

# Monetary Authority Announces Countercyclical Capital Buffer Ratio for Hong Kong

The following is issued on behalf of the Hong Kong Monetary Authority:

The Monetary Authority announced today (January 28) that the countercyclical capital buffer (CCyB) ratio for Hong Kong remains unchanged at 1.0 per cent.

"While the latest economic indicators point to a continued recovery in Hong Kong in the fourth quarter of 2021, uncertainties about the global and domestic pandemic situations have also increased," the Monetary Authority, Mr Eddie Yue, said. "It is therefore appropriate to keep the CCyB ratio unchanged for the time being and continue to monitor the situation closely."

Further details of the decision may be found in the [Announcement of the CCyB to Authorized Institutions](#) on the Hong Kong Monetary Authority website.

## Background

In setting the CCyB ratio the Monetary Authority considered a series of quantitative indicators and qualitative information including an "indicative buffer guide" (which is a metric providing a guide for CCyB ratio based on the gap between the ratio of credit to GDP and its long term trend, and between the ratio of residential property prices to rentals and its long term trend). The latest indicative buffer guide, calculated based on 2021 Q3 data, signals a CCyB of 1.5 per cent. The projection based on all available data suggests that the indicative buffer guide would likely signal a CCyB lower than 1.5 per cent when all relevant 2021 Q4 data become available.

Whilst the indicative buffer guide, as its name suggests, provides only a "guide" for CCyB decisions, the determination of the jurisdictional CCyB ratio for Hong Kong is not a mechanical exercise and, in addition to the indicative buffer guide, the Monetary Authority also reviewed a range of other reference indicators. The latest economic indicators point to a continued recovery in Hong Kong in 2021 Q4, but uncertainties about the global and domestic pandemic situations have also increased. It is therefore appropriate to keep the CCyB ratio unchanged at 1.0 per cent for the time being and continue to monitor the situation closely.

The CCyB is an integral part of the Basel III regulatory capital framework and is being implemented in parallel by Basel Committee member jurisdictions worldwide. The CCyB has been designed by the Basel Committee to increase the resilience of the banking sector in periods of excess credit growth. The banking sector can then act as a "shock absorber" in times of stress, rather than as an amplifier of risk to the broader economy.

The power to implement the CCyB in Hong Kong is provided by the Banking (Capital) Rules, which enable the Monetary Authority to announce a CCyB ratio for Hong Kong. The specific CCyB requirement applicable to a given Authorized Institution (AI) is expressed as a percentage of its CET1 capital to its total risk-weighted assets. Each AI's CCyB requirement may vary depending on the geographic mix of its private sector credit exposures and the CCyB applicable in each jurisdiction where it has such exposures.

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## Crowd safety management measures and special traffic arrangements for Che Kung Festival

Police will implement crowd safety management measures and special traffic arrangements to facilitate worshippers visiting Che Kung Temple in Sha Tin during the Che Kung Festival period. Police reminded members of the public to observe regulations on group gatherings and mask wearing in order to prevent the spread of COVID-19.

### Crowd safety management measures

A large crowd is anticipated to visit Che Kung Temple during the Lunar New Year period. Depending on the crowd condition, one-way pedestrian flow may be implemented at MTR Tai Wai Station and in the vicinity of Che Kung Temple, including Che Kung Miu Road and Chui Tin Street, between 6am on February 1 and 6pm on February 3 to ensure public order and safety. Members of the public are urged to observe order and be patient while waiting in a queue.

### Special traffic arrangements

#### A. Road closure

The following roads will be closed from 8pm on February 2 to 8pm on the following day:

1. The slow lane of westbound Che Kung Miu Road between Sha Tin Tau Road and Chui Tin Street; and
2. The slow lane of southbound Chui Tin Street between Che Kung Miu Road and the entrance of Sun Chui Estate near Sun Fong House.

#### B. Cycle tracks closure

The following cycle tracks will be closed from 8pm on January 31 to 8pm

on February 3:

1. The cycle track along the western riverside of Shing Mun River Channel between Tsuen Nam Road and Che Kung Miu Road;
2. The cycle track along both sides of Che Kung Miu Road between Chui Tin Street and Sha Tin Tau Road;
3. The cycle track inside the subway system at the junction between Che Kung Miu Road and Chui Tin Street;
4. The cycle track inside the subway system at the junction between Che Kung Miu Road and Sha Tin Tau Road; and
5. The cycle track along both sides of Tai Wai Soccer Pitch.

During the cycle track closure period, cyclists may use the cycle track along the northern riverside of Shing Mun River Channel between Lion Rock Tunnel Road and Shing Wan Road commuting to and from Sha Tin.

#### C. Suspension of car parks

The public car park adjacent to Che Kung Temple will be suspended from 6am on January 31 to 8pm on February 3, and daily from 7am to 6pm on February 5, 6, 12, 13 and 15.

The public car park adjacent to Greenview Garden will be suspended between 6am on February 2 and 8pm on the following day.

Members of the public are advised to make use of public transport to go to Che Kung Temple.

Any vehicles found illegally parked within the precincts mentioned above will be towed away without prior warning.

Actual implementation of the crowd safety management measures and traffic arrangements will be made depending on traffic and crowd conditions in the area. Members of the public are advised to exercise tolerance and patience and take heed of instructions of the Police on site.

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## **FEHD strives to crack down on sale of chilled or frozen meat disguised as fresh meat (with photo)**

The Food and Environmental Hygiene Department (FEHD) has all along been committed to combatting the sale of chilled or frozen meat disguised as fresh meat, and raided a licensed fresh provision shop (FPS) in Tai Po District

suspected of selling chilled meat or frozen meat as fresh meat today (January 28).

During the operation, FEHD officers raided a licensed FPS in Po Heung Street, marked and sealed about 1 170 kilograms of suspected chilled meat and frozen meat for further investigation. A pork sample was also collected for testing for preservatives and prosecution will be taken out if sufficient evidence is collected. The licensee of the FPS is suspected of breaching the licensing condition for the display and sale of chilled meat or frozen meat as fresh meat, and the FEHD is proceeding with the cancellation of the FPS's licence. FEHD officers also initiated a prosecution against the operator of the FPS for sale of frozen mutton and chilled poultry without permission.

An FEHD spokesman said, "Selling of chilled or frozen meat disguised as fresh meat breaches the licensing condition and causes food safety problems. The operation of these profiteers also is unfair to other shops that comply with the requirements.

"Anyone selling chilled meat or frozen meat without permission commits an offence and is liable to a maximum fine of \$50,000 and six months' imprisonment on conviction. The department will continue to conduct regular inspections at licensed FPSs and market meat stalls, and will actively handle the complaints received. In detecting any irregularities, the FEHD will carry out immediate investigations and take appropriate enforcement action. In addition, the FEHD also proactively investigates suspected violations from time to time and conducts surprise inspections and enforcement action as necessary. If there is sufficient evidence, prosecutions will be initiated and follow-up action will be taken on the breach of licensing conditions or tenancy agreements. The licences of FPSs breaching the licensing conditions may be cancelled, while the tenancies of market meat stalls breaching the tenancy agreements may be terminated," the spokesman added.

The spokesman stressed that the FEHD is very concerned about and has been committed to combatting the sale of chilled or frozen meat disguised as fresh meat by taking stringent enforcement action against the violations.



## Smart Traffic Fund approves seven projects

The Transport Department (TD) today (January 28) announced that the second batch of seven projects have been approved by the Management Committee on Smart Traffic Fund, involving a total grant of around \$30 million.

The seven approved projects in the latest batch cover topics including big data AI system for safe taxi-driving, road safety assessment, departure safety checking for minibuses, monitoring of crane position of crane lorries, parking vacancy prediction, and intelligent traffic signal control. Details of the projects are available on the Fund's website ([www.stf.hkpc.org](http://www.stf.hkpc.org)).

The \$1 billion Smart Traffic Fund has been open for application since March 2021 to provide funding support to local organisations and enterprises for conducting research and application of innovation and technology with the objectives of enhancing commuting convenience, enhancing efficiency of the road network or road space, and improving driving safety. All applications are considered and assessed in batches by the Management Committee, which is chaired by the Deputy Commissioner for Transport (Planning and Technical Services) and comprises representatives from the Government, experts in the industry and relevant stakeholders.

The TD appeals to interested organisations and enterprises for active participation to help make the Fund a success, and to build Hong Kong into a liveable and sustainable city by driving Hong Kong toward a new era of transportation.

The Fund accepts applications all year round. Application details are available on the Fund's website. For enquiries, please contact Hong Kong Productivity Council, the Secretariat of the Fund, on 2788 5536 or [stf\\_sec@hkpc.org](mailto:stf_sec@hkpc.org).

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## Latest quarantine and testing arrangements for foreign domestic helpers

The Government announced yesterday (January 27) that starting from February 5, the compulsory quarantine period for inbound travellers from overseas places will be adjusted to 14 days in designated quarantine hotels (DQHs)/designated quarantine facilities (DQFs), to be followed by a seven-day self-monitoring period. For persons who arrived at Hong Kong before February

5 and are required to undergo the 15th to 21st days of quarantine in DQHs/DQFs on or after February 5 as per the original quarantine orders (i.e. inbound travellers from overseas who arrive at Hong Kong between January 16 and February 4), the Department of Health will arrange for them to undergo relevant testing by batches in an orderly manner before the completion of quarantine. If they obtain a negative test result and have completed at least 14 days of quarantine, they will be arranged to leave the DQHs/DQFs in turn.

Reference can be made to the relevant press release on the above quarantine and testing details at this [link](#).

A Labour Department (LD) spokesman said, "In accordance with the above arrangement, foreign domestic helpers (FDHs), upon completion of the 14-day compulsory quarantine at DQHs/DQFs (see Note) should undergo self-monitoring at the employer's residence and be subject to compulsory testing. We understand that some employers may wish to arrange FDHs to complete self-monitoring at licensed hotels or guesthouses due to considerations of the family situation or household environment, etc. As such, for FDHs who have completed the 14-day compulsory quarantine, apart from moving to the employer's residence to undergo self-monitoring and compulsory testing, the Government will also allow FDHs to undergo self-monitoring at licensed hotels or guesthouses. However, these licensed hotels or guesthouses must not be serving DQHs/DQFs, so as to prevent cross-infection with people who are still undergoing the 14-day compulsory quarantine."

According to Clause 3 of the Standard Employment Contract (SEC), FDHs working in Hong Kong must work and reside in the employer's residence specified in the SEC during their employment period. In view of the above considerations, the Commissioner for Labour has, in accordance with Clause 15 of the SEC, given in-principle consent for FDHs who have completed a 14-day compulsory quarantine to stay at licensed hotels or guesthouses which are not DQHs/DQFs to complete the subsequent self-monitoring. It is not necessary to make an application to the LD. The relevant arrangement should be mutually agreed by the employer and the FDH. FDHs are not allowed to undergo self-monitoring at places which are not the employer's residence apart from licensed hotels or guesthouses. Lists of DQFs/DQHs can be found respectively at the LD's FDH Portal ([www.fdh.labour.gov.hk](http://www.fdh.labour.gov.hk)) and the thematic website of the Government's DQH Scheme ([www.coronavirus.gov.hk/eng/designated-hotel.html](http://www.coronavirus.gov.hk/eng/designated-hotel.html)). The list of licensed hotels and guesthouses can be referred to at this [link](#).

Upon departure from the DQHs/DQFs, FDHs should undergo compulsory testing on the 16th and 19th days of arrival at Hong Kong in accordance with the compulsory testing notice.

Should FDHs and their employers have any enquiries on employment matters, they may contact the LD through its 24-hour hotline at 2717 1771 (manned by 1823), by email to [fdh-enquiry@labour.gov.hk](mailto:fdh-enquiry@labour.gov.hk) or through the online form on the dedicated portal ([www.fdh.labour.gov.hk](http://www.fdh.labour.gov.hk)).

Note: For FDHs who are arriving Hong Kong from Group A specified places and have been fully vaccinated in Hong Kong, the Mainland, Macao or places of

stringent regulatory authorities designated by the World Health Organization, they may undergo compulsory quarantine at a general DQH. For the full list of applicable regions, please

visit: [www.coronavirus.gov.hk/pdf/places\\_of\\_issuance\\_recognised\\_vaccination\\_records.pdf](http://www.coronavirus.gov.hk/pdf/places_of_issuance_recognised_vaccination_records.pdf).