

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 (October 18) that the countercyclical capital buffer (CCyB) ratio for Hong Kong is reduced from 1 per cent to 0.5 per cent with immediate effect.

The Monetary Authority, Mr Eddie Yue, said, "While the local economy has continued to recover, the risk of economic overheating is well contained as suggested by the quantitative indicators. Facing changes in the market landscape, certain sectors in the domestic economy, in particular the SMEs, are nevertheless still seeing challenges in their business operations amid uncertainties in the external and local economic environment. It is therefore appropriate to reduce the CCyB moderately to allow banks to be more supportive to Hong Kong's economy. Together with the other measures already introduced by the HKMA to support SMEs, we expect banks to make use of the additional leeway provided by the lower CCyB to further facilitate the financing needs of local SMEs. A gradual increase in the CCyB for Hong Kong will only be considered in the future when data suggest that there is more broad-based growth in the domestic economy and when the credit and property market conditions suggest a higher CCyB is warranted."

Further details of the decision may be found in the [Announcement of the CCyB to Authorized Institutions](#) on the HKMA 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 2024Q2 data and the Positive Neutral CCyB (Note) according to the revised formula, signals a CCyB of 1 per cent. The projection based on all available data suggests that the indicative buffer guide would likely signal a CCyB of 1 per cent when all relevant 2024Q3 data become available.

The indicative buffer guide, as its name suggests, provides only a "guide" for CCyB decisions, and the determination of the jurisdictional CCyB ratio for Hong Kong is not a mechanical exercise. In addition to the indicative buffer guide, the Monetary Authority also reviewed other relevant information. While the local economy has continued to recover, the risk of economic overheating is well contained as suggested by quantitative

indicators. Facing changes in the market landscape, certain sectors in the domestic economy, in particular the SMEs, are nevertheless still seeing challenges in their business operations amid uncertainties in the external and local economic environment. Together with the other measures already introduced by the HKMA to support SMEs, a lower CCyB will provide banks with additional leeway to further facilitate the financing needs of local SMEs.

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 against system-wide risks. 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 (RWA). 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.

Note: Under the Positive Neutral CCyB approach, authorities aim for a positive CCyB when risks are judged to be neither subdued nor elevated. Please refer to www.bis.org/publ/bcbs_n130.htm for more information.

Red flags hoisted at several beaches

Attention TV/radio announcers:

Please broadcast the following as soon as possible:

Here is an item of interest to swimmers.

The Leisure and Cultural Services Department announced today (October 18) that due to big waves, red flags have been hoisted at Stanley Main Beach, Shek O Beach and Big Wave Bay Beach in Southern District, Hong Kong Island; and Silverstrand Beach, Clear Water Bay First Beach and Clear Water Bay Second Beach in Sai Kung District. Beachgoers are advised not to swim at these beaches.

2024 final register for Rural Representative Election published today

â€‹The 2024 final register for the Rural Representative Election (RRE) was published today (October 18). The final register contains the particulars of the registered electors of Existing Villages, Indigenous Villages, Composite Indigenous Villages and Market Towns. Registered electors may log into the RRE Voter Registration Information Enquiry System through the RRE website (www.had.gov.hk/rre) for perusal of their own registration particulars. They may also call the RRE hotline at 2152 1521 during ordinary business hours for enquiries about the relevant information.

A full copy of the final register is placed at the office of the Electoral Registration Officer located at the Home Affairs Department (HAD), 30/F, Southorn Centre, 130 Hennessy Road, Wan Chai. Copies of the specific divisions of the final register for Rural Areas that belong to the Rural Committees concerned are placed at the offices of the Assistant Electoral Registration Officers in the respective New Territories District Offices (NTDOs), the office addresses of which are set out on the RRE website. Pursuant to section 30 of the Electoral Affairs Commission (Registration of Electors) (Rural Representative Election) Regulation (Cap. 541K), specified persons including members of the press (meaning persons who subscribe to the Government News and Media Information System maintained by the Director of Information Services), political parties (i.e. political bodies/organisations that meet the specified requirements under the Regulation), Heung Yee Kuk, respective Rural Committees for the relevant Rural Areas, indigenous inhabitants of the relevant Indigenous Villages or Composite Indigenous Villages, residents of the relevant Existing Villages or Market Towns as well as validly nominated candidates at a coming election can inspect the aforementioned final register of electors for purposes relating to the RRE, by making an appointment through the RRE hotline or the relevant NTDOs during ordinary business hours starting from today.

The ordinary business hours of the HAD and NTDOs in respect of the above matter are from 9am to 1pm and from 2pm to 6pm, Monday to Friday (except Saturdays and general holidays).

Statistical information about the final register is available on the RRE website.

For enquiries, please visit the RRE website or call the RRE hotline.

United Christian Hospital appeals to public for missing patient

The following is issued on behalf of the Hospital Authority:

The spokesperson for the United Christian Hospital (UCH) made the following appeal today (October 18) regarding an inpatient leaving the hospital without notifying hospital staff:

A 49-year-old male patient left the Orthopaedic and Traumatology ward without notification at around 7pm yesterday (October 17).

Security guards were deployed to search for the patient within the hospital compound and in the vicinity. The hospital also made a report to the Police for assistance. The patient is yet to be located.

The patient is about 1.7 meters tall, short black hair and of medium body build. According to closed-circuit television footage, the patient was wearing patient clothes and white pants with intravenous catheter on the left hand when he left the hospital.

The hospital is very concerned about the incident and will fully co-operate with the Police in order to locate the patient. The hospital appeals to the public to contact the hospital at 3949 4002 or the Police if they know the whereabouts of the patient.

UCH has reported the case to the Hospital Authority Head Office via the Advanced Incident Reporting System.

HKETO Jakarta promotes latest initiatives of Policy Address in Indonesia (with photos)

The Hong Kong Economic and Trade Office in Jakarta (HKETO Jakarta) supported the inaugural Hong Kong – Indonesia Digital Summit held in Jakarta, Indonesia, today (October 17). The Summit was jointly organised by the Indonesia Hong Kong Business Association and the Indonesia Chamber of Commerce in Hong Kong.

The Director-General of the HKETO Jakarta, Miss Libera Cheng, shared with Summit participants during the gala dinner the latest initiatives related to the development of new quality productive forces and the promotion

of Hong Kong's digital economy as announced in "The Chief Executive's 2024 Policy Address" delivered by the Chief Executive yesterday (October 16), with a view to publicising the city's latest developments and opportunities.

Addressing the event, Miss Cheng stressed that the Hong Kong Special Administrative Region (HKSAR) Government is committed to developing Hong Kong into an international innovation and technology (I&T) centre by promoting the upgrading and transformation of traditional industries while diligently nurturing emerging ones. The measures include increasing investment and guiding market capital to invest in I&T industries, while an HK\$10 billion I&T Industry-Oriented Fund will be set up to guide more market capital to invest in specified emerging and future industries of strategic importance, including life and health technology and artificial intelligence.

She added, "The HKSAR Government will press ahead with the development of a digital economy. We will also expedite the integrated development of the digital economy and the real economy, which includes accelerating the digital transformation of industries, strengthening digital infrastructure, and exploring development of a data trading ecosystem.

"In the digital world, data is king. Under the 'one country, two systems' framework, Hong Kong enjoys unique advantages in cross-boundary data flow. The HKSAR Government is exploring on a pilot basis facilitation arrangements for cross boundary data flow within the Guangdong Hong Kong Macao Greater Bay Area. Such co-operation would bring enormous opportunities for research and development work."

The gala dinner was attended by over 150 participants including senior representatives from government and business circles, as well as I&T companies.

