

***Points to Note on Application for Exemption from the Requirement for  
Direct Subsidy Scheme (DSS) Schools to Adopt Eligibility Criteria for Fee  
Remission Schemes No Less Favourable than  
Those of the Government Financial Assistance Schemes***

**Background**

There are cases where DSS schools have been topping up the fee remission/scholarship provisions by using their non-government funds because they have admitted a large number of needy students. To help DSS schools of this kind maintain a sustainable mode of operation of their fee remission/scholarship scheme, the Working Group on DSS has recommended that DSS schools having met certain criteria be allowed to apply to the Education Bureau (EDB) for exemption from the requirement for DSS schools to adopt eligibility criteria for fee remission schemes no less favourable than those of the government financial assistance schemes.

**Criteria for Application**

- (a) The utilization rates of their fee remission/scholarship provisions are 100% or more as reflected in the audited accounts of the past three consecutive years; and
- (b) In overall terms, during the three years in question, two thirds of their fee remission/scholarship provisions or more have been used for fee remission purposes as confirmed by the schools.

**Necessary Steps**

- (i) Should DSS schools meeting the above criteria decide to apply for the exemption, they have to first put up the revised eligibility criteria for discussion and endorsement by their School Management Committee/Incorporated Management Committee (SMC/IMC).
- (ii) In devising the revised eligibility criteria and deciding the implementation date, DSS schools should note the following:
  - (a) needy students eligible for financial assistance under the government financial scheme ought to be granted fee remission under the revised eligibility criteria, though the level of fee remission granted may be different from the level of financial assistance awarded under the government financial schemes. For example, the two levels of financial assistance, i.e. full and half, under the government financial scheme are divided into five levels of financial assistance, i.e. 100%, 80%, 60%, 40% and 20% under a school's revised eligibility criteria. Students originally awarded half level of financial

assistance under the government financial scheme may be granted 60%, 40% or 20% of financial assistance under the school's revised eligibility criteria;

- (b) students receiving fee remission before the schools adopt the revised eligibility criteria will not be affected, i.e. they will continue to receive fee remission under the previous eligibility criteria until they graduate from the schools if the new criteria are less favourable to them; and
  - (c) sufficient notice<sup>1</sup> must be given to prospective parents/students before the new eligibility criteria are implemented, and the revision must also be made available for public consumption as per the measures to enhance the transparency and accessibility of information of the fee remission/scholarship schemes set out in paragraph 5 of EDB Circular No. 10/2012.
- (iii) Upon their SMC/IMC's approval, DSS schools may apply to their respective Senior School Development Officers for exemption. A sample letter for such applications is prepared at Annex I for the reference.
- (iv) If a DSS school is granted exemption, it will be required to report the percentage of its fee remission/scholarship provision that is used for fee remission purposes under the revised eligibility criteria in its audited accounts for assessment by the EDB.

### **Cancellation of Exemption**

The above exemption to DSS schools should be cancelled once:

- (a) the average utilization rate of their fee remission/scholarship provisions under the revised eligibility criteria in the past three years is less than 80%;  
or
- (b) in the past three years, on average, less than two thirds of their fee remission/scholarship provisions under the revised eligibility criteria are used for fee remission purposes.

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<sup>1</sup> Prospective parents/students have to be notified of the revised eligibility criteria before they are offered a school place at the latest.

*Sample Letter*

To: Senior School Development Officer ( )  
Education Bureau

**Application for Exemption from the Requirement  
for DSS Schools to Adopt Eligibility Criteria for Fee Remission Schemes  
No Less Favourable than those of Government Financial Assistance Schemes**

I write to apply for exemption from the requirement for DSS schools to adopt eligibility criteria for fee remission schemes no less favourable than those of government financial assistance schemes with effect from the \_\_\_\_\_ S.Y.(school year). I certify that the utilization rates of my school's fee remission/scholarship provisions are 100% or more in the past three school years\*, i.e. \_\_\_\_\_ S.Y. (school year), \_\_\_\_\_ S.Y. (school year), \_\_\_\_\_ S.Y. (school year). The following supporting documents are attached:

- (i) Copies of relevant parts of the audited accounts of my school which show my school's fee remission/scholarship provisions and their utilization in the past three school years as mentioned above ; and
- (ii) Proposed revised eligibility criteria for the fee remission scheme of my school, which has been approved by the SMC/IMC.

I also certify that in overall terms, during the three school years as mentioned above, two thirds or more of the fee remission/scholarship provisions have been used for fee remission purposes. Relevant records are available for the Education Bureau's scrutiny where necessary.

For needy students eligible for financial assistance under the government financial scheme, they will be granted fee remission under the revised eligibility criteria, though the level of fee remission granted may be different from the level of financial assistance awarded under the government financial schemes. For existing students receiving fee remission before my school adopts the above revised eligibility criteria, they will continue to receive fee remission under the previous eligibility criteria which are no less favourable than those of the government financial assistance schemes until they graduate from the school.

Prospective parents/students will be informed of the revised eligibility criteria via the measures as set out in paragraph 5 of the EDB Circular No. 10/2012 on Fee Remission/Scholarship Schemes in Direct Subsidy Scheme (DSS) Schools on \_\_\_\_\_ *(date)*.

Signature of School Supervisor: \_\_\_\_\_

Name of School Supervisor: \_\_\_\_\_

School: \_\_\_\_\_

Date: \_\_\_\_\_

\* The latest three school years with audited accounts available