LCQ5: Functions of Radio Television Hong Kong and the Information Services Department

Following is a question by Dr the Hon Junius Ho and a reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (April 2):

Radio Television Hong Kong and the Information Services Department are government departments under the purview of the Commerce and Economic Development Bureau and the Home and Youth Affairs Bureau respectively. There are views that the aforesaid two departments, both being official media agencies, have overlapping functions. In this connection, will the Government inform this Council:

(1) of the specific functions and staff establishment of the two departments;

(2) whether it will, under the financial philosophy of keeping the expenditure within the limits of revenues while exploring new sources of income and managing costs, review how the structure of the two departments can be streamlined to reduce expenditure; and

(3) whether it has explored ways to further enhance the compatibility of the two departments and the feasibility of their merger; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Home and Youth Affairs Bureau and the Information Services Department (ISD), our consolidated reply to the question raised by Dr the Hon Junius Ho is as follows:

As a government department and the only public service broadcaster in Hong Kong, Radio Television Hong Kong (RTHK) firmly implements the public purposes and mission under the Charter of RTHK, including promoting understanding of "one country, two systems", proactively assisting in strengthening the dissemination of government information, engendering a sense of citizenship and national identity, and promoting sports and culture and social inclusion. RTHK currently operates five digital television channels and eight AM/FM radio channels. Unlike commercial broadcasters, programmes produced and broadcast by RTHK have to cater for the needs of the mass audience as well as the minority groups including ethnic minorities and the non-Chinese speaking group etc. In this connection, apart from disseminating government information, the radio and television programmes of RTHK also cover various aspects including news, public affairs, national education, sports, culture, lifestyle and education programmes etc.

As for the ISD, it is responsible for the Government's public relations, news dissemination, publicity and publication matters, and serves as a communication link between the Government and mass media including newspapers, television, radio, and magazines. The ISD also makes good use of the Internet, disseminating government information to the public directly by multi-media content so as to enhance the public's understanding of and support for the Government's work. In addition, the ISD also provides professional public relations advice to the Government and promotes government policies and services through different communication platforms and means (including RTHK), with a view to projecting an accurate image of Hong Kong within and outside the city while telling the good stories of Hong Kong.

In view of the above, although RTHK and the ISD are both government departments and both carry the responsibility of disseminating government information, RTHK, as the public service broadcaster; and the ISD, being responsible for the Government's public relations, perform different duties. There is no overlapping of their functions. As regards staff establishment, the establishment ceilings of RTHK and the ISD in 2024-25 are 762 and 451 posts respectively. Most of the civil service posts of RTHK belong to the Programme Officer grade while most of the civil service posts of the ISD belong to the Information Officer grade. The requirements for work nature, skills and experience of the two grades are different and hence merging the two departments with distinct functions may not be the most effective way to increase revenue and reduce expenditure in terms of overall operations. In addition, regardless of whether the merge would be implemented by having the Director of Information Services or the Director of Broadcasting to oversee both the ISD and RTHK, it would be difficult for the head of the merged department to manage the work of the two departments of which their missions, scopes of services and modes of operation are distinctly different. On the contrary, the merge may confuse the public with the role of RTHK as a public service broadcaster and the ISD in promoting the Government, which may be counterproductive to the Government's overall public relations works.

Notwithstanding the above, in response to the Productivity Enhancement Programme announced in the 2025-26 Budget, both RTHK and the ISD will comprehensively review their staffing and operation. In particular, RTHK will introduce appropriate measures including streamlining its structure and utilising technology for programme production etc to reduce manpower without affecting the quality of RTHK's programmes and services. At present, RTHK has been committed to deploying artificial intelligence (AI) in developing smart broadcasting. Last year, RTHK officially launched the AI Lab, streamlining production flow with AI technology, as well as adopting various AI-generated tools to enhance productivity. This will not only improve the quality of programmes but also result in a more cost-effective use of manpower. Besides, the ISD will continue to make effective use of existing platforms of the Government while keeping in view market developments and global trends to step up the Government's work in policy promotion and information dissemination. The ISD will also closely monitor the implementation of programmes under its purview and review their effectiveness regularly for the sake of more flexible and effective use of resources.

Despite the different roles of RTHK and the ISD, we agree that the two departments can co-operate with each other and leverage their strengths, to promote government's policies and disseminate government information more effectively. As such, both sides will continue to strengthen collaboration, for instance, the ISD is actively planning to work with RTHK on programme production under the theme of "Commemorating the 80th Anniversary of Victory in the War of Resistance" to promote patriotism through storytelling in a vivid manner. RTHK can leverage the ISD's strength in running a wide range of platforms and make use of those platforms to enhance the reach of its programmes, taking advantage of the synergy to tell good stories of the country and Hong Kong. Meanwhile, RTHK will continue to solidify its role as the public service broadcaster, including striving to strengthen its partnership with different broadcasters in the Mainland and other regions, continuing to produce different types of programmes on various themes in order to provide diversified radio and television programme choices for the public.

Update on postal services to Slovakia

Hongkong Post announced today (April 2) that, as advised by the postal administration of Slovakia, due to the impact of local control measures on an outbreak of foot-and-mouth disease, other than the areas with postcodes 93003, 93004, 93006 and 93007, mail delivery services to areas with postcode 90068 are also subject to delay.

Postal services to Botswana subject to delay

Hongkong Post announced today (April 2) that, as advised by the postal administration of Botswana, due to a cyber incident, mail delivery services to the country are subject to delay.

LCQ12: Promoting the setting up of family offices in Hong Kong

Following is a question by the Hon Jeffrey Lam and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (April 2):

Question:

The Government has proposed in the latest Budget that it will formulate proposals on the preferential tax regimes for funds, single family offices and carried interest, and develop a vibrant ecosystem for family offices. In this connection, will the Government inform this Council:

(1) given that the Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Bill 2022 was passed by this Council in 2023, which sought to provide profits tax concessions for family-owned investment holding vehicles managed by single family offices in Hong Kong, whether the authorities have assessed the adequacy of such tax concession measures and their effectiveness in encouraging family offices to establish a business presence in Hong Kong; if so, of the details; if not, the reasons for that;

(2) as it is learnt that a single family office is not required to apply for any licence under the Securities and Futures Ordinance (Cap. 571) if it does not carry on a business of regulated activity in Hong Kong, whether the Government has estimated the number of family offices in Hong Kong which have not applied for such licence; if so, of the details; if not, the reasons for that;

(3) of the progress and details of the Government's formulation of proposals on the preferential tax regimes for funds, single family offices and carried interest this year; and

(4) whether it will study encouraging more Mainland high-net-worth individuals to make cross-border investments through family offices set up in Hong Kong; if so, of the details; if not, the reasons for that?

Reply:

President,

Family office (FO) business is an important segment of the asset and wealth management sector. According to the Asset and Wealth Management Activities Survey 2023 published by the Securities and Futures Commission, the size of private banking and private wealth management business attributed to FOs and private trusts clients reached $1,452 billion as of end-2023, providing huge business opportunities for the asset and wealth management sector and other related professional services. In consultation with Invest Hong Kong (InvestHK), the reply to various parts of the question is as follows:

(1) and (3) The Legislative Council passed the Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Bill 2022 in May 2023, under which family-owned investment holding vehicles managed by single FOs in Hong Kong fulfilling the minimum asset threshold of HK$240 million and substantial activities requirement can enjoy profits tax exemption for qualifying transactions. The Government have maintained communication with the industry to evaluate the effectiveness of the tax concession regime, and announced in the 2025-26 Budget the proposals to further enhance the preferential tax regimes for funds, single FOs and carried interest, including expanding the scope of "fund" under the tax exemption regime, increasing the types of qualifying transactions eligible for tax concessions for funds and single FOs, enhancing the tax concession arrangement on the distribution of carried interest by private equity funds. The Government have completed the industry consultation on the enhancement measures on the preferential tax regimes. The Government are formulating the relevant enhancement measures with financial regulators based on the feedback received. The Government target to work out the details of the proposals by this year and submit the legislative proposals to the Legislative Council for consideration in 2026. If approved, the relevant measures will take effect from the year of assessment 2025/26.

(2) and (4) A single FO is not required to apply for a licence under the Securities and Futures Ordinance if it does not carry on a business of regulated activity in Hong Kong. According to the research findings of the consultant commissioned by InvestHK and publicised in March 2024, there were around 2 700 single FOs operating in Hong Kong as of end-2023, with over half of them set up by ultra-high-net-worth individuals having a wealth of US$50 million or above. Meanwhile, since its establishment in June 2021 up to end-February 2025, the dedicated FamilyOfficeHK team of InvestHK has assisted over 160 FOs to set up or expand their business in Hong Kong (including 135 FOs having set up or expanded their business in Hong Kong after the profits tax exemption regime for single FOs has taken effect), including 98 single FOs and 63 multi-FOs. Currently, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong as tabulated below by geographical region:

Region	FOs preparing or having decided to set up or expand business in Hong Kong
Mainland and Taiwan, China	82
Europe and Americas	34
Asia Pacific and Oceania	22
Middle East	9
Total	147

InvestHK will continue to conduct diversified investment promotion activities (e.g. roundtables, seminars, meetings with investors, media interviews and external visits) to proactively reach out and encourage more high-net-worth individuals (including high-net-worth individuals from the Mainland) to set up FOs in Hong Kong. Furthermore, investors from the Mainland currently can make investment in Hong Kong through various mutual access arrangements. The Government has been actively exploring opportunities to introduce further expansion initiatives, including enhancements to the Cross-boundary Wealth Management Connect has been further enhanced since February 2024 to increase individual investor quota, lower the threshold for participating in the Southbound Scheme, expand the scope of participating institutions, the scope of eligible investment products, and enhance the promotion and sales arrangements. The Government will continue to discuss with financial regulatory authorities in the Mainland on various cross-boundary remittance arrangements, including how to provide more facilitation arrangements while ensuring that the risks are manageable.

[LCQ2: Exploring economic, trade and investment opportunities in Latin America]

Following is a question by the Hon Martin Liao and a reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (April 2):

Question:

In November last year, the Hong Kong Government signed a Free Trade Agreement with the Latin American country Peru, and the Chancay Port in Peru, an important project under the Belt and Road Initiative jointly invested by the Chinese and Peruvian enterprises, has also been open for use. Regarding the exploration of economic, trade and investment opportunities between Hong Kong and Latin America, will the Government inform this Council:

(1) whether it will provide Hong Kong businessmen with the latest market information, technical support and consultation services etc, so as to assist them in expanding into the Latin American market; if so, of the details; if not, the reasons for that;

(2) how it will assist Hong Kong's professional services sectors in grasping the development opportunities of the emerging markets in Latin America; and

(3) whether it will step up efforts to attract enterprises from Latin

American countries to come to Hong Kong and make use of Hong Kong as the gateway to enter into the Guangdong-Hong Kong-Macao Greater Bay Area and even the entire market of China, so as to expand their businesses; if so, of the details; if not, the reasons for that?

Reply:

President,

In response to the question raised by the Hon Martin Liao, I provide below the consolidated reply.

The Hong Kong Special Administrative Region (HKSAR) Government has been actively expanding the economic and trade network, and exploring development opportunities in different markets, with particular emphasis on strengthening economic and trade ties with and market development in emerging markets and those of potential in recent years. In 2024, the total merchandise trade between Latin America and Hong Kong amounted to about HK$124.3 billion, representing an increase of 17 per cent when compared with 2023. On services trade, the total trade between the two places amounted to about HK$7.8 billion in 2023, representing an increase of about 24 per cent when compared with 2022. With the good foundation of economic and trade connection the HKSAR Government has built with the Latin America, we will continue to foster closer economic and trade ties with the Latin American region, opening up more trade and investment opportunities for Hong Kong businesses.

As part of our efforts in expanding the economic and trade network, the HKSAR Government strengthens economic co-operation with trading partners, assists Hong Kong enterprises in developing markets and securing better market access, and enhances protection of investors' overseas investments through forging free trade agreements (FTAs) and investment agreements. Hong Kong signed an FTA and an investment agreement with Chile in 2012 and 2016 respectively, an investment agreement with Mexico in 2020, and an FTA with Peru in 2024. In addition, Hong Kong is exploring with Peru the signing of an investment agreement, and is also proactively seeking to forge FTAs and investment agreements with more trading partners in the Latin American region, with a view to further promoting economic and trade relations between Hong Kong and our major trading partners in the Latin American region.

Hong Kong and Chile have updated their commitments on trade in services under the FTA in recent years. Chile has made commitments in over 50 new service sectors, encompassing priority service sectors in which Hong Kong has traditional strengths or has potential for priority development, such as professional and business services, technical testing and analysis services, convention services, distribution services etc. Relevant Hong Kong services as well as their providers, subject to specific exceptions or conditions, enjoy access to the Chilean market and treatment no less favourable than that for Chile's local service providers. The updated commitments, which entered into force in 2023, create more opportunities for relevant service providers and investors.

In addition, Hong Kong and Peru signed an FTA in November 2024. Under the FTA, Hong Kong service providers in over 150 services sectors, including professional services, can enjoy legal certainty of better market access and national treatment when operating in Peru. We have been actively conducting a series of publicity and promotional activities (including holding and participating in seminar, reception and exhibition; launching designated webpage; and issuing circulars and promotional leaflets) to introduce the content, benefits and implementation arrangements of the FTA, and encourage Hong Kong's businesses to grasp the opportunities brought by this FTA, as well as through Peru and our FTA and investment agreement partners including Peru, Chile and Mexico to expand their businesses in the Latin American markets. In the meantime, we have also conveyed the benefits brought by the FTA to Latin American companies by outreaching events to promote collaboration in trade and investment. For instance, Invest Hong Kong (InvestHK) and the Trade and Industry Department (TID) cohosted a reception for the Ibero-American community on March 13, 2025, promoting further collaboration through, among other initiatives, trade and investment agreements.

Besides, the TID has been closely monitoring the trade development in the Latin American region, issuing circulars regarding the latest policies and measures concerned of the economies there, as well as publishing factsheets on Hong Kong's commercial relationship with its major trading partners in that region for Hong Kong enterprises. The TID has also established hotline, email account and webpages to assist Hong Kong enterprises in obtaining and inquiring about the relevant information of trading partners in Latin America, including FTAs and investment agreements signed by Hong Kong, helping businesses understand and develop markets in the Latin American region.

Meanwhile, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in economies with which Hong Kong has signed FTAs and/or investment agreements. The geographical coverage of the BUD Fund covers 40 economies including Chile, Mexico and Peru to further support enterprises in exploring more diversified markets.

To assist Hong Kong enterprises in tapping the markets of Latin America, the Hong Kong Trade Development Council (HKTDC) has established consultant offices in Brazil's Sao Paulo, Chile's Santiago and Mexico's Mexico City, to support the HKTDC's local trade promotion activities and business matching services. The HKTDC will continue to leverage its consultant offices in Latin America to provide Hong Kong enterprises with information on the latest developments of Latin America and invite enterprises in Latin America to participate in Hong Kong's large-scale exhibitions and conferences, in order to reinforce Hong Kong's role as a two-way global investment and business hub.

As for InvestHK, through its teams based in Hong Kong, the Dedicated Teams for Attracting Businesses and Talents based in the Mainland Offices and the overseas Economic and Trade Offices of the HKSAR Government, as well as consultant offices in other locations (including those located in Latin America, namely, Mexico City, Mexico; Rio de Janeiro, Brazil; Santiago, Chile; and Lima, Peru), it has all along been reaching out to a wide spectrum of companies in different sectors and industries around the world to attract and assist them to set up or expand their businesses in Hong Kong, and offering one-stop customised support services from the planning to implementation stages.

InvestHK will continue to proactively provide overseas enterprises, including those from Latin America, with the latest information on Hong Kong's business environment and promote Hong Kong's distinctive advantages of enjoying strong support of the motherland and being closely connected to the world and other core strengths under "one country, two systems", as well as the immense opportunities brought by key national strategies including the Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative, with a view to attracting these enterprises to set up or expand their businesses in Hong Kong and leverage Hong Kong as a springboard to enter the Mainland market. For example, InvestHK plans to visit Medellín, Colombia; Lima, Peru; and Buenos Aires, Argentina in 2025, and co-organise investment promotion activities with local chambers of commerce to strengthen investment promotion work in Latin America.