

LCQ18: Measures to improve the operation of the financial sector

Following is a question by the Hon Robert Lee and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (July 3):

Question:

Some members of the sector are of the view that there is room for further improvement in both the implementation details and regulatory requirements of the financial measures recently introduced by the Government. In this connection, will the Government inform this Council:

(1) in respect of the new Capital Investment Entrant Scheme, whether Invest Hong Kong will consider increasing the flexibility of the relevant asset test by, for example, (i) accepting that the applicant's net worth of \$30 million in assets are held in the form of a company or otherwise, and (ii) not strictly requiring the applicant's daily net asset balance to be \$30 million, and instead allowing the applicant to provide a monthly statement showing a month-end balance equivalent to the net asset value as proof;

(2) in respect of the Cross-boundary Wealth Management Connect Scheme 2.0, whether the relevant regulatory bodies will further discuss with the relevant Mainland regulatory authorities the lowering of the entry thresholds for eligible Hong Kong brokerage firms (e.g. the requirement of a transaction volume of not less than \$500 million within a specified period of time); and

(3) in respect of virtual asset-related measures, whether the relevant regulatory bodies will expedite the vetting and approval of the upgrading of the relevant licences, and suitably relax the requirements for the distribution of virtual assets by intermediaries (e.g. the requirements to provide warning statements to clients in relation to the relevant products and to conduct a virtual asset knowledge test on clients)?

Reply:

President,

In consultation with Invest Hong Kong (InvestHK), the Immigration Department (ImmD), the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC), the consolidated reply to the various parts of the question is as follows:

(1) The New Capital Investment Entrant Scheme (New CIES) has been launched for application from March 1 this year with a view to further enriching the talent pool and attracting more new capital to Hong Kong. Since the launch of the New CIES up to June 21, InvestHK received over 300 applications, and

approved the Net Asset Assessment for over 160 applications and the Assessment for Investment Requirements for three applications. Meanwhile, ImmD also granted "approval-in-principle" for 80 applications, enabling the applicants to enter Hong Kong as visitors to make the committed investment, and granted "formal approval" for one application.

According to the Rules for the New CIES, an applicant should demonstrate to the satisfaction of the Director-General of Investment Promotion that he/she has net assets or net equity to which he/she is absolutely beneficially entitled with a market value of not less than HK\$30 million net (or equivalent in foreign currencies) throughout the two years preceding the date on which he/she lodges his/her application for Net Asset Assessment under the New CIES. To facilitate applicants' understanding of the application details, InvestHK has published on the New CIES website a reference guide for completing the net assets statement. Supporting documents that will be accepted include monthly statements and letters issued by banks or securities companies to demonstrate an applicant's fulfillment of the above-mentioned requirement. In addition, the Hong Kong Institute of Certified Public Accountants has issued a circular on reporting relating to the net asset requirement and investment requirements of the New CIES, with details uploaded to the New CIES website for applicants' and service providers' reference.

The requirement for an applicant to demonstrate that he/she has net assets to which he/she is absolutely beneficially entitled with a market value of not less than HK\$30 million net mainly seeks to clearly demonstrate his/her ability to meet the investment requirements under the New CIES. Since the launch of the New CIES, InvestHK also considers accepting proof of net assets owned by an applicant through wholly-owned private companies, subject to the circumstances of individual cases. If an applicant holds assets through other non-wholly-owned entities, his/her share of absolutely beneficial entitlement cannot be clearly determined. The New CIES therefore presently does not accept information on assets owned through non-wholly-owned companies or other means as the proof of net assets under the Net Asset Assessment stage. We will continue to listen to the views of the industry and examine relevant arrangements as appropriate, thereby enabling asset owners to deploy and manage their wealth and fully realise the diversified investment opportunities in Hong Kong.

(2) Cross-boundary Wealth Management Connect (WMC) in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) has seen continuous and steady development since its launch in September 2021. "WMC 2.0" commenced operation on February 26, 2024, with enhancement measures including increasing the individual investor quota from RMB1 million to RMB3 million, lowering the threshold for participating in the Southbound Scheme to support more GBA residents to join the scheme, expanding the scope of participating institutions to include eligible securities firms, expanding the scope of eligible investment products, and further enhancing the promotion and sales arrangements.

The SFC and the China Securities Regulatory Commission are working together to facilitate eligible and interested brokers in the Mainland and

Hong Kong to commence their WMC services as soon as practicable. Licensed corporations (LCs) should be licensed for Type 1 regulated activity; have paid-up capital and shareholders' funds of not less than HK\$100 million; have at least three years of experience in distributing funds and/or bonds and transaction volume of not less than HK\$500 million during any 12-month period in the past three years; and adequate systems of control. In addition, similar to the current arrangement applicable to banks, LCs should partner with one or more eligible Mainland brokers when providing WMC services.

As an innovative financial co-operation measure in the GBA involving three different regulatory systems, WMC has been implemented under a pilot approach in a gradual and incremental manner. We will continue to closely communicate with the industry and Mainland authorities, keep abreast of market developments and monitor the implementation of "WMC 2.0", with a view to jointly fostering the smooth implementation of WMC and continuously exploring further enhancement measures.

(3) To effectively supervise Hong Kong's virtual asset (VA) industry and facilitate its sustainable development, the SFC and the HKMA issued the "Joint circular on intermediaries' virtual asset-related activities" (Joint Circular) in January 2022, and updated the Joint Circular in October and December 2023 respectively to refine the requirements applicable to SFC-regulated intermediaries involved in the distribution of VA-related investment products.

According to the requirements, LCs intending to engage in any VA-related activities shall notify the SFC in advance, while registered institutions shall notify both the SFC and the HKMA. Generally, after notifying the relevant regulatory authority, intermediaries that are licensed or registered for relevant regulated activity can distribute VA-related products and do not need to apply for modification of licensing conditions.

The purpose of the investor protection measures set out in the Joint Circular (e.g. conducting VA knowledge tests on customers, and providing information and warnings on products to customers) is to enhance investor protection by ensuring that customers make informed investment decisions upon fully understanding the characteristics and risks of the products. For VA funds authorised by the SFC for listing and trading on the Stock Exchange of Hong Kong where intermediaries do not engage in solicitation or recommendation activities, intermediaries are not required to follow the suitability requirement or the requirements on the provision of minimum information and warning statements. Sophisticated investors (including institutional professional investors and qualified corporate professional investors) are exempted from certain investor protection measures.

The HKMA and the SFC will keep in view market developments, and review the requirements on VA-related activities as appropriate.

LCQ11: Enhancing the facilities of the Pak Shek Kok waterfront

Following is a question by the Hon Dominic Lee and a written reply by the Secretary for Culture, Sports and Tourism, Mr Kevin Yeung, in the Legislative Council today (July 3):

Question:

It is learnt that Tolo Harbour is one of the local hotspots for water sports, which is particularly vibrant on Saturdays, Sundays and public holidays. On the other hand, while many water sports participants embark and disembark at the public landing steps at the Pak Shek Kok promenade, the promenade lacks relevant ancillary facilities. Regarding enhancing the facilities of the Pak Shek Kok waterfront, will the Government inform this Council:

(1) whether it has plans to add shower facilities and lockers at the Pak Shek Kok promenade in the near future, so as to facilitate the public to engage in water sports activities in the vicinity; if so, of the details; if not, the reasons for that;

(2) whether it has long-term plans to establish a water sports centre in Pak Shek Kok to provide water sports facilities for the public; if so, of the details; if not, the reasons for that;

(3) whether it will arrange water sports training courses or hold water sports competitions at Tolo Harbour near the Pak Shek Kok waterfront to enhance the appeal of Tolo Harbour as a regional water sports hub; if so, of the details; if not, the reasons for that;

(4) whether it will introduce innovation and technology and water sports elements at the Pak Shek Kok promenade, such as adding a smart park and smart fitness equipment next to the promenade; if so, of the details; if not, the reasons for that; and

(5) whether it will increase the number and types of shops and restaurants at the Pak Shek Kok promenade, and allow food trucks to operate at the promenade on Saturdays, Sundays and public holidays; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Food and Environmental Hygiene Department (FEHD), my reply to the questions raised by the Hon Dominic Lee is as follows:

(1) Pak Shek Kok Promenade (the Promenade), managed by the Leisure and Cultural Services Department (LCSD), has been opened for use since February 2008. Connecting Sha Tin District and Tai Po District along the waterfront, the Promenade is about two kilometres long with facilities such as harbours and benches provided for public enjoyment. It also serves as an "Inclusive Park for Pets", allowing members of the public to have fun with their pets.

At present, citizens usually engage in leisure activities such as jogging and strolling along the Promenade, as well as cycling on the adjacent cycling track. Regarding the suggestion of adding shower facilities and storage lockers at the Promenade, the LCSD will take into consideration the public's views and actual needs, as well as conduct on-site inspection with relevant departments in due course to explore the feasibility of installing such facilities.

(2) and (3) At present, the LCSD manages five water sports centres on the Hong Kong Island and in the New Territories, namely St. Stephen's Beach Water Sports Centre and Stanley Main Beach Water Sports Centre in Southern District, Chong Hing Water Sports Centre in Sai Kung District as well as the Jockey Club Wong Shek Water Sports Centre and Tai Mei Tuk Water Sports Centre in Tai Po District. These water sports centres provide the public with year-round water sports training courses, fun day programmes and competitions in sailing, windsurfing and canoeing, as well as craft rental services. A total of over 5 000 activities are provided for public participation every year.

In order to further promote the development of water sports and meet the public's demand for water sports, the LCSD is planning two water sports centres in Tseung Kwan O Area 77 and within the White Head Sports Park in Ma On Shan respectively. These projects have been included in the "10-Year Development Blueprint for Sports and Recreation Facilities" announced in the 2022 Policy Address. Among them, the water sports centre within the White Head Sports Park in Ma On Shan and the existing Tai Mei Tuk Water Sports Centre are located in the waters of Tolo Harbour.

(4) The Government has been committed to introducing innovation and technology elements into various facilities. The Chief Executive mentioned in the 2023 Policy Address that the Government would introduce smart fitness equipment at four outdoor recreation venues of LCSD in 2024. The LCSD is currently implementing a pilot scheme which allows users to store and access personal exercise data and health information after using the smart fitness equipment. This helps users better manage their personal health, monitor their fitness and increase the fun of exercising with a view to encouraging members of the public to exercise regularly. The current trial locations include Victoria Park in Wan Chai District, Hoi Fai Road Promenade in Yau Tsim Mong District, Kowloon Tsai Park in Kowloon City District and Hoi Chu Road Playground in Tuen Mun District. The LCSD will continue to assess and review the effectiveness of the pilot scheme and consider extending its implementation to other venues.

The Pak Shek Kok Public Toilet (located near the roundabout of Fo Yin Road) managed by the FEHD is the first themed smart public toilet in Hong

Kong, providing an array of people-oriented smart features and innovative technological designs, including real-time remote monitoring of the public toilet conditions, the use of Air Improvement Photovoltaic glass panels to provide partial power supply for the public toilet and the provision of mobile phone charging stations. The design and installations of the public toilet are bicycle-themed, thereby complementing the neighbouring cycling track.

(5) The LCSD has set up a fast food and light refreshment kiosk at the Promenade which provides catering services for members of the public by a contractor. In addition, there are various restaurants and shops in the adjacent Science Park and shopping malls of the nearby residential estates. Therefore, the LCSD has no plan to provide additional catering facilities or introduce food trucks at the Promenade at present. That said, the LCSD will continue to closely monitor the situation, take into account the public's views and conduct on-site inspections with relevant departments as necessary to explore the addition of suitable catering facilities.

LCQ8: HKIA Dongguan Logistics Park

Following is a question by the Hon Sunny Tan and a written reply by the Acting Secretary for Transport and Logistics, Mr Liu Chun-san, in the Legislative Council today (July 3):

Question:

In the 2024-2025 Budget, the Government has stated that the Airport Authority Hong Kong is taking forward the development of a sea-air intermodal cargo transshipment mode in collaboration with Dongguan, and will actively expand air cargo services, including the handling of cold chain cargo at the "HKIA Dongguan Logistics Park" (Logistics Park). In this connection, will the Government inform this Council:

(1) of the number of airlines and freight forwarders participating in the Logistics Park pilot scheme since its launch in April last year, and the freight volume and total value of goods handled by the Logistics Park so far;

(2) whether it will seek to expand the Logistics Park, both in scale and size, for the additional provision of better and more diversified logistics facilities and strengthening its logistics support services, including logistics facilities related to cold chain goods, temperature-controlled, high-value goods and goods with relatively short life cycles, and assist the admission of more Hong Kong enterprises into the Logistics Park, so as to further strengthen Hong Kong's positioning and competitiveness as a maritime hub in the Guangdong-Hong Kong-Macao Greater Bay Area; and

(3) of the future plans and measures to proactively encourage different industries to actively dovetail with and seize the opportunities of the Logistics Park, including the use of relevant logistics facilities to develop cross-border e-commerce and import and export businesses?

Reply:

President,

Hong Kong is an international aviation hub. With regard to air cargo, Hong Kong International Airport (HKIA) is the world's busiest cargo airport. The Government and the Airport Authority Hong Kong (AAHK) have been adopting various measures to consolidate Hong Kong's leading position in respect of air cargo.

In this regard, to fully capitalise on HKIA's advantages in handling high-value, temperature-controlled air cargo and to seize the opportunities brought by cross-border e-commerce, the AAHK is taking forward the sea-air intermodal cargo transshipment mode in collaboration with Dongguan. Under this mode, export cargo from the Mainland can go through security screening, palletisation and cargo acceptance in advance in the upstream logistics park set up in Dongguan. It will then be transported seamlessly by sea to the cargo pier on the airside of HKIA for direct transshipment to overseas destinations through Hong Kong's international aviation network. International air cargo may also be imported into the Mainland through the reverse process. This mode will provide a more seamless and convenient international air network for the cargo in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), improve the efficiency of cross-border air cargo transshipment, and further leverage Hong Kong's function as an air cargo transshipment hub.

With regard to the question raised by the Hon Sunny Tan, my reply is as follows:

(1) The AAHK has launched a pilot scheme of the sea-air intermodal cargo transshipment mode by utilising the temporary facilities in Dongguan and HKIA since end 2021 and established the full set of export and import operation procedures in April and December 2023 respectively. Currently, a total of 17 airlines and about 100 freight forwarders are participating in the pilot scheme. Since April 2023, nearly 8 300 tonnes of cargo, with a value of more than \$5.8 billion, have been handled under the pilot scheme.

(2) and (3) The AAHK and the Dongguan Municipal Government signed a co-operation framework agreement in February 2023 to foster the further development of the sea-air intermodal cargo transshipment mode, including the development of the permanent facility of HKIA Logistics Park in Dongguan (now named as "HKIA Dongguan Logistics Park"). The AAHK plans to complete the first-phase construction of the permanent facility of the logistics park by the end of next year, gradually bringing its cargo handling capacity to one million tonnes per annum.

In order to maximise the benefits of the sea-air intermodal cargo transshipment mode, the AAHK is working with the Dongguan Municipal Government to explore the feasibility of handling different types of cargo in the logistics park, including the development of cold-chain cargo services. At the same time, the AAHK will continue to promote the sea-air intermodal cargo transshipment mode and adopt measures to encourage more airlines and freight forwarders to join. Depending on the progress of the first-phase construction of the logistics park, the AAHK will proceed with the further development of the whole project in an orderly manner, with a view to continuously enhancing the overall handling capacity and functions of the logistics park to meet the international cargo demand in the GBA and enhance Hong Kong's status as an international aviation hub.

Supply of one induction cooker model forbidden in HK (with photos)

The Electrical and Mechanical Services Department (EMSD) today (July 3) removed one induction cooker model from the record of listed models under the Energy Efficiency (Labelling of Products) Ordinance. Supply of this product model is no longer allowed in Hong Kong with immediate effect.

Details of the product are as follows:

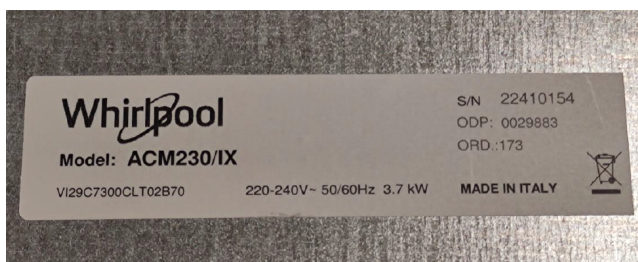
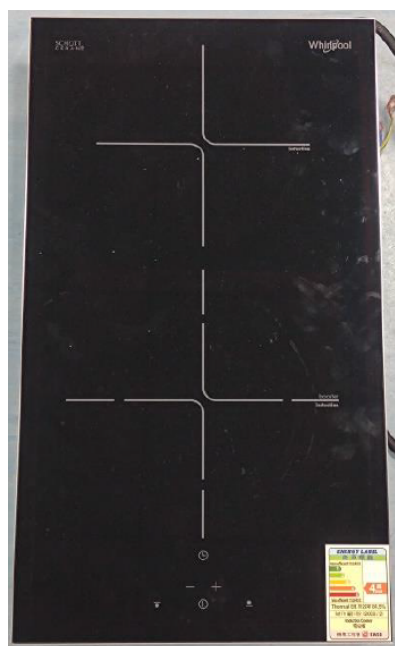
Induction cooker

Importer/ Hotline/ Email	Brand	Model	Reference number
Whirlpool (Hong Kong) Limited 3759 8155 cs@whirlpool.com.hk	Whirlpool	ACM230/IX	I200038

The EMSD administers the Mandatory Energy Efficiency Labelling Scheme in accordance with the Ordinance and selects samples of the listed models regularly for conducting compliance monitoring tests to check whether they conform with the energy efficiency and performance characteristics submitted to the EMSD. As the test result of the product concerned showed that it failed to reach the relevant energy efficiency and/or performance characteristics, the EMSD has decided to remove this product model from the record of listed models.

The EMSD has served a notice under the Ordinance to the importer concerned. The importer will publish a newspaper notice to announce the termination of supply of the product concerned.

Members of the public can contact the above importer for enquiries.



[LCQ12: Quota-free Scheme for Hong Kong Private Cars Travelling to Guangdong via Hong Kong-Zhuhai-Macao Bridge](#)

Following is a question by the Hon Edmund Wong and a written reply by the Acting Secretary for Transport and Logistics, Mr Liu Chun-san, in the Legislative Council today (July 3):

Question:

It has been reported that on the evening of the Tuen Ng Festival holiday on the 10th of last month, some members of the public who drove back to Hong Kong under the Quota-free Scheme for Hong Kong Private Cars Travelling to Guangdong via the Hong Kong-Zhuhai-Macao Bridge (the Scheme) had to spend at least about four hours on the road before they arrived at Hong Kong due to severe traffic congestion at the Hong Kong-Zhuhai-Macao Bridge (HZMB) Zhuhai Port. In this connection, will the Government inform this Council:

(1) of the five dates with the highest numbers of private vehicles arriving and departing via the HZMB Hong Kong Port on a single day since the implementation of the Scheme (set out by the respective numbers of outbound and inbound private vehicles);

(2) whether the authorities have reviewed with the Hong Kong-Zhuhai-Macao

Bridge Authority the situation on the 10th of last month with long queues of vehicles departing from the HZMB Zhuhai Port and returning to the Hong Kong Port; if so, of the contents of the review;

(3) given that at present, applicants are only required to reserve with the authorities the date and time of their vehicles' departure from Hong Kong under the Scheme, whether the authorities will consider further requiring applicants to register the date and time of their return trips to Hong Kong, so as to effectively control the maximum number of private vehicles using the HZMB ports for clearance at the same period of time; if so, of the details; if not, the reasons for that; and

(4) of the number of cases detected by the authorities since the beginning of this year involving private vehicles travelling to Zhuhai via HZMB outside the reserved/assigned specified date and time; the measures currently put in place by the authorities to prevent such acts, and whether relevant measures will be enhanced to eradicate such acts; if so, of the details?

Reply:

President,

"Northbound Travel for Hong Kong Vehicles" (the Scheme) allows eligible Hong Kong private cars to travel between Hong Kong and Guangdong via the Hong Kong-Zhuhai-Macao Bridge (HZMB) without the need to obtain regular quotas. It facilitates Hong Kong residents' self-driving to Guangdong for business, visiting families or sightseeing on a short-term basis, thereby further making good use of the HZMB and promoting the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Since the implementation of the Scheme in July 2023, the Scheme has been well received by Hong Kong citizens. At present, there are over 64 000 Hong Kong single-plate private cars with the valid permit to travel under the Scheme. The usage of the HZMB has also recorded new highs, among which vehicles under the Scheme account for about 40 per cent. The Hong Kong Special Administrative Region (HKSAR) Government has all along been monitoring and listening to the opinions from applicants and users about the Scheme while maintaining close communication with the relevant Mainland authorities to implement enhancement measures in a timely manner, with a view to providing citizens with better convenience and travel experience.

Having consulted the Security Bureau and the Transport Department, our reply to Hon Wong's question is as follows:

(1) Since the implementation of the Scheme in July 2023, the top five record dates for outbound and inbound private cars using the HZMB Hong Kong Port in a single day are as follows:

	Date	Outbound Hong Kong Private Cars (number of trips)	Date	Inbound Hong Kong Private Cars (number of trips)
1.	March 29, 2024	9 617	April 1, 2024	10 288
2.	February 12, 2024	8 880	February 13, 2024	10 073
3.	June 8, 2024	8 856	June 10, 2024	9 867
4.	March 28, 2024	8 530	May 5, 2024	9 500
5.	December 23, 2023	8 170	February 14, 2024	8 506

(2) and (3) The HKSAR Government has been closely monitoring the operation of the HZMB, especially the clearance and traffic conditions at the HZMB ports during peak days and periods, and has been discussing with the relevant Mainland authorities on enhancing port clearance arrangements. For the HZMB Hong Kong Port, relevant departments have been taking various measures to enhance the clearance capacity, such as deploying manpower flexibly, optimising workflow and making use of innovative technology, etc., as well as operating additional private car clearance kiosks during peak periods to cater for the increasing vehicular flow; TD's mobile application "HKeMobility" has also added real-time traffic snapshots of the HZMB Hong Kong Port vehicle clearance plaza, allowing travellers to more easily obtain the port situation and hence travel flexibly.

For the HZMB Zhuhai Port, the HZMB Authority stated that since the implementation of the Scheme, relevant authorities have been striving to improve the efficiency through various aspects of work. Relevant authorities are enhancing the facilities and arrangements at the Zhuhai Port, including increasing the clearance lanes for private cars, enhancing the facility clearance efficiency, setting up information dissemination system on instant port clearance situation, stepping up publicity to guide travellers to avoid travelling during peak periods and arranging on-site dispersal, etc. The HKSAR Government will continue to maintain close liaison with the relevant Mainland authorities to closely monitor the operation of the HZMB, continue to study various enhancement measures including return trip booking matters, and implement the feasible measures as soon as possible, with a view to ensuring smooth traffic flow at the HZMB and better use of the HZMB.

(4) As stipulated in the terms and conditions of application for the Scheme, if any vehicles are found violating the travel arrangement (including travelling without a reservation or beyond the specified time), relevant government authorities of the two places may refuse to allow the relevant vehicles to travel to Guangdong via the HZMB, and may deprive them from making another reservation, or even revoke the relevant licences issued to them.

At present, the TD transmits the travel booking information under the Scheme to the law enforcement departments of the Hong Kong Port on a regular basis with a view to facilitating the daily work at the HZMB Hong Kong Port of the departments, and identifying eligible vehicles travelling to Guangdong

via the HZMB. The TD has also been maintaining close liaison with the Mainland authorities and conducting random checks on the vehicle crossing records of the Scheme from time to time to ensure that applicants comply with the terms and conditions of the Scheme. Since the travel booking system has been implemented for a short period of time and refined from time to time, the TD currently does not have more representative statistical data on non-compliant cases of travel bookings.