

SFST urges Toronto companies to re-domicile (with photos)

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, continued his visit to Toronto, Canada, on May 27 (Toronto Time).

He visited two Canada-based insurance companies that have extended their business to Hong Kong. Mr Hui met separately with the President and Chief Executive Officer, Mr Phil Witherington, and the Chief Financial Officer, Mr Colin Simpson, of Manulife; as well as the Executive Vice-President and Chief Financial Officer, Mr Tim Deacon, and the Executive Vice-President and Chief Strategy and Enablement Officer, Ms Linda Dougherty, of SunLife. He introduced them to the newly enacted legislation on re-domiciliation of companies, encouraging them to consider re-domiciling their companies to Hong Kong to enjoy the relevant legal and taxation convenience, as well as to lower their compliance costs for satisfying two sets of regulatory requirements. He also mentioned that on the very first day the company re-domiciliation regime came into effect last Friday, an international insurance group immediately announced its plan to re-domicile its company to Hong Kong. This news was the best testament to the regime's effectiveness in enhancing companies' operational efficiency, thereby consolidating Hong Kong's position as a leading international financial centre.

Under the new regime, non-Hong Kong-incorporated companies may apply to re-domicile to Hong Kong if they fulfil requirements concerning company background, integrity, member and creditor protection, solvency, etc, while maintaining their legal identity as a body corporate to ensure business continuity. If the company's actual similar profits are also taxed in Hong Kong after re-domiciliation, the Government will provide the company with unilateral tax credits to eliminate double taxation.

Mr Hui pointed out that Hong Kong has a strong foundation in investment and trade, making it an ideal location for global enterprises to access insurance, reinsurance and risk management services, as well as to establish captive insurers. There are vast opportunities for insurance companies in Hong Kong.

At noon, Mr Hui attended a business luncheon organised by the Hong Kong Economic and Trade Office (Toronto), Invest Hong Kong (Canada) and the National Club. He gave a presentation themed "Hong Kong as an anchor of stability amid the changing world" to showcase to the attending financial leaders the stellar figures recorded in the financial market, and banking and monetary markets. He also talked about the Government's efforts in aligning with international standards and boosting the development of green and sustainable finance and the virtual asset market. He said that, with its competitive advantages and proactive measures, as well as the stability and predictability of its financial market, Hong Kong has been earning the confidence of global investors. Mr Hui also had a fireside chat with the

President of the National Club, Mr Arnie Guha, and answered questions from the floor. The luncheon was well received. Participants were attracted by the various new developments in Hong Kong's financial markets introduced by Mr Hui.

In the afternoon, Mr Hui met with the Chief Executive Officer of the Ontario Securities Commission (OSC), Mr Grant Vingoe, and OSC representatives. The Securities and Futures Commission of Hong Kong entered into a Memorandum of Understanding with the OSC in mid-May to include Ontario of Canada in its list of acceptable inspection regimes for strengthening the regulatory collaboration and exchange of information between the two regulators. Both Mr Hui and Mr Vingoe agreed that in today's shifting global landscape, collaboration with trusted allies would ensure capital markets remain robust and resilient.

In the evening, Mr Hui had a dinner meeting with the President of the Hong Kong-Canada Business Association (HKCBA) (Toronto Chapter), Mr Joseph Chaung, and board members to brief them on the latest developments and future direction of Hong Kong's financial market. The HKCBA has members in eight Canadian cities to foster bilateral trade.

Mr Hui also paid a courtesy call to the Consul-General of the People's Republic of China in Toronto, Mr Luo Weidong. Both expressed their anticipation that Hong Kong, with the support of the nation and its solid foundation and forward-looking measures in financial areas, will engage in more co-operation with Canada.

On May 28 (Toronto Time), Mr Hui will travel to Ottawa to meet with government financial officials.



