

Analytical Accounts of the Exchange Fund

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

The Hong Kong Monetary Authority (HKMA) released today (June 12) the key analytical accounts of the Exchange Fund at the end of May 2020.

Foreign assets, representing the external assets of the Exchange Fund, increased during the month by HK\$9.3 billion to HK\$3,617.9 billion.

The Monetary Base, comprising Certificates of Indebtedness, Government-issued currency notes and coins in circulation, the balance of the banking system and Exchange Fund Bills and Notes issued, amounted to HK\$1,709.5 billion.

Claims on the private sector in Hong Kong amounted to HK\$231.0 billion.

The analytical accounts of the Exchange Fund are released in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS) and are referred to as the Analytical Accounts of the Central Bank under SDDS (Annex).

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of June 2020, the scheduled dates for issuing the press releases are as follows:

June 5 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
June 12	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
June 30	SDDS Template on International Reserves and Foreign Currency Liquidity

June 30

Exchange Fund Abridged Balance Sheet
and
Currency Board Account

Progress in handling of banking complaints by HKMA

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

The Hong Kong Monetary Authority (HKMA) announced today (June 12) the progress made in its handling of banking complaints received as at end-May 2020. Banking complaints include cases concerning general banking services and conduct-related issues.

In May 2020, 251 cases were received and the handling of 231 cases was completed. As at end- May, the handling of 538 cases was in progress.

A table summarising the progress made in the handling of banking complaints by the HKMA is attached.

Government calls on social welfare practitioners to ensure services and users' interests are not affected

Regarding the appeal by organisations to hold a so-called "referendum on strike" on June 14, a spokesman for the Government today (June 12) called on all social welfare practitioners to display professionalism to ensure that services and users' interests will not be affected by any strike.

Social welfare services have been seriously disrupted since January this year when coronavirus disease 2019 (COVID-19) began to strike the community. The Government has been providing financial support and supplies to social welfare service units, and has worked closely with non-governmental organisations (NGOs) to maintain welfare services as far as practicable to ensure that people in need are taken care of.

Of late, in the light of the latest epidemic situation, most social welfare services have resumed or will soon resume, but some will need to continue operation in a reduced mode until a further relaxation of social distancing.

The Government is appreciative of the social welfare sector's dedication and perseverance in maintaining services. Such efforts notwithstanding, both NGOs and service users have reflected that more effort needs to be made because of the continued reduced availability of some services, and because some service users, such as elderly persons and persons with disabilities, need to re-learn skills that have been lost due to reduced training and exercises in the last few months. There has also been an increased demand for various services because of economic and social stresses such as heightened family tensions brought about by the continuing epidemic. Thus, any action that will reduce the supply of services will deprive the rights of the needy to receive such services.

The Government looks to the social welfare sector to display professionalism to ensure that services and users' interests will not be affected during this trying period when the community is still fighting against the COVID-19 virus and having a high demand for social welfare services.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Friday, June 12, 2020 is 107.7 (up 0.1 against yesterday's index).

Twenty-four persons arrested during anti-illegal worker operations

The Immigration Department (ImmD) mounted territory-wide anti-illegal worker operations codenamed "Twilight" and "Rally" from June 8 to yesterday (June 11). A total of 17 suspected illegal workers and seven suspected employers were arrested.

During the operations, ImmD Task Force officers raided 763 target locations including a company, construction sites, factories, recycling sites, restaurants, a shopping mall and warehouses. The suspected illegal

workers comprised eight men and nine women, aged 25 to 58. Among them, one man and two women were holders of recognisance forms, which prohibit them from taking any employment. In addition, one man and one woman were suspected of using and being in possession of forged Hong Kong identity cards. Meanwhile, four men and three women, aged 29 to 61, were suspected of employing the suspected illegal workers.

"Any person who contravenes a condition of stay in force in respect of him shall be guilty of an offence. Also, visitors are not allowed to take employment in Hong Kong, whether paid or unpaid, without the permission of the Director of Immigration. Offenders are liable to prosecution and upon conviction face a maximum fine of \$50,000 and up to two years' imprisonment. Aiders and abettors are also liable to prosecution and penalties," an ImmD spokesman said.

The spokesman warned that, as stipulated in section 38AA of the Immigration Ordinance, illegal immigrants or people who are the subject of a removal order or a deportation order are prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of \$50,000 and up to three years' imprisonment. The Court of Appeal has issued a guideline ruling that a sentence of 15 months' imprisonment should be applied in such cases. It is an offence to use or possess a forged Hong Kong identity card or a Hong Kong identity card related to another person. Offenders are liable to prosecution and a maximum penalty of a \$100,000 fine and up to 10 years' imprisonment.

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. The maximum penalty is imprisonment for three years and a fine of \$350,000. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence. According to the court sentencing, employers must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel document if the job seeker does not have a Hong Kong permanent identity card. The maximum penalty for failing to inspect such a document is imprisonment for one year and a fine of \$150,000.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct initial screening of vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers, who are arrested during any operation with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the officers will conduct a full debriefing and identification by using a standardised checklist to ascertain the presence of TIP elements, such as threats and coercion in the recruitment phase and the

nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent intervention, medical services, counselling, shelter, temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments.