

**CONTROLLING OFFICER'S REPLY**

**ENB041**

**(Question Serial No. 1875)**

Head: (42) Electrical and Mechanical Services Department  
Subhead (No. & title): (-) Not Specified  
Programme: (3) Energy Efficiency and Conservation, and Alternative Energy  
Controlling Officer: Director of Electrical and Mechanical Services (Alfred W H SIT)  
Director of Bureau: Secretary for the Environment

Question:

The Electrical and Mechanical Services Department (EMSD) has launched the voluntary Energy Efficiency Registration Scheme for Buildings (EERSB) since 1998 to encourage and promote the further enhancement of energy efficiency of buildings in Hong Kong. Besides, from 1 January 2018, all types of new and existing buildings / premises may apply to join the EERSB if they have outperformed the minimum statutory requirements on energy performance and obtained certificates of good energy performance from BEAM Plus of the Hong Kong Green Building Council or other internationally recognised building environmental assessment systems. Capital expenditure incurred on relevant eligible environmental protection installations (including lighting, air-conditioning, electrical, and lift and escalator installations) may enjoy accelerated tax deduction. In this connection, please advise:

- (1) Since the launch of the voluntary EERSB in 1998 up to now, what are the number of applications received each year, the number of applications approved with certificates issued and the number of applications rejected? What are the reasons for rejecting the applications (if any)? What is the average time for completing the processing of applications?
- (2) Please list, according to the table below, the details of the above approved applications.

Year in which the application was approved	Name of building / premises (please specify new / existing)	Type of eligible environmental protection installations involved	Capital expenditure on environmental protection installations	Total amount of accelerated tax deduction

- (3) Has the Government analysed the effectiveness of the above tax deduction? If no, what are the reasons? If yes, what is the conclusion?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 207)

Reply:

Regarding parts (1) and (2) of the question, the Electrical and Mechanical Services Department (EMSD) launched the voluntary Hong Kong Energy Efficiency Registration Scheme for Buildings (HKEERSB) in October 1998. As at end-December 2017, a total of 1 728 buildings were issued with certificates under the HKEERSB, while the processing of 199 applications could not be completed due to insufficient information.

After reviewing the HKEERSB in 2017, the EMSD launched the HKEERSB (2018 Edition) (HKEERSB 2018) in January 2018. As at 15 March 2019, a total of 23 applications were received under the HKEERSB 2018, of which 22 were approved and issued with certificates. No applications were rejected so far. The average processing time is 6 working days. Relevant statistics of the HKEERSB and HKEERSB 2018 are set out in the following table:

Year	Number of Buildings / Premises	Number of Installations
1999	15	23
2000	14	22
2001	15	25
2002	20	38
2003	130	350
2004	129	276
2005	235	652
2006	151	556
2007	99	260
2008	124	234
2009	154	288
2010	129	228
2011	97	204
2012	177	323
2013	87	264
2014	98	192
2015	43	119
2016	6	21
2017	5	19
2018	20	74
2019 (up to 15 March)	2	8

The tax deduction arrangement for capital expenditure incurred on the procurement of environmental protection installations is not administered by the EMSD, and the building owners concerned are not required to inform the EMSD whether they have applied for tax deduction. Hence, the EMSD does not have information about the capital expenditure on and tax deduction for such installations.

Regarding part 3 of the question, it was proposed in the 2018-19 Budget to further accelerate tax deduction for eligible environmental protection installations. This arrangement was implemented starting from the year of assessment 2018/19. As the Inland Revenue Department will issue profits tax returns for the year of assessment 2018/19 in April 2019, statistics of tax deduction involved for 2018-19 is not yet available for further analysis at the moment.

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