Schedule 1

For office use only:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ District

**Application for Collection of Other Charges (Capital Levy/ Debenture/ Nomination Right Fee)**

**by Private Primary and Secondary Schools effective from the 20\_\_\_\_\_ / \_\_\_\_\_ School Year**

**Declaration Form**

*For international schools (including schools of the English Schools Foundation), please forward the completed Schedules to the Infrastructure and International School Section. For other private schools, please forward the completed Schedules to the respective Senior School Development Officer of your school.*

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| To: Education Bureau (EDB)  **Declaration by School Supervisor**  I declare that the Schedules submitted as attached are duly completed and the information contained therein (including the supporting documents as required in Schedule 3) is true and correct.  I confirm that all the relevant essential items as listed in Item (3) of Schedule 3 have been included in the relevant documents below and that independent professional advice (name of the solicitor(s)/ lawyer(s)/ financial advisor(s)): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) has been sought regarding: *(please tick the appropriate box)*  the document with terms and conditions of the other charges for payers/ contract between the school and the payers. *(If the payee of the other charges in this application is the school)*  the contractual agreement between the school and the payee as well as the terms and conditions of the other charges for payers/ contract between the school and the payers. *(If the payee of the other charges in this application is NOT the school)*  I confirm that the collection of other charges from the relevant stakeholders in this application (including the issuance and/ or transfer of the proposed debenture(s)/ nomination right(s), etc.) is in compliance with the Education Ordinance (Cap. 279) and Education Regulations (Cap. 279A); and where applicable other relevant legislation including but not limited to the Companies Ordinance (Cap. 622), Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) and Securities and Futures Ordinance (Cap. 571) (hereinafter called the “relevant legislation”). I undertake that the handling and management of the abovementioned other charge(s) are in compliance with the relevant legislation.  I shall provide the Education Bureau with all other supporting documents and details relating to the proposed other charge(s) upon request to facilitate the processing of this application.   |  |  |  | | --- | --- | --- | | (Signature of Supervisor) |  | (Name of School) | | (Name of Supervisor) |  | | (Date) |  | (School Chop) | |

Schedule 2

**Application for Collection of Other Charges (Capital Levy/ Debenture/ Nomination Right Fee)**

**by Private Primary and Secondary Schools effective from the 20\_\_\_\_\_ / \_\_\_\_\_ School Year**

**Basic Information**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Part I: Basic school information** | | | | | | | | | | | | | |
| 1. Name of School: |  |  | | | | |  | School Registration No.: | | | |  |  |
|  | | | | | | | | | | | | | |
| 1. Name of contact person: | | | |  | |  |  | | Post title: |  |  | | |
| Telephone number: | | |  | |  | |  | | Email address: |  |  | | |

|  |  |
| --- | --- |
| **Part II: Information on the proposed charge(s)**  *(Please delete all the examples illustrated in the form in your application)* | |
|  |  |

1. Total number of proposed charge(s) collected) e.g. Secondary & primary: 3

*(by sections if each section has a different number of charges):*

1. Number of other charge(s) each student **must** pay to attend the school, e.g. Secondary & primary: 1

irrespective of the number of options offered to payers `

*(by sections if each section has a different number of charges)*

3. Details of the charge(s) to be collected /to continue to be collected

| **Charge no.** | **Name of the Charge** | **Class level** | **Proposed amount per student (HK$)** | **Payment Terms**  [One-off/ Annual/ Others (please specify)] | **Key features (Note 2)** | **Payer** [Parent/ Corporation/ Consulate/ Others (please specify)] | **Name of Payee** | **Option of charge offered to Payer** | **Date of the last approval** [N.A. for first application] | **The approved amount (HK$)**  [N.A. for first application] |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *e.g. (A)* | *Capital Levy* | *Grades 1-13* | *20,000* | *Annual* | *(c)* | *Parent* | *XXX School* | *Either Charge (A), (B) or (C)* | *30/7/2021* | *18,000* |
| *e.g. (B)* | *Personal Debenture* | *Grades 1-13* | *200,000* | *One-off* | *(a)* | *Parent* | *XXX School* | *Either Charge (A), (B) or (C)* | *20/8/2020* | *180,000* |
| *e.g. (C)* | *Corporate Debenture* | *Grades 1-13* | *600,000* | *One-off* | *(c) (d) (f)* | *Corporation* | *XXX School Limited* | *Either Charge (A), (B) or (C)* | *20/8/2020* | *600,000* |
| *e.g. (D)* | *Gold Debenture* | *Grades 1-13* | *2,000,000* | *One-off* | *(d) (e) (f) (g)* | *Corporation or Parent* | *XXX School Association Limited* | *N.A.* | *20/8/2020* | *2,000,000.* |
| *e.g. (E)* | *Nomination Note (Refundable)* | *Grades 1-13* | *400,000* | *One-off* | *(b) (d) (e) (f) (g)* | *Corporation or Parent* | *XXX School* | *N.A.* | *N.A.* | *N.A.* |

Note:

1. Please seek your own independent professional advice as to whether issuance and/ or transfer of the proposed debenture(s)/ nomination right has to /has complied with other relevant legislation, including but not limited to the Companies Ordinance (Cap. 622), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) and the Securities and Futures Ordinance (Cap. 571) where applicable.
2. Please indicate features of the charge(s) with the letter(s), e.g. (a) and (d), as appropriate:
3. Fully refundable

The payer of the charge will get refund of the full amount of the charge upon a student's withdrawal or graduation from the school or at a time as specified in the terms and conditions of the charge(s).

1. Not fully refundable/ redeemable

The payer of the charge will get refund/ may redeem the debenture at a discounted amount of the charge under specified conditions, e.g. depreciable.

1. Non-refundable

The payer of the charge will not get any refund of the charge.

1. Transferrable

The rights to which the payer of the charge is entitled can be transferred to a new payer.

1. Transfer/ Administration fees collected upon the transfer

Fees are collected upon transfer of the rights from one payer to another.

1. With admission/ interview/ assessment priority

The student nominated by the payer of the charge will be given priority for admission/ interview/ assessment.

1. Voluntary

It is not a must for the payer to pay the charge for the student nominated to gain admission to the school nor an option among charge(s) to be collected from the payer.

Schedule 3

**Application for Collection of Other Charges (Capital Levy/ Debenture /Nomination Right Fee)**

**by Private Primary and Secondary Schools effective from the 20\_\_\_\_\_ / \_\_\_\_\_ School Year**

**Essential Information Required**

Schools applying for collection/ revision of the other charges must provide the following information in the application -

| **Essential Information** | | **Example of evidence/ supporting document** | **Supporting documents provided**  *(Please delete all the examples illustrated in the form in your application)* |
| --- | --- | --- | --- |
| (A) | *Information disclosed to key stakeholders, particularly parents* | | |
| (1) | Key stakeholders, particularly parents, have been consulted/ well informed in advance of the collection of the charge(s), including details such as :  the type and amount of the charge(s); the specific purpose(s) and use of the charge(s) which may involve long-term/ large-scale works and/ or non-works projects; features of the charge(s); name and particulars of the payee (such as registered address, business registration number), the payment terms and redemption arrangement (if applicable) | Records of consultation/ discussions/ communication with relevant stakeholders e.g. meeting notes, student admission brochure, student acceptance letter, school webpage, payment notice issued or contract between the school and the payers with the name and particulars of the payee specified, etc. | *e.g.*  *Appendix 1: Meeting notes; and*  *Appendix 2: Payment notice* |
| (2) | The school has reported/ will report\* at least annually updated information on the use of the proceeds and repayment schedule (if applicable) of the charge(s) to payers and the financial information disclosed/ to be disclosed\* has included/ will include\* the following items :   1. estimated amount required for the specific purpose(s) of the collection; 2. accumulated amount collected for the specific purpose including transfer /administration fees collected from transferable charge(s) or income generated from investment, if any (or a % of (a) accumulated from the collection); 3. accumulated amount spent/ and remaining for the specific purpose (or a % of (a) actually spent); 4. estimated amount to be collected; 5. expected time of completion for achieving the specified intended purpose; and 6. the estimated sum for redemption/ refund with respect to redeemable/ refundable charge(s), if applicable, in the repayment schedule.   \* For new other charges | The template prepared by EDB for reporting (Annex 1), or the worksheet/ chart/ graph, etc. prepared by the payee of the charge(s) with all the required items as specified in (2)(a) to (f) of this schedule. | *e.g.*  *Appendix 3:Report on the Other Charges for 2022/23 school year*  [Please submit only the latest report.] |
| (3) | If the school is NOT the payee of the charge(s), the payee shall act as an agent of the school to collect the charge(s) on behalf of the school. The school shall remain wholly liable to the payers and be responsible for all acts and omissions of the payee as if they were its own. Such terms shall be stated in the contract between the school and the payers/ terms and conditions of the other charge(s) for the payers. Schools should ensure that the agent has credibility, financial stability and capable senior management. School should perform due diligence on the agent prior to appointing it when necessary.  A contractual agreement (“the Agreement”) on the principal-agent relationship between the school and the payee is required. The requirements from (a) to (l) below should be listed as clauses in the Agreement, and made known to the payers. The school and the payee shall not, without the payers’ prior notice, rescind or vary the Agreement so that the payers’ right under the Agreement or under relevant terms herein is altered or extinguished.  **Note: Except items (b), (f), (k) and (l) below, all of the requirements are applicable to the school if the school is the payee, and should be stated in the contract between the school and the payers or the terms and conditions of the other charges for payers.** | (i) The Agreement **Notes 1 & 2** between the School and the Payee with such terms and conditions on the principal-agent relationship;  and / or  (ii) The document(s) informing payers of the terms and conditions of the Agreement /the other charges provided to payers. | *e.g.*  *Appendix 4: The Agreement on the principal-agent relationship signed between the school and the payee and the document informing payers of the terms and conditions of the Agreement* |
|  | (a) Define the “Other Charges” (such as capital levies, debentures and nomination rights fees collected for long-term school development projects, infrastructure projects and major school improvement works, capital works, etc.). |  | *e.g.*  *In clause 1.1 of Appendix 4* |
|  | (b) Explain the principal-agent relationship between the school and the payee, their roles and respective governance structures. When receiving or handling the proceeds of the Other Charge(s), the payee is an agent of the school but not acting as a principal party. The school shall remain as the principal party even if the payee enters into any contract with the payers in relation to the proceeds of the Other Charges. |  | *e.g.*  *In clause 1.2 of Appendix 4* |
|  | (c) The payee should be properly licensed under the Securities and Futures Ordinance (Cap. 571) for performing the relevant regulated activities if and to the extent what the payee is authorised to do under the Agreement is within the scope of such regulated activities. |  | *e.g.*  *In clause 1.3 of Appendix 4* |
|  | (d) State the rights, duties, obligations and liabilities of the school and the payee in the contractual period. |  | *e.g.*  *In clause 1.4 of Appendix 4* |
|  | (e) The payee shall provide all necessary information in relation to the Other Charges to the school at least on an annual basis including the reports concerning the Other Charges and repayment schedule, if applicable, for the school to report to relevant Stakeholders at least annually, and other information that the Education Bureau considers necessary. In case there is a going concern, insolvency issue and/ or any qualification in the audited accounts of the payee, the payee should inform the school immediately without delay. **Notes 3** |  | *e.g.*  *In clause 1.5 of Appendix 4* |
|  | (f) The cash proceeds of the Other Charges collected by the payee on behalf of the school are preferably paid/ transferred directly to the school account once received. If and to the extent that the payee is appointed to manage the proceeds and the proceeds have to be held by the payee on behalf of the school, the payee shall take all necessary steps to segregate the proceeds from its own assets, e.g. keeping the cash proceeds in a separate bank account. |  | *e.g.*  *In clause 1.6 of Appendix 4* |
|  | (g) If and to the extent that the payee is appointed to manage the proceeds on behalf of the school, the payee shall undertake to apply the proceeds only for such purposes as specified in the application for collection of the Other Charges. There should be proper authorisation process as endorsed by the school management committee for money withdrawal, i.e. only the designated person(s) shall withdraw the cash proceeds, and for the specified purposes only. The payee shall ensure its compliance with the terms of the Other Charges and the requirements imposed by the Education Bureau on the school under the application and approval mechanism for collection of the Other Charges. |  | *e.g.*  *In clause 1.7 of Appendix 4* |
|  | (h) If and to the extent that the payee is permitted to invest the proceeds of the Other Charges, there should be some investment guidelines and policies on the types of investments that the payee is allowed to make. Periodical investment report should be prepared by the payee for the information of the school management committee. Schools should observe relevant EDB circular(s)/ guidelines in force. |  | *e.g.*  *In clause 1.8 of Appendix 4* |
|  | (i) Provide the remedies or damage clauses to the payers or their assignees or successors in title in case the school/ payee causes any loss to the payers in relation to the Other Charges or ceases operation of the business causing such loss to the payers. |  | *e.g.*  *In clause 1.9 of Appendix 4* |
|  | (j) Provide the remedies or damage clauses to the payers or their assignees or successors in title in case there is a change of the operator of the school and /or the payee resulting in any loss to the payers. The rights, duties, obligations and liabilities of the operator of the school and the payee shall assign to its successors in title who shall continue to operate and manage the proceeds of Other Charges received from the payers. |  | *e.g.*  *In clause 1.10 of Appendix 4* |
|  | (k) The payee shall obtain approval from the school if it is necessary to sub-contract any of its duties under the Agreement in relation to the Other Charges. |  | *e.g.*  *In clause 1.11 of Appendix 4* |
|  | (l) The payee shall agree that the school shall disclose the terms of the Agreement to the payers. |  | *e.g.*  *In clause 1.1 2 of Appendix 4* |
| *(B)* | *School Governance* | | |
| (4) | The collection of the proposed charge(s) has been discussed and endorsed by the school management committee, with the involvement of parent representatives as appropriate. | Relevant notes of meetings of the school management committee, with a list of membership | *e.g.*  *Appendix 5: Relevant notes of meeting of the school management committee* |
| *(C)* | *Other Relevant Information* | | |
| (5) | Should there be a going concern, insolvency issue and/ or any qualification in respect of the payee of the charge(s) and/ or the school as reflected in the latest audited accounts, remedial measures should be agreed as appropriate to address the issue. EDB should be informed of the remedial measures as soon as possible. | Relevant agreement and/ or statements on the issue made by the school/ payee of the charge(s) in the audited accounts, if there is a going concern, insolvency issue and/ or any qualification. | *e.g.*  *Appendix 6: Relevant page of audited account with the agreement and/ or statements on the issue* |
| (6) | Relationship between the school and the payee | The Service Agreement signed between the payee with the Government/ EDB, if it has been signed;  and/ or  The Government lease engaged between the payee with the Government;  and/ or  The Articles of Association of the payee showing the relationship between the payee and the school. | *e.g.*  *Appendix 7: Service Agreement signed between the school sponsoring body (as the payee) with EDB* |

Note:

1. Professional advice should be sought to ensure that
2. all the relevant essential items as listed in Item (3) above have been included in the Agreement and the contract between the school and the payers/ the document with the terms and conditions of the other charges for payers; and
3. the collection of other charges (including the issuance and/ or transfer of the proposed debenture(s)/ nomination right(s), etc.) has complied with Education Ordinance (Cap. 279), Education Regulations (Cap. 279A), and where applicable relevant legislation including but not limited to Companies Ordinance (Cap. 622), Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) and Securities and Futures Ordinance (Cap. 571).
4. Professional advice should also be sought on the standard clauses/ provisions about termination of the Agreement, avoidance of conflict of interest, declaration of any potential conflict of interests, and compliance with all applicable laws, including the Contract (Rights of Third Parties) Ordinance (Cap. 623).
5. If there is a going concern, insolvency issue and/or any qualification in the audited accounts of the payee, the school should inform EDB and provide its planned remedial actions as soon as possible.

Annex 1

**Application for Collection of Other Charges (Capital Levy/ Debenture/ Nomination Right Fee)**

**by Private Primary and Secondary Schools**

**Template for Annual Reporting to Stakeholders Note 1**

|  |
| --- |
| **Part I: Purpose/ Use of the collection** |

*(Please submit to EDB the document that has been presented to stakeholders. Schools may use the template below for reporting or present the information to stakeholders in a different format but the essential information as specified in this template must be included in the report.)*

**For the year ended on : \_\_\_ / \_\_\_ / \_\_\_ [DD/MM/YYYY]**

| **Name and intended purpose/ use of the charge** | **Estimated amount required for the specified intended purpose/ use  (Note 2)**  **(HK$)** | **Accumulated amount of the charge collected (Note 3)**  **(HK$)** | **Amount utilised  (Note 4)**  **(HK$)** | **Amount remaining  (Note 4)**  **(HK$)** | **Estimated amount to be collected for the intended purpose /use**  **(HK$)** | **Expected time of completion for achieving the specified intended purpose (by end of 20xx/xx)** |
| --- | --- | --- | --- | --- | --- | --- |
| (a) | (b) | (c) | (d) = (b) - (c) | (e) = (a) - (b) | **(School Year)**  (f) |
| ***e.g. (A) Annual Capital Levy for large-scale emergency repair works of school premises, e.g. spalling concrete (Note: ongoing small-scale repair /maintenance, such as repair/ replacement of facilities/equipment within school premises, should be covered by school fees)*** | *5,000,000* | *500,000* | *-* | *500,000* | *4,500,000* | *2030/31* |
| ***e.g. (B) Personal Debenture for construction of a new teaching block*** | *300,000,000* | *100,000,000* | *90,000,000* | *110,000,000* | *100,000,000* | *2034/35* |
| ***e.g. (C) Corporate Debenture for construction of a new teaching block*** | *100,000,000* |
| ***e.g. (D) Gold Debenture for repayment of loan for the construction of the existing school building(s)/ premises*** | *1,000,000,000* | *300,000,000* | *300,000,000* | *-* | *700,000,000* | *2030/31* |
| ***e.g. (E) Nomination Note (Refundable) for planned in-situ redevelopment of the school buildings*** | *1,000,000,000* | *500,000,000* | *-* | *500,000,000* | *500,000,000* | *2035/36* |
| **Total** | **2,305,000,000** | **1,000,500,000** | **390,000,000** | **610,500,000** | **1,304,500,000** |  |

Note:

1. Please refer to Items (2) and (3)(e) of Schedule 3 which state that updated information must be presented to stakeholders at least annually.
2. If the estimated amount required for the intended purpose/ use is to be collected from different charges (i.e. could not be covered by one charge), the amount(s) required collected from all the relevant charges under the same intended purpose/ use could be provided (please refer to Examples (B) and (C) above). The estimates may be verifiable estimates with support from professionals e.g. Quantity Surveyor and Certified Public Accountants on the estimated costs for or factual information on the projects, or best estimates, e.g. construction cost/ net book value of existing buildings. For charge(s) that are collected in case of large-scale contingencies for the school premises, the estimated amount required for the “project” could either be an estimate or the average cost used for the purpose in the past 5 or 10 years.
3. Investment income such as dividend and interests generated from the other charges collected should be included as far as practicable. If the charge is refundable, the accumulated amount collected may be the amount after deduction of the amount repaid for that school year.
4. If the amount utilised/ remaining for the intended purpose/ use could not be provided by individual charge, the total amount utilised/ remaining for all the relevant charges collected under the same intended purpose/ use could be provided.

|  |
| --- |
| **Part II: Repayment schedule [For refundable/ redeemable /depreciable charge(s), if any] (Note 5)** |

*(Please submit to EDB the document that has been presented to stakeholders. Schools may use the template below for reporting or present the information to stakeholders in a different format but the essential information as specified in this template must be included in the report.)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of the Charge** | *e.g. (E) Nomination Note (Refundable)* |  |  |  |  |  |
| **As at \_\_\_ / \_\_\_ / \_\_\_ (i.e. the date as specified in the heading of this Schedule), the repayment amounts are as follows:** | **$** | **$** | **$** | **$** | **$** | **Total $** |
| estimated amount to be set aside at the end of the  20\_\_\_\_\_/\_\_\_\_\_ (i.e. the next year) |  |  |  |  |  |  |
| at the end of the 20\_\_\_/\_\_\_ (i.e. the year after next) |  |  |  |  |  |  |
| at the end of the 20\_\_\_/\_\_\_ (i.e. 2 years after next) |  |  |  |  |  |  |
| at the end of the 20\_\_\_/\_\_\_ (i.e. 3 years after next) |  |  |  |  |  |  |
| at the end of the 20\_\_\_/\_\_\_ (i.e. 4 years after next) |  |  |  |  |  |  |
| at the end of the 20\_\_\_/\_\_\_ (i.e. 5 years after next) |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |

Note:

1. For example, the estimated sum for refund purpose to be set aside for each redeemable/ refundable charge for the coming 12 months would depend on the conditions of the redemption/ refund, and may include –
2. The number of students holding the charge with a fixed period of maturity that will mature in the coming 12 months x refundable amount per charge.
3. The number of students who will graduate in the coming 12 months (i.e. the charge redeemable/ refundable upon student graduation) x refundable amount per charge.
4. An average amount of the refund in the past 5 years due to other reasons set in the terms and conditions of the charge(s), such as early withdrawal of the nominated child from the school with or without sufficient notice.

Annex 2

**Application for Collection of Other Charges (Capital Levy/ Debenture/ Nomination Right Fee)**

**by Private Primary and Secondary Schools effective from the 20\_\_\_\_ / \_\_\_\_ School Year**

**Information on Debenture / Nomination Right Fees**

**(For Submission to EDB)**

Please complete and submit the following tables on information on debenture/ nomination right fees (or charges in labels other than capital levies) with or without admission/ interview priority to EDB only.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Part I: Non-redeemable / non-refundable** | | | | |
|  | **Name of the Charge** (Should be the same as the debentures/ nomination rights in Part II (3) of Schedule 2) | **Number already issued at the time of application**  (N.A. for new application) **(a)** | **Number to be issued (b)** | **Total  (c)=(a)+(b)** |
| *(1)* | ***e.g. (C) Corporate Debenture*** | *20* | *10* | *30* |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Part II: Redeemable / refundable / depreciable** | | | | |
|  | **Name of the Charge** (Should be the same as the debentures/ nomination rights in Part II (3) of Schedule 2) | **Number not yet redeemed /refunded at the time of application Note** (N.A. for new application) **(a)** | **Number to be issued (b)** | **Total  (c)=(a)+(b)** |
| *(1)* | ***e.g. (E) Nomination Note (Refundable)*** | *5* | *2* | *7* |
|  |  |  |  |  |
|  |  |  |  |  |

Note:

For depreciable charges, schools might wish to include the estimated no. of students that might withdraw from the school before the depreciable charge becomes zero. Note 5(c) in Annex 1 is relevant.