

OWNERS CORPORATIONS AND THIRD PARTY RISKS INSURANCE I. OWNERS CORPORATIONS AND THIRD PARTY RISKS INSURANCE The Building Management Ordinance (Cap. 344 of the Laws of Hong Kong) and the Building Management (Third Party Risks Insurance) Regulation (Cap. 344B of the Laws of Hong Kong) require an owners' corporation (OC) to buy third party risks insurance in order to reduce the risk of large compensation faced by owners in case of accidents and, at the same time, offer better protection for members of the public. Third party risks insurance provides compensation for financial loss in the case of the death of, or bodily injury to, a third party in relation to common parts and facilities (such as lifts, staircases, fire service installations, etc.) of the building. If compensation is required, it is paid by the insurance company.

A. DUTY OF THE OC TO PROCURE THIRD PARTY RISKS INSURANCE A. DUTY OF THE OC TO PROCURE THIRD PARTY RISKS INSURANCE Under section 28 of the Building Management Ordinance (Cap. 344 of the Laws of Hong Kong), the OC is required to procure and keep in force a policy of third party risks insurance in relation to the common parts of the building, facilities and property.

1. DOES THE OC FULFILL THE LEGAL REQUIREMENTS IF IT HAS TAKEN OUT A PUBLIC LIABILITY POLICY WITH AN INDEMNITY LIMIT OF HK\$10 MILLION WHICH COVERS BOTH BODILY INJURY AND PROPERTY DAMAGE TO A THIRD PARTY? 1. DOES THE OC FULFILL THE LEGAL REQUIREMENTS IF IT HAS TAKEN OUT A PUBLIC LIABILITY POLICY WITH AN INDEMNITY LIMIT OF HK\$10 MILLION WHICH COVERS BOTH BODILY INJURY AND PROPERTY DAMAGE TO A THIRD PARTY? The Building Management Ordinance (Cap. 344 of the Laws of Hong Kong) and the Building Management (Third Party Risks Insurance) Regulation (Cap. 344B of the Laws of Hong Kong) requires the OC to procure insurance which provides coverage of not less than HK\$10 million for an accident in relation to the common parts and facilities of the building resulting bodily injury or death. If the public liability policy does not prescribe that it would first provide insurance of not less than HK\$10 million for third party bodily injury or death claims, the OC must take out another insurance policy or amend the existing policy.

2. SHOULD THE OC PROCURE ANOTHER POLICY OF THIRD PARTY RISKS INSURANCE IF THE PROPERTY MANAGEMENT COMPANY HAS ALREADY PROCURED ONE FOR THE BUILDING? 2. SHOULD THE OC PROCURE ANOTHER POLICY OF THIRD PARTY RISKS INSURANCE IF THE PROPERTY MANAGEMENT COMPANY HAS ALREADY PROCURED ONE FOR THE BUILDING? The OC has a legal obligation to procure a policy of third party risks insurance. Therefore, the OC must be at least one of the insured parties of the policy. The OC may request that the property management company and the insurance company add the OC as one of the insured parties of the existing policy or take out another policy in the name of the OC. If the policy is procured in the joint names of the OC and the property management company, the policy must satisfy the legal requirement by providing not less than HK\$10 million insurance cover for third party bodily injury or death claims.

B. LIABILITIES TO BE COVERED BY THIRD PARTY RISKS INSURANCE B. LIABILITIES TO BE COVERED BY THIRD PARTY RISKS INSURANCE Third party risks insurance is required to cover liabilities that may be incurred by the OC in relation to the common parts of the building (e.g. external walls, passageways, corridors, staircases, roofs and lifts) and property in respect of the bodily injury to, and/or the death of, a third party.

1. WHO IS A THIRD PARTY? 1. WHO IS A THIRD PARTY? Third parties include owners, tenants, occupiers, visitors, staff of the property management company, or trespassers of the building. Direct employees of the OC are not regarded as a third party.

2. DOES THE THIRD PARTY RISKS INSURANCE NEED TO COVER PROPERTY DAMAGE? 2. DOES THE THIRD PARTY RISKS INSURANCE NEED TO COVER PROPERTY DAMAGE? No, but the OC is at liberty to insure against property damage. Although such insurance is not mandatory, the OC is liable for compensation if damage is done to a third party's property due to the negligence of the OC.

3. DOES THE OC HAVE THE LEGAL OBLIGATION TO TAKE OUT AN INSURANCE POLICY TO COVER LIABILITIES ARISING FROM UNAUTHORISED BUILDING WORKS? 3. DOES THE OC HAVE THE LEGAL OBLIGATION TO TAKE OUT AN INSURANCE POLICY TO COVER LIABILITIES ARISING FROM UNAUTHORISED BUILDING WORKS? No, it is not a mandatory requirement. BUT if the court finds that the OC is responsible for an accident caused by unauthorised building works, the OC and/or the owners are liable for all the civil liabilities incurred. Generally speaking, insurance companies do not provide insurance for unauthorised building works. If there are unauthorised building works in the building, the OC should remove them for the benefit of the OC, building

owners and third parties who may be affected by the unauthorised works. C. MINIMUM INSURED AMOUNT C. MINIMUM INSURED AMOUNT The minimum insured amount of each policy must be \$10 million per event. D. NOTICE TO OWNERS D. NOTICE TO OWNERS After the OC has procured third party risks insurance, the insurance company shall issue a notice of insurance giving the particulars of the policy. The OC is required to display the notice of insurance in a prominent place in the building as long as the policy is in effect. E. REPORT TO THE LAND REGISTRAR E. REPORT TO THE LAND REGISTRAR The secretary of the management committee of the OC must, within 28 days after the insurance policy takes effect, give notice of the name and address of the insurance company and the period covered by the insurance policy to the Land Registrar. F. LEGAL LIABILITY FOR FAILURE TO PROCURE THIRD PARTY RISKS INSURANCE F. LEGAL LIABILITY FOR FAILURE TO PROCURE THIRD PARTY RISKS INSURANCE If the OC fails to procure third party risks insurance, every member of the management committee of the OC is guilty of an offence and is liable on conviction to a maximum fine of HK\$50,000. It would be a defence for members of the management committee of the OC if they could demonstrate that they had exercised all due diligence to procure insurance. G. PROTECTION FOR THE OC AND THIRD PARTIES G. PROTECTION FOR THE OC AND THIRD PARTIES DUTY OF THE OC TO GIVE INFORMATION AS TO INSURANCE If a third party makes a claim against the OC, the OC must state whether it is insured in respect of the claim and give particulars of the policy within 10 days after receiving a written request. AVOIDANCE OF RESTRICTIONS IN POLICIES The restriction will have no effect on any compensation paid by the insurance company if a policy restricts the OC's insurance in any of the following ways: the number of claims that may be made during the period the policy is in effect or any part of that period; the age of the building to which the policy relates; the condition or maintenance of the building; the number of flats in the building; the use of the building or parts thereof; or the existence of a statutory instrument in relation to the building. However, if the insurance policy includes terms relating to the above matters 1 to 6, the insurance company can make a claim against the OC after the insurance company pays compensation for bodily injury to, or the death of, a third party. AVOIDANCE OF CERTAIN AGREEMENTS OR ARRANGEMENTS REGARDING LIABILITY TO A THIRD PARTY Any agreement between the OC and a third party that purports to negate or restrict any liability to the third party will be of no effect. WINDING UP OF THE OC If the OC becomes insolvent and is wound up, this will not affect the OC's liability covered by the third party insurance policy. H. SIGNIFICANCE OF PROCURING THIRD PARTY RISKS INSURANCE H. SIGNIFICANCE OF PROCURING THIRD PARTY RISKS INSURANCE In 1994, the canopy of a seafood restaurant situated at Albert House in Aberdeen collapsed. One passer-by was killed and 13 others were injured in the incident. The High Court held that the OC, property management company, restaurant, licensee of the restaurant, owner of the unit at which the restaurant was situated and contractor that had built the canopy were liable for compensation to the victims, which amounted to more than HK\$30 million. Since the OC of Albert House did not have third party risks insurance, it was unable to pay the compensation. Eventually, the OC had to be wound up. Pursuant to the Building Management Ordinance (Cap. 344 of the Laws of Hong Kong), each of the individual owners was liable and had to pay a portion of the compensation for his/her share of the liability. The message from this case is that compensation must be paid if the court rules that the victim must be compensated. If the OC does not have third party risks insurance, it has to make full compensation. If it does not have sufficient funds to pay compensation and has to be wound up, each individual owner becomes personally liable for the compensation. If individual owners are unable to pay compensation, they may be forced into bankruptcy. Procuring third party risks insurance protects the owners and any potential third party victims, thus reducing the financial risks faced by the owners should an accident occur. MANDATORY BUILDING INSPECTION SCHEME AND MANDATORY WINDOW INSPECTION SCHEME II. MANDATORY BUILDING INSPECTION SCHEME AND MANDATORY WINDOW INSPECTION SCHEME In order to ensure that building owners take full and continuous responsibility for building maintenance and safety, the Government amended the Buildings Ordinance (Cap. 123 of the Laws of Hong Kong) and enacted the Building (Inspection and Repair) Regulation (Cap. 123P of the Laws of Hong Kong) to introduce a Mandatory Building Inspection Scheme (MBIS) and a Mandatory Window Inspection Scheme

(MWIS), both of which took effect on 30th June 2012.

1. WHAT ARE THE MBIS AND MWIS? 1. WHAT ARE THE MBIS AND MWIS? MBIS Owners of buildings at least 30 years old (except domestic buildings not exceeding three storeys) are required to appoint a Registered Inspector (RI) once every 10 years to carry out the prescribed inspection and supervise any prescribed repair works found necessary to the common parts, external walls and projections or signboards of the buildings once every 10 years. The inspection must cover the following building elements: External elements and other physical elements; Structural elements; Fire safety elements; Drainage systems; and Identification of unauthorized building works (UBWs) in the common parts of the building, on the exterior other than the common parts of the building (such as external wall, roof or podium, yard or slope adjoining the building), or on the street on which the building fronts or abuts. MWIS The owners of buildings at least 10 years old (except domestic buildings not exceeding three storeys) are required to appoint a Qualified Person (QP) to carry out the prescribed inspection and supervise the prescribed repair works found necessary to all windows of the buildings once every five years.

2. WHICH BUILDINGS HAVE TO CARRY OUT THE MBIS AND/OR THE MWIS? 2. WHICH BUILDINGS HAVE TO CARRY OUT THE MBIS AND/OR THE MWIS? Not all buildings meeting the building age requirements (30 years for the MBIS and 10 years for the MWIS) have to carry out the MBIS and the MWIS. The Buildings Department (BD) issues statutory notices to the owners of buildings targeted to carry out of the prescribed inspection and any repairs that may be required. Each year, 2000 buildings are selected for both the MBIS and MWIS, to be carried out concurrently, and another 3800 buildings are selected for only the MWIS. The target buildings are selected by the BD with the advice of a selection panel comprising representatives from professional institutions, relevant non-governmental organisations, property management professionals, District Councils and relevant Government departments. The selection criteria include building age and condition, and the recent history of repairs to the building. The selection also reflects the need to cover different districts and the history of inclusion in large scale BD enforcement operations.

3. WHAT ARE THE PROCEDURES UNDER THE MBIS AND MWIS? 3. WHAT ARE THE PROCEDURES UNDER THE MBIS AND MWIS? MBIS The BD issues pre-notification letters to the owners of the selected target buildings six months before the issue of statutory notices to alert them to get prepared and organised to carry out the required prescribed inspection and any repairs that may be required. Six months after the pre-notification letters are issued, the BD issues statutory notices to the owners of the target buildings requiring them to carry out the prescribed inspection and any prescribed repair works found necessary in respect of the common parts, external walls and projections or signboards within the specified time frame. After the issuance of statutory notices, the list of buildings concerned is uploaded to the BD's website. The building owners served with a statutory notice under the MBIS (in most of the cases, the co-owners or OC of the building concerned) must appoint an RI to carry out the prescribed inspection within the specified time frame. The RI must carry out the prescribed inspection personally, unless exempted by the relevant provisions of the subsidiary legislation, to ascertain whether the building has been rendered dangerous or is liable to become dangerous. If the RI considers that a prescribed repair is required, the owners concerned must appoint a registered general building contractor (RGBC) or a registered minor works contractor (RMWC) who is registered for the relevant repair works to carry out the prescribed repair under the supervision of an RI (who may be the same as or different from the RI that carried out the prescribed inspection, as the owners may decide). Upon completion of the prescribed inspection and prescribed repair, the appointed RI must submit an inspection report and a completion report respectively, together with a certificate in the specified form, to the BA for record and audit check. MWIS The BD issues pre-notification letters to the OC or posts the letters at a conspicuous part of the target buildings one to two months before the issue of statutory notices to give advance notice to the building owners of the requirement to carry out the prescribed inspection and any subsequent repairs, if required. The pre-notification letters are not issued to each of the individual owners. One to two months after the pre-notification letters are issued, the BD issues statutory notices to the owners of the target buildings, requiring them to carry out the

prescribed inspection and any prescribed repair works found necessary in respect of the windows within the specified time frame. After the issuance of the statutory notices, the list of buildings concerned is uploaded to the BD's website. The building owners served with a statutory notice under the MWIS must appoint a QP to carry out the prescribed inspection within the specified time frame. The QP must carry out the prescribed inspection personally to ascertain whether the windows have been rendered dangerous or are liable to become dangerous. If the QP considers that a prescribed repair is required, the owners concerned must appoint an RMWC (who is registered for the minor works required in respect of the windows) or an RGBC to carry out the prescribed repairs under the supervision of a QP (who may be the same as or different from the QP that carried out the prescribed inspection, as the owners may decide). If the QP is an RMWC or RGBC, the QP may also act as the contractor to carry out the prescribed repairs in respect of the windows inspected by the same QP. Upon completion of the prescribed inspection and any prescribed repairs, the appointed QP must submit a certificate in the specified form to the BA for record and audit check.

4. WHAT HAPPENS IF UNAUTHORIZED BUILDING WORKS ARE IDENTIFIED DURING A MANDATORY BUILDING INSPECTION? 4. WHAT HAPPENS IF UNAUTHORIZED BUILDING WORKS ARE IDENTIFIED DURING A MANDATORY BUILDING INSPECTION? Under the MBIS, RIs have to report to the BD any unauthorised building works (UBWs) identified in their inspection in the common parts of the building, on the exterior other than the common parts of the building (such as external wall, roof or podium, yard or slope adjoining the building) or on the street on which the building fronts or abuts. The BD deals with such UBWs in accordance with the prevailing enforcement policy. It takes priority enforcement action against UBWs that constitute an obvious hazard or imminent danger to people and/or property, UBWs that are newly constructed, and other UBWs which are actionable items under the enforcement policy, requiring owners to demolish them.

5. WHAT DOES THE GOVERNMENT DO IF THE STATUTORY NOTICE IS NOT COMPLIED WITH? 5. WHAT DOES THE GOVERNMENT DO IF THE STATUTORY NOTICE IS NOT COMPLIED WITH? The Government may prosecute the owners/OC who do not comply with a statutory notice for mandatory building inspection or mandatory window inspection. The BD may also arrange for the required inspection and repair works to be carried out by a consultant and contractor, respectively, of its choice and then recover the cost of inspection and repair works, as well as a supervision charge, from the owners/OC, together with a surcharge not exceeding 20% of the cost. MBIS Any owners/OC who do not comply with a statutory notice for mandatory building inspection without any reasonable excuse may be prosecuted and are liable upon conviction to a fine of HK\$50,000 and imprisonment for one year. MWIS Any owners/OC who do not comply with a statutory notice for mandatory window inspection without any reasonable excuse may be served with a penalty notice for a fixed fine of HK\$1,500. Repeated offenders may be prosecuted and are liable upon conviction to a fine of \$25,000 and imprisonment for three months.

6. ASSISTANCE 6. ASSISTANCE To help owners in need comply with the statutory requirements, the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority launched the Mandatory Building Inspection Subsidy Scheme in the 4th quarter of 2012 to provide financial assistance to eligible owners. For more details, please visit the HKHS's website. GOVERNMENT SUBSIDY, LOAN AND/OR GRANT III. GOVERNMENT SUBSIDY, LOAN AND/OR GRANT In order to assist property owners who may have queries about the statutory requirements for maintaining their residential building and those who may have financial difficulty in doing so, the Government launched the Integrated Building Maintenance Assistance Scheme (jointly operated by the Housing Society and the Urban Renewal Authority). The Scheme comprises subsidies, loans and/or grants in various forms to cater for different needs. For details, owners can contact the following statutory bodies: Housing Society Website: <https://www.hkhs.com/en/our-business/building-rehabilitation> Telephone hotline: 2839 7128 Urban Renewal Authority Website: <https://www.ura.org.hk/en/rehabilitation/rehabilitation-schemes> Telephone hotline: 3188 1188 Buildings Department Website: [https://www.bd.gov.hk/en/safety-inspection/financial-assistance/index\\_ibmas.html](https://www.bd.gov.hk/en/safety-inspection/financial-assistance/index_ibmas.html) Telephone hotline: 3188 1188 Under the Integrated Building Maintenance Assistance Scheme, the Government offers a wide variety of subsidies, loans and/or grants to the

public to cater for different situations. A list of the major subsidies, loans and/or grants is set out below:

**A. COMMON AREA REPAIR WORKS SUBSIDY**

**A. COMMON AREA REPAIR WORKS SUBSIDY** The Common Area Repair Works Subsidy is a maintenance subsidy provided to encourage owners or owners' corporations to carry out comprehensive maintenance works to the common areas of buildings.

**ELIGIBILITY** The Subsidy aims primarily to assist owners of private residential or composite (i.e. commercial and residential) buildings at least 30 years old. One further criterion is that the average rateable value per residential unit at the building must not exceed \$162,000 per annum for properties in the urban area (including Shatin, Kwai Tsing and Tsuen Wan) or \$124,000 per annum for properties in the New Territories.

**BUILDINGS WITH OR WITHOUT AN OWNERS' CORPORATION** For buildings with an owners' corporation, the management committee has to pass a resolution resolving to apply for the Common Area Repair Works Subsidy and to authorize a representative to sign the relevant documents. For buildings without an owners' corporation, the Government considers applications from owners on a case-by-case basis. Generally speaking, the owners of the building should hold a meeting to resolve to apply for the Subsidy and to authorize at least two representatives to sign the relevant documents.

**USE OF THE SUBSIDY** The Subsidy is to be applied to common areas works relating to structural safety, sanitary facilities and environmental friendly provisions. The maximum amount of the Subsidy depends on the total number of units in the subject building:

Number of units	Subsidy amount
20 units or less	30% of the approved cost of works, up to \$150,000
21 - 49 units	20% of the approved cost of works, up to \$150,000
50 or above	20% of the approved cost of works, or maximum \$3,000 per unit, capped at \$1,200,000 for each owners' corporation

If the maintenance works include green/ environmental friendly works, the building will enjoy the following subsidy (the Green Item Subsidy):

Number of units	Subsidy amount
20 units or less	30% of the approved cost of green items and related consultancy fee, up to \$75,000
21 - 49 units	20% of the approved cost of green items and related consultancy fee, up to \$75,000
50 or above	20% of the approved cost of green items and related consultancy fee; or not more than \$1,500 per unit, up to \$600,000

**B. COMMON AREA REPAIR WORKS HARDSHIP GRANT**

**B. COMMON AREA REPAIR WORKS HARDSHIP GRANT** For property owners who have applied for the Common Area Repair Works Interest-free Loan and still have difficulty paying for the repair works to the common area of their building, the Government may provide a Common Area Repair Works Hardship Grant up to a maximum of \$10,000 for each household.

**ELIGIBILITY** Registered owners who are Hong Kong Identity Card holders and belong to any of the following categories are eligible to apply for the Hardship Grant: Recipient of Old Age Allowance (OALA); Recipient of Comprehensive Social Security Assistance; Owner aged 60 or above or disabled, and holder of a Medical Fee Waiver Certificate; or Owner aged 60 or above or disabled, and within the income and asset limits below:

Household Size	Monthly Income Limit	Asset Limit
Single	\$9,855	\$355,000
Couple	\$16,845	\$539,000

**THE GRANT** Once the government gives its approval-in-principle for the Common Area Repair Works Interest-free Loan, an individual owner of a residential unit fulfilling one of the above criteria can apply for a common area repair works hardship grant up to a maximum of \$10,000.

**C. HOME RENOVATION INTEREST-FREE LOAN**

**C. HOME RENOVATION INTEREST-FREE LOAN** In addition to a subsidy, loan or grant for the improvement of the common areas of buildings, the Government provides an incentive for home owners to improve or enhance the living conditions in their homes. Eligible applicants may be granted an interest-free loan not exceeding \$50,000 or the total cost of approved works (whichever is lower) for interior repairs and maintenance works in flats related to safety and hygiene.

**ELIGIBILITY** In order to be eligible for the Loan, the following criteria have to be met: The applicant must hold a Hong Kong Identity Card and be aged 18 or above; The subject unit must be in a residential building at least 30 years old; The subject unit must be the only property the applicant owns in Hong Kong, directly or indirectly; The subject unit must be solely / jointly owned by individuals (not owned by companies); and The average rateable value of the residential unit must not exceed \$162,000 per annum for properties in the urban area (including Shatin, Kwai Tsing, Tsuen Wan) or \$124,000 per annum for properties in the New Territories.

**USE OF THE LOAN** The purpose of the Loan is not to provide finance for luxury renovations of an owner's

flat. It must be used only for interior repairs and maintenance works related to safety and hygiene. An applicant, therefore, has to set out in the application form all the intended repair works and a breakdown of the cost. The maximum loan amount for each application is \$50,000 or the approved cost of works, whichever is lower. The Loan has to be repaid over a period of not more than 36 months. Applicants are also required to produce proof of income (such as salary slips) to prove their repayment ability; otherwise, they will be required to execute a legal charge in favour of the Government.

**D. SUBSIDY IN RELATION TO THE MBIS AND MWIS**

**D. SUBSIDY IN RELATION TO THE MBIS AND MWIS**

To help owners comply with the MBIS, the Government launched a Mandatory Building Inspection Subsidy Scheme to provide financial assistance to eligible owners. The essential features of this Scheme can be summarized as follows:

**ELIGIBILITY** Owners of units in a private residential or composite (i.e. commercial and residential) building aged 30 years or above who have received an MBIS pre-notification letter or statutory notice are eligible under the Subsidy Scheme. One further criterion is that the average rateable value per residential unit in the building must not exceed \$162,000 per annum for properties in the urban area (including Shatin, Kwai Tsing, Tsuen Wan) or \$124,000 per annum for properties in the New Territories. However, if the building has only one owner, this owner is not eligible under the Subsidy Scheme.

**BUILDINGS WITH OR WITHOUT AN OWNERS' CORPORATION** For buildings with an owners' corporation, the corporation (or the management committee) has to pass a resolution to apply for the Subsidy and to authorize a committee member(s) to sign the relevant documents. For buildings without an owners' corporation, the owners of the units in the building have to hold a meeting to resolve to apply for the Subsidy and to authorize a representative(s) to sign the relevant documents.

**USE OF THE SUBSIDY** The Subsidy is confined to expenses for the first inspection conducted by a Registered Inspector and must be used for the inspection of common areas. The maximum amount of the Subsidy depends on the total number of units covered by each statutory notice:

Number of units	Subsidy amount
20 units or below	up to \$25,000
21 - 49 units	up to \$35,000
50 - 200 units	up to \$60,000
201 units or above	up to \$100,000

**SUBSIDY FOR THE MWIS?** It should be noted that the MBIS Subsidy is applicable only to buildings under the MBIS, not to those under the MWIS. However, if the owners receive pre-notification letters (or statutory notices) for both the MBIS and the MWIS at the same time, and employ the same person for Registered Inspector under the MBIS and for the Qualified Person under the MWIS, any remaining subsidy may be used for the inspection of windows in common areas under the MWIS.

**E. BUILDING MAINTENANCE GRANT SCHEME FOR NEEDY OWNERS**

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In order to offer financial assistance to needy owner-occupiers to repair and maintain their self-occupied flats and common areas, and to maintain building safety, the Government introduced the Building Maintenance Grant Scheme for Needy Owners (BMGSNO). The BMGSNO provides a maximum grant of \$80,000 for each eligible needy owner-occupier.

**ELIGIBILITY** The basic criteria for the BMGSNO are as follows:

- The applicant must be a holder of a valid Hong Kong Identity Card;
- The applicant must be the owner of a residential flat in a private domestic building or composite building;
- The applicant and his/her spouse (if married) must be residing in the subject property;
- The applicant must fulfill any one of the following criteria:
  - i. Aged 60 or above who complies with the income and asset limits;
  - or ii. Recipient of Old Age Living Allowance (OALA);
  - or iii. Recipient of Comprehensive Social Security Assistance (CSSA);
  - or iv. Recipient of Disability Allowance (DA) who complies with the income and asset limits;
- and The applicant must not be undischarged bankrupt.

**INCOME AND ASSET LIMITS** For applicant aged 60 or above:

	Monthly Income Limit	Asset Limit
Singleton	\$8,690	\$1,065,000
Couple	\$13,860	\$1,617,000

For applicant receiving Disability Allowance:

Household Size	Monthly Income Limit	Asset Limit
1	\$12,800	\$266,000
2	\$19,430	\$360,000
3	\$24,410	\$469,000
4	\$30,950	\$548,000
5	\$36,890	\$609,000
6	\$40,840	\$659,000
7	\$46,770	\$703,000
8	\$52,310	\$737,000
9	\$57,710	\$815,000
10 or above	\$62,980	\$878,000

**USE OF THE GRANT** The Grant can be used not only for building safety related to maintenance works in the building's common areas, but also in the applicant's residential flat. Common examples include: Improvements to structural aspects of the building: e.g. repair to loose, cracked, spalled or otherwise defective concrete; Improvements related to the safety of the external elevations of the

building: e.g. repair to defective rendering or mosaic tiles; Repair or replacement of defective windows; Removal of unauthorized building works or illegal rooftop structures; Repair, maintenance or replacement of lifts, fire services installations and equipment, electrical wiring, gas risers, defective waste pipes, soil pipes, rainwater pipes, fresh water pipes, vent pipes or underground drainage; or Repair of waterproofing membranes on rooftops and flat roofs, or works to alleviate water seepage problems. Applicants can also use the Grant to repay their outstanding loan with the Government in relation to building maintenance (e.g. the Building Safety Loan Scheme or the Home Renovation Interest-free Loan), and/or de-register the relevant legal charge/charging order.

**F. BUILDING SAFETY LOAN SCHEME**

**F. BUILDING SAFETY LOAN SCHEME** The Building Safety Loan Scheme (BSLS) focuses primarily on financial assistance in relation to maintenance and repair works to reinstate or improve the safety conditions of a building and/or private slope.

**ELIGIBILITY** Since the purpose of the loan is to improve safety conditions, the BSLS is open to all owners of units in private buildings, be they domestic, composite, commercial or industrial buildings. Both individual owners and company owners are eligible to apply for the BSLS.

**USE OF THE BSLS** The loan must be used for building maintenance works, such as improvements to the structure of the building, fire services installations and equipment, building and sanitary services, or slopes and retaining walls. The maximum loan amount for each unit is \$1,000,000. For any loan of \$50,000 or above, the applicant must provide security in the form of Deed of indemnity, legal charge, or Letter of Guarantee issued by a licensed bank in Hong Kong. If the applicant is a company, it must provide security irrespective of the loan amount.

**INTEREST?** The BSLS can be interest-bearing or interest-free. An interest-bearing loan has to be repaid over a period of not more than 36 months, while an interest-free loan has to be repaid over a period of not more than 72 months. For an interest-bearing loan, the applicant is not required to undergo a means tests; to be eligible for an interest-free loan, the applicant has to be: a recipient of the Comprehensive Social Security Assistance; a recipient of the Old Age Allowance (OALA); or earning income and possessing assets (including those of other household member(s)) within the following limits:

FOR APPLICANTS AGED 60 OR ABOVE		Monthly Income Limit		Asset Limit	
Singleton	\$11,165	\$355,000			
Couple	\$18,230	\$539,000			

**FOR APPLICANTS BELOW THE AGE OF 60**

Household Size		Average Monthly Household Income Limit		Household Asset Limit	
1	\$12,800	\$266,500			
2	\$19,430				
3	\$24,410	\$469,500			
4	\$30,950	\$548,000			
5	\$36,890	\$609,000			
6	\$40,840	\$659,000			
7	\$46,770	\$703,000			
8	\$53,310	\$737,000			
9	\$57,710	\$815,000			
10 or above	\$62,980	\$878,000			

**G. OWNERS' CORPORATION FORMATION SUBSIDY**

**G. OWNERS' CORPORATION FORMATION SUBSIDY** The duty to manage and maintain a building, in the end, lies with the owners, but the individual owners will probably find it difficult to work together without a collective entity to help them collaborate and to represent their interests. The existence of an owners' corporation is, therefore, of prime importance in building management. To encourage building owners to form an owners' corporation, the Government offers the Owners' Corporation Formation Subsidy.

**THE SUBSIDY** A cash subsidy of \$3,000 is available to help pay for the expenses of setting up an owners' corporation. If the attempt to set up an owners' corporation fails, the expenses involved in the attempt will be reimbursed to the applicant subject to the upper limit of \$3,000.

**ELIGIBILITY** The Subsidy is applicable to both residential and composite (i.e. residential and commercial) buildings. To be eligible to apply for this Subsidy, the applicant has to be the owner of one of the units in the subject building. Both individual owners and company owners are eligible for this Subsidy.