

政府總部  
發展局  
工務科  
香港添馬添美道 2 號  
政府總部西翼



Works Branch  
Development Bureau  
Government Secretariat

West Wing, Central Government Offices,  
2 Tim Mei Avenue, Tamar, Hong Kong

本局網址 Our Website: <http://www.devb.gov.hk>

電話 Tel No.: 3509 7279

本局檔號 Our Ref.: ( ) in DEVB(W) 510/83/08

傳真 Fax No.: 2521 9682

來函檔號 Your Ref.:

電郵 E-mail:

21 January 2021

All contractors on  
List of Approved Contractors for Public Works and  
List of Approved Suppliers of Materials and Specialist  
Contractors for Public Works

Dear Sirs,

**Extension of Interim Administrative Arrangement  
on Financial Vetting  
for Retention on the List and the Specialist List**

On 16 January 2020, the Development Bureau promulgated an interim relief measure to assist contractors to retain in the List and the Specialist List by relaxing the capital requirements in the Contractor Management Handbook<sup>1</sup>. This measure is due to end on 31 January 2021.

Considering that the business environment remains highly challenging in the face of the COVID-19 epidemic, we have decided to extend the above relief measure to **28 February 2022** in order to continue helping contractors to sail through this difficult period of time. For details, please refer to the attached “*Updated Guide on Interim Administrative Arrangement on Financial Vetting for Retention on the List and the Specialist List*”.

If you have any enquiries, please contact Ms. Mandy CHAN on 3509 8369.

Yours faithfully,

( Y K HO )  
for Secretary for Development

Encl.

---

<sup>1</sup> [https://www.devb.gov.hk/filemanager/en/content\\_187/Letter%20to%20Contractors%20-16012020.pdf](https://www.devb.gov.hk/filemanager/en/content_187/Letter%20to%20Contractors%20-16012020.pdf)

- c.c. The Hong Kong Construction Association
- Hong Kong General Building Contractors Association
- The Hong Kong Federation of Electrical and Mechanical Contractors
- Hong Kong Electrical and Mechanical Contractors' Association

# **Updated Guide on Interim Administrative Arrangement on Financial Vetting for Retention on the List and the Specialist List**

## **Introduction**

The Development Bureau has implemented a suite of financial relief measures that helps contractors, especially small and medium-sized contractors (SMEs), deal with cashflow difficulties in the midst of the current economic downturn.

2. This guide updates the details of one of the above measures, viz. an interim administrative arrangement in respect of the financial vetting of contractors for retention on the List<sup>1</sup> and the Specialist List<sup>2</sup>. This guide shall be read in conjunction with the Contractor Management Handbook (CMH).

## **Existing Arrangement**

3. For retention on the List and/or the Specialist List, contractors are required under the CMH to, *inter alia*, maintain a minimum level of employed capital and working capital. Failure to do so will render the contractor to be subject to regulating actions in accordance with Section 5.6 of the CMH.

## **Interim Administrative Arrangement**

4. The interim administrative arrangement serves to assist contractors by relaxing the CMH requirements in respect of the employed capital and working capital that they need to maintain for retention on the above list(s), as summarized below:-

(i) **Suspension due to shortfall in employed capital**

If a contractor cannot meet the requirement of **employed capital** as stipulated in Appendix 2A or Appendix 3B of the CMH<sup>3</sup>, but is able to meet 70% of the required amount, the regulating action to be imposed against the contractor under paragraph 5.6.2 of the CMH (i.e. automatic suspension from tendering) will not be triggered. For the avoidance of doubt, paragraph 5.6.2 of the CMH will still be triggered if the contractor fails to meet the working capital requirement in the CMH.

If a contractor is currently suspended from tendering solely due to its shortfall in employed capital, the suspension will be uplifted if the contractor is able to prove

---

<sup>1</sup> List of Approved Contractors for Public Works

<sup>2</sup> List of Approved Suppliers of Materials and Specialist Contractors for Public Works

<sup>3</sup> The capital requirements stipulated in the CMH Revision B-15 shall continue to be adopted for the purpose of financial vetting.

to the satisfaction of the Development Bureau that it is able to meet 70% of the required amount stipulated in Appendix 2A or Appendix 3B of the CMH.

(ii) Removal due to shortfall in employed and/or working capital

If a contractor fails to make good the shortfall in employed and/or working capital as required in Appendix 2A or Appendix 3B of the CMH within one year from suspension, the regulating action to be imposed against the contractor with reference to paragraph 5.6.3 of the CMH (i.e. automatic removal from the List and/or the Specialist List) will be **withheld for 12 months**. For cases in which regulating action is being withheld as at 31 January 2021 pursuant to the current interim administrative arrangement, automatic removal from the List and/or the Specialist List with reference to paragraph 5.6.3 of the CMH will be withheld for a further period of 12 months.

Notwithstanding the aforesaid, the regulating action with reference to paragraph 5.6.3 of the CMH **will NOT be withheld** if, during the time when the contractor has been suspended from tendering due to shortfall in employed and/or working capital pursuant to paragraph 5.6.2 of the CMH, the contractor is under suspension pursuant to paragraphs 5.5.2 or 5.5.5 of the CMH. For the avoidance of doubt and in line with sub-paragraph (i) above, as far as the employed capital is concerned in this sub-paragraph, it will suffice for the contractor to meet 70% of the required amount stipulated in Appendix 2A or Appendix 3B of the CMH.

5. To safeguard the Government's interests, the required threshold in respect of the financial vetting of contractors before contract award and before admission, confirmation and promotion in the List and the Specialist List shall remain unaffected by this proposed interim administrative arrangement.

**Effective Date**

6. This updated administrative arrangement shall take effect on 1 February 2021 for a period of 13 months (i.e. up to 28 February 2022) and is applicable to the management accounts or audited financial statements with accounting periods ending on or before 28 February 2022. It may be revised or terminated at any time that the Development Bureau consider appropriate.

**Works Branch**

**Development Bureau**

(First issued on 16 January 2020

Updated on 21 January 2021)