

SFST made positive progress with signing of CDTA with Norway during his visit (with photos)

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said during his visit to Oslo, Norway, on June 11 and 12 (Oslo time) that Hong Kong and Norway could create a powerful synergy to address global challenges with regards to climate change and digital transformation, leveraging the complementary strengths of the two places. He was also pleased that after his meeting with the Norwegian Ministry of Finance, positive progress was made with the early signing of a comprehensive avoidance of double taxation agreement (CDTA) between Hong Kong and Norway.

Over a meeting with the Norwegian State Secretary of the Ministry of Finance, Mr Torgeir Micaelsen, and the Director General of Tax Law Department, Mr Omar G Dajani, on June 12 (Oslo time), Mr Hui urged for an early signing of a CDTA between the two places. Mr Micaelsen responded positively and indicated that they will look into the matter to expedite the process. Mr Hui also told the gathering that Hong Kong had just been confirmed by the International Financial Reporting Standards Foundation as being among the initial set of jurisdictions having set a target of fully adopting the ISSB Standards. This affirms Hong Kong's efforts and determination in supporting and promoting a common international language in sustainability disclosures.

To unlock new opportunities in the area of maritime finance, Mr Hui met with the Chief Customer Officer, Ms Line Dahle, and Vice President and Head of Analytics, Mr Sigvald Fossum, of Norwegian marine and energy insurance provider Gard, which has a strong presence in Hong Kong's marine insurance market and provides services to manage maritime risk for clients. He also met with the Vice-President and Director of Group Government and Public Affairs of DNV, Mr Lars Almklov. The global assurance and risk management company DNV has been recognised by the Hong Kong Monetary Authority as an approved external reviewer for the Green and Sustainable Finance Grant Scheme.

Mr Hui told management members of the two companies that Hong Kong and Norway possess complementary strengths that can create a compelling case for financial co-operation. While Norway's maritime industry is the cornerstone of its economy, Hong Kong's maritime services industry is also a valued brand in the international arena. Joint ventures in maritime insurance could combine Norway's expertise in marine risk management with Hong Kong's accessibility, creating comprehensive solutions for the sector and addressing the new demands arising from geopolitical and climatic challenges. He highlighted that Hong Kong has a sophisticated ecosystem for ship financing and leasing, supported by tax incentives and its strategic location along global trade routes.

On June 12 (Oslo time), Mr Hui paid a courtesy call to the Chinese Ambassador Extraordinary and Plenipotentiary to the Kingdom of Norway, Ms Hou Yue.

He also had a meeting with the Director of Politics and Society of Finance Norway, Mr Jan Erik Fane, and other management staff. Finance Norway is the industry organisation for the financial sector in Norway, representing banks, insurance companies and other financial institutions on regulatory, policy and industry developments.

Mr Hui noted that the Norwegian sovereign fund is one of the largest funds in the world and is positioned as a pioneer in responsible investing with a strong emphasis on Environmental, Social and Governance principles. He said that the shared focus of Hong Kong and Norway on sustainability creates significant opportunities for collaboration.

At a dinner reception co-organised by the Hong Kong Economic and Trade Office, London, and the Norway-Hong Kong Chamber of Commerce on June 11 (Oslo time), Mr Hui said that even though there is a geographical distance of around 8 600 kilometres between Norway and Hong Kong, the two places share more commonalities in the financial market than perceived.

The first one is the commitment to green and sustainable developments. Hong Kong is striving to achieve carbon neutrality before 2050, and the Government launched a roadmap last December to require publicly accountable entities (PAEs) to adopt the International Financial Reporting Standards – Sustainability Disclosure Standards (ISSB Standards) and to provide a well-defined pathway for large PAEs to fully adopt the ISSB Standards no later than 2028.

Just last week, Hong Kong issued a new round of Government green bonds and infrastructure bonds to channel market capital to support green projects and promote sustainable developments in Hong Kong. This round of bonds amounts to a total of around US\$3.5 billion, denominated in Hong Kong dollars, Renminbi, US dollars and euros. The offering attracted participation from a wide spectrum of investors from more than 30 markets across Asia, Europe, Middle East, and the Americas, with total orders amounting to an equivalent of around US\$30 billion, representing a subscription ratio of almost nine times.

The other commonality is expertise in wealth management. Mr Hui noted that Norway's expertise in long-term asset management driven by its sovereign fund aligns seamlessly with Hong Kong's position as Asia's premier wealth management centre. Capitalising on Hong Kong's advantages of having a solid financial infrastructure and an extensive international client base, abundant co-investment opportunities are available for Norwegian capital in the Asian markets, particularly in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

More commonalities lie in fintech and digital finance. Norway is a highly digitalised economy that has fostered advancements in mobile payment systems, blockchain technology, and digital asset management. At the same

time, Hong Kong is home to around 1 100 fintech companies and start-ups. The Government endeavours to boost fintech developments through measures such as enhancing fintech infrastructures, nurturing talent, establishing regulatory regimes for digital assets such as the stablecoin regulatory regime to be enacted on August 1. The second edition of a policy statement on digital assets will also be promulgated soon. By combining Norway's technological innovation with Hong Kong's access to Asian markets, the partnership could drive cutting-edge solutions that redefine digital finance on a global scale.

Mr Hui has returned to Hong Kong in the evening of June 13.



