

SFST's speech at ASIFMA China Capital Markets Conference (English only)

Following is the keynote speech by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, at the ASIFMA China Capital Markets Conference this morning (May 25):

Mark (Chief Executive Officer of Asia Securities Industry & Financial Markets Association (ASIFMA), Mr Mark Austen), distinguished guests, ladies and gentlemen,

Good morning. Welcome to the ASIFMA China Capital Markets Conference. Together with a great mix of key representatives from both the buy sides and sell sides, service providers, issuers, and treasurers across the globe, it is my pleasure to take part in this three-day virtual event with all of you. When talking about China capital markets, from Hong Kong as an international financial centre's perspective, two key themes immediately come to my mind: "connectivity" and "opportunities".

To begin with "connectivity", the first thing to mention is our unique and strategic positioning provided by "one country, two systems", as it gives us strength serving as both an international financial centre and a unique gateway between the Mainland and the rest of the world. Leveraging on our unrivalled advantages, a variety of mutual capital market access schemes and enhancements have been launched over the past years, and they have been operating smoothly and proven to be very successful.

Looking back to the year of 2021, we have expanded the product suite and channel of the Connect family, with the Southbound Trading of Bond Connect and the cross-boundary Wealth Management Connect delivered and implemented. The Southbound Trading of Bond Connect has recorded more than 150 completed transactions just on its first trading day, amounting to a total of around RMB4 billion. It has opened up another groundbreaking conduit for Mainland investors to access the international bond market via Hong Kong. In terms of Wealth Management Connect, as of March this year, more than 25 000 individual investors have already participated in the scheme and nearly 9 000 remittances had been processed, amounting to over RMB830 million.

In respect of the equity product scope, the eligible securities under the Stock Connect programmes have also been expanded to cover pre-revenue/pre-profit biotechnology companies listed in Hong Kong and companies listed on the Mainland's STAR Market (Shanghai Stock Exchange's Sci-Tech Innovation Board). At the end of March this year, 28 pre-revenue/pre-profit biotechnology companies and 43 Mainland STAR Market companies have been included through this channel, further widening the investment options available for participants in the Connect programmes for both Northbound and Southbound.

To further expand the channels for the two-way flow of cross-boundary RMB funds and develop our offshore RMB ecosystem, the working group formed by the SFC (Securities and Futures Commission), the HKEX (Hong Kong Exchanges and Clearing Limited) and the HKMA (Hong Kong Monetary Authority) has completed the feasibility study on allowing stocks traded via the Southbound Stock Connect to be denominated in RMB, and has put forward recommendations on detailed implementation. The working group is already discussing with regulatory authorities and relevant organisations in the Mainland, with a view to seeking early implementation of the initiative. Meanwhile, the Government is working on supporting measures such as waiving the stamp duty on stock transfers paid by market makers in their transactions, aiming at increasing the liquidity of RMB-denominated stocks.

With the continuous expansion of mutual capital market access, the demand for relevant risk management tools is on the rise, offering Hong Kong the opportunities to strengthen our role as a risk management centre. The MSCI China A50 Connect Index futures contract is launched last year on this consideration, to serve as a useful risk management tool for offshore investors participating in the A-share market. We are very happy to see that the average daily trading volume has reached over 24 000 contracts in March this year, making it a very successful derivative product in Hong Kong given it is still a relatively new product.

We will have another much-anticipated scheme to be launched next in the pipeline – the ETF Connect. The HKEX had reached an agreement with Shanghai, Shenzhen Stock Exchanges and China Securities Depository and Clearing Corporation on the inclusion arrangements for eligible ETFs. As a next step, the parties will work closely on the business and technical preparations, including amendments to relevant rules, with a view to facilitating actual implementation as soon as possible.

The connectivity with the Mainland offers a great example to remind ourselves of Hong Kong's unique value proposition. It also opens a door to enormous opportunities for our markets to shine, particularly through the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). As wealth in the region continues to accumulate resulting from impressive economic growth, Hong Kong's leading role in the GBA presents boundless promises to our financial services sector. We are working on a number of measures to facilitate Hong Kong to maximise those opportunities.

For individuals, our measures in facilitating the daily lives of people in the GBA will continue to expand. To name a few, we will facilitate bank account openings by Hong Kong residents in the GBA and the use of cross-boundary e-wallets by them on the Mainland and vice versa. We are also working with Mainland authorities to establish Hong Kong after-sales insurance service centres in the Greater Bay Area cities and implementing "unilateral recognition" for cross-boundary motor insurance.

Rest assured there will be opportunities for institutions too. We are committed to enhancing Hong Kong's attractiveness as a one-stop financial services platform by providing the necessary financial services to GBA

enterprises, tech companies in particular, in the areas of financing, listing, bond issuance, insurance services, and risk management, etc to nurture their growth as well as the expansion to international markets.

For Hong Kong's private equity funds, we are going to support their participation in financing GBA tech companies, and encourage the listing of eligible new-economy companies in Hong Kong for fundraising. Hong Kong institutional investors will be allowed to make use of the Qualified Foreign Limited Partnership (QFLP) programme more flexibly to participate in the markets of privately offered equity and venture funds in Qianhai of Shenzhen.

Fintech is another opportunity not to be ignored by our enterprises and tech companies. We are working on the establishment of a cross-boundary fintech supervisory sandbox for the pilot testing of various cross-boundary fintech applications. Moreover, the blockchain-powered eTradeConnect platform can further facilitate exchange of information on trade finance, and allow better business co-operation and integration within the GBA.

Traditional financing aside, we also see great opportunities from the development of green and sustainable finance, and through that, we can serve to support our country's 2030 and 2060 targets for peaking carbon emission and carbon neutrality. We are indeed well placed to take good advantage of the enormous opportunities presented by the GBA, particularly in terms of raising funds for green and sustainable projects.

We had an encouraging breakthrough in terms of servicing the green financing needs from the Mainland last year. The Shenzhen Municipal People's Government issued its first offshore Renminbi municipal government bonds, part of which were green bonds, in Hong Kong. It was the first time that a Mainland municipal government issued bonds outside the Mainland. To support this issuance, in respect of interest paid or profit received arising from this tranche of municipal government bonds, we will exempt the payment of profits tax.

Ladies and gentlemen, I understand that the pandemic may slightly detour us from our progress track, but with the full support from the Central Government and the co-operation of various sectors in our community, it will be transitory and we can see that the fifth wave of the epidemic is now under control. The Government will continue to steadfastly implement measures to further stabilise the epidemic situation and enable our society to return to normalcy in an orderly manner.

Looking ahead, with the "connectivity" and "opportunities" presented by our country's capital markets, the boundless promise brought by the GBA, and the robust financial system of Hong Kong, I am confident that our financial market will scale new heights with all of your efforts and contributions.

Finally, I hope my sharing today can set the stage for the audience to have a rewarding and fruitful conference ahead. I would also like to express my gratitude to ASIFMA for organising this event. May I wish you all the best of business, investment and health in 2022, and I hope that we will meet

again very soon, face to face. Thank you.

Government enforces “restriction-testing declaration” and compulsory testing notice in respect of specified “restricted area” in Block L, Sunshine City, Ma On Shan

The Government yesterday (May 24) exercised the power under the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Cap. 599J) to make a "restriction-testing declaration" effective from 6pm yesterday, under which people (hereafter referred to as "persons subject to compulsory testing") within the specified "restricted area" in Ma On Shan (i.e. Block L, Sunshine City, Ma On Shan, excluding levels below the podium) were required to stay in their premises and undergo compulsory testing. Persons subject to compulsory testing are required to stay in their premises until all such persons identified in the "restricted area" have undergone testing and the test results are mostly ascertained. All persons in the "restricted area" who have tested positive in the past 14 days, including positive cases identified either by nucleic acid tests recorded by the Department of Health (DH) or by rapid antigen tests that have been self-declared to the DH, were not required to undergo testing in this compulsory testing exercise. In addition, the Government issued a compulsory testing notice yesterday to any persons, other than those specified above, who had been present at the building for more than two hours from May 18 to May 24, 2022, to undergo compulsory testing on or before May 26, 2022, even if they were not present in the "restricted area" at the time when the declaration took effect.

The Government finished the compulsory testing exercise at around 8.15am today (May 25) and is now carrying out enforcement actions in the "restricted area" to verify that all people in the "restricted area" have undergone compulsory testing. The Government will further announce the revocation time of the declaration.

Starting from around 8.15am today, persons in the specified "restricted area" in Ma On Shan who have undergone testing and are able to present SMS notifications with negative test results as proof of having undergone testing may leave the "restricted area" through the designated exit after providing personal information to a prescribed officer.

The Government set up temporary specimen collection stations in the

"restricted area" yesterday and requested persons subject to compulsory testing to collect combined nasal and throat swab samples at the stations to undergo a COVID-19 virus test before 11.30pm yesterday. During the exercise, 607 people within the "restricted area" had undergone testing, among which three cases tested positive and two indeterminate cases were found. The Centre for Health Protection of the DH will arrange to follow up.

Moreover, the Government also assigned staff to visit 272 households in the "restricted area", among which 66 households did not answer the door. The Government will take measures to follow up.

The Government reiterates that enforcement actions will be taken seriously. Any person who fails to present an SMS notification with a test result as proof of having undergone testing breaches the compulsory testing notice and may be liable to a fine of \$10,000. The person will also be issued with a compulsory testing order, requiring him/her to undergo testing within a specified time frame. Failure to comply with the compulsory testing order or the "restriction-testing declaration" is an offence and the offender may be liable to a fine of level 5 (\$50,000) and imprisonment for six months.

Government enforces "restriction-testing declaration" and compulsory testing notice in respect of specified "restricted area" in Oi Chiu House, Tin Oi Court, Tin Shui Wai

The Government yesterday (May 24) exercised the power under the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Cap. 599J) to make a "restriction-testing declaration" effective from 5pm yesterday, under which people (hereafter referred to as "persons subject to compulsory testing") within the specified "restricted area" in Tin Shui Wai (i.e. Oi Chiu House, Tin Oi Court, Tin Shui Wai, excluding Tin Oi Court Management Office on G/F) were required to stay in their premises and undergo compulsory testing. Persons subject to compulsory testing are required to stay in their premises until all such persons identified in the "restricted area" have undergone testing and the test results are mostly ascertained.

In addition, the Government issued a compulsory testing notice yesterday to any person who had been present at the above building for more than two hours from May 18 to May 24, 2022 to undergo compulsory testing on or before May 26, 2022 even if they were not present in the "restricted area" at the

time when the declaration took effect. The Government finished the compulsory testing exercise at around 7.30am today (May 25) and is now carrying out enforcement actions in the "restricted area" to verify that all people in the "restricted area" have undergone compulsory testing. The Government will further announce the revocation time of the declaration.

Starting from around 7.30am today, persons in the specified "restricted area" in Tin Shui Wai who have undergone testing and are able to present SMS notifications with negative test results or wear wristbands as proof of having undergone testing may leave the "restricted area" through the designated exit after providing personal information to a prescribed officer.

The Government set up temporary specimen collection stations in the "restricted area" yesterday and requested persons subject to compulsory testing to collect combined nasal and throat swab samples at the stations to undergo a COVID-19 virus test before 11.30pm yesterday. 1 438 people within the area had undergone testing, among which no case tested positive while two cases tested indeterminate. The Centre for Health Protection of the Department of Health will arrange to follow up.

Moreover, the Government also assigned staff to visit 608 households within the "restricted area", among which 68 households did not answer the door. The Government will take measures to follow up.

The Government reiterates that enforcement actions will be taken seriously. Any person who fails to present an SMS notification with a test result or wear a wristband as proof of having undergone testing breaches the compulsory testing notice and may be liable to a fine of \$10,000. The person will also be issued with a compulsory testing order, requiring him/her to undergo testing within a specified time frame. Failure to comply with the compulsory testing order or the "restriction-testing declaration" is an offence and the offender may be liable to a fine of level 5 (\$50,000) and imprisonment for six months.

[HAD appeals to property management sector to promptly apply for Anti-epidemic Support Scheme for Environmental Hygiene and Security Staff in Property Management Sector](#)

under Anti-epidemic Fund (with photo)

The Home Affairs Department (HAD) jointly organised again a briefing session via video conferencing with the Property Management Services Authority (PMSA) for over 300 participants, including representatives of the offices of Legislative Council members, the property management (PM) sector, owners' corporations/organisations (OCs/OOs), and owners/tenants of premises within eligible building blocks on May 24. The HAD briefed them about the enhancement measures and the "Verification Form" of the Anti-epidemic Support Scheme for Environmental Hygiene and Security Staff in the Property Management Sector (ASPM) under the Anti-epidemic Fund (AEF), as well as appealed to the PM companies, Deed of Mutual Covenant Managers and OCs/OOs (hereinafter referred to as "eligible applicant organisations") again to actively support the ASPM and submit applications as soon as possible.

On February 28, the HAD launched the ASPM under the sixth round of the AEF, with the aim to provide each frontline PM worker performing duties relating to environmental hygiene or security in private residential, composite (i.e. commercial cum residential), industrial and commercial (including shopping malls) building blocks (hereinafter referred to as "eligible building blocks") a monthly allowance of \$2,000 for five months (February to June 2022). The HAD announced the enhancement measures of the ASPM on April 29, including: increasing the total quota of each eligible building block to not exceeding 200 (of which, 100 newly added quotas are for frontline cleansing and security staff engaged by premises within each eligible building block, as well as part-time/leave relief frontline cleansing/security workers of service contractors/subcontractors); as well as providing a maximum of \$500 administrative fee to eligible applicant organisations for each frontline PM worker for whom they have successfully applied. The application period was also extended to May 31.

The HAD expressed that a series of publicity work and appeals had been made since the launch of the enhancement measures, such that the PM sector could get to know those measures the soonest and submit applications. These included the issuance of a press release and social media post immediately on the date of announcement (April 29), and letters to various trade associations in the PM sector to make a strong appeal to the PM companies to submit applications for eligible frontline PM workers. The PMSA also notified eligible applicant organisations on the same day via email, as well as putting up advertisements on radio and newspapers, issuing press releases/blogs/social media posts etc. from time to time, in order to promote the enhancement measures under the ASPM. The HAD also jointly organised a briefing session via video conferencing with the PMSA on May 6 to explain the enhancement measures of the ASPM. To facilitate eligible applicant organisations in applying for the allowance under the ASPM for the frontline PM workers engaged by premises located therein, the HAD and the PMSA uploaded a "Verification Form" onto the PMSA's website on May 11. The PMSA also sent the "Verification Form" to eligible applicant organisations via email on May 18.

The HAD thanks the PM sector for actively responding and supporting the enhancement measures under the ASPM. As at May 24, the PMSA has received nearly 17 000 applications, which will benefit over 180 000 frontline PM workers, and over 2 500 applications have been approved, involving over \$530 million, benefiting over 5 900 buildings.

With one week before the end of application period of the ASPM, the HAD and the PMSA jointly organised an online briefing session again on May 24 to remind the trade the details of the aforementioned enhancement measures, application method, coverage of the "Verification Form", and relevant services provided by the PMSA, including handling requests for assistance and related referral cases. For instance, if an individual eligible applicant organisation refuses to apply for frontline PM workers engaged by premises, the PMSA will proactively intervene to mediate. The PMSA also shared successful intervention cases, which benefited more PM workers.

The HAD and the PMSA thanked over 300 PM sector representatives for joining the briefing session, and appealed strongly again to eligible applicant organisations to make good use of the last week before application closes, uphold corporate social responsibility and civic responsibility, following an inclusive and fair principle, and submit applications for all frontline PM workers serving eligible building blocks (including premises therein) to the PMSA promptly, so as to give recognition to their committed efforts during the pandemic.

For details on the ASPM, please contact the PMSA at 3696 1156 or 3696 1166, or visit the ASPM thematic website (aspm.pmsa.org.hk).



[Government gazettes compulsory testing notice](#)

The Government exercises the power under the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Cap. 599J) and

publishes in the Gazette a compulsory testing notice, which requires any person who had been present at 42 specified places during the specified period (persons subject to compulsory testing) to undergo a COVID-19 nucleic acid test.

In view of a number of cases testing positive, 42 specified places are included in the compulsory testing notice. The Government strongly reminds members of the public to strictly follow the compulsory testing requirements and undergo testing on time as required. Mobile specimen collection stations have been set up by the Government in different districts to facilitate testing to be conducted in compliance with the compulsory testing notice. The above compulsory testing requirement applies to those who have completed a COVID-19 vaccination course as well.

Persons who have tested positive in the past three months (including positive cases tested either by nucleic acid tests recorded by the Department of Health (DH) or by rapid antigen tests (RATs) that have been self-declared to the DH) do not need to undergo compulsory testing. For those who are subject to compulsory testing (save for those who have declared their positive RAT results as mentioned above), they must undergo nucleic acid tests in accordance with relevant compulsory testing notices and cannot use RATs to fulfil the requirement of such notices. In other words, a negative RAT result cannot be deemed as fulfilling the compulsory testing requirement. Furthermore, unless a person subject to compulsory testing has obtained a medical certificate proving that he or she is unfit to undergo testing using a sample taken through combined nasal and throat swabs because of health reasons, the person cannot provide a deep throat saliva sample to fulfil the compulsory testing requirement.

Details of the compulsory testing notice are available on the Centre for Health Protection (CHP)'s website via the following link: www.chp.gov.hk/files/pdf/ctn_20220524.pdf.

If any persons test positive under compulsory testing, such positive cases will be handled in the same manner as in those identified through other nucleic acid tests or self-declared through RATs. Their isolation arrangements (as well as the quarantine arrangements of their household members) are no different from other positive cases.

Persons subject to compulsory testing in accordance with a compulsory testing notice must go to any of the mobile specimen collection stations, community testing centres (CTCs) or recognised local medical testing institutions to undergo professional swab sampling in fulfilling the requirements for compulsory testing. Young children may continue to undergo the test using a stool specimen. For details on obtaining stool specimen bottles, please refer to the COVID-19 thematic website: www.coronavirus.gov.hk/pdf/Stool_bottle_collection_points.pdf.

If Tropical Cyclone Warning Signal No. 3 or above, the Red or Black Rainstorm Warning Signal or the post-super typhoon "extreme conditions" announcement by the Government is in force at any time during the period for undergoing the compulsory testing, the period for undergoing the compulsory

testing will be extended for one day.

The Comirnaty and CoronaVac vaccines are highly effective in preventing severe cases and deaths from COVID-19. They can provide protection to those vaccinated to prevent serious complications and even death after infection. The Government appeals to persons who are not yet vaccinated to get vaccinated without delay. The Government is working towards the goal of boosting the vaccination rates of children, teenagers and the elderly so that they can be protected by the vaccines as early as possible. Furthermore, the Scientific Committee on Vaccine Preventable Diseases and the Scientific Committee on Emerging and Zoonotic Diseases under the CHP of the DH has earlier updated the consensus interim recommendations, and persons aged 60 or above who have taken three doses of vaccine are recommended to receive an additional dose (i.e. fourth dose) of either Comirnaty vaccine or CoronaVac vaccine at least three months after their last dose. Members of the public who are eligible should get the fourth dose as early as possible for better protection.

CTCs provide testing services for the public. Booking and walk-in services are available. Members of the public only need to provide simple personal information on the 24-hour booking system (www.communitytest.gov.hk/en). The system shows the booking status of the centres for the coming two weeks to facilitate the public's planning and selection of a suitable testing centre and a time slot for testing. The testing centres will accord priority to serve individuals with advance bookings. As of 6pm today (May 24), there was around 97 per cent availability for booking places for the coming two weeks. Members of the public may call the testing centres for enquiries on the availability of bookings or walk-in quotas before visiting the centres.

The service period of the mobile specimen collection station at Wah Kwai Estate in Pok Fu Lam will be extended to May 26 (Thursday). Separately, ticketing machines have been installed in a number of service points for on-site ticket arrangement. Members of the public who have obtained a ticket can visit the CTC website (www.communitytest.gov.hk/en) to check the real-time queueing ticket status. Booking service is also provided for some large-scale mobile specimen collection stations, and members of the public may use the 24-hour booking system (www.communitytest.gov.hk/en) to reserve a suitable time slot for testing.

Other than persons subject to compulsory testing, all members of the public may conduct free testing at CTCs or mobile specimen collection stations (if the service scope is applicable). The opening dates and operating hours of the mobile specimen collection stations are stated in the Annex.

Outdoor mobile specimen collection stations will be closed if the Strong Wind Signal No. 3 or Red Rainstorm Warning Signal has been issued, while all mobile specimen collection stations together with all CTCs will be closed when Tropical Cyclone Warning Signal No. 8 or above or the Black Rainstorm Warning Signal is in force.

Persons subject to compulsory testing may choose to undergo testing via

the following routes:

(a) For tests which require using a sample taken through combined nasal and throat swabs

1. To visit any of the mobile specimen collection stations (see the list and target groups (if applicable)

at www.coronavirus.gov.hk/eng/early-testing.html) for testing;

2. To attend any of the CTCs (see the list at www.communitytest.gov.hk/en);

3. To self-arrange testing provided by private laboratories which are recognised by the DH and can issue SMS notifications in respect of test results (see the list

at www.coronavirus.gov.hk/pdf/List_of_recognised_laboratories_RTPCR.pdf), and the relevant sample must be taken through combined nasal and throat swabs; or

4. To use a specimen bottle distributed to the relevant specified premises by the CHP (if applicable), and return the specimen bottle with the stool sample collected as per relevant guidelines.

(b) For persons holding a medical certificate issued by a registered medical practitioner proving that they are unfit to undergo testing using a sample taken through combined nasal and throat swabs because of health reasons

1. To obtain a deep throat saliva specimen collection pack from post offices, vending machines set up at MTR stations or designated general out-patient clinics (GOPCs) of the Hospital Authority and return the specimen to one of the designated specimen collection points (see the distribution points and times, and the specimen collection points and times,

at www.coronavirus.gov.hk/eng/early-testing.html);

2. To undergo testing at any of the GOPCs of the Hospital Authority as instructed by a medical professional of the Hospital Authority; or

3. To self-arrange testing provided by private laboratories which are recognised by the DH and can issue SMS notifications in respect of test results.

A spokesman for the Food and Health Bureau cautioned that testing received at the Accident and Emergency Departments of the Hospital Authority, or testing provided by private laboratories which cannot issue SMS notifications in respect of test results, does not comply with the requirements of the aforementioned compulsory testing notice.

"If persons subject to compulsory testing have symptoms, they should seek medical attention immediately and undergo testing as instructed by a medical professional. They should not attend the mobile specimen collection stations or the CTCs."

Persons subject to compulsory testing must keep the SMS notifications containing the result of the test and the relevant medical certificate (if applicable) for checking by a law enforcement officer when the officer requires the persons to provide information about their undergoing the specified test.

Any enquiries on compulsory testing arrangements may be addressed to the hotline at 6275 6901, which operates daily from 9am to 6pm.

The Government will continue to trace possibly infected persons who had been to relevant premises, and seriously verify whether they had complied with the testing notices. Any person who fails to comply with the testing notices commits an offence and the maximum penalty upon conviction is a fine at level 4 (\$25,000) and imprisonment for six months. The fixed penalty for discharging the liability is \$10,000. The person may also be issued with a compulsory testing order requiring him or her to undergo testing within a specified time frame. Any person in breach of the compulsory testing order would be liable to a fine at level 5 (\$50,000) and imprisonment for six months.

The spokesman said, "The Government urges all individuals who are in doubt about their own health conditions, or individuals with infection risks (such as individuals who visited places with epidemic outbreaks or had contact with cases tested positive), to undergo testing promptly for early identification of infected persons."