

Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules and Inland Revenue (Amendment) (No. 6) Bill 2018 gazetted

The Government published in the Gazette today (October 19) the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules (the Rules) and the Inland Revenue (Amendment) (No. 6) Bill 2018.

Following the commencement of the Financial Institutions (Resolution) Ordinance (Cap. 628) (the Ordinance) in July 2017, the Monetary Authority (MA), as the resolution authority for authorised institutions (AIs), has made the Rules pursuant to section 19(1) of the Ordinance to prescribe minimum loss-absorbing capacity (LAC) requirements for AIs and their group companies. The Rules are closely aligned to international standards on LAC requirements, as set out in the Financial Stability Board's Total Loss-absorbing Capacity Term Sheet.

"As banks provide important financial services to businesses and the general public, who depend on continuous access to those services, letting them become insolvent may not be an option in reality. The Rules will require banks to maintain sufficient financial resources so that they can be restored to viability by imposing losses on shareholders and creditors (instead of the public purse) should they run into difficulties. Making banks safer protects public funds and depositors, and disincentivises excessive risk-taking. Improved financial stability also facilitates economic growth from which everyone benefits," a Government spokesman said.

Owing to the loss-absorbing nature of the LAC debt instruments, their profits tax treatment under the Inland Revenue Ordinance (Cap. 112) is uncertain, in particular whether they are eligible for debt-like tax treatment. To facilitate the implementation of the Rules, the Amendment Bill will provide certainty of tax treatment for LAC debt instruments issued by AIs and relevant group companies.

The Hong Kong Monetary Authority conducted a public consultation at the beginning of 2018 on the approach to implementing LAC requirements in Hong Kong, and an industry consultation subsequently on the draft text of the Rules and the Amendment Bill. Respondents were broadly supportive of the proposals and their views have been suitably reflected in the Rules and the Amendment Bill.

The Rules and the Amendment Bill will be tabled before the Legislative

Council at its sitting on October 24 and October 31, 2018 respectively. The Rules will come into operation on December 14, 2018, upon negative vetting by the Legislative Council.

Final register for Rural Representative Election available for public inspection

The 2018 final register for the Rural Representative Election (RRE) is available for public inspection from today (October 19). The register includes particulars of registered electors of Existing Villages, Indigenous Villages and Composite Indigenous Villages and Market Towns.

A full copy of the register for the RRE is available for inspection at the Electoral Registration Officer's office at the Home Affairs Department, 30/F, Southorn Centre, 130 Hennessy Road, Wan Chai, while the copy of the relevant divisions of the register for a rural area are available for inspection at the offices of the Assistant Electoral Registration Officers in the respective New Territories District Offices.

Members of the public can inspect the register for the RRE during ordinary business hours from 9am to 1pm and 2pm to 6pm, from Monday to Friday (except public holidays).

For enquiries, please call 2152 1521.

Veteran Cantonese opera stars to perform award-winning work “Lu Buwei – A Kingly Potential Asset”

The acclaimed Cantonese opera stars of the Sun Moon Star Cantonese Opera will perform a newly written work entitled "Lu Buwei – A Kingly Potential Asset" in December. The play, written by Norman Cheung, won the Cantonese Opera Development Fund's Outstanding Script Award of the New Cantonese Opera Play Scriptwriting Competition in 2016.

The play is inspired by the story of Lu Buwei, a merchant who succeeded

in usurping the Ying regime of Qin, as chronicled in "Annals of the Dukedoms of Eastern Zhou Period". Playwright Norman Cheung formally became a disciple of renowned composer of Cantonese operatic songs Yeung Sek-kui to learn the art. Cheung ventured to write full-length plays for Cantonese opera and, when he heard of the New Cantonese Opera Play Scriptwriting Competition organised by the Cantonese Opera Development Fund, he was thrilled to have the opportunity to try. Cheung picked the Lu Buwei story for adaptation into a Cantonese Opera script, and was encouraged when opera performer Ng Chin-fung consented to be his supervisor and guided him on the libretto and script.

The story of "Lu Buwei – A Kingly Potential Asset" takes place towards the end of the Warring States period. Yiren, a minor prince of Qin, is held hostage in the Zhao state. Lu Buwei, a merchant, sees him as a rare commodity. He seeks Yiren out, befriends him and offers him his own concubine, Zhao Ji, who is already pregnant at the time. The baby will later be the First Emperor of Qin, Ying Zheng. Lu sells all his assets and moves the whole family to the state of Qin. With his ingenious schemes, he succeeds in paving the way for Yiren's return to his native country. After a few years, Yiren is declared heir to the throne, to which he ascends later. But he is poisoned to death by Lu, who wants to put Ying Zheng in his place.

The performers in "Lu Buwei – A Kingly Potential Asset" include Ng Chin-fung, Yuen Siu-fai, Wan Fai-yin, Song Hongbo, Leung Sum-yee, Lui Hung-kwong, Yat Dim-hung (December 12 only) and Wan Yuk-yu (December 13 only).

"Lu Buwei – A Kingly Potential Asset" is presented by the Leisure and Cultural Services Department. It will be staged at 7.30pm on December 12 and 13 (Wednesday and Thursday) at the Auditorium of the Kwai Tsing Theatre (lyrics and dialogue with Chinese and English surtitles). Tickets priced at \$120, \$220, \$300 and \$380 are now available at URB TIX (www.urbtix.hk). For telephone credit card bookings, please call 2111 5999. For programme enquiries and concessionary schemes, please call 2268 7325 or visit www.lcsd.gov.hk/CE/CulturalService/Programme/en/chinese_opera/programs_671.html.

A pre-performance talk (in Cantonese) will be held at 7.30pm on November 30 (Friday) at AC2, 4/F, Administration Building, Hong Kong Cultural Centre. Speakers will include Ng Chin-fung and Norman Cheung. A post-performance talk (in Cantonese) will be held at 7.30pm on December 15 (Saturday) at AC1, 4/F, Administration Building, Hong Kong Cultural Centre, with speakers including Ng Chin-fung, Wan Fai-yin and Norman Cheung. Admission is free with limited seats available on a first-come, first-served basis.

[Amendments to merchant seafarer law to](#)

take effect in December

The Government proposes to commence the relevant provisions in the Merchant Shipping (Seafarers) Ordinance (Cap 478) and its subsidiary legislation on December 20, 2018, to implement the requirements under the 2006 Maritime Labour Convention (MLC), which will be officially extended to Hong Kong on the same day.

Promulgated by the International Labour Organization (ILO), the MLC sets out a comprehensive set of global standards for the working and living conditions of seafarers and seeks to protect the welfare of seafarers. To prepare for the extension of the MLC to Hong Kong, various amendments to the Ordinance and its subsidiary legislations were enacted previously to incorporate the requirements of the MLC into the local legislation. With the ILO having announced that the MLC will come into force in Hong Kong on December 20, the relevant provisions in the local legislation to implement the MLC requirements have to be brought into operation.

"Implementation of the MLC's requirements, which are already in force globally, not only helps ensure that the working and living conditions of seafarers on board Hong Kong ships are up to standard, but also helps assure overseas port state control that our fleet fully complies with the relevant international conventions," a spokesperson for the Transport and Housing Bureau said.

The trade has already been notified of the date of extension of the MLC to Hong Kong and the commencement of the relevant local legislation. All relevant ships should have already complied with the requirements of the MLC.

The legislative proposal was gazetted today (October 19) and will be tabled at the Legislative Council for negative vetting on October 24.

FS concludes visit to Papua New Guinea (with photos)

The Financial Secretary, Mr Paul Chan, today (October 18) concluded his visit to Papua New Guinea (PNG) and left for Hong Kong via Brisbane, Australia.

This morning in Port Moresby, PNG, Mr Chan called on the Deputy Prime Minister and Minister for Treasury of PNG, Mr Charles Abel. Mr Chan gave him a brief introduction of Hong Kong's business environment, as well as the latest developments on infrastructure and communications.

Mr Chan also pointed out that Hong Kong is a global financial centre and a hub for offshore Renminbi business. He encouraged PNG enterprises to leverage on the platform of Hong Kong to develop their businesses.

Mr Chan arrived in Brisbane, Australia, in the late afternoon. At a dinner with representatives of the local business sector, he updated the participants on Hong Kong's economic outlook and latest developments on financial services and infrastructure, etc.

Noting that Hong Kong and Australia have all along enjoyed close trade and economic ties with each other, he said that Hong Kong is actively participating in the Guangdong-Hong Kong-Macao Greater Bay Area's development. He expressed the hope that both places can further enhance collaboration to grasp the vast opportunities brought about by the Bay Area development initiative.

Mr Chan departed Brisbane in the evening and will return to Hong Kong tomorrow morning (October 19).

