

[Hong Kong Customs seizes suspected methamphetamine and crack cocaine \(with photo\)](#)

Hong Kong Customs yesterday (December 9) seized about 1.8 kilograms of suspected methamphetamine and about 40 grams of suspected crack cocaine with an estimated market value of about \$1.3 million in Cheung Sha Wan.

During an anti-narcotics operation in Cheung Sha Wan yesterday afternoon, Customs officers intercepted a man and found a small quantity of suspected methamphetamine inside his shoulder bag. The 52-year-old man was then arrested.

After follow-up investigation, Customs officers escorted the arrested man to a factory unit nearby where about 1.8kg of suspected methamphetamine, about 40g of suspected crack cocaine and a batch of drug packaging paraphernalia were further seized.

Investigation is ongoing.

Under the Dangerous Drugs Ordinance, trafficking in a dangerous drug is a serious offence. The maximum penalty upon conviction is a fine of \$5 million and life imprisonment.

Members of the public may report any suspected drug trafficking activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk).



[Housing Authority sets rents for five new PRH blocks](#)

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

A total of 3 701 flats in five new non-standard blocks of the Hong Kong Housing Authority (HA)'s four existing public rental housing (PRH) estates are tentatively scheduled for completion between January and June 2020. Their rents will be set at the best rent levels in the Urban District.

The best rent for public rental housing flats in Urban District is \$85.5 per square metre per month. This rate will apply to all the flats in this phase. They include 754 flats in Fu Fai House of Fu Shan Estate and 1 033 flats in Wui Chi House of Tung Wui Estate in Wong Tai Sin; 826 flats in Yue Chun House of Yue Wan Estate in Eastern, Hong Kong Island; and 1 088 flats in Long Tin House and Ching Tin House of Pak Tin Estate in Sham Shui Po.

"Under this rent-fixing exercise, rents of over 36 per cent of the flats are below \$2,500 per month," a spokesman for the HA said today (December 10), adding that PRH rents, which are inclusive of rates, management fees and maintenance costs, are heavily subsidised.

"PRH applicants who are allocated new flats but cannot afford the rents may request refurbished flats at lower rents, and they may also apply for assistance under the Rent Assistance Scheme for flats in older block types where applicable," the spokesman added.

[Transcript of remarks by CE at media session before ExCo meeting \(with video\)](#)

Following is the transcript of remarks by the Chief Executive, Mrs Carrie Lam, at a media session before the Executive Council meeting this morning (December 10):

Reporter: Good morning, Mrs Lam. Will your administration give a complete commitment that the new District Councillors will receive equal treatment, responsiveness and access from your government as their predecessors did? Will you make that promise to them today? And second, after the huge election turnout and protest on Sunday, will you admit that there is no silent majority behind you?

Chief Executive: First of all, the roles and functions of District Councils are clearly laid down in the District Councils Ordinance. The resources made available to the District Councils for organising local activities, for developing minor projects in the districts are also approved by the Legislative Council. There is no question of the Government's commitment to continue to respect the roles and functions of the District Councils and to

continue to make available the funds for the District Councils to approve and disburse according to their remit of these resources. I would say that a quid pro quo, we would also expect the new District Council members to respect the conventions and the rules that have been established over the years in full consultation with the district. So there is no worry that we will not accord the same treatment and respect to the new District Councils after January 1 next year.

As far as the protest on Sunday, first of all I take comfort that given the Letter of No Objection issued by the Police, and co-operation by all sectors, we have seen a relatively calm and peaceful protest on Sunday. This reflects the freedoms that Hong Kong people are enjoying and I hope that this phenomenon will also go abroad to show that Hong Kong is upholding all the rights and freedoms of Hong Kong people. All those accusations from various quarters that we are eroding people's freedoms are unsubstantiated.

As far as response is concerned, I have explained on various occasions that the most positive response that we have given regarding this social unrest is the complete withdrawal of the Bill after confrontation in Legislative Council on June 12. As for other demands, we really have to stick by certain important principles. If a particular demand requires us to deviate from the law, not to uphold the rule of law in Hong Kong or to do things actually beyond the powers of the Chief Executive, I could not agree to accept those demands simply for the purpose of meeting people's aspirations because there will be other people who have the aspirations that the Hong Kong SAR Government should uphold the rule of law and should stay impartial and just in dealing with all sorts of demands put up by the people. That remains the position of the Hong Kong SAR Government.

Reporter: A few English questions. First, Mrs Lam, you have introduced the monthly short Q&A sessions at LegCo to improve ties with lawmakers. What would you say to people who accuse you of not caring about that anymore, and are you that scared of facing lawmakers' questions or protests in LegCo? Second question, you will soon have your duty visit to Beijing. Will Article 23 national security legislation be part of that discussion, and will the public expect a change to your cabinet before the end of the year or before Christmas? Thank you.

Chief Executive: About my appearance in the Legislative Council, since the beginning of my term, I have attached importance to the relationship between the Executive and the Legislature. On top of the regular Q&A sessions which take place once every quarter in the legislative year, I have initiated, with the support of the Legislative Council President, to do this monthly questioning time lasting for about 30 minutes on each occasion. The problem that I'm facing is, these days, as proven by the two occasions in October, almost whenever I step into the Legislative Council building and the Chamber, there would be disruptions to the proceedings and perhaps also undermining the order in the Legislative Council. So, I told myself that perhaps I should give another trial in attending the regular Q&A session in January, and if that goes relatively smoothly, of course I'm happy to resume the practice of doing short Q&A or short questioning time with the Legislative Council. There

is no doubt that, as the Chief Executive of the Hong Kong Special Administrative Region (SAR), I need to lead the Executive to work closely with the Legislative Council because Legislative Council plays a very important statutory role in scrutinising the Government's business, in approving our legislative proposals and also in supporting our funding requests. This is something for the time being, sort of, because I don't want to cause more disruptions and security risks and concerns to colleagues in the Legislative Council Secretariat.

The second question about my duty visit. Yes, I'll be departing Hong Kong for Beijing this Saturday to do my regular reporting of duty to the leaders in Beijing. Of course the purpose of the duty visit is to give a full account of what has happened in Hong Kong over the past year, what the Government had been doing, what more the Government wants to do in the coming year and what policy measures that the Hong Kong SAR needs from the Central Government in taking forward some of our major initiatives, particularly with the two national strategies of the Belt and Road and the Greater Bay Area development. On this same occasion, I would do exactly the same, particularly what has happened in Hong Kong in the last six months.

From time to time, in the last few months, there have always been speculations and rumours about reshuffling of my team including the Principal Officials and maybe also including the Executive Council. My first priority now is really to restore law and order in Hong Kong and to ensure that Hong Kong could continue to move ahead both economically and socially. So this is not an immediate task that I would accord a lot of attention to. I hope that all these rumours and speculations will not spread further because these are not very helpful speculations.

(Please also refer to the Chinese portion of the transcript.)

[Speech by CE at Asian Insurance Forum 2019 Opening Ceremony \(English only\) \(with photos/video\)](#)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the Asian Insurance Forum 2019 Opening Ceremony this morning (December 10):

Deputy Director Qiu (Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region Ms Qiu Hong), Moses (Chairman of the Insurance Authority, Dr Moses Cheng), K P (Legislative Council member (Insurance), Mr Chan Kin-por), Mr Liu (Chief Counsel of the China Banking and Insurance Regulatory Commission, Mr Liu Fushou), Mr Dixon (Secretary General of the International Association of

Insurance Supervisors, Mr Jonathan Dixon), Laurence (Chairman of the Financial Services Development Council, Mr Laurence Li, SC), ladies and gentlemen,

Good morning. It is a pleasure to be here with you, to be taking part in this second Asian Insurance Forum.

My thanks to the Insurance Authority, Hong Kong's independent industry regulator, for organising this high-profile event, for putting a welcome spotlight on the Belt and Road and the Greater Bay Area developments as well as financial technology, and showcasing the far-reaching promise they offer the insurance industry here in Hong Kong and around the world. Allow me to flesh out some of these opportunities and the broader business background, via four "Ts".

First "T" is "think" – "Think Insurance, Think Hong Kong". Last year, Hong Kong ranked second globally in insurance penetration. Our insurance industry's gross premiums in 2018 totalled more than US\$66 billion (HK\$514.5 billion), up 5.2 per cent over 2017 totals. Over the past five years, industry growth has averaged 11.4 per cent a year. It helps that 15 of the world's top 20 insurers, as well as major brokerage firms, operate in Hong Kong. They bring high-end technical skills and innovation to our insurance industry, enhancing our status as an international insurance hub.

The future promises even more opportunity, thanks to the Guangdong-Hong Kong-Macao Greater Bay Area development, which is a national development strategy. Given its collective population of 71 million and its combined GDP, now at US\$1.6 trillion, the Greater Bay Area presents huge potential for the insurance sector.

In February this year, the Greater Bay Area's Outline Development Plan was released. Among other things, it supports Hong Kong's status as a risk-management centre. In the 10 months since then, we've made great strides, particularly during last month's plenary meeting of the Greater Bay Area's Leading Group led by Vice Premier Han Zheng. I, again, took part in that meeting as a member of the Leading Group, and am pleased to tell you that 16 new policy measures were announced following that session.

Three of those initiatives target insurance, including the Central Government's support for Mainland insurance companies to issue catastrophe bonds, or "cat bonds" as they are known in Hong Kong. My Government is determined to help the industry seize these outsized opportunities. In last year's Policy Address, I announced that my Government would enable the issuance of insurance-linked securities, including "cat bonds", in Hong Kong. Our goal is to introduce the relevant legislative amendments into the Legislative Council (LegCo) early next year.

Another national development strategy, namely the Belt and Road Initiative, will also create wide-ranging opportunities for Hong Kong. The Initiative, which promotes multilateral and multi-level connectivity, is giving rise to rewarding business prospects. Among other things, Hong Kong

can be the risk-management centre for state-owned enterprises investing in major Belt and Road projects and looking to expand their market presence. Taking full advantage of this opportunity, we plan to introduce the relevant amendments into LegCo in the first quarter of 2020. They will broaden the scope of risks that can be underwritten by captives formed in Hong Kong.

My second "T" is "technology", which Moses has covered. Financial technology, or fintech, is rapidly changing the landscape of the insurance industry. Hong Kong, I'm pleased to say, is on its way to realising the vast opportunities presented by fintech. The Insurance Authority has begun its Fast Track scheme. It expedites applications for those looking to do insurance business, in or from Hong Kong, solely through digital distribution channels. The first virtual life insurer under Fast Track was granted a year ago this month. The second was approved in October. Together, they will create more customer-centred services and products. Our Insurance Authority has also launched its Insurtech Sandbox scheme. It enables insurers to run pilot trials of innovative applications in a controlled environment. To date, four smart products have been rolled out to consumers.

The application of fintech is of course not limited to insurance. Earlier this year, the Hong Kong Monetary Authority awarded licences to eight virtual banks, which will start to launch products and services by phases in the near future. And last month, the Securities and Futures Commission adopted a new approach to virtual asset trading. I believe that, in the coming decade or so, fintech may dramatically alter today's financial services delivery model. I would encourage our financial services practitioners to get prepared for the changes and opportunities ahead.

My third "T" is "tax-friendly", something we know a good deal about. To promote Hong Kong as a reinsurance hub and a captive domicile, we have offered half-rate profits-tax concessions for professional reinsurers and captive insurers. We're creating opportunity in marine insurance as well. In my Policy Address last year, I announced tax relief to promote marine insurance and the underwriting of specialty risks in Hong Kong. With the support of the Insurance Authority and the industry as a whole, an amendment bill to implement the tax relief proposals will be introduced into LegCo next week.

The people of Hong Kong enjoy one of the longest life expectancies in the world. In 2018, life expectancy at birth for males and females was 82.3 years and 87.7 years respectively. Our ageing population, male and female, gives the insurance industry the opportunity to place more emphasis on health protection and retirement planning. In April this year, my Government launched salaries tax incentives for premiums on the Voluntary Health Insurance Scheme, as well as the Qualified Deferred Annuity Policy and voluntary contributions to the Mandatory Provident Fund Scheme. The objective is to encourage the working population to better protect themselves and their families, while broadening long-term protection alternatives for our ageing population and the underinsured as well. These tax-deductible products have been well received by the community and the industry. To date, more than 80 000 deferred annuity policies have been sold and over 130 000 persons

insured under the Voluntary Health Insurance Scheme. This will continue to be a significant force for business development in the insurance industry.

The fourth and last "T" is "talent". A continuing supply of talent is essential to ensuring Hong Kong's development as a high value-added and diversified economy. In August 2018, the Government announced its first Talent List. It was designed to attract quality professionals from around the world in a more effective and focused manner. Four of the 11 professions included in the Talent List are related to the financial services sector: asset managers, marine insurance professionals, actuaries and fintech specialists. This past June, we also established the Hong Kong Academy of Finance to help maintain Hong Kong's status as one of the world's leading financial centres. For the past three years, we have also been expanding our talent pool through the Pilot Programme to Enhance Talent Training for the Insurance Sector.

Since September this year, the Insurance Authority has assumed responsibility for regulating some 120 000 insurance intermediaries in Hong Kong. That, ladies and gentlemen, is a milestone in the modernisation of Hong Kong's regulatory system. I am confident that the Authority will promote the professional standards of our insurance practitioners. In doing so, it can only help ensure a healthy and sustainable industry.

I understand the Financial Secretary will talk about that, and other industry issues, at today's luncheon. For now, allow me to assure you that my Government is entirely committed to reinforcing Hong Kong's role as a global risk management centre and insurance hub. May I also take this opportunity to congratulate the Insurance Authority, a relatively young regulator, for having achieved so much in discharging its dual regulatory and development roles over such a short period, under the able leadership of Moses.

We have, of course, risks of our own at present. Hong Kong has been haunted by social unrest, sometimes horrific violence, over the past six months. Stopping violence and restoring public order remains our top priority now, and that requires a joint effort by all of us. Let's work together for Hong Kong, and recreate a united community and a flourishing economy.

Ladies and gentlemen, if there is a fifth "T," it is "trust". Mutual trust. Once we've re-established that, we'll be on our way again.

I wish you all the best of business at this Asian Insurance Forum and a rewarding year ahead. May I also join Moses to wish you a merry Christmas, a peaceful one, and a happy new year. Thank you very much.



Illegal worker jailed

An Indonesian illegal worker holding a recognisance form was jailed by Shatin Magistrates' Courts yesterday (December 9).

During an anti-illegal worker operation conducted on October 31, Immigration Department (ImmD) investigators raided a restaurant in Causeway Bay. A female Indonesian, aged 41, was arrested while working as a dish-washing worker. Upon identity checking, she produced for inspection a recognisance form issued by the ImmD, which prohibits her from taking employment. Further investigation revealed that she was a non-refoulement claimant. An employer suspected of employing the illegal worker was also arrested and the investigation is ongoing.

The illegal worker was charged at Shatin Magistrates' Courts yesterday with taking employment after landing in Hong Kong unlawfully and remaining in Hong Kong without the authority of the Director of Immigration or while being a person in respect of whom a removal order or deportation order was in force. She pleaded guilty to the charge and was sentenced to 15 months' imprisonment.

The ImmD spokesman warned that, as stipulated in section 38AA of the Immigration Ordinance, illegal immigrants or people who are the subject of a removal order or a deportation order are prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of \$50,000 and up to three years' imprisonment. The Court of Appeal has issued a guideline ruling that a sentence of 15 months' imprisonment should be applied in such cases.

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. The maximum penalty is imprisonment for three years and a fine of \$350,000. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence. According to the court sentencing, employers

must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel document if the job seeker does not have a Hong Kong permanent identity card. The maximum penalty for failing to inspect such a document is imprisonment for one year and a fine of \$150,000.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct an initial screening of vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers, who are arrested during any operation with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the officers will conduct a full debriefing and identification by using a standardised checklist to ascertain the presence of TIP elements, such as threats and coercion in the recruitment phase and the nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent intervention, medical services, counselling, shelter, temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments.