of approved GEP entry applications
by employment sectors
(September 2014 to December 2015)**

Employment sector	Number of approved applications		
	2014 (Sept – Dec)	2015	Total
Academic research and education	1,071	3,763	4,834
Architecture/surveying	74	138	212
Arts/culture	1,058	3,973	5,031
Biotechnology	3	15	18
Catering industry	258	718	976
Commerce and trade	1,164	3,790	4,954
Engineering and construction	416	1,341	1,757
Financial services	1,799	4,942	6,741
Information technology	540	1,341	1,881
Legal services	175	512	687
Manufacturing industries	203	335	538
Medical and health services	51	224	275
Recreation and sports	2,446	7,115	9,561
Telecommunications	82	172	254
Tourism	203	657	860
Traditional Chinese medicine	1	2	3
Others	1,206	5,365	6,571
Total	10,750	34,403	45,153

Source: ImmD records

Remarks: The analysis includes applications from both the Employment and Investment Streams.

**Analysis of approved ASMTP entry applications
by employment sectors
(2011 to 2015)**

Employment sector	Number of approved applications					
	2011	2012	2013	2014	2015	Total
Academic research and education	2,475	2,627	2,470	2,485	2,496	12,553
Architecture/surveying	69	58	61	80	58	326
Arts/culture	2,058	1,987	2,127	2,827	2,137	11,136
Biotechnology	26	18	11	9	9	73
Catering industry	96	46	69	55	44	310
Commerce and trade	743	966	809	784	621	3,923
Engineering and construction	306	450	360	496	391	2,003
Financial services	1,167	973	1,021	1,239	1,547	5,947
Information technology	278	308	269	371	327	1,553
Legal services	137	89	123	101	109	559
Manufacturing industries	98	59	99	49	27	332
Medical and health services	65	61	49	64	66	305
Recreation and sports	140	128	97	140	225	730
Telecommunications	68	73	66	41	94	342
Tourism	15	18	21	27	12	93
Traditional Chinese medicine	5	9	17	6	4	41
Others	342	235	348	539	1,062	2,526
Total	8,088	8,105	8,017	9,313	9,229	42,752

Source: ImmD records

**Analysis of approved QMAS entry applications
by employment sectors
(2011 to 2015)**

Employment sector	Number of approved applications					
	2011	2012	2013	2014	2015	Total
Academic research and education	10	7	18	9	7	51
Architecture, surveying, engineering and construction	32	23	43	29	32	159
Arts/culture	25	36	16	34	7	118
Broadcasting and entertainment	9	10	12	22	10	63
Business support and human resources	8	7	3	5	7	30
Catering and tourism	2	0	4	0	0	6
Commerce and trade	19	7	4	10	10	50
Financial and accounting services	70	48	52	60	24	254
Human health and veterinary services	2	4	8	2	10	26
Information technology/ telecommunications	54	50	87	111	79	381
Legal services	10	14	5	13	13	55
Logistics and transportation	11	9	3	8	4	35
Manufacturing industries	21	19	28	20	26	114
Sports	16	12	12	15	8	63
Others	3	5	3	0	3	14
Total	292	251	298	338	240	1,419

Source: ImmD records

Remarks: The analysis is based on the trade and industry sectors that best represent the skills possessed by successful QMAS applicants.

**Analysis of approved IANG applications by employment sectors
(November 2014 to December 2015)**

Employment sector	Number of approved applications		
	2014 (Nov – Dec)	2015	Total
Academic research and education	170	1,809	1,979
Architecture/surveying	12	168	180
Arts/culture	10	388	398
Biotechnology	2	86	88
Catering industry	7	71	78
Commerce and trade	92	1,795	1,887
Engineering and construction	33	724	757
Financial services	142	3,014	3,156
Information technology	35	661	696
Legal services	14	244	258
Manufacturing industries	4	132	136
Medical and health services	6	123	129
Recreation and sports	7	91	98
Telecommunications	8	304	312
Tourism	4	53	57
Traditional Chinese medicine	1	9	10
Others	5	234	239
Total	552	9,906	10,458

Source: ImmD records

Remarks: The analysis includes new applications from returning graduates and applications for extension of stay from fresh and returning graduates.

Acronyms and abbreviations

APPLIES	Application and Investigation Easy System
APT	Achievement-based Points Test
ASMTF	Admission Scheme for Mainland Talents and Professionals
ASSG	Admission Scheme for the Second Generation of Chinese Hong Kong Permanent Residents
Audit	Audit Commission
C&SD	Census and Statistics Department
CIES	Capital Investment Entrant Scheme
COR	Controlling Officer's Report
EVV Section	Employment and Visit Visas Section
FDH	Foreign domestic helper
FDH Section	Foreign Domestic Helpers Section
GEP	General Employment Policy
GPT	General Points Test
IANG	Immigration Arrangements for Non-local Graduates
ImmD	Immigration Department
LWB	Labour and Welfare Bureau
MPF	Mandatory Provident Fund
PMT	Pre-mature termination
QMAS	Quality Migrant Admission Scheme
QMMR Section	Quality Migrants and Mainland Residents Section
SCPP	Steering Committee on Population Policy
SDT	Special Duty Team
SLS	Supplementary Labour Scheme