

Interest rate of the third interest payment for Silver Bond Series due 2020

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

The Hong Kong Monetary Authority, as representative of the Hong Kong Special Administrative Region Government, announces today (December 10) the relevant per annum interest rate for the third interest payment of Silver Bond Series due 2020 (Issue Number 03GB2006R) (the Bonds) issued under the Retail Bond Issuance Programme of the Government Bond Programme.

According to the Issue Circular dated June 1, 2017 for the Bonds, the third interest payment of the Bonds is scheduled to be made on December 24, 2018, and the relevant interest rate is scheduled to be determined and announced on December 10, 2018 as the higher of the prevailing Floating Rate and Fixed Rate.

On December 10, 2018, the Floating Rate and Fixed Rate are as follows:-

Floating Rate: +2.43 per cent (Annex)

Fixed Rate: +2.00 per cent

Based on the Floating Rate and Fixed Rate set out above, the relevant interest rate for the third interest payment is determined and announced as 2.43 per cent per annum.

Planned system maintenance for Faster Payment System in December

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

The Hong Kong Monetary Authority (HKMA) announced today (December 10) that the Hong Kong Interbank Clearing Limited (HKICL), the operator of the FPS, has scheduled the following system maintenance window of the FPS in December. During the period, all the FPS real-time services, including real-time funds transfers and registration of mobile number or email address with the FPS as an account proxy for receiving funds, will be suspended.

Date	Time
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December 16 (Sunday)	3am – 6am
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The public may contact their banks or stored value facility operators for more details regarding the availability of the related services that may be affected by the above planned system maintenance exercise.

The HKICL may schedule FPS system maintenance window from time to time. Such information will be available on the FPS website fps.hkicl.com.hk/eng/fps/news_&_publications.php.

Record of discussion of meeting of Exchange Fund Advisory Committee Currency Board Sub-Committee held on October 29

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

(Approved for issue by the Exchange Fund Advisory Committee on November 26)

Report on the Currency Board Operations (June 15 – October 8)

The Currency Board Sub-Committee noted that during the review period, the Hong Kong dollar (HKD) traded within a range of 7.8090 – 7.8500 against the US dollar (USD). Since the first triggering on April 12, the weak-side Convertibility Undertaking (CU) was triggered 27 times and the Hong Kong Monetary Authority bought HK\$103.5 billion under the weak-side CU. Correspondingly, the Aggregate Balance and the Monetary Base declined to HK\$76.58 billion and HK\$1,616.14 billion respectively at the end of the review period. Partly reflecting squaring of interest carry trade positions amid tightening of interbank liquidity ahead of the quarter-end, the HKD exchange rate strengthened in late September, before easing gradually at the end of the review period.

The Sub-Committee noted that largely reflecting reduced interbank liquidity following triggering of the weak-side CU, expectation of US rate hikes, IPO-related funding demand, and seasonal liquidity needs, HKD interbank interest rates broadly picked up during the review period.

The Sub-Committee further noted that, in accordance with the Currency Board principles, all changes in the Monetary Base had been fully matched by changes in foreign reserves.

The Report on Currency Board Operations for the period under review is at the Annex.

Monitoring of risks and vulnerabilities

The Sub-Committee noted that in the US, growth momentum remained strong but its outlook was clouded by trade tensions with its trading partners. Inflationary pressures continued to build up, and the Federal Reserve signalled further gradual tightening ahead.

The Sub-Committee noted that in emerging market economies (EMEs), the recent slump in the Turkish lira and the Argentine peso had sparked volatility in EME currencies and stocks. Nonetheless, EMEs with stronger fundamentals (mostly in Asia) had been faring better.

The Sub-Committee noted that in Mainland China, growth momentum showed some moderation but economic restructuring remained on track. While the renminbi had depreciated amid the US-China trade conflicts, capital outflow pressure had been limited so far.

The Sub-Committee noted that in Hong Kong, downside risks to growth increased amid stronger external headwinds. That said, banks' asset quality stayed healthy. In addition, the sizeable Monetary Base and the robust banking system provided strong buffer to external shocks.

Linked Exchange Rate System (LERS) Operations since the three refinements – mechanism and theory

The Sub-Committee noted a study which provided a theoretical explanation of the HKD exchange rate dynamics and interest rate differential between the HKD and the USD since 2008. The study found that the LERS had been working according to its design.

Inter-departmental help desks set up

Attention Duty Announcers of radio and TV stations:

Please broadcast the following as soon as possible and repeat it at suitable intervals:

In view of a serious traffic accident at Cheung Hong Street in North Point, the Eastern District Office and the Wan Chai District Office have set up two inter-departmental help desks for assistance and public enquiries.

Additional help desks will be set up when necessary.

The help desks are located at:

	Locations	Hotlines
1.	Accident and Emergency Department, Pamela Youde Nethersole Eastern Hospital	2595 6767
2.	Accident and Emergency Department, Ruttonjee Hospital	2291 2021/2291 2022

Two restaurants in Aberdeen convicted and fined for contravening Air Pollution Control Ordinance and related regulation

Two restaurants in Aberdeen, Tin Yuen Chun Che Nice Food Restaurant and Wah Kee, violated the requirement of a statutory notice by failing to reduce cooking fume emissions and illegally installed furnaces and an exhaust system respectively. They were convicted and fined a total of \$15,000 at Eastern Magistrates' Courts today (December 10) for contravening the Air Pollution Control Ordinance (APCO) and the Air Pollution Control (Furnaces, Ovens and Chimneys) (Installation and Alteration) Regulations.

EPD enforcement officers conducted an inspection in October last year and found that Tin Yuen Chun Che Nice Food Restaurant had failed to install proper cooking fume control equipment. The EPD then issued a statutory notice under the APCO requiring the restaurant to install proper equipment to reduce its emissions by the deadline. The restaurant continued to emit visible cooking fumes after the specified date, and was subsequently prosecuted by the EPD.

Separately, the EPD found out that Wah Kee had installed cooking equipment, with a total fuel consumption capacity exceeding the statutory limit, without prior approval by the EPD for the installation work while the EPD was processing the application to install cooking stoves from the company in May this year. In addition, the inappropriate positioning of the outlet of its exhaust system also affected nearby residents. After evidence gathering, the EPD subsequently prosecuted the restaurant concerned under the Regulations. The department is continuing to follow up on the two cases to urge the restaurants to make improvements.

An EPD spokesman reminded food business operators that they should properly design and install appropriate and effective air pollution control equipment in the kitchens of food premises to avoid causing air pollution. If they intend to install or alter furnaces, ovens, chimneys or flues with total gaseous fuel consumption capacity exceeding the exemption limit of 1,150 megajoules per hour, they have to submit an application to the EPD for the installation or alteration works in accordance with the regulations' requirements, and such works can only be carried out after obtaining approval from the EPD.

According to the APCO, food business operators should adopt effective remedial measures to abate excessive cooking fume emissions within a specified time limit upon receipt of a statutory notice. An offender is liable to a maximum fine of \$100,000 on conviction for a first offence. According to the Air Pollution Control (Furnaces, Ovens and Chimneys) (Installation and Alteration) Regulations, offenders are liable to a maximum fine of \$50,000 and a daily fine of \$500 may be imposed for a continuing offence.