Frequently Asked Questions and Answers for Completing the Return and Declaration of Election Expenses and Election Donations

Q1: If a candidate obtains goods or services for electioneering purposes free of charge or at a discount, how should the candidate declare the relevant election expenses and election donations?

A1: All goods and services (except for voluntary service) obtained by a candidate free of charge must be declared as election donations, and the estimated value of relevant goods and services must also be declared as election expenses in the corresponding parts of a return and declaration of election expenses and election donations ("election return"). "Voluntary service" is the only free-of-charge service which can be exempted from being counted as election expenses (see Part IV of Chapter 15 of the "Guidelines on Election-related Activities in respect of the Rural Representative Elections").

The following is an example of declaring the relevant election expenses and election donations in the election return when a candidate obtains goods or services (except for voluntary service) for electioneering purposes free of charge or at a discount:

Assuming that a candidate rents a vehicle from a car rental company for electioneering purposes, and the car rental company offers a discount which is not generally available to customers, the difference between the market (or regular) price of the rental fee and the price paid by the candidate will be regarded as an election donation. The candidate must declare the market (or regular) price of the rental fee and specify the amount of discount in the sections of election expenses of the election return, and declare the amount of discount as an election donation at the same time. Candidates may refer to other examples provided in Section H and Section I of the "Guide to Return and Declaration of Election Expenses and Election Donations".

In addition, if a candidate borrows a vehicle from a friend free of charge for electioneering purposes, the "free loan of a vehicle" has already constituted an election donation, and its value should also be treated as an election expense. If that friend has not lent his vehicle to members of the public, the candidate may estimate its value based on the fair market rental fee for similar car rental services provided by other individuals or organisations (e.g. car rental companies), and the estimated value should be declared

separately as an election expense and an election donation in the election return.

Q2: If a candidate rents advertising spots (such as the bodywork of public light buses ("PLBs")) for publicity purposes, but only displays election advertisements ("EAs") on certain days of the renting period, how should the candidate declare the relevant election expenses?

A2: If the candidate rents advertising spots of PLBs, taxis or other public transportation for displaying EAs, he should count the rent paid as a relevant election expense and declare it as required. Since the purpose of renting those advertising spots is for promoting the election of himself, or prejudicing the election of another candidate, even if the candidate uses the advertising spots for displaying EAs only on certain days of the renting period, he is still required to declare the rent for the whole renting period as an election expense. The following is an example showing how to declare the relevant election expense in the election return:

Assuming that the candidate rents the bodywork of PLBs as spots for displaying EAs for a month (e.g. from 1 to 30 November), but EAs are displayed on the bodywork of PLBs only from 10 to 30 November. Even though the candidate does not display EAs on the bodywork of PLBs on certain days of the renting period (i.e. 1 to 9 November), he is still required to declare the full-month rent for the bodywork of PLBs as an election expense in the election return as the only purpose of renting the bodywork of PLBs is to promote his standing for election.

Q3: If a candidate uses personal assets for electioneering purposes, how should the candidate declare the relevant election expenses and election donations?

A3: Any expenses incurred or to be incurred before, during or after the election period, by or on behalf of the candidate for the purpose of promoting the election of the candidate or prejudicing the election of another candidate, are regarded as election expenses, and must be declared as required.

If personal assets (such as self-owned properties) are used by a candidate for electioneering purposes, the relevant expenses incurred must be declared as election expenses. Given that the goods or services provided by the candidate himself cannot be

regarded as being obtained free of charge, the value of such goods or services cannot be declared as election donations.

The following example illustrates how a candidate who uses a self-owned property as the campaign office declares the relevant election expenses in the election return:

Assuming that the candidate wholly owns a property, and the property is only used as his campaign office during the election period (e.g. from September to November), although the candidate does not have to pay rent for that property, this should still be counted as an election expense of the candidate based on the market rent of that property, and the calculation method should be specified in the election return with relevant documents (e.g. the demand notes for rates of the property) attached for reference. The suggested calculation method of the relevant election expense is as follows:

Relevant election expense = rateable value of that property ×proportion of time of self-owned property being used as campaign office (i.e. 3 months/12 months)

In addition, other relevant expenses, such as electricity expense, internet service fee, management fee, etc., incurred during the period when the candidate uses the above property for electioneering purposes shall be included in the election expenses and stated clearly in the election return.

Q4: **If a candidate, who is an incumbent member of the Legislative Council ("LegCo") / District Council ("DC") instructs a staff member of his ward office to assist in handling his election publicity work within office hours during the election period, how should the candidate declare the relevant election expenses?**

A4: If the candidate instructs a staff member of his ward office to handle his election publicity work within office hours, the expenses involved are election expenses. The candidate should calculate the election expenses by apportioning the relevant remuneration according to the actual time spent by the staff member concerned in handling election publicity work for the candidate and attach to the election return the receipt of remuneration signed by the staff member concerned and the calculation method of the relevant election expenses as proof.

If the candidate has claimed an allowance from the LegCo Secretariat/DC Secretariat for the remuneration of the staff member concerned for working in the ward office, the portion which has already been calculated as election expenses cannot be claimed as an allowance from the LegCo Secretariat/DC Secretariat. He can only claim an allowance for the portion after deducting the election expenses from the LegCo Secretariat/DC Secretariat.

The following example illustrates specifically how the aforesaid candidate declares the relevant election expenses in the election return:

Assuming that the candidate is an incumbent DC Member and, during the election period (e.g. from November to January), instructs a staff member of his ward office to assist in handling election publicity work for him within office hours, and such work occupies 20% of the overall working time of the staff member concerned, the candidate should calculate the election expenses based on the staff member's remuneration on a pro-rata basis. The suggested calculation method is as follows:

Relevant election expenses = remuneration of that staff member (i.e. total amount of remuneration from November to January) × proportion of time spent on election publicity work (i.e. 20%)

The candidate may refer to the relevant example provided in Section C of the "Guide to Return and Declaration of Election Expenses and Election Donations".