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Replies to initial questions raised by Legislative Council Members in examining the Estimates of Expenditure 2026-27

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Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)001**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1920)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In order to strengthen the role of Hong Kong as a key base for the establishment of Corporate Treasury Centres (CTCs) and boost the city's appeal as a platform for "bringing in and going global", the Government will announce a series of enhancement measures, including providing additional tax incentives and flexibility to CTCs and their associated companies, and introducing a pre-approval mechanism. In this connection, please inform this Committee of the following:

1) the estimated costs for various tax concession or incentive measures, and the amounts of tax revenue to be reduced each year;
2) how the Government ensures that the tax regime will not unduly in favour of specific financial activities when offering the above incentives, and will not overlook the needs of the real economy as well as small and medium enterprises;
3) the details of the pre-approval mechanism, and whether regular review on the fairness and scope of the overall tax regime will be conducted with reports submitted to this Committee.

Asked by: Hon CHAN Cho-kwong (LegCo internal reference no.: 11)

Reply:

To encourage multinational enterprises to establish Corporate Treasury Centres (CTCs) in Hong Kong, the Government has been providing tax concessions for corporate treasury activities conducted in Hong Kong, since the implementation of legislative amendments to the Inland Revenue Ordinance (Cap. 112) in 2016. Under the existing regime, qualifying CTCs enjoy a half-rate concession (i.e. reduction of the applicable tax rate from 16.5% to 8.25%) for profits derived from specified corporate treasury activities, while corporations carrying on an intra-group financing business in Hong Kong are, subject to the fulfilment of specified conditions, eligible for deduction of the interest expenses arising from borrowing from non-Hong Kong associated corporations in calculating the assessable profits.

To further enhance Hong Kong's role as a key base for CTCs, a task force composed of the Financial Services and the Treasury Bureau (FSTB), the Inland Revenue Department (IRD), the Hong Kong Monetary Authority (HKMA), and Invest Hong Kong has completed a preliminary study, proposing directions of enhancements to address the current pain points faced by the industry. Such directions include introducing a pre-approval mechanism on top of the existing tax concessionary measures, so as to provide better certainty as well as additional tax incentives and flexibility to pre-approved CTCs and their associated corporations, including enhancing the arrangements of tax concessions and expense deductions in relation to transactions between Hong Kong CTCs and their local and non-Hong Kong associated corporations, as well as relaxing the requirements for becoming a qualifying CTC.

The Government will also carry out other measures, including strengthening promotion and communication with multinational enterprises, enhancing training for relevant practitioners, and expanding Hong Kong's network of Comprehensive Double Taxation Agreements. The task force will announce an action plan in mid-2026, outlining the timeline and details of the aforementioned measures.

The Government anticipates that the comprehensive enhancements to the taxation arrangements for CTCs will attract more Chinese Mainland and overseas enterprises to establish CTCs in Hong Kong, while also enhancing the overall attractiveness to such enterprises in setting up regional headquarters or supply chain management centres in Hong Kong. Enterprises establishing or expanding their presence in Hong Kong will drive demand for local banking and other professional services, bringing tangible benefits to the local economy and job market, along with new tax revenues.

The actual impacts of the enhancements to the taxation arrangements on the Government's finance will depend on various factors, including the specific details of the relevant arrangements, the enterprises' intention to apply for pre-approval, and the overall economic situation. Given the different operating models of CTCs and that the Government is in the process of formulating the details of the relevant arrangements (including the pre-approval mechanism), it is not possible to accurately estimate the related financial impact.

The Government regularly reviews Hong Kong's tax system, striving to provide a fair and transparent tax environment and maintain a low and simple tax regime. In terms of concessionary tax rate, to alleviate the tax burden of small and medium-sized enterprises (SMEs), Hong Kong has implemented a two-tiered profits tax regime since the year of assessment 2018/19, where the first $2 million of assessable profits for corporations, partnerships and sole proprietorships can all enjoy a half-rate concession. In addition, unless otherwise provided, all outgoings and expenses (except capital expenditures), to the extent to which they have been incurred by the taxpayer in the production of chargeable profits, are allowed as deductions. Besides, the Inland Revenue Ordinance also provides depreciation allowances for different capital expenditures and concessionary deduction for approved charitable donations. These allowances and deduction do not impose any threshold on the size of an enterprise, thereby benefiting SMEs.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)002**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1579)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Asia-Pacific Economic Cooperation Finance Ministers' Meeting will be held for the first time this year. Various financial mega events will continue to be hosted, including the Global Financial Leaders' Investment Summit, the Wealth for Good in Hong Kong Summit and the Hong Kong Fintech Week x StartmeupHK Festival. Please provide:

1. a breakdown of the actual expenditures and the numbers of participants of the Global Financial Leaders' Investment Summit, the Wealth for Good in Hong Kong Summit and the Hong Kong Fintech Week x StartmeupHK Festival in the past 3 years; and
2. the estimated manpower and expenditure involved in holding the Asia-Pacific Economic Cooperation Finance Ministers' Meeting.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 8)

Reply:

(1) Relevant details of the Global Financial Leaders' Investment Summit, Wealth for Good in Hong Kong Summit, and the Hong Kong FinTech Week x StartmeupHK Festival for the past 3 years are tabulated as follows:

	2023	2024	2025
Global Financial Leaders' Investment Summit			
Number of participants	Around 300	Around 300	Around 300
Actual expenditure	The expenditure was borne by the Hong Kong Monetary Authority.		
Wealth for Good in Hong Kong Summit			
Number of participants	Around 100	Around 400	Around 360
Actual expenditure[(1)]	Around $8.6 million	Around $11.7 million	Around $10.9 million

	2023	2024	2025
Hong Kong FinTech Week x StartmeupHK Festival(2)			
Number of participants(3)	Around 47 000	Around 40 000	Around 45 000
Actual expenditure(4)	Around $9.5 million	Around $13.3 million	Around $13.1 million

Notes:

(1) Save for part of the expenditure in 2025 (around $5.9 million) borne by the Financial Services and Treasury Bureau (Financial Services Branch), the rest of the expenditure was borne by Invest Hong Kong.

(2) Hong Kong FinTech Week and StartmeupHK Festival were jointly organised for the first time in 2025. For 2023 and 2024, the 2 events were held separately, and the number of participants and actual expenditure represented the total of the 2 events in that year.

(3) The number of participants represents the cumulative attendance from the main forum and side events.

(4) The expenditure was borne by Invest Hong Kong, including the venue rental and engagement of event organiser; the event organiser ran the event by drawing on revenue sources including ticketing revenue, corporate exhibition fees and sponsorship. Preparatory work of the event was handled by existing manpower of the Financial Services Branch and the Invest Hong Kong.

(2) The total expenditure for organising the Asia-Pacific Economic Cooperation Finance Ministers' Meeting 2026 to be held in Hong Kong is estimated to be approximately $72 million. The details are set out below:

(i) The related salary costs for 36 time-limited posts (including 2 directorate and 34 non-directorate posts, covering the Administrative Officer, Executive Officer, Clerical and Secretarial Grades, etc.) for organising the meeting are around $22 million.

(ii) The meeting related expenditure is around $50 million, namely (1) around $25.5 million for rental of venue and support (including venue and supporting facilities, information and communication technology services and support, and various equipment, etc.); (2) around $6.5 million for promotion, publicity and printing; (3) around $11 million for hospitality, food and beverage, and transportation, etc.; and (4) around $7 million for security related expenditure.

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Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)003

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1588)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 121 of the Budget Speech that the Asian Financial Forum will celebrate its 20th anniversary next year, and the Government plans to strengthen the element of finance empowering businesses ("Finance+") at the forum. Please advise on:

1. the estimated manpower and expenditure required for organising the above event; and
2. whether the promotion of "Finance+" will become a recurrent expenditure item.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 25)

Reply:

The Asian Financial Forum (AFF), co-organised by the Government and the Hong Kong Trade Development Council (HKTDC), is the region's annual flagship financial event. It brings together high-level officials and business leaders from around the world to discuss global economic and financial issues, foster exchange and collaboration, and showcase Hong Kong's role and position as an international financial centre. In the 19th AFF held in January this year, we have already introduced the element of finance supporting industry development through the new Global Business Summit, which explored the potential of high-growth industries such as artificial intelligence and technology and robotics.

In the 20th AFF next year, we will further strengthen the element of finance empowering businesses ("Finance+"), highlighting the synergy effects of cooperation between finance and industry, and showcasing Hong Kong's advantage as an international financial centre in supporting industry development through our financial strength.

The preparatory work of the AFF is handled by existing manpower of the Financial Services and the Treasury Bureau (FSTB) and the HKTDC. According to past experience, the annual sponsorship from the FSTB for the forum is around $7 million. As the forum next year is still under preparation, no figures on expenditure are available yet. As in the past, the

Government and the HKTDC will proactively promote the AFF as well as the element of "Finance+" at the forum next year through various channels, including the promotion by offices set up globally by the Government and the HKTDC, forum's website, social media platforms, newspaper, and outdoor advertising.

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 1589)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned under Matters Requiring Special Attention in 2026-27, the Mandatory Provident Fund Schemes Authority is gradually taking forward "Full Portability" of Mandatory Provident Fund (MPF), and has indicated that its Phase One Proposal will be implemented this year. Moreover, the provision for the eMPF Platform for 2026-27 is 13.1% higher than the original estimate for 2025-26, mainly due to an increase in contractual payments, coupled with the need to set aside funding for the one-off system enhancement of the eMPF Platform to implement the Phase Two Proposal of MPF "Full Portability". In this connection, please inform this Committee of:

1. the latest timetable of, the preparatory work required for, as well as the manpower and estimated expenditure involved in the implementation of the Phase One Proposal this year; and
2. the proportion of the estimated expenditure on the one-off system enhancement to implement the Phase Two Proposal in the overall provision for the eMPF Platform; and the specific areas such expenditure will primarily be devoted to.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 26)

Reply:

The Government consulted the Panel on Financial Affairs (FA Panel) of the Legislative Council (LegCo) in June 2025 on the specific proposals of Mandatory Provident Fund (MPF) "Full Portability" and received general support from FA Panel Members. "Full Portability" will be implemented in 2 phases. The Phase One Proposal will benefit employees whose employment commenced on or after 1 May 2025, whereas the Phase Two Proposal will benefit employees whose employment commenced before 1 May 2025. Upon the implementation of the relevant proposals, employees may choose to transfer accrued benefits derived from employer mandatory contributions in respect of the current employment in its

entire amount from a contribution account of the MPF scheme participated by the employer to a personal account (applicable to the Phase One Proposal) / a brand new type of designated account (applicable to the Phase Two Proposal) of an MPF scheme of their own choice, once in every calendar year, or more than once in every calendar year if the governing rules of the MPF scheme from which the accrued benefits are transferred so provide.

Legislative amendments providing the legal basis for the Phase One Proposal were completed in September 2025. Upon the onboarding of the last MPF industry scheme to the eMPF Platform, the eMPF Platform Company Limited (eMPF Company) will commence one-off system enhancements to the Platform in May 2026, with a view to implementing the Phase One Proposal in the fourth quarter of 2026. We have reserved about $78 million in the 2025-26 revised estimates, so that eMPF Company can commence the relevant system enhancement work in 2026-27.

The Government and the Mandatory Provident Fund Schemes Authority (MPFA) are drafting legislative proposal to provide the legal basis for implementing the Phase Two Proposal. We plan to consult LegCo's FA Panel on the relevant proposal in the fourth quarter of 2026 and submit an Amendment Bill to LegCo in the first half of 2027. Another one-off system enhancement would be required to implement the Phase Two Proposal, including the setting up of a brand new type of designated account. We will, after the Amendment Bill is passed by LegCo, confirm the detailed technical scope of the relevant system enhancement and the cost required.

The Government, MPFA and eMPF Company will implement MPF "Full Portability" with existing manpower, but do not maintain a breakdown for the initiative.

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Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)005**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2387)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in Matters Requiring Special Attention in 2026-27 that the Branch will promote the development of financial market of commodities, including facilitating the development of gold storage facilities and establishing a central clearing system for gold in Hong Kong. As of now, 15 warehouses in Hong Kong have commenced operations. The Government aims to achieve a target gold storing capacity of over 2 000 tonnes in 3 years, transforming Hong Kong into a regional gold reserve hub. Please advise on the following:

1. the timetable for storage expansion, as well as the manpower and estimated expenditure involved in developing gold storage facilities with a storing capacity of over 2 000 tonnes;
2. the manpower and estimated expenditure involved in establishing a central clearing system for gold in Hong Kong.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 29)

Reply:

The Government has proposed expediting the establishment of an international gold trading market, including supporting the Airport Authority Hong Kong (AAHK) and financial institutions to expand gold storage capacity in Hong Kong, with a target of achieving over 2 000 tonnes within 3 years to propel Hong Kong into a regional gold reserve hub. The project is expected to be completed according to the target timeline. Relevant expenditure is borne by AAHK and relevant financial institutions, and no Government funding is involved.

The Hong Kong central clearing system for gold (the System) is scheduled to commence trial operations within this year. System development, operation and other related expenditures will be covered by market arrangements and will not involve Government funding. With regard to the Hong Kong Precious Metals Central Clearing Company Limited, which is

wholly owned by the Government, its management and operation at this stage is part of the regular duties of the Financial Services Branch (FSB). The manpower and expenditure involved have been included in the overall establishment and expenditure of FSB, and hence no breakdown is available.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)006**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2662)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the Matters Requiring Special Attention in 2026-27 is to promote the development of Fintech in Hong Kong, including overseeing the Pilot Scheme on Training Subsidies for Fintech Practitioners (Pilot Scheme), and implementing the Greater Bay Area (GBA) Fintech Two-way Internship Scheme (Internship Scheme) for Post-secondary Students. Please inform this Committee of:

1. the number of applicants for the Pilot Scheme, the actual number of participants, the number of participants who have successfully acquired professional qualifications, and the total amount of subsidies in each of the past 3 years, as well as the estimated expenditure for this year; and
2. the number of students who registered and applied for the Internship Scheme, the number of participants successfully matched with companies in Hong Kong and GBA cities, and the total amount of subsidies in each of the past 2 years, as well as the estimated expenditure for this year.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 30)

Reply:

(1) In September 2022, the Government launched the Pilot Scheme on Training Subsidy for Fintech Practitioners (Subsidy Scheme) to provide practitioners having attained professional qualifications with funding support for training, with a view to promoting the professional development of fintech talents.

The Enhanced Competency Framework on Fintech for banking practitioners is the first recognised programme under the Subsidy Scheme. Financial practitioners having completed the required training courses and examinations and acquired relevant fintech professional qualifications, are entitled to the reimbursement of up to 80% of the training cost, subject to a cap of $25,000.

Specific details of the Subsidy Scheme over the past 3 years (2023 to 2025) are tabulated below:

Year	Number of participants who applied for and enrolled in courses	Number of participants attaining professional qualifications	Total training subsidy (HK$)
2023	342	68	around 736,300
2024	171	43	around 1,058,000
2025	234	82	around 1,147,600

Financial practitioners are required to complete the courses and pass the examinations before attaining the professional qualification. As the practitioners gradually complete the courses and pass the examinations, it is expected that the number of participants attaining the professional qualification will continue to increase.

The overall estimate of the Subsidy Scheme is $38 million for supporting the training subsidy of financial practitioners and the administrative expenditure of the Subsidy Scheme. In previous financial years, the Government has provided a funding of $20 million to the scheme administrator (i.e. The Hong Kong Institute of Bankers). As there is surplus funding in the Subsidy Scheme, it is not necessary to allocate funding in 2026-27.

(2) In October 2023, the Government launched the GBA Fintech Two-way Internship Scheme for Post-secondary Students (Internship Scheme) to subsidise students from the Mainland and Hong Kong to participate in short-term internships in fintech companies, with a view to enhancing talent exchange and enlarging the fintech talent pool.

Specific details of the Internship Scheme over the past 2 years (2024 to 2025) are tabulated below:

Year	Number of students who registered and applied	Number of students matched with Hong Kong enterprises	Number of students matched with GBA Mainland enterprises	Total student internship subsidy (HK$)
2024	around 100	43	23	around 1,400,000
2025	around 120	32	7	around 1,100,000

The overall estimate of the Internship Scheme is $12 million, including about $10 million for student internship subsidy and $2 million for publicity and administrative expenditure incurred by the scheme administrator (i.e. Cyberport). In previous financial years, the Government has provided funding of $7 million to the scheme administrator. As there is surplus funding in the Internship Scheme, it is not necessary to allocate funding in 2026-27.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2663)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned under Matters Requiring Special Attention in 2026-27 that the Government will attract more family offices to set up operation or expand their business in Hong Kong to promote the development of the asset and wealth management sector. Besides, the Chief Executive has set out in his 2025 Policy Address the new target of assisting more than 220 family offices to establish or expand their business in Hong Kong from 2026 to 2028. Please inform this Committee of:

1. the existing staff establishment and expenditure involved in pursuing the development of family office business; whether additional manpower and resources will be allocated as appropriate in the light of the new target of assisting over 220 family offices to set up in the city over the next 3 years, as well as the increasingly diverse backgrounds of the family offices; if so, the details; and
2. whether resources and manpower have been reserved for precision marketing in such target markets as the Middle East and the Association of Southeast Asian Nations; if so, the details.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 31)

Reply:

The dedicated FamilyOfficeHK team (the dedicated team) of Invest Hong Kong (InvestHK) provides one-stop support services to family offices (FOs) and ultra-high-net-worth individuals interested in pursuing development in Hong Kong. The dedicated team comprises 17 posts, including 1 global head, 1 deputy global head, 8 senior vice presidents/vice presidents, 1 senior executive manager, and 6 Chinese Mainland or overseas regional heads that are responsible for the investment promotion work across multiple traditional and emerging markets, including the Chinese Mainland, Europe, the Middle East, Association of Southeast Asian Nations (ASEAN), etc. The estimated expenditure in 2025-

26 is about $42.3 million. InvestHK will review its manpower needs from time to time in response to business operations to enhance its efforts in attracting FOs.

The dedicated team organised and participated in around 200 investment promotion events in 2025, collaborated closely with more than 160 enterprises and related organisations, and reached over 20 000 attendees through face-to-face interactions to promote Hong Kong's competitiveness and unique advantages as a FO hub. The dedicated team will continue to conduct a diverse range of international investment promotion activities such as roundtables, seminars, conferences, media interviews and overseas visits, with a particular focus on emerging markets with potential such as the Middle East and ASEAN region. On the front of promoting FO business, the dedicated team will also continue to work closely with the Economic and Trade Offices and Belt and Road Office to conduct FO-themed roundtable forums in key regions such as Southeast Asia and the Middle East to highlight Hong Kong's role as a leading hub for asset and wealth management.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)008**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2664)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned under Matters Requiring Special Attention in 2026-27 that to promote the development of green and sustainable finance in Hong Kong, the Government will continue to oversee the Pilot Green and Sustainable Finance Capacity Building Support Scheme, supporting local green finance talent training on a sustained basis. Please inform this Committee of:

1. the numbers of applications received and approved, the distribution of applicants' backgrounds as well as the manpower and expenditure involved in each of the past 3 years;
2. whether the Government has assessed the effectiveness of the scheme; if so, the details.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 32)

Reply:

(1) To nurture talent for further promoting green and sustainable finance, the Government launched in December 2022 the Pilot Green and Sustainable Finance Capacity Building Support Scheme (Pilot Scheme) for application by local eligible market practitioners and related professionals as well as students and graduates of relevant disciplines. Upon completing eligible programmes or accomplishing relevant qualifications, applicants can apply for reimbursement of up to $10,000.

During 2023-2025, the number of applications received, approved and the reimbursed amount in each year are as follows:

Year	2023	2024	2025
Number of applications received [Note 1]	2 581	4 774	4 489

Year	2023	2024	2025
Number of applications approved [Note 2]	565	3 607	4 965
Reimbursed amount [Note 3]	Around $3.59 million	Around $19.68 million	Around $28.68 million

Note 1: The figures also include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by applicants afterwards.

Note 2: Depending on whether the information submitted by the applicants is complete and the progress of providing supplementary information, some applications may not be able to be reviewed in the same year when it was received.

Note 3: Depending on whether the information submitted by the applicants is complete and the progress of providing supplementary information, some approved applications may not be disbursed in the same year.

The distribution of approved and disbursed reimbursement applicants is as follows:

Applicant category [Note1]	Approved and disbursed applications	Percentage[Note5]
Practitioners in the financial services industry[Note2]	3 360	34
Practitioners in non-financial services industries whose roles and/or responsibilities involve green and sustainable finance considerations[Note3]	2 971	30
Full-time or part-time students at a university or local tertiary institution, with a view to obtaining a bachelor's degree or higher qualifications in relevant disciplines[Note4]	1 358	14
Holders of bachelor's degrees or postgraduate degrees in relevant disciplines[Note4]	2 055	21

Note 1: To be eligible for reimbursement under the Pilot Scheme, applicants must be 1) Hong Kong residents; and 2) either (i) Practitioners in the financial services industry (currently or previously in service); or (ii) Practitioners in non-financial services industries whose roles and/or responsibilities involve green and sustainable finance considerations (currently or previously in service); or (iii) Full-time or part-time students at a university or local tertiary institution, with a view to obtaining a bachelor's degree or higher qualifications in relevant disciplines; or (iv) Holders of bachelor's degrees or postgraduate degrees in relevant disciplines.

Note 2: Financial services practitioners refer to individuals employed in relevant sectors and organisations, including banking, asset and wealth management, insurance, accounting, etc.

Note 3: Green and sustainable finance considerations include but not limited to financing and investment, product development, disclosure, reporting and standards, regulation and compliance, corporate strategies and policies, data collection and analysis, rating assessment, risk management, consultancy and advisory services, marketing and investor relations, academic analysis and research, and internal audit.

Note 4: Relevant disciplines include but not limited to business administration, environment, science, engineering, social sciences and technology.

Note 5: Percentages may not sum up to 100% due to rounding.

(2) The Pilot Scheme has been well received by the industry since its launch. As of end-March 2026, over 9 700 applications were approved, involving a total reimbursement amount of over $55 million. To continuously support local green-finance talent training, the Pilot Scheme has been extended to 2028. We will review the scope and operation of the Pilot Scheme, and collect feedback and comments from the industry, training institutes as well as participants from time to time, encouraging local eligible practitioners and persons interested in work related to green and sustainable finance to participate in relevant training.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)009**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1772)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 91 of the Budget Speech that the Government will attract high-quality issuers to increase Renminbi (RMB) bond issuance in Hong Kong and tap into emerging markets to bring more cross-boundary RMB transactions to Hong Kong. In this connection, would the Government advise this Committee on the following:

1. I have previously proposed to the Chief Executive's Policy Unit Expert Group that Hong Kong should pursue with the Central Authorities the establishment of operating headquarters of the Asian Infrastructure Investment Bank and the BRICS Development Bank in Hong Kong. The city's advantage of having no capital controls will facilitate increased RMB bond issuance by the 2 banks in Hong Kong, thereby expanding the depth and breadth of our local bond market. What is the latest progress in this regard?

2. In respect of expediting RMB bond issuance in Hong Kong, besides national and local governments, many leading Mainland enterprises have financing needs for development, which is greatly conducive to the RMB financing demand in Hong Kong and the widening of RMB interest rate spread in the local banking sector. The increase in the local banking sector's RMB finance income will in turn help Hong Kong absorb the global offshore RMB liquidity pool. What measures are put in place to encourage state-owned Mainland enterprises to spearhead corporate bond issuance in Hong Kong? If there are measures in place, what are the details? If not, what are the reasons?

Asked by: Hon CHAN Chung-yee, Alan (LegCo internal reference no.: 1)

Reply:

The 2026-27 Budget proposes attracting high-quality issuers to increase Renminbi (RMB) bond issuance in Hong Kong and tapping into emerging markets to bring more cross-boundary RMB transactions to Hong Kong. This initiative enables high-quality issuers to leverage the depth and broad investor base of Hong Kong's financial market to

support their development projects, enhancing the mutual promotion of the fundraising market and RMB internationalisation. Some sovereign and quasi-sovereign entities, such as the Government of Indonesia and the Development Bank of Kazakhstan, issued offshore RMB bonds in Hong Kong for the first time in 2025. In February 2026, the Indonesian government issued bonds (including offshore RMB bonds) in Hong Kong again. Multilateral development banks such as the Asian Infrastructure Investment Bank (AIIB) and the Asian Development Bank also issued offshore RMB bonds repeatedly in Hong Kong. These developments underscore Hong Kong's growing appeal as a leading hub for offshore RMB bond issuance.

As a member of the AIIB, Hong Kong, China has been leveraging the unique advantages of connectivity with both the Mainland and the world under the "One country, Two systems", to assist AIIB in promoting the sustainable development of infrastructure in Asia. In November 2025, the AIIB announced its plan to set up an office in Hong Kong. The Government has been actively meeting AIIB's needs and rendering support. The establishment of AIIB's office in Hong Kong will not only help consolidate and enhance Hong Kong's status as an international financial centre, but also facilitate the AIIB to further leverage our vibrant capital market, world-class professional services and diversified financial products to support AIIB's operations in project financing, bond issuance, as well as investment and financial management. In the past 5 years, the AIIB issued about RMB10 billion RMB-denominated bonds in Hong Kong.

To further promote market development, we will strengthen our promotional efforts through delegation visits, conferences, roadshows, etc., to actively highlight the advantages of Hong Kong's offshore RMB services to the international market. Furthermore, Hong Kong has been the premier offshore financing platform for Chinese Mainland enterprises. Out of the total offshore bonds issued by Chinese Mainland enterprises, around 70% of the issuance activities were conducted in Hong Kong. In recent years, many major Chinese Mainland enterprises have also issued offshore RMB bonds in Hong Kong. In addition, leveraging the opportunities brought by the development of Hong Kong as a leading corporate treasury centre (CTC) hub, we hosted forums and meetings in Hong Kong and Mainland cities to share relevant information and success stories, aiming to attract more Chinese Mainland enterprises to establish their CTCs in Hong Kong, and to encourage more Chinese Mainland enterprises to make use of Hong Kong's financial platform for investment and financing, treasury management and RMB business operations when adopting the national strategy of "Go Global".

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1775)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated in the Matters Requiring Special Attention in 2026-27, the Government will promote the development of the financial market of commodities, including facilitating the development of gold storage facilities and establishing a central clearing system for gold in Hong Kong. In this connection, will the Government inform this Committee of the following:

1. Given that the London bullion market is currently the world's largest spot market for gold, will the Government develop any key performance indicators for the next 3 to 5 years in relation to the gold storage facilities and the central clearing system for gold in Hong Kong referred to above, so as to review the effectiveness of its work more systematically?

2. In the face of competition from other places with market positioning the same as that of Hong Kong, what institutional advantages will the Government leverage (e.g. settlement efficiency, legal system, tax regime) to avoid mere price-cost competition and competitive convergence?

3. How will the Government take the clearing and storage of gold as the starting point for expanding the market to cover other commodities, such as metals and energy, in the long run, and promoting the development of relevant professional services, such as financing management, thereby broadening the spectrum of Hong Kong's financial sector? In this regard, will there be any plans and details?

Asked by: Hon CHAN Chung-yee, Alan (LegCo internal reference no.: 4)

Reply:

The Government has been actively implementing a series of measures to promote gold market development. Specific measures for the short and medium term include:

(a) supporting the Airport Authority Hong Kong and financial institutions to expand gold storage capacity in Hong Kong, with a target of achieving over 2 000 tonnes within 3 years to propel Hong Kong into a regional gold reserve hub;

(b) encouraging gold traders to set up or expand refineries in Hong Kong, and exploring with the Chinese Mainland the feasibility of processing supplied materials in the Chinese Mainland to produce refined gold for exporting to Hong Kong for trading and delivery;

(c) establishing a central clearing system for gold in Hong Kong to provide efficient and reliable clearing services for transactions of gold in compliance with international standards, and invite the participation of the Shanghai Gold Exchange to prepare for mutual market access with the Chinese Mainland in the future. The system is scheduled to commence trial operations within this year;

(d) offering a greater variety of gold investment vehicles by assisting issuers in issuing gold funds, and supporting the development of new investment products such as tokenised gold;

(e) exploring offering tax incentives for eligible institutions conducting gold trading and settlement in Hong Kong, with a view to attracting them to establish or expand their operations in the city;

(f) assisting the industry in setting up an industry association to consolidate resources, step up promotion, and foster ties with industry stakeholders from around the world; and

(g) helping the industry keep abreast of the latest developments in gold market, acquire relevant skills and develop a training framework.

As an international financial, trade and shipping centre, Hong Kong enjoys the unique advantage of connecting the Chinese Mainland and the world under the "one country, two systems" principle, together with the free flow of capital, goods and information as well as efficient financial, logistics and professional services and a well-connected transport network. Hong Kong possesses enormous potential in developing the commodities market and to serve and contribute to the development of our country and the world on this front, while creating more diversified development opportunities for the city. We aim to leverage physical storage as the underlying foundation to support trading of gold in compliance with international standards cleared and settled through the central clearing system for gold in Hong Kong, thereby driving the development of the related industry chain including investment trading, derivatives, insurance, storage, trade and logistics services, with a view to further consolidating Hong Kong's status as an international financial centre.

The Government established the Strategic Committee on Commodities (the Committee) led by the Financial Secretary and its first meeting was held in December 2025, bringing together industry representatives to enhance the top-level design of commodity policies. The Committee will conduct in-depth research into opportunities for developing businesses of various major and emerging categories of commodities in Hong Kong, enhance market

mechanisms and regulatory framework, build an industry ecosystem, and explore mutual market access with the Chinese Mainland. Drawing on the experience gained from the development of the gold trading market, we will roll out other commodity markets in phases to gradually establish a complete ecosystem, thereby contributing to our country's development in the global commodity market.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)011

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1802)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Budget stated that every dollar invested by the Hong Kong Investment Corporation (HKIC) attracted over eight dollars in long-term capital investment, effectively drawing "patient capital" from the global market to jointly expedite the development and innovative application of frontier technologies. It also indicated that the Government will arrange for capital injection in a timely manner to further promote innovation and technology development and industry clustering. In this connection, please inform this Committee of the following:

1. In the next round of capital injection, will the Government require the HKIC to introduce substantive indicators such as turnover ratio of patented products, creation of local high value-added jobs, and promotion of upstream and downstream industrial chains when assessing its investment effectiveness, so as to ensure that investments are genuinely transformed into tangible economic benefits?

2. Will the Government include binding clauses in investment agreements to ensure that the core research and development (R&D) of funded enterprises is genuinely established in Hong Kong, such as by requiring a certain proportion of local R&D personnel, thereby achieving the objective of leveraging capital to drive the development of real industries?

Asked by: Hon CHAN Chung-yee, Alan (LegCo internal reference no.: 34)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

As a long-term investment institution committed to the principle of "patient capital", the HKIC operates with the dual mission of achieving both financial returns and strategic value.

In measuring investment effectiveness, the HKIC goes beyond pursuing reasonable financial returns, but also evaluates the contributions of investments to the local economy with the aim of building a robust ecosystem. According to the first Annual Report published by the HKIC, as of the end of 2024, its tangible impact has been reflected through various substantive indicators, including driving investee companies to generate over 268 000 square metres of leased floor space demand in Hong Kong, creating more than 6 400 direct jobs, and accumulating a total of 109 intellectual property rights registered in Hong Kong. These metrics fully demonstrate the HKIC's commitment to translating capital deployment into substantive economic value that fuels the robust development of Hong Kong's innovation and technology ecosystem.

With its positioning as a professional institutional investor, the HKIC adheres to the principles of long-term, value-based and responsible investing. In the investment process, the HKIC explicitly requires investee companies to contribute actively to Hong Kong's long-term development. Specifically, through investment agreements and strategic collaborations, the HKIC guides these companies to establish substantive business presence in Hong Kong, including setting up offices, recruiting and nurturing local talents, and establishing R&D departments and/or corporate venture capital (CVC) business units. At the same time, the HKIC requires and supports these companies to prioritise Hong Kong as their listing venue. These arrangements aim to leverage the steering power of capital to anchor the investee companies' core businesses in Hong Kong, thereby supporting Hong Kong's economic transformation, diversification of industrial structure, and the creation of new competitive edges for Hong Kong's economy and financial development, all aligning with and supporting our country's development strategies as well as the development needs for Hong Kong's long-term prosperity.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)012

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1835)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Through the co-ordination of international standards and tailoring of green technology and green finance dispute resolution systems, Hong Kong can seize the opportunity to become a comprehensive and leading international centre for green technology and green finance. Will the Government consider allocating resources to the Financial Services Development Council to co-ordinate international Environmental, Social and Governance (ESG) standards and to develop a dedicated dispute resolution system for carbon trading-related disputes, thereby promoting sustainable development?

Asked by: Hon CHAN Hiu-fung, Nick (LegCo internal reference no.: 2)

Reply:

Hong Kong leads Asia in green finance development with its deep and broad capital market, providing a platform for green financing for enterprises at different stages of development, while also channeling international capital to sustainable development projects within the region. The Government will ensure the Financial Services Development Council is properly funded to conduct projects which are conducive to the sustainable development of Hong Kong's financial services industry, including conducting relevant policy research and putting forward recommendations to the Government. Its research priorities include green and sustainable finance, with a view to advancing the integration of sustainability into Hong Kong's financial system and enhancing the alignment with international sustainability objectives.

On dispute resolution, as an international legal and dispute resolution services centre, Hong Kong has a comprehensive and mature legal, arbitration and mediation framework, supportive government policy, strong pool of professional talents and thriving technology ecosystem. Together with the hosting of a number of international law-related organisations and dispute resolution institutions with headquarters or regional offices in Hong Kong, these place Hong Kong in a favourable position to effectively deal with ESG and carbon trading related disputes.

The Government will assess actual market demand and the complementarity with existing international and regional mechanisms to help effectively support the healthy development of the carbon market, while leveraging and further strengthening Hong Kong's established advantages as an international hub for dispute resolution services.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1845)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Since its full operation, the Hong Kong Investment Corporation (HKIC) has invested in over 190 projects. How many jobs have these investment projects created in Hong Kong over the past 3 years? Among them, how many are high-end research and development (R&D) positions? Has the Government considered encouraging R&D projects funded by the HKIC to be established in, or relocated to, the San Tin Technopole, so as to further drive the development of the Northern Metropolis?

Asked by: Hon CHAN Hiu-fung, Nick (LegCo internal reference no.: 18)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

As a long-term investment institution committed to the principle of "patient capital", the HKIC operates with the dual mission of achieving both financial returns and strategic value. In measuring investment effectiveness, the HKIC goes beyond pursuing reasonable financial returns, but also evaluates the contributions of investments to the local economy with the aim of building a robust ecosystem. According to the first Annual Report published by the HKIC, as of the end of 2024, its tangible impact has been reflected through various substantive indicators, including driving investee companies to generate over 268 000 square metres of leased floor space demand in Hong Kong, creating more than 6 400 direct jobs, and accumulating a total of 109 intellectual property rights registered in Hong Kong. These metrics fully demonstrate the HKIC's commitment to translating capital deployment into substantive economic value that fuels the robust development of Hong Kong's I&T ecosystem.

The HKIC has been actively guiding and assisting investee companies in realising their intentions to establish a presence in Hong Kong, and it is encouraged to see that many such companies are actively considering settling in the Northern Metropolis, including the San Tin Technopole. This aligns with the HKIC's objective of building a robust innovation and technology (I&T) ecosystem and supporting Hong Kong's development into an international I&T hub. Through capital curation and strategic collaboration, the HKIC will continue to encourage investee companies to anchor their core businesses in Hong Kong. These concrete actions will support the development of the Northern Metropolis, accelerate Hong Kong's integration into the overall development of our country, align with and support our country's development strategies as well as Hong Kong's long-term prosperity.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)014**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1846)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Asian Infrastructure Investment Bank (AIIB) announced at end-2025 its plan to set up an office in Hong Kong. What economic benefits does the Government expect the office will bring to Hong Kong annually? Building on the opportunity presented by the AIIB's establishment, does the Government have specific targets for persuading the World Bank to expand its green finance or climate investment functions to Hong Kong?

Asked by: Hon CHAN Hiu-fung, Nick (LegCo internal reference no.: 19)

Reply:

Having consulted the Hong Kong Monetary Authority (HKMA), our reply is as follows:

As a member of the Asian Infrastructure Investment Bank (AIIB), Hong Kong, China has been leveraging the unique advantages of connectivity with both the Mainland and the world under the "One country, Two systems", to assist AIIB in promoting the sustainable development of infrastructure in Asia.

In November 2025, the AIIB announced its plan to set up an office in Hong Kong. The Government has been actively meeting AIIB's needs and rendering support. The establishment of AIIB's office in Hong Kong will not only help consolidate and enhance Hong Kong's status as an international financial center, but also facilitate the AIIB to further leverage our vibrant capital market, world-class professional services and diversified financial products to support the Bank's operations in project financing, bond issuance, as well as investment and financial management.

In the past 5 years, the AIIB issued about 5.7 billion HKD-denominated bonds and about 10 billion RMB-denominated bonds in Hong Kong. Meanwhile, the contract value awarded by the AIIB to suppliers in Hong Kong amounted to around HK$150 million. With the establishment of AIIB's office in Hong Kong, we expect that the AIIB will continue to expand

the scale of its bond issuance, project financing and procurement in Hong Kong. Hong Kong, China will continue to play the important role of "super-connector" and "super value-adder", making full use of the opportunities brought about by the establishment of AIIB's office in Hong Kong, to further strengthen international financial exchanges and co-operation.

On the other hand, the Government has all along supported multilateral organisations such as the World Bank Group in utilising Hong Kong as a platform for sustainable investment and financing to promote sustainable development globally, particularly in developing economies. For example, the HKMA is actively engaging with the International Finance Corporation (IFC) Hong Kong SAR Office, a member of the World Bank Group, to leverage Hong Kong's advantages as a regional financial platform and jointly promote and support cross-boundary investment in emerging markets by financial institutions and local private enterprises. The HKMA also co-hosted the Climate Business Forum: Asia Pacific with the IFC in 2024 and 2025, providing a platform for global stakeholders to engage in constructive dialogue and cooperation on sustainable development.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2811)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Asia-Pacific Economic Cooperation (APEC) Finance Ministers' Meeting (FMM) 2026 will be held in Hong Kong this October. In this connection, will the Government inform this Committee of:

1. the estimated breakdown of expenditure (including but not limited to venues, transport, security, publicity and promotion) and the total expenditure on the hosting of the APEC FMM, as well as the manpower involved;
2. the Government's plan to publicise locally and abroad the APEC FMM to be held in Hong Kong;
3. the positive benefits expected to be brought to Hong Kong by hosting the APEC FMM;
4. given that 2026 marks the APEC "China Year", what are the specific measures to be taken by the Government to work in closer liaison and co-operation with Mainland provinces and municipalities (especially the cities in the Guangdong-Hong Kong-Macao Greater Bay Area) to jointly publicise and support the meetings and events of the APEC "China Year" to be held across the Mainland, thus achieving synergy?

Asked by: Hon CHAN Kapui, Judy (LegCo internal reference no.: 10)

Reply:

(1) The total expenditure for organising the Asia-Pacific Economic Cooperation (APEC) Finance Ministers' Meeting (FMM) 2026 to be held in Hong Kong is estimated to be approximately $72 million. The details are set out below:

(i) The related salary costs for 36 time-limited posts (including 2 directorate and 34 non-directorate posts, covering the Administrative Officer, Executive Officer, Clerical and Secretarial Grades, etc.) for organising the meeting are around $22 million.

(ii) The meeting related expenditure is around $50 million, namely (1) around $25.5 million for rental of venue and support (including venue and supporting facilities, information and communication technology services and support, and various equipment, etc.); (2) around $6.5 million for promotion, publicity and printing; (3) around $11 million for hospitality, food and beverage, and transportation, etc.; and (4) around $7 million for security related expenditure.

(2) The HKSAR Government attaches great importance to the preparatory work for the FMM and has earlier established the Steering Committee on the Preparatory Work for APEC FMM 2026 (Steering Committee), chaired by the Secretary for Financial Services and the Treasury. The Steering Committee, comprising senior representatives from 20 policy bureaux, departments, and organisations, will strive to facilitate the successful hosting of the FMM in Hong Kong through close interdepartmental collaboration. Hong Kong has long been recognised as an events capital for hosting major international conferences, and has extensive experience in managing media affairs and promotional activities for such events. The Steering Committee will formulate publicity and promotion strategies for promoting the FMM to overseas and local audiences as appropriate.

(3) The HKSAR Government will leverage on this invaluable opportunity to showcase Hong Kong's comprehensive development in the economic, financial and social dimensions to participating economies and the international community. This will help deepen our collaboration with other APEC member economies, reinforcing and enhancing Hong Kong's status as an international financial centre, and thereby fully demonstrating Hong Kong's role as a "super connector" and "super value-adder".

Specifically, the HKSAR Government will make good use of the FMM programme arrangements. For example, when setting up the meeting venue, we will consider showcasing Hong Kong's latest developments in finance, commerce and technology through exhibition booths around the conference area. We also plan to arrange site visits for participants to explore key infrastructure and facilities relevant to Hong Kong's business environment and the development of industry digitalisation technologies, enabling attendees to discover firsthand the boundless opportunities offered by Hong Kong as an international metropolis.

(4) The HKSAR Government fully supports China's hosting of APEC 2026 meetings. Leveraging the unique advantages under the "one country, two systems" principle, the HKSAR Government will continue to participate actively in the work of APEC under the name of "Hong Kong, China" as a separate member, thereby strengthening our connectivity with both the Chinese Mainland and the world, reinforcing Hong Kong's position as an international trade and financial centre, as well as deepening international exchanges and cooperation.

As always, the HKSAR Government will actively participate in APEC's work, including attending the APEC Economic Leaders' Meeting and the ministerial and working-level meetings to be held in other provinces and cities. In addition to attending meetings across all levels, the HKSAR Government also plays leadership roles in individual committee and working groups of APEC, shares policies or experiences at APEC meetings, and organises APEC meetings and capacity-building projects.

The HKSAR Government will maintain close liaison with the Central authorities to deepen practical cooperation in the Asia-Pacific region in areas including free trade, connectivity, digital economy, and artificial intelligence. We hope to inject new impetus into the long-term development of APEC, promote high-quality development in the region, contribute to the implementation of the APEC Putrajaya Vision 2040, and jointly tell the good stories of the country and Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1684)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned from paragraphs 202 to 204 of the Budget Speech that the Government will continue issuing sustainable bonds, taking forward the implementation of the Hong Kong Sustainability Disclosure Standards and refining the Taxonomy for Sustainable Finance. It will also support the exploration with the Mainland and international institutions of the establishment of a Green Technology Projects Accelerator and explore facilitating financial institutions to obtain public utility usage data of enterprises with their consent. In this connection, will the Government inform this Committee of the following:

(1) What are the timetable and the estimated expenditure for establishing a Green Technology Projects Accelerator?
(2) What are the details and progress of the measures to explore facilitating financial institutions to obtain public utility usage data?

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 39)

Reply:

(1) The Green Technology Projects Accelerator (Accelerator) aims to provide comprehensive support to green technology enterprises, facilitating financing for outstanding green technology projects and enabling their implementation in the Belt and Road regions. These projects are designed to achieve a balance of economic benefits, financing feasibility, and environmental impact. During the incubation process, the Accelerator will fully leverage Hong Kong's resources in green finance, green technology certification, green rating accreditation, consultancy, and legal services, creating innovative case studies for Hong Kong's green finance services. The Accelerator's preparatory team is engaging with national-level investment institutions and green technology promotion platforms in the Mainland, as well as multilateral financial institutions and major commercial financial institutions, to discuss collaboration on the Accelerator initiative, with a view of launching the Accelerator in

2026. The Government will assist in promoting cooperation between the Accelerator's preparatory team and the relevant multilateral financial institutions, aiming to create a new model in the field of green blended finance that can be promoted globally. The Financial Services and the Treasury Bureau is taking forward the relevant work with our existing manpower and resources. There is no related itemised breakdown of expenditure estimates.

(2) Public utility usage data (including water, electricity and gas usage data) reflects an enterprise's carbon footprint and is highly valuable for financial institutions in providing, approving, and renewing green financing and loans to enterprises, especially small and medium enterprises. Currently, the relevant data is primarily provided by the enterprises applying for the financing, leading to issues such as incomplete data, insufficient accuracy, and cumbersome submission processes. Therefore, we are studying the feasibility of collaboration with utility providers (including electricity companies, Towngas, and the Water Supplies Department) to facilitate financial institutions' direct access to such data under the consent of the enterprises, with a view to assisting financial institutions to more accurately assess enterprises' carbon emission levels and related risks, as well as enhancing the efficiency of green financing and risk assessment.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1864)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Since 2019, taxpayers have been entitled to tax deductions for premiums paid to qualifying annuity policies and Mandatory Provident Fund (MPF) voluntary contributions. In this connection, will the Government inform this Committee of the following:

1. Please tabulate the numbers of persons benefited from tax deductions and the amounts of tax deducted for premiums paid to qualifying annuity policies and MPF voluntary contributions respectively in each of the years since 2019.

2. Please tabulate the numbers of new annuity policies and new MPF voluntary contribution accounts, as well as the amounts involved in each of the years since 2019.

3. The Bureau stated last year that around 44% of the taxpayers had been allowed a tax deduction of less than $60,000. Please provide in table form the latest information on tax deduction, including the number of taxpayers who have made full use of the tax deduction, and the respective numbers and proportions of taxpayers who have claimed tax deduction solely for their qualifying annuity premiums, solely for their MPF voluntary contributions, and for both types of products, as well as the average and median amounts of tax deducted.

4. Has any assessment been made to see if such tax deduction arrangements have achieved the expected results? What are the future objectives?

5. These two tax deduction arrangements have been in place for nearly 7 years. Will the Government review and enhance the relevant arrangements, including the proposal to increase the respective maximum deductible limits?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 1)

Reply:

From the year of assessment 2019-20 onwards, taxpayers are entitled to tax deductions under salaries tax and personal assessment for their premiums paid to Qualifying Deferred Annuity Policies (QDAPs) and contributions made to Mandatory Provident Fund (MPF) tax-deductible voluntary contributions (TVC) accounts, subject to a maximum tax deductible limit of $60,000 each year of assessment per taxpayer. The objective of this tax deduction arrangement is to encourage members of the public to save for their retirement.

For the years of assessment 2019-20 to 2024-25, as at early March 2026, deduction of around $82.7 billion was allowed to around 1.82 million counts of taxpayers under this tax deduction arrangement. A breakdown of the figures by year is provided below:

Year	Number of taxpayers	Amount of deduction (HK$ million)
2019-20	211 000	9,170
2020-21	260 000	12,019
2021-22	288 000	13,408
2022-23	320 000	14,915
2023-24	352 000	16,123
2024-25	389 000	17,109

For the years of assessment 2019-20 to 2024-25, the insurance industry sold around 370 000 QDAPs, involving premiums of around $24.9 billion. During the same period, the number of MPF TVC accounts increased to 87 000, involving contributions amounting to $12.9 billion. A breakdown of the figures by year is provided below:

Year	QDAP[(1)]		MPF TVC		
	Number of new policies	Annualised premiums of new policies (HK$ million)	Number of new accounts	Number of accounts as at the end of period	Contributions in the year[(2)] (HK$ million)
2019-20	133 000	9,462	38 400	38 000	1,706
2020-21	52 000	3,595	16 200	53 000	2,214
2021-22	35 000	2,738	11 400	62 000	2,507
2022-23	32 000	2,125	9 000	68 000	2,159
2023-24	35 000	2,012	10 500	76 000	1,928
2024-25	80 000	4,961	15 300	87 000	2,356

Note: [(1)] Excluding the policies terminated during the cooling-off period.

[(2)] Referring to the total contributions made by all MPF TVC accounts in the year. MPFA does not keep information on the total contributions made by new accounts in each year.

The above information reflects that the tax deduction arrangement has provided incentive to encourage members of the public to save for their retirement, and is well received by the public and industries.

Regarding the tax deduction limit, under the prevailing arrangement and calculated based on the highest tax rate of 17%, a taxpayer can enjoy a maximum of $10,200 tax saving per year. As at early March 2026, of the taxpayers who were allowed tax deduction, around 44% were allowed a tax deduction of less than $60,000. The average and median amounts of tax deducted were around $45,000 and $60,000 respectively. It suggests that there is still room for taxpayers to save more for their retirement under the prevailing tax deduction limit. The Government will monitor the situation and review the arrangement when necessary. A detailed breakdown of the relevant tax deduction figures as at early March 2026 is provided below:

	Tax deducted via QDAP only	Tax deducted via MPF TVC only	Tax deducted via both products	Overall
Proportion of taxpayers with tax deduction lower than $60,000	28%	69%	26%	44%
Average amount of tax deducted ($)	55,000	30,000	53,000	45,000
Median amount of tax deducted ($)	60,000	18,000	60,000	60,000

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)018**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1865)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

To narrow Hong Kong's protection gap and unleash the social value of insurance, the Government collaborated with the Insurance Authority to introduce Protection Linked Plan (PLP) products in 2021, featuring a simple and transparent fee structure. In this connection, will the Government inform this Committee of the following:

1. Please set out in table form the following figures for each year since the launch of the PLP: (i) the number of policy holders and their average age; (ii) the number of new policies issued, the total amount of premiums and the average premium; (iii) the total number of policies, the total amount of premiums and the average premium; and (iv) the number of surrendered policies, the total amount of premiums and the percentage of surrendered policies in the total number of Investment-Linked Assurance Scheme policies; and

2. To encourage more young people to plan for retirement early, will the Government consider including PLP products in the scope of products eligible for tax deduction, thereby attracting young people to invest early to achieve higher long-term returns and meet their retirement protection needs? If so, what is the timetable? If not, what are the reasons?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 2)

Reply:

(1) To encourage early retirement planning of the younger generation, and to meet the retirement planning needs of an individual at different life stages, taking into account the characteristics of insurance products available in the market, the Insurance Authority

(IA) formalised in end-2021 the assessment procedures of Investment-Linked Assurance Scheme (ILAS) products. The Protection Linked Plans (PLP) was also introduced to the market around the same time. PLP is a new category of ILAS products, featuring a higher level of life protection, simple and transparent fee structure, and regulated fund choices.

The new business statistics of PLP since its launch in late 2022 are as follows:

	2023*	2024	2025	Total
Number of policies	Approximately 2 100	Approximately 2 900	Approximately 3 000	Approximately 8 000
Premium amount ($)	Approximately 500 million	Approximately 800 million	Approximately 500 million	Approximately 1,800 million
Average premiums per policy ($)	Approximately 230,000	Approximately 260,000	Approximately 180,000	Approximately 220,000

*including the statistics for the last quarter of 2022.

As at 31 December 2025, about 80% of the PLP policyholders were aged 50 or below, with age groups of 18-35 and 36-50 each taking up about 50%. About 1 400 policies were surrendered/lapsed, representing about 2% of the total number of investment-linked policies of the period. The IA does not maintain statistics in respect of the monetary amount of policies surrendered/lapsed.

(2) To encourage the public to save for their retirement, from the year of assessment 2019-20 onwards, taxpayers are entitled to tax deductions under salaries tax and personal assessment for their premiums paid to Qualifying Deferred Annuity Policies (QDAPs) and contributions made to Mandatory Provident Fund (MPF) tax-deductible voluntary contributions (TVC) accounts, subject to a maximum tax deductible limit of $60,000 each year of assessment per taxpayer. As at early March 2026, of the taxpayers who were allowed tax deduction, around 44% were allowed a tax deduction of less than $60,000, suggesting that there is still room for taxpayers to save more for their retirement under the prevailing tax deduction limit.

PLP, QDAP and MPF TVC are different products offering the public looking for various retirement arrangements with diversified choices. The Government will monitor the situation and review the arrangement when necessary, such as whether to include more various products. We will also work with the industry to meet the different risk management needs of the public in different stages of life, thereby narrowing the protection gap and promoting financial inclusion.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1867)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 115 of the Budget Speech that the Pilot Insurance-linked Securities Grant Scheme (Grant Scheme) has been extended to 2028 and 2 captive insurance companies were set up in Hong Kong last year. In this connection, will the Government inform this Committee of the following:

1. Since the launch of the Grant Scheme, how many financial provisions have been made and what were the respective amounts of each provision?

2. Since the launch of the Grant Scheme, what were the amounts of expenditure incurred by the Grant Scheme each year?

3. Please advise on the names of companies subsidised for the issuance of insurance-linked securities (ILS) since the launch of the Grant Scheme, as well as the respective sizes of issuance and amounts of grants.

4. What is the current balance of the Grant Scheme? Will additional provisions be required for the extension of the Grant Scheme? If yes, what is the specific amount?

5. Will the Government consider regularising the Grant Scheme, so as to attract more insurance companies and institutions to issue ILS in Hong Kong?

6. What were the total insurance premiums of captive insurance companies set up in Hong Kong in each of the past 5 years? Has business efficacy been achieved? How many jobs have been created in Hong Kong by these companies?

7. To attract more captive insurance companies to Hong Kong, will the Government, under the premise of ensuring effective supervision, further relax the requirements for the establishment of captive insurance companies, simplify the vetting procedures, encourage

business innovation, and offer more tax concessions, so that global enterprises will choose Hong Kong as the premier place of domicile for their captive insurance companies?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 4)

Reply:

(1) to (5)

The Government launched the Pilot Insurance-linked Securities Grant Scheme (Scheme) in 2021, with a total provision of $84 million to date, including an initial provision of $48 million in 2021, and 2 additional provisions of $24 million in 2023 and $12 million in 2025. The administrative costs have been absorbed by the Insurance Authority (IA) and we do not have a separate breakdown. As at end-February 2026, the remaining balance is about $31 million. We will, in collaboration with IA, continue to maintain close liaison with the industry, and examine the way forward of the Scheme taking into account its effectiveness, industry feedback and market developments.

Since the launch of the Scheme, 6 issuances have been subsidised involving a total of about $53 million, with details set out as follows –

Issuer	Issuance Size ($)	Grant Amount ($)
Peak Reinsurance Company Limited	1.18 billion	12 million
PICC Property and Casualty Company Limited	0.25 billion	4.23 million
World Bank (International Bank for Reconstruction and Development)	2.75 billion	12 million
World Bank (International Bank for Reconstruction and Development)	1.17 billion	9.14 million
Taiping Reinsurance Company Limited	0.27 billion	5.71 million
Peak Reinsurance Company Limited	0.39 billion	9.68 million

(6) and (7)

Currently, there are 7 captive insurers in Hong Kong. 3 of them have been established for less than a year and cannot provide a complete set of operational data. For the remaining 4 captive insurers, their total gross premium in 2024 was about $1.7 billion but we do not have the relevant manpower data.

Through measures such as adopting more flexible company structures, enhancing efficiency in the authorisation process, and stepping up promotion efforts, IA will

continue to attract more captive insurers to establish a foothold in Hong Kong, strengthening the city's status as a global risk management centre.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)020

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1868)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 169 of the Budget Speech that "the Programme to Enhance Talent Training for the Insurance Sector" will be extended by 3 years to enhance the professional competency of insurance practitioners. In this connection, will the Government inform this Committee of:

1. the number of tertiary students who have participated in the summer internships since the launch of the Programme and the expenditure involved; as well as the number and percentage of participants who joined the insurance sector after completing the summer internships;
2. the number of professional training courses that have received funding since the launch of the Programme; as well as the number of insurance practitioners who have participated in the subsidised professional training courses, and the expenditure involved;
3. the cumulative expenditure incurred since the launch of the Programme; and the estimated expenditure for 2026-27;
4. the current balance of the Programme; and whether additional funding needs to be earmarked for the extension of the Programme. If so, what is the specific amount?
5. whether the Government will consider regularising the Programme to continue supporting talent training for the insurance sector.

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 5)

Reply:

To attract more talents, and enhance the quality of the insurance and the asset and wealth management sectors with a view to facilitating the development of relevant sectors, the Government launched in August 2016 the "Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector" (the "Programme") to provide subsidies for tertiary student internships and professional training for practitioners,

and promote the employment opportunities and career prospects of the industries through different channels.

As at end-February 2026, the Programme has funded internships in the insurance sector for about 680 post-secondary students, with an expenditure of about $10.3 million. Although the Government does not have information on the employment status of the interns, their feedback on the Programme had been highly positive. Most students reported a deeper understanding of the insurance industry on completion of their internships, and some of them indicated interest in joining the industry upon graduation.

Besides, the Programme provides funding support for eligible organisations to organise high-quality training courses targeted at specialised areas or specific topics in insurance, aiming to provide high-end courses at an affordable fee for insurance practitioners who wish to enhance their professional knowledge. These courses cover areas such as marine insurance, catastrophic insurance, technology and innovation in insurance industry, etc. As at end-February 2026, over 22 200 insurance practitioners have attended the subsidised professional training courses under the Programme, with an expenditure of about $20.7 million.

Taking into account other items under the Programme (including the public education programme and the work and learn programme, both of which ceased operation in 2023), the total expenditure of these items to enhance talent training of insurance sector is about $67.3 million since inception.

The Programme was extended in 2019 until March 2023, and further extended in 2023 to March 2026. Given the very positive response from the insurance industry, in particular the funded professional training courses, we will make use of the Programme's residual provision of about $24 million to extend the Programme to Enhance Talent Training for the Insurance Sector for 3 years. We will focus the resources on subsidising targeted courses to assist the insurance industry in enhancing the professional capabilities of its practitioners in the coming 3 years, expecting around 7 000 insurance practitioners to be benefited from the relevant courses in total. The estimated operating expenditure in 2026-27 is about $8 million. We will continue to maintain close liaison with the insurance industry on matters relating to talent training, and consider the way forward of the Programme in due course.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1869)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned under Matters Requiring Special Attention in 2026-27, the Branch will work with the Insurance Authority to amend rules to lower capital requirements for infrastructure investment and provide concessions for local projects as a result of the review of the Risk-based Capital (RBC) regime, and to implement rules concerning public disclosure requirements under the RBC regime. In this connection, will the Government inform this Committee of the following:

1. Since the implementation of the RBC regime, what measures has the Government taken to monitor its implementation? Has the Government established a specific mechanism to evaluate its effectiveness?
2. In the light of the results of the review, what is the timetable and schedule of progress for amending and enhancing the relevant legislation?
3. As an additional safety net in the insurance industry, the Policy Holders' Protection Scheme (PPS) and the RBC regime are complementary, jointly enhancing the stability of the insurance market and strengthening public confidence in the insurance industry. What is the current status of the PPS? When are amendments to the relevant legislation expected to be made?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 6)

Reply:

To strengthen market stability and fully align with international standards, Hong Kong has since July 2024 implemented the Risk-Based Capital regime (the regime) for insurance sector which adopts a modular approach to assess factors such as market risk, life and general insurance underwriting risk and operational risk, thereby making the capital requirements more proportionate to the risk profile of individual insurers. After assessing the operation and financial data of insurers via the existing mechanism, the Insurance Authority (IA) considers that the industry's arrangements for asset-liability matching, risk management and

mitigation are in compliance with regulatory requirements, indicating that the regime has achieved its expected outcome.

To further enhance Hong Kong's status as a global risk management centre, IA commenced a review of the regime last year and has proposed to adjust the risk parameters for general insurance business and reduce capital requirement for eligible infrastructure investment. It has also proposed that the industry should adopt a standardised template to disclose capital adequacy ratios and risk profile to the public. IA has already conducted public consultations on the above proposals, and the Government will submit subsidiary legislation to the Legislative Council (LegCo) in the first half of this year to implement the proposals.

As for the proposal of establishing a Policy Holders' Protection Scheme (PPS), the objective of which is to set up compensation funds with comprehensive scope to provide compensation or secure the continuity of insurance contracts in case an insurer becomes insolvent. The Government has all along worked with IA to prepare for the establishment of PPS, and discussed relevant proposals at the LegCo Panel on Financial Affairs in 2018. Later in 2022, a consultancy firm was commissioned to conduct a study to update reference data such as the solvency levels of the insurance industry and the value of policies in force. This enabled a comprehensive review of the scheme's specific details and recommendations for public consultation. The relevant consultation conclusions were published in December 2023. In light of industry feedback on insurance-related policy priorities, we will continue to maintain liaison with the industry, and take into account their views when finalising the proposal details and legislative timetable.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1870)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the Mandatory Provident Fund (MPF) schemes, will the Government inform this Committee of the following:

1. Please provide, in tabular form, the period-end total net asset value of the MPF schemes, and the average net rate of return by fund type in each of the past 5 financial years.
2. Since the launch of the MPF "Semi Portability" in 2012, what are the cumulative number of transfer cases; as well as the number of employees, employers, and the amounts involved?
3. The Budget proposes gradually taking forward MPF "Full Portability". Its Phase One Proposal, to be implemented this year, covers employees whose employment commences on or after 1 May 2025. What are the respective staff establishment and expenditure involved? Has the Government estimated the number of transfer cases and the amounts involved after the implementation of Phase One?
4. What measures has the Government implemented to enhance public financial literacy and investment management capabilities in preparation for the MPF "Full Portability"? Will public education be further strengthened?
5. How will a smooth transition to "Full Portability" be ensured to avoid imposing additional costs on employees, employers, and trustees?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 7)

Reply:

(1) The period-end figures of the total net asset value (NAV) of the Mandatory Provident Fund (MPF) System over the past 5 financial years are tabulated below.

	Financial year				
	2021-22	2022-23	2023-24	2024-25	2025-26*
Total NAV($ billion)	1,121	1,109	1,183	1,338	1,553

* As of December 2025

The figures of the average net rate of return by fund type over the past 5 financial years are tabulated below.

	Financial year				
	2021-22	2022-23	2023-24	2024-25	2025-26*
Equity fund	-12.9%	-7.9%	-0.6%	16.1%	19.6%
Mixed assets fund	-5.7%	-7.0%	4.9%	6.4%	14.4%
Bond fund	-4.9%	-5.9%	0.2%	2.5%	3.7%
Guaranteed fund#	0.3%	0.3%	0.7%	3.3%	2.6%
MPF conservative fund	0.01%	1.2%	3.7%	3.4%	1.5%
Money market fund^	1.1%	-1.0%	1.1%	3.1%	3.1%

Assuming that the scheme member has met the guarantee or qualifying conditions of a guaranteed fund (such as having held the fund for a minimum period or made a minimum number of contributions, etc.), hence is entitled to its guaranteed rate of return

^ Excluding MPF conservative fund

* As of December 2025

(2) As at end-2025, the cumulative number of transfers made through the Employee Choice Arrangement, commonly referred to as MPF "Semi Portability", has reached nearly 1.1 million, involving about $54 billion in MPF benefits. The Mandatory Provident Fund Schemes Authority (MPFA) does not maintain statistics on the number of employees and employers involved in "Semi Portability" transfers.

(3) Legislative amendments providing the legal basis for the Phase One Proposal of MPF "Full Portability" were completed in September 2025. Upon the onboarding of the last MPF industry scheme to the eMPF Platform, the eMPF Platform Company Limited (eMPF Company) will commence one-off system enhancements to the Platform in May 2026, with a view to implementing the Phase One Proposal in the fourth quarter of 2026. We have reserved about $78 million in the 2025-26 revised estimates, so that eMPF Company can commence the relevant system enhancement work in 2026-27. The Government, MPFA and eMPF Company will implement the Phase One Proposal of "Full Portability" with existing manpower, but do not maintain a breakdown for the initiative.

Through further enhancing the portability of MPF accrued benefits, "Full Portability" seeks to encourage employees to manage their MPF accounts and investment strategies more proactively and increases their control over MPF accrued benefits. From the supply side, it further promotes market competition, encourages the MPF industry to provide higher-quality services, and creates more rooms for fee reduction, thereby benefiting employees. Whether an employee chooses to transfer his/her accrued benefits to an MPF scheme of his/her own choice is a personal decision, which depends on a myriad of factors, including investment objectives, services provided by trustees, fund returns and fees, etc.

(4) The Government has been working closely with relevant regulators, including the Securities and Futures Commission and its subsidiary, the Investor and Financial Education Council (IFEC), in conducting investor education through various means and channels (including public activities, community outreach, social media platforms, etc.) to enhance the public's financial knowledge and investment management skills. IFEC's website provides information on different investment tools and diverse digital financial management tools for public use for free. As part of the investor and financial education work, IFEC works closely with MPFA to provide MPF-related education resources covering different topics, including consolidating and managing MPF accounts, selecting MPF funds, formulating investment portfolios, the "Default Investment Strategy", etc.

With the launch of the eMPF Platform in June 2024, IFEC has updated its education resources to explain the operation and advantages of the eMPF Platform through its website, social media platforms and newspaper articles, so as to encourage the public to make good use of the Platform to better manage their MPF portfolios. Besides, as one of the activities of the "Hong Kong Money Month 2026", IFEC collaborated with MPFA in March 2026 to produce an online interview programme. Representative from MPFA and a financial planning expert were invited to introduce the eMPF platform and the "Default Investment Strategy", as well as to discuss MPF management, investment strategies, and options and considerations for MPF withdrawals after retirement.

MPFA is also committed to promoting MPF-related investment education and educating scheme members on how to better manage their MPF by choosing MPF investments according to their needs and risk tolerance level. To dovetail with the implementation of the Phase One Proposal of MPF "Full Portability" within this year, MPFA will roll out publicity and education initiatives at an appropriate juncture, through media interviews, articles, online media promotions and stakeholder engagement, etc., to help employees and employers grasp the actual operation of MPF "Full Portability".

(5) To avoid imposing additional costs on employees, employers, and trustees, MPFA has, at the Government's request, taken into account various factors when formulating the Proposals of MPF "Full Portability", including scheme members' control over their MPF investments, administrative complexity, and system efficiency.

To streamline administrative procedures and facilitate scheme members in grasping the specific operations of "Full Portability", "Full Portability" will make reference to the existing mechanism of "Semi Portability", which has proven to be effective and well known to both employers and employees over the past years, i.e. employees may choose to transfer accrued benefits derived from employer mandatory contributions in respect of the current employment in its entire amount from a contribution account of the MPF scheme participated by the employer to a personal account (applicable to the Phase One Proposal) / a brand new type of designated account (applicable to the Phase Two Proposal) of an MPF scheme of their own choice, once in every calendar year, or more than once in every calendar year if the governing rules of the MPF scheme from which the accrued benefits are transferred so provide.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1871)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 102 of the Budget Speech that since the commencement of the company re-domiciliation regime last year, the Companies Registry (CR) has approved 22 re-domiciliation applications, while about 20 applications are being processed. The Government will step up publicity to attract more enterprises to establish in Hong Kong. In this connection, please inform this Committee of the following:

1. Since the launch of the company re-domiciliation regime, how many applications have been received? Were there any unsuccessful applications; and if so, what were the number of such cases and the reasons for that?
2. Of the 22 cases approved by the CR, how many cases were related to insurance companies?
3. What is the average processing time for each company re-domiciliation case handled by the CR? What are the manpower establishment and financial expenditure involved?
4. Will the Government set a key performance indicator on the number of enterprises attracted to establish in Hong Kong each year?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 8)

Reply:

(1) and (2)

On 23 May 2025, we launched the company re-domiciliation regime, providing a simple, accessible and cost-effective route for non-Hong Kong companies to re-domicile to Hong Kong. As of 31 March 2026, the Companies Registry has received 49 applications and approved 30 cases including 2 insurance companies. The Companies Registry is processing about 20 applications, while there were no unsuccessful cases.

(3) With complete submission documents and information, it is generally estimated that the Companies Registry may approve a re-domiciliation application in 2 weeks' time. The Companies Registry is handling the relevant work using existing manpower resources, and the financial expenditure involved is absorbed by existing operating costs. There is no itemised breakdown.

(4) Hong Kong has an open and efficient company governance regime, simple taxation system, and world class professional services. Hong Kong's strategic location as well as commercial and trading networks connecting to the Mainland and worldwide are also favourable to corporations' management of their operations in the Mainland and in the Asian region. Hong Kong is an attractive destination for non-Hong Kong companies which are considering re-domiciliation, whilst re-domiciliation is a commercial decision on the part of a company. We will not set a quantitative target on the number of re-domiciled companies.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1872)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the insurance arrangements for the Northbound Travel for Hong Kong Vehicles (the Northbound Travel Scheme) and the Southbound Travel for Guangdong Vehicles (the Southbound Travel Scheme), will the Government please advise this Committee on:

1. since the announcement of the Northbound Travel Scheme, the number of Hong Kong insurers offering "unilateral recognition" insurance products; the respective number of the relevant policies issued by Hong Kong insurers to date; the percentage share of such policies in the total number of applications submitted under the Northbound Travel Scheme; whether any claims have been made so far, and if yes, the number of relevant claim cases and the respective amounts paid out;
2. since the announcement of the Southbound Travel Scheme, the number of Hong Kong insurers offering relevant cross-boundary motor insurance products; the respective number of the relevant policies issued by Hong Kong insurers to date; whether any claims have been made so far, and if yes, the number of relevant claim cases and the respective amounts paid out; and
3. whether the Government will co-ordinate with the insurance industry and other stakeholders in the future to explore and optimise the structure and marketing arrangements of cross-boundary motor insurance products, with a view to providing cross-boundary vehicle owners with wider choices and greater convenience?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 9)

Reply:

As of end-January 2026, a total of 22 local insurers offer Unilateral Recognition Policy (URP) products, about 21 400 policies have been issued, representing 9% of applications under the "Northbound Travel for Hong Kong Vehicles" Scheme. As of end-December 2025, there were about 100 claims. The Insurance Authority (IA) does not keep information on the claim amounts involved.

As for the "Southbound Travel for Guangdong Vehicles" Scheme (Entry into Urban Area), a total of 6 local insurers are currently offering related cross-boundary motor vehicle insurance products, about 2 400 policies have been issued as of end-January 2026, with no claims reported.

The Government has been maintaining liaison with the insurance industry through IA and encouraging the industry to enhance URP products to raise their usage. Following discussion between IA and relevant Mainland authorities, Hong Kong vehicle owners may now add supplementary coverage and services to their commercial insurance when purchasing URP products. This provides more options and stronger protection for Hong Kong vehicle owners. Meanwhile, the industry may, on the basis of the URP framework, offer vehicle damage insurance (covering risks in the Chinese Mainland) to Hong Kong vehicle owners, facilitating them to purchase policies that align with the validity period of their Mainland permits/licences.

IA will continue to improve the URP product structure and its promotion and sales arrangements, and will monitor the implementation of the "Southbound Travel for Guangdong Vehicles" Scheme with a view to providing more convenience to vehicle owners in both places.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)025**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1873)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned under Matters Requiring Special Attention in 2026-27 that the Financial Services Branch will promote the development of green and sustainable finance in Hong Kong, including overseeing the Pilot Green and Sustainable Finance Capacity Building Support Scheme, as well as fostering the development of sustainability disclosure ecosystem, in tandem with national and international development. In this connection, will the Government inform this Committee of the following:

1. Please set out in table form the number of applications received, the number and percentage of applications approved, the total amount of funding approved, and the types of debt instruments covered under the Scheme since its launch.
2. Since the launch of the Scheme, how many rounds of funding allocation have been made? What has been the amount of each funding allocation, and what has been the annual expenditure incurred under the Scheme?
3. What is the current balance of the Scheme and the estimated expenditure for 2026-27?
4. Will the Government consider regularising the Scheme to further encourage related industries in the region to make use of Hong Kong's transition financing platform as they move towards decarbonisation?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 10)

Reply:

(1) To nurture talent for further promoting green and sustainable finance, the Government launched in December 2022 the Pilot Green and Sustainable Finance Capacity Building Support Scheme (Pilot Scheme) for application by local eligible market practitioners and related professionals as well as students and graduates of relevant disciplines. Upon completing eligible programmes or accomplishing relevant qualifications, applicants can apply for reimbursement of up to $10,000.

From the launch of the Pilot Scheme (up to end-March 2026), the total number of applications received was 12 734 (including applications that could not be processed owing to incomplete information and those withdrawn voluntarily by applicants afterwards). The numbers of approved and rejected applications are set out below:

	From launch of the Pilot Scheme to end-March 2026	Percentage (%)[Note 1]
Number of applications approved	9 744	77
Number of applications rejected[Note 2]	683	5

Note 1: As some applications are being processed, some are unable to be processed due to incomplete information, and some applicants voluntarily withdrew their applications, the percentages in this table do not add up to 100%.

Note 2: Circumstances under which an application may be rejected include: the applicant not meeting the eligibility requirements of the Pilot Scheme; the applicant applying for reimbursement of fees of an ineligible programme; late applications; the applicant has obtained the maximum reimbursement amount under the Pilot Scheme, etc.

(2) to (4)

The Pilot Scheme has been well received by the industry since its launch. As of end-March 2026, over 9 700 applications were approved. The 2026-27 estimated expenditure of the Pilot Scheme is around $19 million. The annual financial provision of the Pilot Scheme is as follows:

Year	Financial provision ($ million)
2022	The Pilot Scheme was launched in December 2022 and the first batch of applications was reviewed the following year.
2023	5.81
2024	20.98
2025	29.47
2026 (as of end-March 2026)	4.77

The Pilot Scheme provides funding support for local eligible market persons to participate in training related to green and sustainable finance in response to the new trend of developing low-carbon and sustainable economy. To continuously support local green-finance talent training, the Pilot Scheme has been extended to 2028. We will review the scope and operation of the Pilot Scheme, and collect feedback and comments from the industry, training institutes as well as participants from time to time, and understand the needs in knowledge and skills related to green and sustainable finance, so as to explore the feasibility to further extend or to regularise the Pilot Scheme.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)026

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3238)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In paragraph 168 regarding Finance under Nurturing Talents in the 2026-27 Budget Speech, it is mentioned that the Greater Bay Area Fintech Two-way Internship Scheme for Post-secondary Students provides subsidies for students from Hong Kong and the Mainland to participate in short-term internships in fintech companies, and that about 30 enterprises and 100 students have participated in the scheme. In this connection, please inform this Committee of the following:

1. What is the actual amount of funding earmarked by the Government for the scheme in 2026-27?
2. How much of the funding amount is respectively used for student subsidies, subsidies for participating enterprises and administrative expenses?
3. What are the details of the funding amount and the effectiveness of the scheme since its launch in October 2023?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 39)

Reply:

In October 2023, the Government launched the GBA Fintech Two-way Internship Scheme for Post-secondary Students (the Scheme) to subsidise students from the Mainland and Hong Kong to participate in short-term internships in fintech companies, with a view to enhancing talent exchange and expanding the fintech talent pool.

The Scheme is targeted at full-time students studying fintech-related subjects in post-secondary institutions, including higher diploma and associate degree students, undergraduates, master's degree students and postgraduates. Internship positions in Hong Kong accept applications from Mainland students studying in the Mainland and Hong Kong. Internship positions in Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area accept applications from Hong Kong students studying in the Mainland and Hong Kong.

The Scheme provides students with a two-month internship opportunity (with extension up to 6 months), and a monthly subsidy of HK$12,000 (or RMB10,500) which is jointly borne by the Government and employers at a ratio of 7:3.

The Scheme has been well received by the students and enterprises. As of March 2026, about 120 students and 30 fintech companies have participated in 5 rounds of the Scheme.

The overall estimate of the Scheme is $12 million, including about $10 million for student internship subsidy and $2 million for publicity and administrative expenditure incurred by the scheme administrator (i.e. Cyberport). In previous financial years, the Government has provided a funding of $7 million to the scheme administrator. As there is surplus funding in the Scheme, it is not necessary to allocate funding in 2026-27. We have not provided any subsidy to the participating enterprises.

According to Cyberport's effectiveness evaluation, nearly 70% of the participating students indicated that the Scheme had enhanced their understanding of the fintech industry and they planned to pursue related career upon graduation. Moreover, about one-fifth of the participating enterprises have hired students who completed the internship as full-time employees, reflecting that the Scheme is conducive to strengthening the grooming of fintech talents.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)027

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3669)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please give an account on the number of cross-boundary motor insurance policies taken out under the "unilateral recognition" arrangement since the implementation of the Northbound Travel for Hong Kong Vehicles.

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 30)

Reply:

As of end-January 2026, the total number of Unilateral Recognition Policy products issued by local insurers was about 21 400.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1602)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The 2026-27 Budget states that "the GBA Fintech Two-way Internship Scheme for Post-secondary Students" (the Scheme) provides subsidies for students from Hong Kong and the Mainland to participate in short-term internships in fintech companies. About 30 enterprises and 100 students have participated in the Scheme." In this regard, please inform this Committee of the following:

(1) What are the total numbers of actual participating enterprises and students since the launch of the Scheme? Please provide a breakdown of the participation ratio of internships in Hong Kong versus Mainland cities in the GBA, the number of students having completed their internships, and the sectoral distribution of participating enterprises. What are the cumulative total amount of internship subsidies disbursed and administrative expenditures incurred so far? Does government funding constitute the entire funding source?
(2) What is the estimated financial provision for the Scheme in 2026-27? Please provide a breakdown of the major expenditure by categories, and the projected internship quota to be created as a result, along with the targeted numbers of participating students and enterprises; and
(3) What is the evaluation mechanism for the effectiveness of the Scheme? Are there any plans to provide more quotas, extended internship periods, or higher subsidy rates in the future? What are the additional estimated financial provisions therefor?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 12)

Reply:

In October 2023, the Government launched the GBA Fintech Two-way Internship Scheme for Post-secondary Students (the Scheme) to subsidise students from the Mainland and Hong Kong to participate in short-term internships in fintech companies, with a view to enhancing talent exchange and enlarging the fintech talent pool.

The Scheme is targeted at full-time students studying fintech-related subjects in post-secondary institutions, including higher diploma and associate degree students, undergraduates, master's degree students and postgraduates. Internship positions in Hong Kong accept applications from Mainland students studying in the Mainland and Hong Kong. Internship positions in Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area accept applications from Hong Kong students studying in the Mainland and Hong Kong.

The Scheme provides students with a two-month internship opportunity (with extension up to 6 months), and a monthly subsidy of HK$12,000 (or RMB10,500) which is jointly borne by the Government and employers at a ratio of 7:3.

The Scheme has been well received by students and enterprises. As of March 2026, about 120 students and 30 fintech companies have participated in 5 rounds of the Scheme. By internship location, students interning in Hong Kong account for around 70%, while those interning in GBA Mainland cities account for around 30%. Breakdown of participating fintech enterprises by business nature is tabulated below:

Business nature	**Number of enterprises**
Traditional bank	4
Digital bank	5
Virtual insurer	4
RegTech	3
WealthTech	4
CreditTech	1
PayTech	1
Others	8
Total	**30**

In 2026-27, we anticipate that the Scheme will attract the participation of around 15 fintech companies, providing a total of around 50 internship places.

The overall estimate of the Scheme is $12 million, including about $10 million for student internship subsidy and $2 million for publicity and administrative expenditure incurred by the scheme administrator (i.e. Cyberport). In previous financial years, the Government has provided a funding of $7 million to the scheme administrator. As there is surplus funding in the Scheme, it is not necessary to allocate funding in 2026-27.

Cyberport continuously reviews the implementation and effectiveness of the Scheme through questionnaires and feedback from enterprises. Nearly 70% of participating students indicated that the Scheme had enhanced their understanding of the fintech industry and that they planned to pursue a related career upon graduation. Moreover, about one-fifth of the participating enterprises have hired students who completed their internships as full-time employees, reflecting that the Scheme is conducive to strengthening the grooming of fintech talent.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)029**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1607)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The balance of Item 807 "Funding requirements for the eMPF Platform for the administration of Mandatory Provident Fund registered schemes" under Subhead 700 General non-recurrent of the Estimates of Expenditure is around $2,614.81 million. How much funding is expected to be allocated from this item for the system enhancement in respect of the implementation of the Proposal of Mandatory Provident Fund "Full Portability" in 2026-27?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.:25)

Reply:

The Government consulted the Panel on Financial Affairs (FA Panel) of the Legislative Council (LegCo) in June 2025 on the specific proposals of Mandatory Provident Fund (MPF) "Full Portability" and received general support from FA Panel Members. "Full Portability" will be implemented in 2 phases. The Phase One Proposal will benefit employees whose employment commenced on or after 1 May 2025, whereas the Phase Two Proposal will benefit employees whose employment commenced before 1 May 2025. Upon the implementation of the relevant proposals, employees may choose to transfer accrued benefits derived from employer mandatory contributions in respect of the current employment in its entire amount from a contribution account of the MPF scheme participated by the employer to a personal account (applicable to the Phase One Proposal) / a brand new type of designated account (applicable to the Phase Two Proposal) of an MPF scheme of their own choice, once in every calendar year, or more than once in every calendar year if the governing rules of the MPF scheme from which the accrued benefits are transferred so provide.

Legislative amendments providing the legal basis for the Phase One Proposal were completed in September 2025. Upon the onboarding of the last MPF industry scheme to the eMPF Platform, the eMPF Platform Company Limited (eMPF Company) will commence one-off system enhancements to the Platform in May 2026, with a view to implementing the Phase One Proposal in the fourth quarter of 2026. We have reserved about $78 million in the 2025-

26 revised estimate, so that eMPF Company can commence the relevant system enhancement work in 2026-27.

The Government and the Mandatory Provident Fund Schemes Authority are drafting legislative proposal to provide the legal basis for implementing the Phase Two Proposal. We plan to consult LegCo's FA Panel on the relevant proposal in the fourth quarter of 2026 and submit an Amendment Bill to LegCo in the first half of 2027. Another one-off system enhancement would be required to implement the Phase Two Proposal, including the setting up of a brand new type of designated account. We will, after the Amendment Bill is passed by LegCo, confirm the detailed technical scope of the relevant system enhancement and the cost required.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)030**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1608)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As shown in the expenditure estimates, there remains a balance of about $274.12 million in Item 802 "Funding for promoting and facilitating the development of the financial services sector" under Subhead 700 General non-recurrent. Will the Government please advise how much funding under this item is expected to be used in 2026-27 to promote the development of digital assets in Hong Kong, including the implementation of relevant regulatory framework and licensing regime?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 26)

Reply:

The Government is committed to establishing Hong Kong as a global hub for innovation in the digital asset field, and will continue to actively implement the various measures in the Policy Statement 2.0 on the Development of Digital Assets in Hong Kong. These include establishing a comprehensive regulatory framework, such as the implementation of the licensing regime for virtual asset trading platforms and the expansion of the regulatory scope to virtual asset dealing, custodian, advisory and management service providers, and the implementation of the licensing regime for stablecoin issuers.

The work related to promoting the development of digital assets is taken forward by the Government and financial regulators. Within the Financial Services Branch, the relevant work is handled by existing manpower and resources. There is no plan to mobilise resources under Item 802 "Funding for promoting and facilitating the development of the financial services sector" under Subhead 700 General non-recurrent.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1609)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the expenditure estimates that the provision for Subhead 000 Operational expenses of the Financial Services Branch in 2026-27 has increased by $65.41 million due to the need for organising the Asia-Pacific Economic Cooperation Finance Ministers' Meeting 2026. Will the Government inform this Committee of the total amount of estimated provision earmarked for organising this meeting and the relevant staff establishment involved?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 27)

Reply:

Organising the Asia-Pacific Economic Cooperation Finance Ministers' Meeting 2026 to be held in Hong Kong involves total expenditure estimated to be approximately $72 million, the details are set out below:

(1) The related salary costs for 36 time-limited posts (including 2 directorate and 34 non-directorate posts, covering the Administrative Officer, Executive Officer, Clerical and Secretarial Grades, etc.) for organising the meeting are around $22 million.

(2) The meeting related expenditure is around $50 million, namely (1) around $25.5 million for rental of venue and support (including venue and supporting facilities, information and communication technology services and support, and various equipment, etc.); (2) around $6.5 million for promotion, publicity and printing; (3) around $11 million for hospitality, food and beverage, and transportation, etc.; and (4) around $7 million for security related expenditure.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1610)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (2) Subvention: Financial Services Development Council

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under Programme (2) of the expenditure estimates, it is mentioned that the Government's subvention to the Financial Services Development Council (FSDC) for 2026-27 is $46.23 million. What regulatory mechanisms are in place to ensure that this subvention is effectively used to facilitate the development of the financial services sector, including the work of the Hong Kong Academy for Wealth Legacy under the FSDC's purview?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 28)

Reply:

The Financial Services Development Council (FSDC) was established in 2013 by the Government as a high-level advisory body to engage the industry in formulating proposals to promote the further development of Hong Kong's financial services industry and to map out strategic directions for development. Incorporated as a company limited by guarantee in September 2018, the FSDC comprises a non-executive chairman and a Board of Directors (with the Secretary for Financial Services and the Treasury as ex-officio member), who are all appointed by the Chief Executive (CE) or under the CE's delegated authority, to oversee its operation.

In addition, Corporate Governance Committees (of which members include a representative from the Financial Services and the Treasury Bureau) are established under the Boards of both the FSDC and its subsidiary, the Hong Kong Academy for Wealth Legacy (HKAWL) to provide recommendations to the Boards on overall policies and procedures relating to human resources, finance, and administration.

Under the premise of not interfering in the daily operation of the FSDC, the Government requires the FSDC to adopt appropriate measures for accountability and enhanced transparency, including submitting to the Government every year work plans, budgets, annual reports, audited financial statements, etc. (which should cover the work of the HKAWL), to

ensure that the FSDC's work programme is in line with its objectives. In addition, the FSDC briefs the Panel on Financial Affairs annually on its work to enable the Legislative Council and the public to monitor its work.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)033**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1613)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the Estimates of Expenditure, item 888, namely "Pilot programme to enhance talent training for the insurance sector and the asset and wealth management sector" under Subhead 700 (General non-recurrent) will be extended for 3 years. How does the Government plan to utilise the provision under this item for 2026-27? How many practitioners are expected to be trained?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 32)

Reply:

To attract more talents, and enhance the quality of the insurance and the asset and wealth management sectors with a view to facilitating the development of relevant sectors, the Government launched in August 2016 the "Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector" (the "Programme") to provide subsidies for tertiary student internships and professional training for practitioners, and promote the employment opportunities and career prospects of the industries through different channels.

The Programme was extended until 2023 in 2019, and further extended to March 2026 in 2023. Given the very positive response from the insurance industry, in particular the funded professional training courses, we will make use of the Programme's residual provision of about $24 million to extend the Programme to Enhance Talent Training for the Insurance Sector for 3 years. We will focus the resources on subsidising targeted courses to assist the insurance industry in enhancing the professional capabilities of its practitioners in the coming 3 years, expecting around 7 000 insurance practitioners to be benefited from the relevant courses in total.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)034

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1614)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned under Programme (1) of the Estimates of Expenditure that the Financial Services Branch will implement the company re-domiciliation regime in 2026-27. How much manpower and administrative resources has the Government earmarked under Subhead 000 (Operational expenses) for 2026-27 to implement this new regime?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 33)

Reply:

On 23 May 2025, we launched the company re-domiciliation regime, providing a simple, accessible and cost-effective route for non-Hong Kong companies to re-domicile to Hong Kong. The Financial Services Branch will continue to implement the relevant policy work using existing manpower and resources. The manpower and expenditure involved are absorbed in the overall establishment and expenditure of the Branch and there is no itemised breakdown.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1617)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. What are the purposes of the project and the amounts involved in the eMPF funds in each of the past years; and
2. what are the details of the current plan and the implementation timetable of the Full Portability policy?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 38)

Reply:

(1) During the period from 2019 to 2021, the Legislative Council (LegCo) approved a total provision of about $4.9 billion for the Government to cover the non-recurrent expenditure of the eMPF Platform Project. Such provision is mainly used to cover the operating expenses of data centres and contractual payments relating to the Platform's software and hardware development as well as system maintenance (Project costs), the eMPF Platform Company Limited (eMPF Company)'s initial operating expenditure (Company's expenditure), and Government Cloud Infrastructure Services fees (GCIS fees). Funding required by the eMPF Platform Project in respect of each financial year (save for GCIS fees payable to the Digital Policy Office (DPO)) will be included in the Government's estimate and disbursed to eMPF Company in the preceding financial year. Details of provisions involved in the past 6 financial years are set out at **Annex**.

(2) The Government consulted the Panel on Financial Affairs (FA Panel) of LegCo in June 2025 on the specific proposals of Mandatory Provident Fund (MPF) "Full Portability" and received general support from FA Panel Members. "Full Portability" will be implemented in 2 phases. The Phase One Proposal will benefit employees whose employment commenced on or after 1 May 2025, whereas the Phase Two Proposal will benefit employees whose employment commenced before 1 May 2025. Upon the implementation of the relevant proposals, employees may choose to transfer accrued benefits derived from employer mandatory contributions in respect of the current

employment in its entire amount from a contribution account of the MPF scheme participated by the employer to a personal account (applicable to the Phase One Proposal) / a brand new type of designated account (applicable to the Phase Two Proposal) of an MPF scheme of their own choice, once in every calendar year, or more than once in every calendar year if the governing rules of the MPF scheme from which the accrued benefits are transferred so provide.

Legislative amendments providing the legal basis for the Phase One Proposal were completed in September 2025. Upon the onboarding of the last MPF industry scheme to the eMPF Platform, eMPF Company will commence one-off system enhancements to the Platform in May 2026, with a view to implementing the Phase One Proposal in the fourth quarter of 2026. We have reserved about $78 million in the 2025-26 revised estimates for the relevant system enhancement work.

The Government and the Mandatory Provident Fund Schemes Authority are drafting legislative proposal to provide the legal basis for implementing the Phase Two Proposal. We plan to consult LegCo's FA Panel on the relevant proposal in the fourth quarter of 2026 and submit an Amendment Bill to LegCo in the first half of 2027. We will announce the date of implementing the Phase Two Proposal after the Amendment Bill is passed by LegCo having regard to the actual situation.

Annex

Expenditure items (Unit: $ million)	Government financial year						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	**Total**
Project costs	236.63	448.26	429.98	18.29^	435.87	182.20	1,751.23
Company's expenditure	158.75	166.83	/	/	/	/	325.58
Cash advance	/	/	195.50	76.26	/	(135.88)	135.88
GCIS fees	/	/	/	7.37	9.20	9.34	25.91
One-off system enhancement costs	/	/	/	/	/	78.20*	78.20
Total	395.38	615.09	625.48	101.92	445.07	133.86	**2,316.80**

^ Delays in developing the eMPF Platform by the Project Contractor resulted in an adjustment to the payment schedule of the relevant costs, hence the significant decrease in Project costs in 2023-24

***** One-off system enhancement costs pertinent to the implementation of MPF "Full Portability"

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)036**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2788)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (000) Operational expenses

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under Programme (1) of the expenditure estimates, it is mentioned that during 2026-27, the Financial Services Branch will promote the development of the asset and wealth management sector, including attracting more family offices to set up operation or expand their business in Hong Kong. Would the Government advise of the manpower and administrative resources earmarked under Subhead 000 Operational expenses for 2026-27 to facilitate the relevant work in attracting family offices?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 19)

Reply:

The dedicated FamilyOfficeHK team (the dedicated team) of Invest Hong Kong (InvestHK) provides one-stop support services to family offices (FOs) and ultra-high-net-worth individuals interested in pursuing development in Hong Kong. The dedicated team comprises 17 posts, including 1 global head, 1 deputy global head, 8 senior vice presidents/vice presidents, 1 senior executive manager, and 6 Chinese Mainland or overseas regional heads that are responsible for the investment promotion work across multiple traditional and emerging markets, including the Chinese Mainland, Europe, the Middle East, Association of Southeast Asian Nations, etc. The estimated expenditure in 2026-27 is about $53.7 million. InvestHK will review its manpower needs in response to business operations to enhance its efforts in attracting family offices.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)037

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2789)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (700) General non-recurrent

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in Programme (1) of the expenditure estimates that the Financial Services Branch will oversee the Pilot Green and Sustainable Finance Capacity Building Support Scheme in 2026-27. What is the estimated provision for the Scheme in 2026-27, and what is the estimated number of training places to be provided?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 20)

Reply:

To nurture talent for further promoting green and sustainable finance, the Government launched in December 2022 the Pilot Green and Sustainable Finance Capacity Building Support Scheme (Pilot Scheme) for application by local eligible market practitioners and related professionals as well as students and graduates of relevant disciplines. Upon completing eligible programmes or accomplishing relevant qualifications, applicants can apply for reimbursement of up to $10,000. To continuously support local green-finance talent training, the Pilot Scheme has been extended to 2028.

The Pilot Scheme has been well received by the industry since its launch. As of end-March 2026, over 9 700 applications were approved, involving a total reimbursement amount of over $55 million. Based on experience obtained in past years, we expect that approximately 3 000 applications would be approved annually. The 2026-27 estimated expenditure of the Pilot Scheme is around $19 million.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)038

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3473)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Foreign domestic helpers (FDHs) contribute significantly to our society. However, their financial well-being while working in Hong Kong, in particular the way they borrow money from finance companies, has given rise to a number of issues, including the harassment of FDH employers by money lenders or debt collectors they engage. In this connection, will the Government inform this Committee of:

1. the respective numbers of complaints and requests for assistance received by the Money Lenders Section of the Companies Registry in respect of licensed money lenders in each of the past 5 years, and of these, the number of cases involving borrowing by FDHs;

2. further to the above, the respective numbers of cases involving (a) money lenders and their debt collectors harassing referees or any other non-debtors, and (b) unlawful or improper debt collection practices;

3. the respective numbers of cases where money lenders were warned or prosecuted for contravening the Money Lenders Ordinance in each of the past 5 years;

4. the respective numbers of cases involving applications to the Licensing Court for (a) revocation of money lenders' licences, and (b) objection to licence renewal applications by money lenders in each of the past 5 years; and

5. further to the above, of the cases in relation to revocation of money lenders' licences and objection to licence renewal applications by money lenders over the past 5 years, the numbers of those involving harassment of FDH employers by licensees?

Asked by: Hon CHIK Kit-ling, Elaine (LegCo internal reference no.: 129)

Reply:

Having consulted the Security Bureau and the Companies Registry (CR), our reply is as follows:

(1) In the past 5 years, the numbers of complaints and requests for assistance received by the CR, relating to licensed money lenders (money lenders) are as follows:

	Money lender-related complaints and requests for assistance	**Cases involving foreign domestic helpers (FDH) borrowing**
2021	152	95
2022	90	3
2023	109	7
2024	214	20
2025	264	20

(2) Among the aforementioned cases, the numbers of cases involving (a) money lenders and their debt collectors harassing referees or any other non-debtors, and (b) unlawful or improper debt collection practices of money lenders and their debt collectors, are as follows:

	Cases involving (a) money lenders harassing referees or other non-debtors, and (b) unlawful or improper debt collection practices (Note)	**Cases involving FDH borrowing**
2021	92	54
2022	51	3
2023	66	6
2024	111	12
2025	149	14

Note: The CR does not maintain breakdown figures for categories (a) and (b).

(3) In the past 5 years, in respect of contravention of the Money Lenders Ordinance, the numbers of the warning letters and prosecutions made by the Police are as follows:

	Warning letters and prosecutions by the Police
2021	31
2022	0
2023	12
2024	13
2025 (as at Q3)	6

(4) and (5)

In the past 5 years, the numbers of revocation of money lender's licences and objection to money lenders' licence renewal applications, raised by the CR and the Police are as follows:

	Revocation of money lender's licences and objection to money lenders' licence renewal applications (Note)
2021	9
2022	3
2023	5
2024	1
2025	5

Note: None of the aforementioned cases involves harassment of FDH employers by money lenders.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)039

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1380)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Budget Speech proposes developing the RISC-V technology. How will the Government establish a complete RISC-V software supply chain to provide more comprehensive and extensive industrial application scenarios for the research and development, testing and production of RISC-V; what specific measures will be introduced in 2026-27; and what are the details, manpower involved and estimated expenditure of each measure?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 6)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

As a professional investment arm of the Hong Kong Special Administrative Region Government, the HKIC is actively advancing the strategic deployment of RISC-V technology through its "Investment +" approach. While pursuing reasonable financial returns, it focuses on using capital to catalyse the development of the RISC-V industry ecosystem. Through the dual engines of "capital + resources" and "investment + empowerment", the HKIC seeks to maximise the multiplier effect of patient capital.

The HKIC will promote the development of the RISC-V industry ecosystem in the following areas:

First, harnessing the steering power of patient capital. The HKIC will further consolidate the robust foundation for its investment and industrial positioning. With every HK$1 invested attracting over HK$8 from long-term market capital, the HKIC brings together market forces to participate in RISC-V ecosystem development. Through strategic

investments in leading enterprises, the HKIC has facilitated the creation and application of the world's first RISC-V architecture data centre management chip and smart IoT chip in Hong Kong, achieving a critical breakthrough from chip design to real-world application.

Second, establishing an industrial collaboration platform. Together with industry players, the HKIC has taken the lead in establishing the Hong Kong RISC-V Alliance, connecting the government, industry, academia, research, and investment to drive cross-domain and international collaboration within the Greater Bay Area. The Alliance will focus on supply chain development, promoting the adaptation of operating systems, toolchains, and application software with RISC-V hardware architecture. Additionally, the HKIC has facilitated the establishment of the "RISC-V Ecosystem Joint Laboratory" between an investee company and the City University of Hong Kong, as well as a joint innovation centre for digital smart future between another investee company with a computing infrastructure provider, accelerating the transition of technology from laboratory to industrial application.

Third, expanding application scenarios and standard participation. Through the Hong Kong RISC-V Alliance, the HKIC will collaborate with industry partners to explore more application scenarios in areas such as smart city, data centres, and the Internet of Things, providing market validation opportunities for chip research and development. The HKIC has also joined the RISC-V Working Committee of the China Electronics Standardisation Association to participate in the formulation of national standards, helping to bring China's RISC-V solutions to the global stage.

Drawing on its existing manpower and budget resources, the HKIC will work in tandem with the Hong Kong RISC-V Alliance to bring together all stakeholders under the philosophy of openness and collaborative success. The goal is to build a comprehensive RISC-V ecosystem and assist Hong Kong in becoming a global innovation hub for RISC-V, leveraging Hong Kong's strengths to serve our country's strategy of scientific and technological self-reliance and self-improvement.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)040**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0413)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that "the Mandatory Provident Fund Schemes Authority (MPFA) is gradually taking forward MPF 'Full Portability'. Its Phase One Proposal, to be implemented this year, covers employees whose employment commences on or after 1 May 2025. We will introduce an amendment bill in the first half of next year to extend the coverage to employees whose employment began before the above date." In this connection, would the Government inform this Committee of the following:

1. The MPFA has commenced preparatory work to support the goal of implementing the Phase One Proposal of MPF "Full Portability" within 2026. Would the Government provide more information on the estimated expenditure, details, and timetable of the overall implementation of the "Full Portability" scheme?

2. What is the current percentage of MPF contributors in Hong Kong who have made tax deductible voluntary contributions? How has the ratio changed since the introduction of the initiative? Will the MPFA step up publicity efforts to attain a higher ratio, thereby enhancing retirement protection for the Hong Kong population?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 55)

Reply:

(1) The Government consulted the Panel on Financial Affairs (FA Panel) of the Legislative Council (LegCo) in June 2025 on the specific proposals of Mandatory Provident Fund (MPF) "Full Portability" and received general support from FA Panel Members. "Full Portability" will be implemented in 2 phases. The Phase One Proposal will benefit employees whose employment commenced on or after 1 May 2025, whereas the Phase Two Proposal will benefit employees whose employment commenced before 1 May 2025.

Legislative amendments providing the legal basis for the Phase One Proposal were completed in September 2025. Upon the onboarding of the last MPF industry scheme to the eMPF Platform, the eMPF Platform Company Limited (eMPF Company) will commence one-off system enhancements to the Platform in May 2026, with a view to implementing the Phase One Proposal in the fourth quarter of 2026. We have reserved about $78 million in the 2025-26 revised estimates for the relevant system enhancement work.

The Government and the Mandatory Provident Fund Schemes Authority (MPFA) are drafting legislative proposal to provide the legal basis for implementing the Phase Two Proposal. We plan to consult LegCo's FA Panel on the relevant proposal in the fourth quarter of 2026 and submit an Amendment Bill to LegCo in the first half of 2027. We will announce the date of implementing the Phase Two Proposal after the Amendment Bill is passed by LegCo having regard to the actual situation.

(2) As at end-February 2026, the total number of tax-deductible voluntary contribution (TVC) accounts was 94 000, equivalent to about 3.6% of the total number of employees enrolled in the MPF System during the same period. The relevant ratio was a bit higher when compared to the number as at the end of the 2020-21 financial year, which was 2.0% (Note: some scheme members may hold more than one TVC account).

MPFA will continue to spare no efforts in promoting the benefits of voluntary contributions (including TVC) to MPF scheme members through publicity and education activities, media interviews, articles, online promotions, and direct engagement with stakeholders, as a supplementary means on top of mandatory contributions to enhance retirement protection.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2646)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In September 2022, the Government introduced the Pilot Scheme on Training Subsidy for Fintech Practitioners to promote the professional development of fintech talent and expand the fintech talent pool in Hong Kong. Under the Scheme, practitioners who have attained fintech professional qualifications can receive a reimbursement of up to 80% of the training costs. In this connection, will the Government inform this Committee, in a tabular format, of:

1. the number of participants subsidised, the titles of training programmes and the amount of subsidies under the Scheme in the past 3 years (2025, 2024 and 2023); and
2. the estimated operating costs for the Scheme this year and in the past 3 years (2025, 2024 and 2023)?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 51)

Reply:

In September 2022, the Government launched the Pilot Scheme on Training Subsidy for Fintech Practitioners (the Scheme) to provide practitioners having attained professional qualifications with funding support for training, with a view to promoting the professional development of fintech talents.

The Enhanced Competency Framework on Fintech for Banking Practitioners is the first recognised programme under the Subsidy Scheme. Financial practitioners having completed the required training courses and examinations and acquired relevant fintech professional qualifications, are entitled to the reimbursement of up to 80% of the training cost, subject to a cap of $25,000. Currently, The Hong Kong Polytechnic University and the Hong Kong University of Science and Technology have offered the following training courses:

Course	Institution	Module
Enhanced Competency Framework on Fintech (Core Level)	The Hong Kong Polytechnic University	➢ Technology Essentials ➢ Banking and Risk Essentials ➢ Fintech Practicum ➢ Fundamental Fintech Tools and Applications
Enhanced Competency Framework on Fintech (Professional Level)	The Hong Kong University of Science and Technology	➢ Regulatory Trends and Data Ethnics ➢ Artificial Intelligence and Big Data ➢ Distributed Ledger Technology ➢ Open Banking and Application Programming Interface ➢ Business Strategy and Marketing ➢ Fintech Product Management ➢ RegTech

The overall estimate of the Scheme is $38 million, including about $36 million for the training subsidy of financial practitioners and about $2 million for publicity and administrative expenditure of the scheme administrator (i.e. the Hong Kong Institute of Bankers). In previous financial years, the Government has provided a funding of about $20 million to the scheme administrator. As there is surplus funding in the Scheme, it is not necessary to allocate funding in 2026-27. Over the past 3 years (2023 to 2025), details of the Scheme are as follows:

Year	Number of participants who applied for and enrolled in courses	Number of participants attaining professional qualifications	Total training subsidy (HK$)
2023	342	68	around 736,300
2024	171	43	around 1,058,000
2025	234	82	around 1,147,600

Financial practitioners are required to complete the courses and pass the examinations before attaining the professional qualification. As the practitioners gradually complete the courses and pass the examinations, it is anticipated that the number of participants attaining the professional qualification will continue to increase.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)042

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2647)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government launched in August 2016 the Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector (Pilot Programme) to provide subsidy for tertiary student internships and professional training for practitioners, and promote the employment opportunities and career prospects of the industries through different channels. As announced by the Financial Secretary in the 2023-24 Budget, the Pilot Programme has been extended for 3 years until 2025-26. The objectives of the Pilot Programme for the asset and wealth management sector are to attract more new blood for expanding the talent pool and enhance the professional competency of the sector, so as to support the long-term growth of the sector. In this connection, will the Government inform this Committee of:

1. the number of students subsidised under the Internship Programme for Students of the Pilot Programme, the number of persons engaged in different job categories (front office, middle office, back office and hybrid functions), and the amount of funding in the past 3 years (2025, 2024 and 2023); and
2. the number of participants subsidised under the Financial Incentive Scheme for Professional Training of the Pilot Programme, the number of participants in various eligible courses under the Scheme, and the amount of funding in the past 3 years (2025, 2024 and 2023)?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 52)

Reply:

To attract more talents and facilitate the development of relevant sectors, the Government launched in August 2016 the "Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector" (the Programme) to provide subsidies for tertiary student internships and professional training for practitioners, and promote the employment opportunities and career prospects of the industries through different channels.

For student internships in the asset and wealth management (WAM) sector, eligible financial institutions offering internships to tertiary students under the Programme will be subsidised for the honorarium paid to the students. The number of students who completed internships in the WAM sector and the subsidy amount concerned since 2023-24 are summarised in the following table –

Financial year	No. of student interns					Subsidy amount ($ million)
	Total	*By job categories*				
		Front office	*Middle office*	*Back office*	*Mixed*	
2023-24	171	*53*	*17*	*63*	*38*	1.82
2024-25	172	*50*	*17*	*60*	*45*	2.74
2025-26	209	*46*	*22*	*73*	*68*	3.67

Besides, subsidies are provided for participants of professional training for the WAM sector under the Programme as course fee reimbursements. Each applicant will be reimbursed 80% of course fees upon completion of eligible courses, subject to a cap of $15,000 per person for the entire duration of the Programme. The number of participants who received subsidy for attending professional training courses in the WAM sector and the subsidy amount concerned since 2023-24 are tabulated below –

Financial year	No. of course participants who received subsidy	Subsidy amount ($ million)
2023-24	275	1.80
2024-25	449	2.51
2025-26	864	4.16

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2648)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government has implemented the Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector (Pilot Programme) since August 2016. For the insurance sector, the objective is to promote public awareness of the wide range of career opportunities and the career paths of functional jobs in the sector. The initiatives are geared towards training and developing talents to fill the skills gaps in specific areas of insurance business, in particular, general insurance, professional brokerage, and functional areas of life insurance, including underwriting, claims management, compliance and policy operation services. Considering the overall positive response, the Government has extended the Pilot Programme until 2025-26, with some refinements in operational details. Under the Summer Internship Programme (SIP), summer internship places in insurance companies and insurance broker companies were provided for university students. A total of 90 interns were recruited in 2025. Out of the monthly honorarium for each intern, the Government contributed up to 80% or $8,000 (whichever was lower) for an internship period of up to 3 consecutive calendar months to the participating employer. Regarding the SIP conducted in summer (i.e. June to August), will the Government inform this Committee of:

1. the number of interns and the amount of funding under the SIP in 2025; and
2. whether there are any statistics on the proportion of interns taking up the relevant jobs after completing the SIP?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 53)

Reply:

To attract more talents and enhance the quality of the insurance and the asset and wealth management sectors with a view to facilitating the development of relevant sectors, the Government launched in August 2016 the "Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector" (the "Programme") to

provide subsidies for tertiary student internships and professional training for practitioners, and promote the employment opportunities and career prospects of the industries through different channels. The Programme includes various initiatives, including providing subsidies for insurance companies and insurance brokerage firms that offer internship opportunities for tertiary graduates and university students. Through these internship opportunities, students can gain a deeper understanding of how the insurance industry operates.

In 2025-26, as at end-February 2026, the Programme has provided subsidies for about 95 post-secondary students joining the internship programme, with an expenditure of about $1.7 million. Although the Government does not have information on the employment status of the interns, their feedback on the Programme had been highly positive. Most students reported a deeper understanding of the insurance industry on completion of their internships, and some of them indicated interest in joining the industry upon graduation.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)044

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2649)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government launched the "GBA Fintech Two-way Internship Scheme for Post-secondary Students" in October 2023. The scheme offers over 150 internship positions in Hong Kong and Mainland cities of the Greater Bay Area (GBA), covering fintech companies of different segments in Hong Kong and the Mainland, including digital banks, virtual insurers, regtech, wealthtech, credittech and payment tech. Targeted at full-time students studying fintech-related subjects in post-secondary institutions in Hong Kong and Mainland cities of the GBA, the scheme provides students with a two-month internship opportunity (with extension up to six months) and a monthly allowance of HK$12,000 (or RMB10,500). In this connection, will the Government inform this Committee of the following:

1. the number of students participating in the scheme and expenditure on funding in the past 3 years (2025, 2024 and 2023);
2. the number of interns by location (Hong Kong or the Mainland) and by fintech segment (digital banks, virtual insurers, regtech, wealthtech, credittech and payment tech) under the scheme in the past 3 years (2025, 2024 and 2023);
3. whether the number of interns meets the Government's expectation, and whether evaluation has been made to see if there is a need to increase the number of internship positions;
4. whether the Government has compiled statistics on the proportion of interns working in the relevant field after completing their internship under the scheme.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 54)

Reply:

In October 2023, the Government launched the GBA Fintech Two-way Internship Scheme for Post-secondary Students (the Scheme) to subsidise students from the Mainland and Hong Kong to participate in short-term internships in fintech companies, with a view to enhancing talent exchange and enlarging the fintech talent pool.

The Scheme is targeted at full-time students studying fintech-related subjects in post-secondary institutions, including higher diploma and associate degree students, undergraduates, master's degree students and postgraduates. Internship positions in Hong Kong accept applications from Mainland students studying in the Mainland and Hong Kong. Internship positions in Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area accept applications from Hong Kong students studying in the Mainland and Hong Kong.

The Scheme provides students with a two-month internship opportunity (with extension up to 6 months), and a monthly subsidy of HK$12,000 (or RMB10,500) which is jointly borne by the Government and employers at a ratio of 7:3.

Following the launch of the Scheme in October 2023, upon completion of matching arrangement, students have gradually commenced their internship starting from early 2024. Over the past 2 years (2024 to 2025), the number of student interns and total internship subsidy are tabulated below:

Year	**Number of student interns**		**Total internship subsidy (HK$)**
	Internship in Hong Kong	**Internship in GBA Mainland cities**	
2024	43	23	around 1,400,000
2025	32	7	around 1,100,000
Total	**75**	**30**	**around 2,500,000**

Breakdown of student interns by business nature of enterprises is tabulated below:

Business nature	**Number of student interns**	
	2024	**2025**
Traditional bank	4	4
Digital bank	14	14
Virtual insurer	8	13
RegTech	6	—
WealthTech	11	—
CreditTech	1	—
PayTech	1	—
Others	21	8
Total	**66**	**39**

The Scheme has been well received by the students and enterprises. As of March 2026, about 120 students and 30 fintech companies have participated in 5 rounds of the Scheme. Overall, the Scheme has met the expectation.

According to Cyberport's effectiveness evaluation, nearly 70% of the participating students indicated that the Scheme had enhanced their understanding of the fintech industry and they planned to pursue related career upon graduation. Moreover, about one-fifth of the participating enterprises have hired students who completed the internship as full-time employees, reflecting that the Scheme is conducive to strengthening the grooming of fintech talents. As many interns have yet to graduate, we will closely monitor the situation of interns in pursuing fintech-related career after their graduation.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)045

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0170)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Paragraph 91 of the Budget Speech mentions advancing the internationalisation of the Renminbi (RMB) and pursuing greater openness of RMB capital accounts. Please advise on the following:

1. On (a) doubling the size of the RMB Business Facility to RMB200 billion earlier this month, what sectors do the applying enterprises and clients mainly come from? What are the main purposes of the funds? Are there any plans to further increase the facility size in the future?

2. On (c) issuing RMB bonds of different tenors on a regular basis to enrich product offerings in the offshore RMB market and improve the offshore RMB bond yield curve, what are the specific targets and their details for this year?

3. On (e) attracting high-quality issuers to increase RMB bond issuance in Hong Kong and tapping into emerging markets to bring more cross-boundary RMB transactions to Hong Kong, what are the specific targets and their details?

4. It is mentioned in paragraph 92 that the Government will actively explore with the Mainland to expedite the issuance of Mainland government bond futures in Hong Kong, the inclusion of real estate investment trusts (REIT) under mutual access and the inclusion of a RMB trading counter under the Southbound trading of the Stock Connect, and will explore further enhancements to the Bond Connect. Does the Government have any concrete roadmap?

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 40)

Reply:

(1) The Hong Kong Monetary Authority (HKMA) introduced the Renminbi (RMB) Trade Financing Liquidity Facility (TFLF) in February 2025. The facility offers banks a relatively stable source of offshore RMB funding for their provision of trade finance-related services to corporate customers. To enhance the liquidity and global reach of the offshore RMB market in Hong Kong, the HKMA introduced the RMB Business Facility (RBF) in October 2025 which replaced the RMB TFLF, featuring multiple enhancements such as providing enterprises with the longer-term RMB financing required for trade, daily operation and capital expenditure, so as to support the use of RMB in the real economy. Eligible end-users have also been extended from corporate clients of participating banks to cover also corporate clients of the participating banks' overseas intragroup banking entities. From 2 February 2026, the total size of the RBF was increased from RMB100 billion to RMB200 billion to support financial institutions in facilitating the wider use of RMB by enterprises and customers. Funds tapped under the RBF have been used to support participating banks' provision of trade finance, capital expenditure, and working capital term loans to their corporate clients. The HKMA will continue to monitor the implementation of the RBF, including quota utilisation by participating banks, collect market feedback, and consider further enhancements with the support of the People's Bank of China if and as appropriate.

(2) Under the Government Sustainable Bond Programme (formerly known as the Government Green Bond Programme) and the Infrastructure Bond Programme, the Government has issued RMB-denominated bonds from time to time, with a total issuance amount of around RMB90 billion (as of end-March 2026). In 2025-26, the Government has issued around RMB35 billion worth of RMB bonds, accounting for around 25% of new bond issuance. In particular, in June 2025, the Government issued 20-year and 30-year long-tenor RMB bonds for the second time, with issuance sizes doubled from the inaugural issuance in 2024. The Government's past issuances of RMB bonds have been well received, attracting participation from a wide range of investors. Going forward, we will continue to increase the issuance of RMB bonds across different tenors on a regular basis through the tender arrangement for institutional RMB bonds, with a view to better meeting the asset allocation needs of international investors, while continuing to provide market benchmarks and further promoting offshore RMB market development. The actual issuance amount and arrangement will be subject to prevailing market conditions, the Government's overall issuance planning, and will be subject to approval by the Steering Committee chaired by the Financial Secretary.

(3) The 2026-27 Budget proposes attracting high-quality issuers to increase RMB bond issuance in Hong Kong and tapping into emerging markets to bring more cross-boundary RMB transactions to Hong Kong. This initiative enables high-quality issuers to leverage the depth and broad investor base of Hong Kong's financial market to support their development projects, enhancing the mutual promotion of the fundraising market and RMB internationalisation. Some sovereign and quasi-sovereign entities, such as the Government of Indonesia and the Development Bank of Kazakhstan, issued offshore RMB bonds in Hong Kong for the first time in 2025. In February 2026, the Indonesian government issued bonds (including offshore RMB bonds) in Hong Kong again. Multilateral development banks such as the Asian Infrastructure Investment Bank and

the Asian Development Bank have also been issuing offshore RMB bonds in Hong Kong. These developments underscore Hong Kong's growing appeal as a leading hub for offshore RMB bond issuance. We will strengthen our promotional efforts through delegation visits, conferences, roadshows, etc., to actively highlight the advantages of Hong Kong's offshore RMB services to the international market, including working with the banking industry to actively cultivate high-potential countries and regions such as ASEAN and develop emerging markets such as the Middle East and the Belt and Road, thereby attracting more cross-boundary RMB transactions to be conducted through Hong Kong.

(4) As global investors' demand for RMB-denominated products grows, Hong Kong's role as a global offshore RMB business hub and risk management centre becomes increasingly important. The Government is committed to continuously enriching the suite of RMB-denominated investment products and risk management tools to meet the needs of both domestic and overseas investors. The regulators of the Mainland and Hong Kong have announced their support for the launch of offshore treasury bond futures in Hong Kong and the inclusion of RMB counters under the Southbound Trading of Stock Connect, as well as the inclusion of real estate investment trusts (REITs) under mutual access. Relevant institutions in the Mainland and Hong Kong are actively preparing for the implementation of relevant initiatives, which will be announced upon regulatory approval.

Furthermore, Bond Connect has introduced a series of enhancement measures, including the launch of offshore RMB repurchase agreements using Northbound Bond Connect bonds as collateral, the acceptance of onshore Chinese Government Bonds and Policy Bank Bonds held by offshore investors through Bond Connect as collateral for all derivative transactions by the OTC Clearing Hong Kong Limited, and the expansion of the investor scope for southbound trading under Bond Connect to include securities firms, fund companies, insurance companies and wealth management firms. We will continue to work closely with regulatory authorities and the Hong Kong Exchanges and Clearing Limited to explore further enhancement in collaboration with the Mainland.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)046

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3364)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 96 of the Budget Speech that the Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) are actively implementing the Roadmap for the Development of Fixed Income and Currency Markets (Roadmap) announced last year. It includes boosting issuance in the primary market, enhancing liquidity in the secondary market, and expanding offshore Renminbi business. The electronic bond-trading platform will also be launched in the second half of this year, thereby reinforcing Hong Kong's position as a global fixed income and currency hub. Please inform this Committee of the following:

1. One of the initiatives outlined in the Roadmap is to strengthen collaboration with the Ministry of Finance to issue offshore Mainland government bonds in Hong Kong. What are the amounts, tenors, interest rates, subscription amounts and major investors of the bonds issued by the Ministry of Finance in Hong Kong over the past 3 years? What are the specific targets of bond issuance and relevant timetable for this year?

2. What are the amounts, tenors, interest rates, subscription amounts and major investors of the bonds issued by Mainland provinces and municipalities in Hong Kong over the past 3 years? What are the specific targets of bond issuance and relevant timetable for this year?

3. According to the Roadmap, "the Mainland, Southeast Asia, the Middle East" will be considered as the key areas by the SFC and the HKMA. What are the justifications? How will the Government conduct publicity in these areas and enhance the attractiveness?

4. In respect of enhancing liquidity in the secondary market, what are the specific policies and timetable of the Government?

5. It is stated in paragraph 120 of the Budget Speech that the Asian Infrastructure Investment Bank announced at the end of last year its plan to set up an office in Hong Kong. The Government is proactively facilitating and providing the necessary support. What is the current progress? What is the expected timetable for setting up the office? What are the details of the collaboration plan?

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 39)

Reply:

The Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) jointly announced Hong Kong's Roadmap for the Development of Fixed Income and Currency (FIC) Markets (Roadmap) in September 2025 to position the city strategically as a global FIC hub by fostering demand, liquidity and innovation.

(1) One of the measures in the Roadmap is to strengthen cooperation with the Ministry of Finance (MoF) of the People's Republic of China to issue offshore government bonds in Hong Kong. The Ministry of Finance has been issuing RMB sovereign bonds in Hong Kong since 2009, with the cumulative issuance amount reaching RMB434 billion as of end-2025. The volume, tenor, interest rate and subscription amount of bonds issued by the MoF in Hong Kong over the past 3 years are as follows:

Year of issuance	Volume (RMB billion)	Tenor	Interest rate	Subscription amount (RMB billion)
2023	50	2-year, 3-year, 5-year, 10-year	2.20% - 2.71%	166.6
2024	55	2-year, 3-year, 5-year, 10-year	2.20% - 2.45%	180.2
2025	68	2-year, 3-year, 5-year, 10-year, 15-year, 30-year	1.75% - 2.37%	236.4

The MoF issued RMB14 billion of sovereign bonds in Hong Kong in February 2026. There is currently no information regarding this year's specific bond issuance target or a timetable.

(2) Since 2021, a total of RMB56.5 billion (as of end-2025) of offshore RMB bonds have been issued in Hong Kong by the Shenzhen Municipal People's Government, the People's Government of Hainan Province and the People's Government of Guangdong Province. The volume, tenor, interest rate and subscription amount of bonds issued in Hong Kong by Mainland provinces and municipals over the past 3 years are as follows:

Details of the bonds issued by the Shenzhen Municipal People's Government in Hong Kong are as follows:

Year of issuance	Volume (RMB billion)	Tenor	Interest rate	Subscription amount (RMB billion)
2023	5	2-year, 3-year, 5-year	2.4%, 2.55%, 2.75%	20.5
2024	7	2-year, 3-year, 5-year, 10-year	2.15%, 2.2%, 2.33%, 2.5%	48.3
2025	4	2-year, 5-year, 10-year	1.61%, 1.8%, 2.08%	18.8

Details of the bonds issued by the People's Government of Hainan Province in Hong Kong are as follows:

Year of issuance	Volume (RMB billion)	Tenor	Interest rate	Subscription amount (RMB billion)
2023	5	2-year, 3-year, 5-year	2.45%, 2.53%, 2.7%	12.9
2024	3	3-year, 5-year, 10-year	2.07%, 2.15%, 2.45%	36.0
2025	5	3-year, 5-year, 10-year	1.73%, 1.83%, 2.1%	23.0

Details of the bonds issued by the People's Government of Guangdong Province in Hong Kong are as follows:

Year of issuance	Volume (RMB billion)	Tenor	Interest rate	Subscription amount (RMB billion)
2024	5	2-year, 3-year, 5-year	2.08%, 2.13%, 2.23%	57.0
2025	7.5	3-year, 5-year, 10-year	1.72%, 1.80%, 2.09%	20.3

We will continue to encourage more Mainland governments at all levels to issue offshore RMB bonds in Hong Kong. We do not currently have specific bond issuance targets or timetables of Mainland provincial and municipal governments issuing bonds in Hong Kong this year.

(3) To further promote market development, the Roadmap focuses on regions with significant potential, such as the Mainland, Southeast Asia, and the Middle East. This can gradually open up new dimensions for Hong Kong businesses to expand into overseas regions, and attract more long-term funding sources for the Hong Kong market. All these will solidify Hong Kong's position as an international financial centre. In particular, Hong Kong's close economic and financial integration with the Mainland makes it a natural and strategic priority. Hong Kong has long been the critical gateway

for international investors to enter into the Mainland market and for Mainland enterprises to "go global". Initiatives like the existing Connect Schemes have been strengthening Hong Kong's role as a gateway between international and Chinese Mainland markets. Also, Southeast Asia and the Middle East are the fastest-growing regions globally and are homes to some of the world's largest sovereign wealth funds, with rising demand for capital and investment products. As a leading international financial centre, Hong Kong can further the economic partnership by offering issuers and investors in these regions our diverse and deep market liquidity, robust financial infrastructures, and unique advantage as the gateway to the Mainland.

Hong Kong has been the premier offshore financing platform for Chinese Mainland enterprises. Out of the total offshore bonds issued by Chinese Mainland enterprises, around 70% of the issuance activities were conducted in Hong Kong. Also, we are actively developing emerging markets such as the Middle East and the Belt and Road. Some sovereign and quasi-sovereign entities, such as the Government of Indonesia and the Development Bank of Kazakhstan, issued offshore RMB bonds in Hong Kong for the first time in 2025. In February 2026, the Indonesian government issued bonds (including offshore RMB bonds) in Hong Kong again. Multilateral development banks such as the Asian Infrastructure Investment Bank (AIIB) and the Asian Development Bank have also been issuing offshore RMB bonds in Hong Kong. These developments underscore Hong Kong's growing appeal as a leading hub for offshore RMB bond issuance.

Going forward, the SFC and the HKMA will continue to implement the various initiatives under the Roadmap, to step up market outreach to the Chinese Mainland, Southeast Asia, the Middle East and other target markets, with a view to attracting more issuers and investors to Hong Kong's FIC markets, and the broader use of RMB as a funding currency. We will strengthen our promotional efforts through delegation visits, conferences, roadshows, etc., to actively highlight the advantages of Hong Kong's offshore RMB services to the international market, including working with the banking industry to actively cultivate high-potential countries and regions such as ASEAN and explore other emerging markets such as the Middle East and Belt and Road countries, with a view to further attracting more cross-boundary RMB transactions to be conducted through Hong Kong.

(4) The SFC is finalising implementation of over-the-counter FIC derivatives regime and facilitating development of a repo central counterparty according to the Roadmap to enhance liquidity in the secondary market.

To finalise implementation of over-the-counter FIC derivatives regime, the SFC sets forth its plan to introduce a holistic licensing regime for regulated activities related to OTC derivatives under the Securities and Futures Ordinance, which will cover a full range of FIC products. As a core component of the new licensing regime, the SFC issued a consultation on 14 July 2025 on proposed changes to the capital regime to cater for these regulated activities. The proposed capital requirements can increase Hong Kong's appeal as a regional booking and risk management centre for international investment banks and facilitate the development of the local FIC and OTC derivative markets through reducing the cost of trading and hedging activities as well as aligning with international banking capital standards.

The SFC is analysing the market feedback from this consultation, and will formulate the necessary changes to the relevant subsidiary legislations to complete the implementation of the OTC derivatives regime. Finalisation and implementation of the OTC derivatives regime will provide regulatory certainty to market participants, which is crucial to the development of a sound and orderly OTC derivatives market in Hong Kong.

To facilitate the further development of Hong Kong's repo market (particularly for Chinese Government Bonds), the SFC will conduct a feasibility study on setting up a central counterparty (CCP) clearing system for repo transactions in Hong Kong. Meanwhile, the SFC has sought market's view on facilitative capital requirements that lower the capital needed for centrally cleared repo transactions, thereby encouraging central clearing by qualified CCPs and reducing the settlement and systemic risks associated with this activity.

(5) As a member of the AIIB, Hong Kong, China has been leveraging the unique advantages of connectivity with both the Mainland and the world under the "One country, Two systems", to assist AIIB in promoting the sustainable development of infrastructure in Asia.

In November 2025, the AIIB announced its plan to set up an office in Hong Kong. The Government has been actively meeting AIIB's needs and rendering support. Specifically, we have reserved office space and supporting facilities for AIIB's office in Hong Kong, and plan to provide the necessary facilitation (such as immigration facilitation) to AIIB personnel to Hong Kong and their household members. Upon finalising the detailed specific arrangements, we will make announcement in due course.

The establishment of AIIB's office in Hong Kong will not only help consolidate and enhance Hong Kong's status as an international financial centre, but also facilitate the AIIB to further leverage our vibrant capital market, world-class professional services and diversified financial products to support the Bank's operations in project financing, bond issuance, as well as investment and financial management.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3367)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the eMPF Platform Project, please advise on the following:

1. What were the respective provisions and staffing for the establishment of the eMPF Platform in each of the past 3 years?
2. What are the details regarding the number of outsourced contractors engaged for the eMPF Platform, the services rendered and the amounts involved?
3. What are the current staffing arrangements, average daily number of customers attended, major areas of work and key performance indicators for the 3 eMPF service centres?
4. Since the launch of the eMPF Platform, has the Government maintained statistics on the number of complaint cases received in writing, by phone and in person? What are the categories of these complaints? Has the Government conducted any reviews and taken any follow-up actions in respect of these complaints? If yes, what are the details? If not, what are the reasons for that?
5. Have any key performance indicators been set for the eMPF Platform? If so, what are the details? If not, what are the reasons for that?

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 44)

Reply:

(1) During the period from 2019 to 2021, the Legislative Council approved a total provision of about $4.9 billion for the Government to cover the non-recurrent expenditure of the eMPF Platform Project. Such provision is mainly used to cover the operating expenses of data centres and contractual payments relating to the Platform's software and hardware development as well as system maintenance (Project costs), the eMPF Platform Company Limited (eMPF Company)'s initial operating expenditure (Company's expenditure), and Government Cloud Infrastructure Services fees (GCIS fees). Funding required by the eMPF Platform Project in respect of each financial year (save for GCIS fees payable to the Digital Policy Office) will be included in the

Government's estimate and disbursed to eMPF Company in the preceding financial year. Details of provisions and number of headcount of eMPF Company and its Core Contractor (i.e. PCCW Solutions Limited) involved in the past 3 financial years are set out at **Annexes I and II** respectively.

(2) eMPF Company has engaged a total of 2 contractors for the eMPF Platform Project, namely, PCCW Solutions Limited, which is responsible for designing, building and operating the Platform; and SunnyVision Limited, which is responsible for providing data centre services. As the contracts involve sensitive commercial terms, it is not appropriate to disclose the contract amounts.

(3) The 3 eMPF service centres currently with a total of over 80 customer service staff provide services including eMPF registration, submission of documents, and checking account information, etc., to a daily average of close to 830 employers and scheme members.

The contract signed between eMPF Company and the Core Contractor has stipulated a number of key performance indicators (KPIs) in respect of the service centres' operation. For instance, customer service staff are required to complete verifying the identity and signature of employers/scheme members for processing the relevant applications within 5 minutes, and to facilitate the submission of eMPF registration requests by employers/scheme members within 10 minutes, etc.

(4) As at end-February 2026, eMPF Company has received a total of around 11 500 complaints. The relevant details are set out at **Annex III**. The complaints mainly concerned delays in processing MPF administrative work for individual cases, as well as MPF contributions not being timely reflected in employees' account balances after being made by employers, etc. To handle complaints in a timely manner and to improve user experience, the Core Contractor has, upon eMPF Company's request, implemented a series of enhancement measures, including increasing headcounts dedicated to handling complaints, strengthening managerial oversight of case progress, upgrading internal communication tools to provide better frontline support, implementing a mechanism to assign dedicated case officers to handle each case, and introducing artificial intelligence to optimise data retrieval and improve communication with customers, etc. The Government has already requested the Mandatory Provident Fund Schemes Authority (MPFA) and eMPF Company to closely monitor the Core Contractor's service standard in handling complaints to ensure the complaints are handled properly and swiftly. To this end, eMPF Company has recently implemented a performance tracking system to continuously monitor the Platform's operation statistics and to introduce alerts on critical processes, reminding the Core Contractor's staff to complete the processing of instructions made by employers and scheme members within the specified timeframe. The Government, MPFA and eMPF Company will continue to closely monitor the complaint handling mechanism of the eMPF Platform, with a view to providing employers and scheme members with customer services of higher quality.

(5) eMPF Company has made service pledges in respect of services provided by the Platform. On complaints handling, under general circumstances, eMPF Company will acknowledge receipt of complaints within 3 working days and issue replies within 12

working days. The relevant details have been uploaded onto eMPF Company's website for public reference. Besides, the contract signed between eMPF Company and the Core Contractor has stipulated KPIs in respect of the annual digital take-up rates of the Platform. For instance, the digital take-up rate must reach 50% in 1 year after commencement of operation of the Platform, 60% in 2 years thereafter and so on, until it reaches 90% in 5 years' time. If eMPF Company observes that the KPIs are not met, the Core Contractor will be asked to allocate additional resources at its own costs and submit a follow-up plan to catch up with the KPIs.

As at end-February 2026, the digital take-up rate of the eMPF Platform has already exceeded 70%, which is higher than the applicable KPI (i.e. 60%).

Annex I

Expenditure items (Unit: $ million)	Government financial year		
	2023-24	2024-25	2025-26
Project costs	18.29^	435.87	182.20
Cash advance	76.26	/	(135.88)
GCIS fees	7.37	9.20	9.34
One-off system enhancement costs	/	/	78.20*
Total	101.92	445.07	133.86

^ Delays in developing the eMPF Platform by the Project Contractor resulted in an adjustment to the payment schedule of the relevant costs, hence the significant decrease in Project costs in 2023-24

* One-off system enhancement costs pertinent to the implementation of Mandatory Provident Fund (MPF) "Full Portability"

Annex II

Number of headcount	Financial year		
	2023-24	2024-25	2025-26
eMPF Company	About 70	About 80	About 90
Core Contractor	About 830	About 1 300	About 4 200

Note: The figures in the table above reflect the number of headcount as at the end of relevant financial year.

Annex III

Category	Number of complaints received	
	Employers	Scheme members
eMPF registration	419	262
Enrolment in MPF schemes	956	225
Making MPF contributions	3 295	1 570
Transfer of MPF accrued benefits	139	407
Change of account information and user particulars	282	192
Change of investment portfolios	Not applicable	149
Withdrawal of MPF accrued benefits	Not applicable	2 053
Offsetting of long service payment / severance payment	387	285
Customer services	350	370
Others	72	100
Total	**5 900**	**5 613**
	11 513	

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)048**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3368)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding company registration and liquidation, and personal bankruptcy, please advise on:

1. the numbers of local companies incorporated and the major sectors involved in the past 3 years;
2. the respective numbers of companies deregistered, struck off and liquidated, and the major sectors involved in the past 3 years; and
3. the numbers of personal bankruptcy cases in the past 3 years.

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 45)

Reply:

Having consulted the Companies Registry (CR) and Official Receiver's Office, our reply is as follows:

(1) In the past 3 financial years, the numbers of local companies incorporated and re-domiciled companies registered are as follows:

Financial Year	Number of local companies incorporated	Number of re-domiciled companies registered*	Total
2023-24	119 544	-	119 544
2024-25	154 220	-	154 220
2025-26 (up to February 2026)	190 569	22	190 591

*The company re-domiciliation regime came into operation on 23 May 2025.

The CR does not maintain statistics on industry classifications.

(2) In the past 3 financial years, the numbers of company de-registration, striking-off and liquidation are as follows:

Financial year	Number of companies dissolved			
	De-registration	Striking-off	Liquidation	Total
2023-24	70 230	27 773	1 003	99 006
2024-25	77 128	37 103	986	115 217
2025-26 (up to February 2026)	61 230	30 306	1 202	92 738

The CR does not maintain statistics on industry classifications.

(3) In the past 3 financial years, the number of cases with bankruptcy orders made by the Court is as follows:

Financial year	Number of cases with bankruptcy orders made by the Court
2023-24	7 408
2024-25	8 596
2025-26 (up to February 2026)	8 378

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)049**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1254)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in the Matters Requiring Special Attention in 2026-27, the Government will implement the Phase One Proposal of Mandatory Provident Fund (MPF) "Full Portability", as well as commence legislative amendment work for implementing the Phase Two Proposal. In this connection, will the Government inform this Committee of:

1. the latest timetable for the full implementation of the MPF "Full Portability" proposals, including the estimated implementation dates for the Phase One and Phase Two proposals;
2. following the commissioning of the eMPF and subsequent system enhancement, as well as the introduction of the "Full Portability" proposals, whether it has assessed the need to increase or reduce manpower, and the estimated expenditure involved?

Asked by: Hon CHUANG Ka-pun, Albert (LegCo internal reference no.: 7)

Reply:

The Government consulted the Panel on Financial Affairs (FA Panel) of the Legislative Council (LegCo) in June 2025 on the specific proposals of Mandatory Provident Fund (MPF) "Full Portability" and received general support from FA Panel Members. "Full Portability" will be implemented in two phases. The Phase One Proposal will benefit employees whose employment commenced on or after 1 May 2025, whereas the Phase Two Proposal will benefit employees whose employment commenced before 1 May 2025.

Legislative amendments providing the legal basis for the Phase One Proposal were completed in September 2025. Upon the onboarding of the last MPF industry scheme to the eMPF Platform, the eMPF Platform Company Limited (eMPF Company) will commence one-off system enhancements to the Platform in May 2026, with a view to implementing the Phase One Proposal in the fourth quarter of 2026. We have reserved about $78 million in the 2025-26 revised estimates for the relevant system enhancement work.

The Government and the Mandatory Provident Fund Schemes Authority (MPFA) are drafting legislative proposal to provide the legal basis for implementing the Phase Two Proposal. We plan to consult LegCo's FA Panel on the relevant proposal in the fourth quarter of 2026 and submit an Amendment Bill to LegCo in the first half of 2027. We will announce the date of implementing the Phase Two Proposal after the Amendment Bill is passed by LegCo having regard to the actual situation.

The Government, MPFA and eMPF Company will operate the eMPF Platform and implement MPF "Full Portability" with existing manpower.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)050**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0326)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Since its launch, the Faster Payment System (FPS) has become an important tool for making day-to-day payments and transfers among Hong Kong people. However, as the FPS currently only supports transfers in the Hong Kong Dollar (HKD) and Renminbi (RMB), transfers in other foreign currencies still have to be made through the Clearing House Automated Transfer System (CHATS). In this connection, will the Government inform this Committee of:

(1) the respective total amounts of HKD transfers and RMB transfers processed by the FPS in each of the past 5 years;

(2) the total amounts of interbank transfers in foreign currencies processed by the Hong Kong banking system in each of the past 5 years, with a breakdown by main foreign currency type (including the US Dollar (USD), Euro, Pound Sterling (GBP), Japanese Yen (JPY), etc.) and by year;

(3) the total service fees collected by the Hong Kong banking system from CHATS service users in each of the past 5 years; and

(4) whether the Government has given thought to or any plan for extending the coverage of the FPS to transfers in foreign currencies to further facilitate the public and enterprises; if yes, the specific timetable and details; if not, the reasons.

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 31)

Reply:

(1) According to the records of the Hong Kong Monetary Authority (HKMA), the total value of HKD and RMB transfers processed by the Faster Payment System (FPS) over the past 5 years (2021 to 2025) is tabulated as follows —

Year	Total value of HKD transfers (in HKD thousand)	Total value of RMB transfers (in RMB thousand)
2021	1,988,815,923	49,622,886
2022	2,311,190,475	75,002,304
2023	3,274,087,728	129,623,969
2024	4,522,608,659	217,078,720
2025	5,912,733,595	308,684,699

(2) The large-value payment systems for interbank transfers in Hong Kong include the Clearing House Automated Transfer Systems (CHATS) for the HKD, RMB, USD and EURO. CHATS handles interbank fund transfers and payments made by banks for their customers. Banks may also choose to process transactions outside CHATS. The total value of USD and EURO transfers processed by CHATS over the past 5 years (2021 to 2025) is set out as follows (the HKMA does not maintain the relevant statistics for GBP and JPY) —

Year	Total value of USD transfers via CHATS (in USD million)	Total value of EURO transfers via CHATS (in EURO million)
2021	11,798,873	129,661
2022	12,202,611	118,705
2023	14,134,320	139,111
2024	21,750,574	165,527
2025	21,834,249	210,439

(3) The CHATS clearing tariffs charged to banks are published on the website of Hong Kong Interbank Clearing Limited (HKICL) (https://www.hkicl.com.hk/eng/information_centre/clearing_tariffs.php). Banks may determine the service fees they charge their customers for CHATS transactions. Details can be obtained from the relevant banks directly.

(4) Given the limited demand for real-time transfers in other foreign currencies in the local market, the HKMA currently does not have plan to extend the scope of FPS to other foreign currencies. The HKMA will continue to maintain close liaison with the industry and stakeholders, and conduct review in a timely manner to further expand the use cases of FPS and enhance the system functionality.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0328)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

An ageing population and changes in the make-up of the labour force in Hong Kong have led to a growing demand for flexible withdrawal of Mandatory Provident Fund (MPF) benefits. In this connection, will the Government inform this Committee of:

(1) the number of members who withdrew their MPF benefits in each of the past 5 years upon reaching the age of 60 and making a statutory declaration that they have no intention of becoming employed or self-employed again, and the respective percentages of such numbers in the number of MPF scheme members aged between 60 and 65 during the same periods;
(2) the number of members who made early withdrawals of their MPF benefits on the grounds of permanent departure from Hong Kong in each of the past 5 years; and whether the Government has strengthened its vetting procedures to prevent false declarations, and if so, the number of cases of false declarations detected and the amount of benefits involved in each of the past 5 years; and
(3) given the views that the current MPF withdrawal arrangements lack flexibility and may undermine the motivation of elderly persons to stay in the labour force, whether the Government has any plans to study allowing persons aged 60 or above to withdraw their MPF benefits more flexibly without having to cease their employment, so as to boost the vitality of the silver employment market; and if so, the progress and timetable of the study; if not, the reasons?

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 32)

Reply:

(1) In the past 5 calendar years, the number of withdrawals of Mandatory Provident Fund (MPF) benefits made by scheme members having reached the age of 60 and made a statutory declaration that they have no intention of becoming employed or self-

employed again (i.e. withdrawing MPF on the ground of early retirement), and the number of MPF accounts held by scheme members aged 60 to 64 are tabulated below:

	Year				
	2021	2022	2023	2024	2025
Number of cases[#]	27 400	19 000	24 000	26 200	30 400
Number of accounts[#]	945 200	1 022 200	1 070 900	1 110 000	1 128 500

Numbers are rounded up to the nearest hundred.

Each scheme member may hold more than one MPF account, and each case only processes one account's withdrawal application.

(2) The number of withdrawals of MPF benefits made by scheme members on the ground of permanent departure from Hong Kong in the past 5 calendar years are tabulated below:

	Year				
	2021	2022	2023	2024	2025
Number of cases#	33 800	31 800	29 900	28 100	24 100

Numbers are rounded up to the nearest hundred.

Each scheme member may hold more than one MPF account, and each case only processes one account's withdrawal application.

The Government and MPFA have all along been concerned about the situation of MPF scheme members making early withdrawals of MPF benefits with false declarations. To this end, MPFA has been proactively collaborating with other law enforcement agencies to investigate and combat such crimes, including conducting random checks on applications for early withdrawal of MPF benefits and referred cases to the Immigration Department to verify if the scheme members have indeed permanently departed from Hong Kong. If a scheme member is suspected of making false or misleading statements in violation of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) (MPFSO), MPFA will initiate prosecution against the scheme member. MPFA has also, through a referral mechanism established with other law enforcement agencies, referred cases and exchanged intelligence to strengthen the fight against crime syndicates abetting scheme members to withdraw MPF through fraudulent means. Moreover, MPFA has, through various channels, such as issuing circulars, newsletters and reminders, from time to time reminded MPF trustees to perform their gate-keeping duties with best endeavours and continuously enhance their approval procedures to ensure that applications for early MPF withdrawal comply with statutory requirements and are supported with the necessary information and documents. MPFA has also continued to strengthen public education to raise scheme members' awareness about scamming tactics used by crime syndicates and remind scheme members not to make false statements or break the law.

The number of summonses laid by MPFA against scheme members suspected of making false declarations for early withdrawal of MPF benefits on the ground of permanent departure from Hong Kong in violation of section 43E of MPFSO, and the total amount of MPF benefits involved in the past 5 financial years are tabulated below:

	Financial Year				
	2021-22	2022-23	2023-24	2024-25	2025-26*
Number of summonses issued#	121	16	7	15	2
Total amount of MPF benefits involved ($'000)	8,245	1,026	548	3,428	364

The variation in the figures can be attributed to a number of factors: (i) in recent years, MPF trustees have enhanced the vetting of applications for early MPF withdrawal on the ground of permanent departure from Hong Kong to assess whether they are supported by sufficient evidence, and will continuously improve the vetting procedures; (ii) MPFA has continued with its public education work to raise scheme members' awareness about scamming tactics used by crime syndicates and remind scheme members not to make false statements; (iii) MPFA has continued working closely with other law enforcement agencies to combat the criminal act of withdrawing MPF through fraudulent means, etc.

* As of December 2025.

(3) The purpose of the MPF System is to assist the Hong Kong working population in accumulating savings for their retirement. Allowing employees and self-employed persons under the age of 65 to withdraw their MPF benefits early will cause an impact on their retirement protection. MPF is a long-term investment with compounding effect, designed to allow MPF benefits to accumulate steadily during the working life of scheme members. Therefore, MPF benefits should be preserved as far as possible and only be withdrawn upon retirement of the employed persons. If the Government were to relax the preservation requirement on MPF benefits and allow scheme members to withdraw them early, scheme members will lose the opportunity for their MPF benefits to accumulate for value growth, thereby undermining the basic retirement protection of the working population. The Government currently has no plan to relax the preservation requirement on MPF benefits or revise the grounds of allowing early withdrawals of MPF benefits.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0329)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In respect of the New Capital Investment Entrant Scheme, which was launched for application on 1 March 2024, and has since undergone a number of adjustments and enhancements, would the Government inform this Committee of:

(1) the number of applications received each year since the launch of the Scheme, and the number of applications that met the requirements;
(2) the positive impact on the Scheme of relaxing the applicant's holding period of $30 million net assets to 6 months as from 1 March 2025; and
(3) the audit procedures and review undertaken by the Government to supervise the applicants and the funds under the Scheme effectively, and to prevent such conduct as falsified capital injection and tax evasion, with a view to ensuring the sound implementation of the Scheme.

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 33)

Reply:

(1) From the launch of the New Capital Investment Entrant Scheme (New CIES) up to end-February 2026, Invest Hong Kong (InvestHK) has received 3 166 applications, potentially bringing an investment amount of about HK$95 billion into Hong Kong. Among them, 1 762 applications have been verified as having completed the investments and granted formal approval. The number of applications received and meeting the requirements[Note] each year is tabulated below –

	2024 (from 1 March)	**2025**	**2026 (up to 28 February)**	**Total**
Applications for Net Asset Assessment received by InvestHK	801	2 051	314	**3 166**

	2024 (from 1 March)	2025	2026 (up to 28 February)	Total
Applications for Net Asset Assessment approved by InvestHK	733	2 007	344	**3 084**
Entry applications received by Immigration Department (ImmD)	716	1 968	354	**3 038**
Applications with "Approval-in-principle" granted by ImmD	625	1 695	377	**2 697**
Applications fulfilling Investment Requirements as approved by InvestHK	240	1 358	239	**1 837**
Applications with "Formal Approval" granted by ImmD	215	1 287	260	**1 762**

Note: Applications approved in a year may not be the applications received in the same year.

(2) The Government reviews the implementation of the New CIES from time to time and has implemented a series of enhancement measures, including that starting from 1 March 2025, an applicant under the New CIES is only required to demonstrate 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 throughout 6 months (instead of 2 years before the enhancement) preceding the application. Following the launch of enhancement measures, there has been a notable surge in the number of applications under the New CIES, reflecting the growing confidence and interest of applicants and the market in the Scheme.

(3) When submitting an application for Assessment on Investment Requirements, an applicant is required to declare that the permissible investment assets invested in Hong Kong are under his/her absolute beneficial entitlement and are paid out of his/her and/or his/her wholly-owned holding company's bank account and own monies. Besides, an applicant is required to appoint eligible financial intermediary(ies) to manage the permissible investments in his/her designated account(s). The appointed financial intermediary(ies) is/are required to carry out customer due diligence and fulfill relevant anti-money laundering and counter-terrorist financing obligations under the Anti-Money Laundering and Counter Terrorist Financing Ordinance (Cap. 615), and report to InvestHK on the applicant's continuous compliance with the Scheme Rules.

When processing the applications for Assessment on Investment Requirements, InvestHK will check the fund flow and investment arrangement of the applicant, and examine contract notes/reference letters, etc., as provided by the applicant or issued by the appointed financial intermediary(ies). If necessary, InvestHK will also request the applicant to provide other supporting documents and information to certify that the applicant's investment complies with the requirements of the New CIES.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)053**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1070)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Secretary Mr Paul Chan stated that following the signing of a co-operation agreement with the Shanghai Gold Exchange earlier this year and the establishment of a Hong Kong's central clearing system for gold, the Hong Kong Government would "explore offering tax incentives for eligible institutions conducting gold trading and settlement in Hong Kong". In this connection, will the Government advise this Committee of the following:

1. What is the implementation progress of the co-operation agreement signed with the Shanghai Gold Exchange, including efforts to deepen connections between the two gold markets, as well as the operation and effectiveness of Hong Kong's central clearing system for gold?
2. What are the progress of the study, specific incentive direction and expected implementation arrangements in respect of offering tax incentives for eligible institutions? How will the Government ensure that the incentives can attract more international investors and institutions to participate in the Hong Kong gold market?
3. What are the specific measures and timetable in respect of assisting the industry in setting up an industry-led trade association and establishing a training framework? What are the plans for enriching industry capacity and enhancing the international competitiveness of our gold market?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 23)

Reply:

(1) The Financial Services and the Treasury Bureau (FSTB) signed a cooperation agreement with the Shanghai Gold Exchange in early 2026 to establish a high-level, collaborative governance structure for the Hong Kong central clearing system for gold, and explore new avenues for market synergy and connectivity. A dedicated taskforce has been set up by both parties to take forward relevant matters and further developments will be

announced in due course. The Hong Kong central clearing system for gold is scheduled to commence trial operations within this year.

(2) The Government will explore offering tax incentives for eligible institutions conducting gold trading and settlement in Hong Kong, with a view to attracting them to establish or expand their operations in the city. The FSTB is currently working with relevant institution on this study and formulating the specific details, including making reference to the tax concession policies of other major international gold trading markets, so as to ensure the competitiveness of Hong Kong's tax arrangements and appeal to relevant institutions to choose Hong Kong as a hub for trading, storage, clearing and delivery. Specific measures will be announced in due course.

(3) The Government will assist the industry in setting up an industry association to consolidate resources, step up promotion, and foster ties with industry stakeholders from around the world. Specifically, the Government will form a preparatory taskforce to engage local and international industry stakeholders extensively to foster collaboration, and facilitate the establishment of an industry-led association. The taskforce will hold in-depth discussions on details such as the structure, membership and financial arrangements of the industry association. Subject to the taskforce's discussions, our target is to establish the industry association within this year.

Gold trading is a highly specialised financial field that demands both financial expertise and substantial on-the-job experience. To support the development of gold-related trading, the Financial Services Development Council (FSDC) will consider allocating resources to pilot relevant programmes in 2026-27, with a view to keeping the financial services sector and relevant industry personnel abreast of the latest developments in the gold market and equipping them with the necessary skills. In the medium to long term, FSDC will also assist the industry in developing a training framework to nurture local talents. The Government will extensively incorporate the views of the industry association and other stakeholders from the industry when formulating relevant measures and implementation details.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)054

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1071)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that "the Mandatory Provident Fund Schemes Authority (MPFA) is gradually taking forward MPF 'Full Portability'. Its Phase One Proposal, to be implemented this year, covers employees whose employment commences on or after 1 May 2025. We will introduce an amendment bill in the first half of next year to extend the coverage to employees whose employment began before the above date." In this connection, will the Government inform this Committee of the following:

1. The Government plans to introduce amendments to the law in the first half of next year to extend MPF "Full Portability" coverage to those employees whose employment began before 1 May 2025. What is the specific implementation timetable for this initiative? What are the expected outcomes regarding the enhancement of employees' MPF benefits and the competitiveness of the MPF system? Moreover, what are the estimated expenditure and cost savings of the relevant policy?

2. Regarding the public consultation to be launched this year on the proposal to enhance the process of recovering default MPF contributions from employers, what are the detailed scope and timetable of the consultation and the policy details on introducing a two-tiered surcharge arrangement? How is this policy expected to enhance the effectiveness of recovering default contributions, and what impact will it have on employer compliance and employee protection? What is the estimated administrative expenditure to be involved for this measure?

3. The proposal of enhancing the flexibility of MPF investment management mentioned in the Budget includes allowing for greater flexibility in fund structure and delegating investment management functions. What are the specific details and legislative timetable of these policies, as well as their expected effectiveness in respect of market competition and risk diversification?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 24)

Reply:

(1) The Government consulted the Panel on Financial Affairs (FA Panel) of the Legislative Council (LegCo) in June 2025 on the specific proposals of Mandatory Provident Fund (MPF) "Full Portability" and received general support from FA Panel Members. "Full Portability" will be implemented in 2 phases. The Phase One Proposal will benefit employees whose employment commenced on or after 1 May 2025, whereas the Phase Two Proposal will benefit employees whose employment commenced before 1 May 2025.

Legislative amendments providing the legal basis for the Phase One Proposal were completed in September 2025. Upon the onboarding of the last MPF industry scheme to the eMPF Platform, the eMPF Platform Company Limited will commence one-off system enhancements to the Platform in May 2026, with a view to implementing the Phase One Proposal in the fourth quarter of 2026. We have reserved about $78 million in the 2025-26 revised estimates for the relevant system enhancement work.

The Government and the Mandatory Provident Fund Schemes Authority (MPFA) are drafting legislative proposal to provide the legal basis for implementing the Phase Two Proposal. We plan to consult LegCo's FA Panel on the relevant proposal in the fourth quarter of 2026 and submit an Amendment Bill to LegCo in the first half of 2027. We will announce the date of implementing the Phase Two Proposal after the Amendment Bill is passed by LegCo having regard to the actual situation.

Through further enhancing the portability of MPF accrued benefits, "Full Portability" seeks to encourage employees to manage their MPF accounts and investment strategies more proactively and increases their control over MPF accrued benefits. From the supply side, it further promotes market competition, encourages the MPF industry to provide higher-quality services, and creates more rooms for fee reduction, thereby benefiting employees. The "Full Portability" policy will not directly bring additional cost savings.

(2) To strengthen the protection of MPF scheme members' retirement savings, the Government and MPFA plan to enhance the process to recover default MPF contributions from employers. We propose to impose a two-tiered surcharge on default contributions, so that employers who fail to settle overdue mandatory contributions and/or the existing 5% surcharge on default contributions by a specified deadline will be subject to a 10% second-tier surcharge on the total outstanding amount, with a view to driving employers to settle the arrears as soon as possible. In addition, we propose to require employers to submit the relevant income information of their employees by the contribution day to facilitate MPFA in accessing such information and, where necessary, filing civil claims against employers to recover default contributions. The above proposals are expected to reduce instances of default MPF contributions remaining in arrears and enhance MPFA's efficiency in recovering outstanding contributions.

MPFA will consult relevant stakeholders, including labour unions, employers' organisations, human resources management bodies, etc., on the above-mentioned legislative proposals in April 2026. The Government and MPFA plan to consult FA Panel in July 2026, and introduce an Amendment Bill into LegCo in the fourth quarter

of 2026.

Formulating policies and legislative proposals relating to the MPF System are part of the regular duties of the Financial Services Branch (FSB), and the establishment and expenditure involved are absorbed by the existing manpower and resources of FSB with no breakdown.

(3) To further advance the interests of scheme members, the Government and MPFA plan to increase the flexibility for MPF trustees and relevant service providers in managing MPF funds. On fund structure, we propose to lift the current restriction that MPF funds can only fully invest either in (i) the 2 types of MPFA-approved fund building blocks (i.e. approved pooled investment funds and index-tracking collective investment schemes); or (ii) individual permissible investments (such as stocks, bonds, real estate investment trusts, gold exchange-traded funds, etc.), and allow MPF funds to invest simultaneously in both types of assets above, thereby increasing the flexibility in fund investments and facilitating the industry in leveraging the continuously broadening scope of asset classes permissible for investment to diversify risks and enhance the return potential of funds. On investment management functions, we propose to relax the restrictions on MPF investment managers in delegating fund investment management functions, and allow them to delegate such functions to non-associate investment managers licensed by the Securities and Futures Commission. This will enable MPF investment managers to tap into the expertise, skills, experience, etc., of a wider range of investment managers in investing in specific markets and asset classes, so as to improve the management of diversified fund portfolios. The above proposals are expected to help reduce the investment risks of MPF funds and enhance the competitiveness of the MPF market, eventually benefitting scheme members.

MPFA is consulting relevant stakeholders on the above-mentioned legislative proposals. The Government and MPFA plan to consult FA Panel in July 2026, and introduce an Amendment Bill into LegCo in the fourth quarter of 2026.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1182)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated in paragraph 14 of the Budget Speech, Hong Kong's stock market delivered a stellar performance. The Hang Seng Index rose by 28% over the year. The daily turnover surged by 90% to a historic high of close to $250 billion. Capital raised through initial public offerings (IPOs) exceeded 2024 by more than two times to over $280 billion, ranking first globally. Regarding the stock market, please inform this Committee of:

1) the number of newly listed companies on the Main Board and GEM, and the respective numbers, names, industries and places of origin of the companies with weighted voting rights structures, biotech companies listed under Chapter 18A, special purpose acquisition companies listed under Chapter 18B, specialist technology companies listed under Chapter 18C and companies listed through the "technology enterprises channel", secondary listing companies in Hong Kong and companies which transferred their listing from GEM to the Main Board in 2025-26;

2) the amounts of funds raised by incoming listed companies through IPOs in Hong Kong in the form of a breakdown by region of origin and their respective percentages of the total amount of funds raised by these companies in 2025-26;

3) the Bureau's current plan regarding its request to the Hong Kong Exchanges and Clearing Limited (HKEX) to review the relevant listing requirements so as to facilitate and attract the listing of aerospace enterprises in Hong Kong, as mentioned in paragraph 74 of the Budget Speech; and

4) the Bureau's measures to ensure the quality and quantity of listing applications with the regulators, in response to concerns over the declining quality of new listing applications expressed in a letter to sponsors from the Securities and Futures Commission and the HKEX last December.

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 36)

Reply:

(1) In 2025, the number of newly listed companies on the Main Board and GEM (including listings in accordance with different chapters of the Listing Rules and transfers from GEM to the Main Board) are set out in the table below:

Total number of newly listed companies on the Main Board	117[#]
- Companies with weighted voting rights structures listed in accordance with Chapter 8A	6[^]
- Biotechnology companies listed in accordance with Chapter 18A	16
- Special purpose acquisition companies (SPAC) listed in accordance with Chapter 18B	2[*]
- Specialist technology companies listed in accordance with Chapter 18C	5[+]
- Overseas issuers secondary listed in accordance with Chapter 19C	-
- Transfer of listings from GEM to Main Board	2
Total number of newly listed companies on GEM	1

Excluding 1 issuer listed by way of introduction and 1 issuer listed upon completion of a reverse takeover.

^ Including 1 issuer listed through a de-SPAC transaction under Chapter 8A and Chapter 18B of the Listing Rules, and 1 issuer listed under both Chapter 8A and Chapter 18C of the Listing Rules.

* No new listing under Chapter 18B for SPACs, though 2 issuers were listed through de-SPAC transactions under Chapter 18B.

+ Including 1 issuer listed under both Chapter 8A and Chapter 18C of the Listing Rules.

For information on newly listed companies (including company name, industry and place of incorporation), please refer to Hong Kong Exchanges and Clearing Limited's (HKEX) website[1].

(2) In 2025, the statistics of funds raised through initial public offering (IPO) by company jurisdiction are set out in the table below:

	Mainland enterprises[@]	Hong Kong enterprises	Enterprises from other jurisdictions	Total
IPO funds raised (billion dollars)	244.0	35.4	7.4	286.9
Percentage of total funds raised	85.0%	12.4%	2.6%	100.0%

@ Including H-share companies (i.e. incorporated in the Mainland) and non-H-share companies (incorporated outside the Mainland but with core business operations in the Mainland).

[1] The new listing report on HKEXnews (https://www2.hkexnews.hk/New-Listings/New-Listing-Information/Main-Board?sc_lang=en) and its dedicated website on equities market data (https://www.hkex.com.hk/Market-Data/Securities-Prices/Equities?sc_lang=en).

(3) As a global major listing platform for companies from different jurisdictions, we have been keeping abreast of international trends and continuously enhancing Hong Kong's listing regime, broadening the fundraising channels for enterprises and facilitating listing by companies from different industries in Hong Kong, with the objective to building a vibrant and sustainable fundraising platform.

In recent years, the aerospace industry has experienced significant development, extending beyond national strategic initiatives into the commercial sphere. In March 2023, HKEX introduced the listing regime for specialist technology companies, enabling sizeable specialist technology enterprises to list and raise funds under a new eligibility test. Notably, according to HKEX's guidance, aerospace technology (including the development of hardware or software through research, exploration and utilisation of space-related technology) has been included as an acceptable sector of specialist technology industries. Applicants may apply for listing under Chapter 18C and benefit from the Technology Enterprises Channel. To support relevant developments, HKEX has commenced a review to assess whether the listing regime for specialist technology companies can meet the fundraising needs of the development of the aerospace industry, and will announce specific measures or provide further guidance in due course.

(4) Being a global major listing platform for companies from different jurisdictions, the Government will continue to drive the Securities and Futures Commission (SFC) and HKEX to review the listing regime and vetting process on an ongoing basis, with a view to striking a balance between market development and regulatory needs.

On market development, HKEX has introduced various reforms to the listing mechanism in recent years to facilitate more quality enterprises to list in Hong Kong, including the introduction of the listing regime for specialist technology companies, enhancements to the listing framework for overseas issuers, optimisation of the listing vetting process and the launch of the Technology Enterprises Channel, etc. To further attract issuers to list in Hong Kong, HKEX launched a market consultation in March this year on the first phase of its competitiveness review of the listing regime, setting out various specific enhancement proposals. These included lowering the market capitalisation and revenue requirements for companies with weighted voting rights structures and lowering the financial requirements for secondary listing of overseas companies, etc., with the aim of aligning the listing platform more closely with the latest economic trends and corporate needs.

Meanwhile, maintaining market quality and ensuring a high level of investor protection are equally important. The Government is committed to driving the SFC and HKEX to continue enhancing market quality and safeguarding the interests of investors, particularly retail investors who may not possess professional knowledge. In this regard, the SFC has carried out consultation on the proposed amendments to the Securities and Futures (Stock Market Listing) Rules (Cap. 571V), with the target of introducing subsidiary legislation amendments in 2026 to provide the SFC with adequate and targeted tools to ensure and encourage issuers and listing applicants to make more transparent and accurate disclosures and to address misconduct, thereby providing broader protection for investors.

As regards listing applications, the role of sponsors in the listing process is critical to maintaining the quality of Hong Kong's capital market and investor confidence in new listings. With the significant increase in new listing applications in 2025, the SFC and HKEX observed a decline in the quality of draft listing documents, and issued a joint letter to relevant sponsors in December 2025 highlighting matters requiring attention (including the quality of listing application documents and sponsors' resources). The SFC subsequently issued a circular in January 2026 to urge all sponsors and external professionals involved in listing applications to assume responsibilities commensurate with their resource levels, so as to ensure the quality of work. The SFC and HKEX will continue to closely monitor the quality of sponsors' work and listing applications, and will take appropriate regulatory actions where necessary to uphold Hong Kong's reputation as a leading international fundraising centre.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)056

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1183)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 89 of the Budget Speech that since its full operation, the Hong Kong Investment Corporation (HKIC) has invested in over 190 projects spanning various fields, which mainly include hard and core technology, life technology, new energy and green technology. 10 of the investee companies are already listed in Hong Kong, with a further 20 preparing for listing this year. In this connection, please inform this Committee of the following:

1) For the over 190 HKIC-invested projects, please provide a tabulated breakdown by number of projects in different fields, percentage share of the investment, investment returns and location of projects (by industry/project type).

2) Further to the above question, please provide a tabulated breakdown by form of investment adopted by the HKIC, such as sole investment, co-investment and convertible bond investment.

3) Please give an account of the staff establishment (both management and non-management staff) and the estimated expenditure for 2025-26 and 2026-27.

4) Please give an account of the planned amount of capital injection and the factors considered.

5) As at July last year, there were still $1.24 billion of unallocated capital under the Capital Investment Entrant Scheme Investment Portfolio managed by the HKIC. Please advise on the current progress, as well as the number of appointed fund managers and the amount of capital allocated to them to date.

6) Upon entering its second phase, the HKIC has transitioned from initial investments towards a more systematic and larger-scale long-term positioning. Please advise on whether the HKIC has been actively seeking to establish partnerships with regional or

international long-term funds, especially national sovereign wealth funds. If yes, what are the details? If not, what are the reasons?

7) Will the HKIC consider doubling the Greater Bay Area (GBA) Investment Fund (with an original scale of $5 billion) to deepen participation in the development of the GBA? If yes, what are the details? If not, what are the reasons?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 37)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

Since coming into full operation, the HKIC has invested in over 200 projects, including companies with cutting-edge technologies or operating within key industries. Key investment themes include hard and core technology, biotechnology and new energy and green technology, accounting for 59%, 13% and 14% of the capital invested respectively. In terms of geographical distribution of investee companies, around 30% are from Hong Kong, with the remainder from the Chinese Mainland and overseas. Regarding investment structures, the HKIC prioritises direct and co-investment approaches, selecting high-quality projects and customising investment structures for each to ensure the benefits to Hong Kong are maximised.

As a patient capital institution, the HKIC adheres to the principles of long-term, value-based and responsible investing. By harnessing the catalytic power of its capital, the HKIC efficiently converges and leverages patient capital from the international markets to invest in Hong Kong, creating a capital cluster effect. This collective effort accelerates the development and innovative application of cutting-edge technologies, while attracting high-quality projects and companies from the Chinese Mainland and overseas to establish operations in Hong Kong. Leveraging the HKIC's expertise in investment and ecosystem building, many international long-term investors and sovereign wealth funds from regions such as the Middle East and Southeast Asia have shown strong interest in participating in the HKIC's investment projects. To date, for every HK$1 invested by the HKIC, it has successfully attracted over HK$8 from long-term market capital.

The 2026-27 Budget mentions that the Hong Kong Special Administrative Region (HKSAR) Government will arrange for capital injection into the HKIC in a timely manner, with a view to further consolidating the robust foundation for its investment and industrial positioning. In fact, the HKIC has been steadily advancing its investment strategy, by way of investing through and managing the Hong Kong Growth Portfolio, the Greater Bay Area Investment Fund, the Strategic Tech Fund, and the Co-Investment Fund. Through these, the HKIC has been building its investment portfolio and ecosystem across key technology areas and priority strategic industries. Regarding the timing and amount of capital injection, the HKIC is maintaining close communication with the HKSAR Government. The HKIC will dynamically evaluate market opportunities, project readiness and funding needs, ensuring that every investment delivers unique value to Hong Kong's economy and achieves optimal strategic benefits.

As regards the Investment Portfolio under the New Capital Investment Entrant Scheme, the HKIC has announced the appointment of a total of 14 asset managers for the 2024 Capital Batch and the 2025 Capital Batch. All of them are investment institutions rooted in Hong Kong, including 9 home-grown firms, specialising in businesses with investment strategies such as venture capital, private equity, private credit and hedge funds. The 2024 Capital Batch has completed capital allocation. The 2025 Capital Batch has also commenced capital allocation in this quarter, with a total amount of over HK$3 billion being deployed. The 2 batches of capital will strategically target a variety of investment themes, including low-altitude economy, gerontechnology and smart living technologies, intelligent entertainment experiences, artificial intelligence application, sustainable technology, materials science, and biotechnology. These investments will not only inject new impetus into Hong Kong's economy, but also help drive the development of the local innovation and technology ecosystem, facilitate enterprise growth and enhance Hong Kong's competitiveness in Asia and globally.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1188)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

To better protect employees' Mandatory Provident Fund (MPF) benefits, the Mandatory Provident Fund Schemes Authority proposes to enhance the process of recovering default contributions from employers. It will also enhance the flexibility for trustees and relevant service providers in making MPF investments; and the operation of the MPF. In this connection, please inform this Committee of the following:

1) What are the preliminary proposed directions for enhancement? Regarding investment flexibility, will consideration be given to permitting investments in local infrastructure projects such as the Northern Metropolis?
2) Please set out in table form the number of MPF withdrawal claims, the reasons for withdrawal, the amount involved, and the year-on-year rates of change in each of the past 5 years.
3) Please set out in table form the number of persons arrested, the false grounds stated, the number of persons prosecuted, the number of persons sentenced, the amount involved, and the year-on-year rates of change related to false declarations when applying for early withdrawal of MPF benefits in each of the past 5 years.

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 46)

Reply:

(1) To strengthen the protection of the retirement savings of Mandatory Provident Fund (MPF) scheme members, the Government and the Mandatory Provident Fund Schemes Authority (MPFA) plan to enhance the process to recover default MPF contributions from employers. We propose to impose a two-tiered surcharge on default contributions, so that employers who fail to settle overdue mandatory contributions and/or the existing 5% surcharge on default contributions by a specified deadline will be subject to a 10% second-tier surcharge on the total outstanding amount, with a view to driving employers to settle the arrears as soon as possible. In addition, we propose

to require employers to submit the relevant income information of their employees by the contribution day to facilitate MPFA in accessing such information and, where necessary, filing civil claims against employers to recover default contributions. The above proposals are expected to reduce instances of default MPF contributions remaining in arrears and enhance MPFA's efficiency in recovering outstanding contributions.

To further advance the interests of scheme members, the Government and MPFA also plan to increase the flexibility for MPF trustees and relevant service providers in managing MPF funds. On fund structure, we propose to lift the current restriction that MPF funds can only fully invest either in (i) the 2 types of MPFA-approved fund building blocks (i.e. approved pooled investment funds and index-tracking collective investment schemes); or (ii) individual permissible investments (such as stocks, bonds, real estate investment trusts, gold exchange-traded funds, etc.), and allow MPF funds to invest simultaneously in both types of assets above, thereby increasing the flexibility in fund investments and facilitating the industry in leveraging the continuously broadening scope of asset classes permissible for investment to diversify risks and enhance the return potential of funds. On investment management functions, we propose to relax the restrictions on MPF investment managers in delegating fund investment management functions, and allow them to delegate such functions to non-associate investment managers licensed by the Securities and Futures Commission. This will enable MPF investment managers to tap into the expertise, skills, experience, etc., of a wider range of investment managers in investing in specific markets and asset classes, so as to improve the management of diversified fund portfolios. The above proposals are expected to help reduce the investment risks of MPF funds and enhance the competitiveness of the MPF market, eventually benefitting scheme members.

All proceeds raised from Government green bonds and infrastructure bonds are credited to the Capital Works Reserve Fund to support various infrastructure works, including the Northern Metropolis, etc. The Hong Kong Monetary Authority and MPFA have already put in place a mechanism to earmark a certain proportion of institutional Government green bonds and infrastructure bonds for priority investment by MPF funds, which was first applied in the issuances of institutional green bonds under the Government Green Bond Programme (renamed as the Government Sustainable Bond Programme in May 2024) and institutional infrastructure bonds under the Infrastructure Bond Programme in June 2023 and June 2025 respectively, enabling MPF scheme members to participate in promoting infrastructure developments such as the Northern Metropolis, etc., through investing in MPF funds, while obtaining relatively stable investment returns at low risk and sharing the fruits of development.

(2) In the past 5 financial years, the number of withdrawals of MPF benefits made by scheme members and the year-on-year percentage changes by the grounds of withdrawal are tabulated below:

Grounds of Withdrawal	**Financial Year**				
	2021-22	2022-23	2023-24	2024-25	2025-26[*+]
Retirement	106 300 (6.6%)	113 200 (6.5%)	141 900 (25.4%)	159 300 (12.3%)	123 300 (4.4%)

Grounds of Withdrawal	Financial Year				
	2021-22	2022-23	2023-24	2024-25	2025-26*+
Early retirement	25 100 (1.8%)	19 900 (-20.7%)	24 800 (24.7%)	27 600 (11.3%)	23 300 (13.4%)
Permanent departure from Hong Kong	33 600 (11.0%)	30 900 (-8.0%)	29 600 (-4.3%)	28 300 (-4.4%)	17 400 (-19.7%)
Total incapacity	2 000 (5.7%)	1 600 (-22.7%)	1 400 (-9.8%)	2 400 (64.6%)	4 000 (154.6%)
Terminal illness	900 (1.3%)	800 (-15.5%)	900 (14.8%)	1 000 (11.5%)	1 100 (31.0%)
Small balance account	200 (-15.8%)	100 (-8.4%)	100 (-31.7%)	100 (4.1%)	100 (-25.3%)
Death	7 200 (9.0%)	7 600 (4.5%)	7 700 (2.2%)	9 300 (20.6%)	6 200 (-11.7%)
Offsetting severance payment	34 800 (-24.2%)	23 300 (-33.1%)	26 100 (12.2%)	33 700 (29.2%)	27 400 (13.0%)
Offsetting long service payment	21 300 (-8.0%)	20 700 (-2.9%)	22 100 (7.0%)	24 700 (11.8%)	18 900 (4.1%)

Numbers are rounded up to the nearest hundred

Figures in brackets indicate year-on-year percentage changes

Each scheme member may hold more than one MPF account, and each case only processes 1 account's withdrawal application

* As of December 2025

\+ The year-on-year percentage changes for 2025-26 measure the changes in the number of cases between April to December 2024 and April to December 2025

In the past 5 financial years, the total amount of MPF benefits (in $ million) withdrawn by scheme members and the year-on-year percentage changes by the grounds of withdrawal are tabulated below:

Grounds of Withdrawal	Financial Year				
	2021-22	2022-23	2023-24	2024-25	2025-26*+
Retirement	12,127 (12.3%)	11,534 (-4.9%)	16,676 (44.6%)	21,194 (27.1%)	18,900 (24.2%)
Early retirement	4,883 (10.8%)	3,819 (-21.8%)	5,375 (40.7%)	6,581 (22.4%)	5,842 (22.4%)
Permanent departure from Hong Kong	9,096 (38.5%)	7,580 (-16.7%)	7,196 (-5.1%)	6,715 (-6.7%)	4,261 (-16.3%)
Total incapacity	345 (35.6%)	250 (-27.7%)	221 (-11.4%)	355 (60.1%)	605 (156.4%)
Terminal illness	182 (24.3%)	123 (-32.3%)	158 (28.4%)	196 (24.0%)	202 (30.3%)

Grounds of Withdrawal	Financial Year				
	2021-22	2022-23	2023-24	2024-25	2025-26*+
Small balance account	§ (-11.5%)	§ (-12.4%)	§ (-37.5%)	§ (18.6%)	§ (-27.0%)
Death	911 (10.6%)	861 (-5.5%)	961 (11.7%)	1,262 (31.3%)	1,012 (8.6%)
Offsetting severance payment	2,713 (-18.6%)	1,689 (-37.8%)	2,051 (21.5%)	2,821 (37.5%)	2,358 (19.3%)
Offsetting long service payment	2,977 (-2.4%)	2,797 (-6.0%)	3,108 (11.1%)	3,559 (14.5%)	2,880 (12.2%)

Figures in brackets indicate year-on-year percentage changes

§ Amount is less than $0.5 million

* As of December 2025

\+ The year-on-year percentage changes for 2025-26 measure the changes in the amount withdrawn between April to December 2024 and April to December 2025

(3) The Government and MPFA have all along been concerned about the situation of MPF scheme members making early withdrawals of MPF benefits with false declarations. To this end, MPFA has been proactively collaborating with other law enforcement agencies to investigate and combat such crimes, including conducting random checks on applications for early withdrawal of MPF benefits and referred cases to the Immigration Department to verify if the scheme members have indeed permanently departed from Hong Kong. If a scheme member is suspected of making false or misleading statements in violation of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) (MPFSO), MPFA will initiate prosecution against the scheme member. MPFA has also, through a referral mechanism established with other law enforcement agencies, referred cases and exchanged intelligence to strengthen the fight against crime syndicates abetting scheme members to withdraw MPF through fraudulent means. Moreover, MPFA has, through various channels, such as issuing circulars, newsletters and reminders, from time to time reminded MPF trustees to perform their gate-keeping duties with best endeavours and continuously enhance their approval procedures to ensure that applications for early MPF withdrawal comply with statutory requirements and are supported with the necessary information and documents. MPFA has also continued to strengthen public education to raise scheme members' awareness about scamming tactics used by crime syndicates and remind scheme members not to make false statements or break the law.

In the past 5 financial years, the number of summonses laid by MPFA against scheme members suspected of making false declarations for early withdrawal of MPF benefits on the ground of permanent departure from Hong Kong in violation of section 43E of MPFSO, the total amount of MPF benefits involved, the number of summonses involved in conviction cases, and the year-on-year percentage changes in the relevant figures are tabulated below:

	Financial Year				
	2021-22	2022-23	2023-24	2024-25	2025-26*+
Number of summonses issued#	121 (-22%)	16 (-87%)	7 (-56%)	15 (114%)	2 (-82%)
Total amount of MPF benefits involved ($ thousand)	8,245 (-23%)	1,026 (-88%)	548 (-47%)	3,428 (526%)	364 (86%)
Number of summonses involved in conviction cases^	107 (10%)	12 (-89%)	4 (-67%)	12 (200%)	2 (-75%)

Figures in brackets indicate year-on-year percentage changes

\# The variation in the figures can be attributed to a number of factors: (i) in recent years, MPF trustees have enhanced the vetting of applications for early MPF withdrawal on the ground of permanent departure from Hong Kong to assess whether they are supported by sufficient evidence, and will continuously improve the vetting procedures; (ii) MPFA has continued with its public education work to raise scheme members' awareness about scamming tactics used by crime syndicates and remind scheme members not to make false statements; (iii) MPFA has continued working closely with other law enforcement agencies to combat the criminal act of withdrawing MPF through fraudulent means, etc.

^ Some cases in breach of MPFSO were referred to other law enforcement agencies for follow-up, MPFA does not maintain statistics on the number of prosecuted persons and the number of sentenced persons involved in these cases.

* As of December 2025

\+ The year-on-year percentage changes for 2025-26 measure the changes in the figures between April to December 2024 and April to December 2025

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)058**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1189)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 91 of the Budget Speech that the Recommendations for Formulating the 15th Five-Year Plan have called for advancing the internationalisation of the Renminbi (RMB) and pursuing greater openness of RMB capital accounts. In this connection, will the Government inform this Committee of the following:

1) Please set out, in table form and on a quarterly basis, the amounts and tenors of RMB bonds issued by the Government in the past 5 years. Has the Government considered promoting the issuance of offshore RMB bonds in Hong Kong by the Ministry of Finance and more local governments so as to tap into emerging markets? What is the timetable for the issuance of Mainland government bond futures in Hong Kong?

2) During 2026-27, the Financial Services Branch will promote the issuance and trading of RMB securities in Hong Kong. What is the current proposal and the timetable concerned?

3) The total size of the RMB Business Facility (RBF) of the Hong Kong Monetary Authority (HKMA) will increase from the current RMB100 billion to RMB200 billion. With the increase in the total size, how many additional participating banks are expected to join the RBF? To further reinforce Hong Kong's position as the global offshore RMB business hub, will targeted efforts be made to bring in more representative banks from overseas (particularly financial institutions from countries along the Belt and Road or regions in the Middle East) as participating banks? What expected outcomes will be achieved with the increase in the total size of the RBF, and what are the considerations for further expanding its total size?

4) The current size of the Currency Swap Agreement between the HKMA and the People's Bank of China is RMB800 billion. Does the Government plan to discuss with Mainland authorities to further expand the size of the Currency Swap Agreement? If so, what are the details? If not, what are the reasons?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 48)

Reply:

(1) The issuance amount and tenors of the Renminbi (RMB) bonds issued under the Government Sustainable Bond Programme (GSBP) and the Infrastructure Bond Programme (IBP) over the past 5 years are listed out below:

GSBP[1]

Calendar Year	Months	Tenor	Issuance Amount (RMB billion)
2021	Oct - Dec	3 - 5	5.0
2022	Jan - Mar	-	-
	Apr - Jun	-	-
	Jul - Sep	-	-
	Oct - Dec	-	-
2023	Jan - Mar	2 - 5	10.0
	Apr - Jun	2 - 10	15.0
	Jul - Sep	-	-
	Oct - Dec	-	-
2024	Jan - Mar	2	1.5
	Apr - Jun	-	-
	Jul - Sep	2 - 30	10.0
	Oct - Dec	-	-
2025	Jan - Mar	-	-
	Apr - Jun	20	4.0
	Jul - Sep	-	-
	Oct - Dec	5	2.5
2026	Jan - Mar	-	-

IBP[2]

Calendar Year	Months	Tenor	Issuance Amount (RMB billion)
2024	Oct - Dec	1 - 10	6.0
2025	Jan - Mar	1 - 10	7.5
	Apr - Jun	1 - 30	9.5
	Jul - Sep	1 - 10	8.25
	Oct - Dec	1 - 10	5.25
2026	Jan - Mar	1 - 10	5.75

The Ministry of Finance (MoF) has been issuing RMB sovereign bonds in Hong Kong for 18 consecutive years from 2009, with the cumulative issuance amount reaching RMB448 billion as of February 2026. Since 2021, a total of RMB56.5 billion (as of February 2026) of Mainland local government offshore RMB bonds have been issued

[1] The Government issued RMB bonds under the GSBP for the first time in November 2021.

[2] The Government established the IBP in 2024 and issued RMB bonds under the IBP for the first time in October of the same year.

in Hong Kong by the Shenzhen Municipal People's Government, the People's Government of Hainan Province and the People's Government of Guangdong Province. We will continue to encourage the MoF and more local governments to issue offshore RMB bonds in Hong Kong. Also, we are actively developing emerging markets such as the Middle East and the Belt and Road. Some sovereign and quasi-sovereign entities, such as the Government of Indonesia and the Development Bank of Kazakhstan, issued offshore RMB bonds in Hong Kong for the first time in 2025. In February 2026, the Indonesian government issued bonds (including offshore RMB bonds) in Hong Kong again. Multilateral development banks such as the Asian Infrastructure Investment Bank and the Asian Development Bank have also been issuing offshore RMB bonds in Hong Kong. These developments underscore Hong Kong's growing appeal as a leading hub for offshore RMB bond issuance. We will strengthen our promotional efforts through delegation visits, conferences, roadshows, etc., to actively highlight the advantages of Hong Kong's offshore RMB services to the international market.

As global investors' demand for RMB-denominated products grows, Hong Kong's role as a global offshore RMB business hub and risk management centre becomes increasingly important. The Government is committed to continuously enriching the suite of RMB-denominated investment products and risk management tools to meet the needs of both domestic and overseas investors. The regulators of the Mainland and Hong Kong have announced their support for the launch of offshore treasury bond futures in Hong Kong. Relevant institutions in the Mainland and Hong Kong are actively preparing for the implementation of the initiative, which will be announced upon regulatory approval.

(2) In line with the new development paradigm of our country and to meet the increasing demand from global investors for allocation of Renminbi assets, the Government, together with the financial regulators and the Hong Kong Exchanges and Clearing Limited (HKEX), has been making active efforts in promoting the issuance and trading of RMB-denominated securities on Hong Kong, with a view to enhancing the investment use of offshore RMB, and at the same time contributing to the RMB internationalisation process.

The China Securities Regulatory Commission announced in April 2024 that it would implement a series of measures to expand capital market mutual access between the Mainland and Hong Kong, encompassing supporting the inclusion of RMB stock trading counters in Stock Connect southbound trading. This will facilitate Mainland investors to trade Hong Kong stocks in their own currency (i.e. RMB) and save exchange costs, thereby attracting more Mainland investors to allocate Hong Kong stocks. Relevant institutions in the Mainland and Hong Kong are currently conducting technical preparations to implement the inclusion of RMB stock trading counters in Stock Connect southbound trading. The Government has also carried out preparatory work for allowing the stamp duty payable on the transfer of stocks at RMB counters to be paid in RMB which involves amending the Stamp Duty Ordinance and system changes by the relevant government departments, HKEX, and the industry. The Government will introduce the relevant amendment bill into the Legislative Council in the first half of 2026.

(3) The Hong Kong Monetary Authority (HKMA) introduced the RMB Trade Financing Liquidity Facility (TFLF) in February 2025. The facility offers banks a relatively stable source of offshore RMB funding for their provision of trade finance-related services to corporate customers. To enhance the liquidity and global reach of the offshore RMB market in Hong Kong, the HKMA introduced the RMB Business Facility (RBF) in October 2025 which replaced the RMB TFLF, featuring multiple enhancements such as providing enterprises with the longer-term RMB financing required for trade, daily operation and capital expenditure, so as to support the use of RMB in the real economy. Eligible end-users have also been extended from corporate clients of participating banks to cover also corporate clients of the participating banks' overseas intragroup banking entities.

From 2 February 2026, the total size of the RBF was increased from RMB100 billion to RMB200 billion to support financial institutions in facilitating the wider use of RMB by enterprises and customers. The RBF has received overwhelming response from the banking sector since its launch, with the original RMB100 billion aggregate quotas fully allocated to 40 participating banks. With the increasing usage of the facility, some participating banks have reached or are approaching the cap of their usage quotas. Following the doubling in size of the RBF to RMB200 billion, the HKMA has received applications from multiple participating banks seeking to raise their quotas due to business demands, as well as interests of joining from banks that had not previously participated. The HKMA will review the relevant applications in accordance with established criteria to approve the new quotas. The RBF channels onshore RMB liquidity into offshore markets in an orderly manner, by adopting a "hub-and-spoke" model with Hong Kong as the hub, further enhancing Hong Kong's unique advantages and role as the global offshore RMB business hub. It has not only served corporates in Hong Kong but has also successfully channelled offshore RMB funds to regions such as the ASEAN regions, the Middle East, and Europe. The HKMA will continue to monitor the implementation of the RBF, including quota utilisation by participating banks, collect market feedback, and consider enhancing the RBF if and as appropriate with the support of the People's Bank of China (PBoC).

(4) The PBoC and the HKMA announced in July 2022 the enhancement of the currency swap agreement into a long-standing agreement. Its size has been expanded to RMB800 billion/HK$940 billion, differentiating Hong Kong from other jurisdictions as our agreement no longer requires renewal, and the swap size is the largest of its kind. The HKMA regularly reviews the size and operation of the currency swap agreement to ensure it effectively meets the offshore RMB market liquidity needs and supports the use of RMB in the real economy.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)059**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3607)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that the Hong Kong Monetary Authority and Cyberport have recently commenced trials for the second cohort of sandbox, focusing on "AI vs. AI" strategies for promoting secure and responsible AI application in the banking sector, with a view to strengthening banking regulation in 2026-27. In this connection, please advise this Committee on the following:

1) What are the estimated manpower and expenditure to be involved?
2) According to reports, a total of 20 banks and 14 technology partners have participated in the trials for the second cohort of sandbox. What are the outcomes of such trials? Is the banking sector already capable of "countering AI"?
3) It has been reported that participants will successively land on the designated platform of Cyberport's Artificial Intelligence Supercomputing Centre (AISC), with technical trials expected to commence early this year. Given that the utilisation rate of the AISC has already reached around 80%, has an assessment been made regarding whether the computing power is sufficient to support the trials?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 23)

Reply:

Having consulted the Hong Kong Monetary Authority (HKMA), our consolidated reply is as follows:

In February 2026, the HKMA and Cyberport launched the second cohort of the Generative AI Sandbox (the second cohort). The second cohort involves 20 banks and 14 technology partners, focusing on "AI vs AI" strategy for promoting more secure and responsible AI application in the banking sector.

The second cohort focuses on strengthening AI governance, including the use of AI to conduct automated quality checks of AI-generated outputs, with a view to enhancing system accuracy and consistency at a scalable level. The use cases mainly include enhancing risk management, anti-fraud measures, and customer experience. Participating banks are conducting trials at Cyberport's AI Supercomputing Centre, and it is expected to be completed within this year.

The HKMA is handling the relevant work with existing manpower and resources, and Cyberport has reserved sufficient computing power for the second cohort, in order to ensure a smooth trial run.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)060**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3614)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

On enhancing the international network of the Central Moneymarkets Units (CMU) mentioned in the Budget Speech, please inform this Committee of:

1) the countries or regions expected to be approached or lobbied to join as CMU members in the future;
2) given that there is currently a total of 212 CMU members, the reasons as to why some of these members have yet adopted the Bond Connect service under the "Northbound Scheme"; and
3) the measures put in place by the Bureau to encourage the adoption of the service, with a view to "bringing in" foreign investments for our country, as well as the relevant staffing and estimated expenditure involved.

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 47)

Reply:

(1) CMU membership is open to financial institutions within and outside Hong Kong. CMU OmniClear under the Hong Kong Monetary Authority (HKMA) has been promoting CMU services through various channels, and financial institutions from different markets have expressed interest in relevant services.

(2) Northbound Bond Connect facilitates overseas institutional investors' trading in the Chinese Mainland bond market through a cross-boundary platform. Since its launch in 2017, the number of CMU Members enrolled in relevant services has increased to 70 as of mid-March 2026. In the Northbound Bond Connect, CMU Members mainly serve as local custodians, providing services to global custodians and their underlying investor clients. Whether CMU Members provide Northbound Bond Connect services depends on various factors including their service scope.

(3) CMU OmniClear has been working closely with relevant central authorities to promote and enhance bond market connectivity, through policy support and building of financial infrastructure, to facilitate overseas market players' access to China-related capital market products.

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Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)061**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3615)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

During 2026-27, the Financial Services and the Treasury Bureau will advance financial co-operation with the Mainland, including fulfilling the goals set out in the National 15th Five-Year Plan and promoting Hong Kong's efforts in initiatives in relation to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development in respect of the financial services sector. In this connection, please advise this Committee of the following:

1) What is the progress in taking forward the Cross-boundary Wealth Management Connect (WMC) 3.0?
2) Please explain the consideration regarding the expansion of product variety, the increase of individual quota, the optimisation of sales methods, and the extension of the applicable area coverage, respectively;
3) What were the amount of cross-boundary remittance under the closed-loop funds management and the respective usage of aggregate quota under the Southbound and the Northbound Schemes in 2025?
4) How many WMC 2.0 participating securities firms are there so far? What are the numbers of customers engaged by banks and brokers?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 49)

Reply:

(1) and (2)

Cross-boundary Wealth Management Connect (WMC) in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) provides GBA residents with a formal, direct and convenient channel for cross-boundary investment in diverse wealth management products and marks a milestone in the financial development of the GBA.

WMC has seen continuous and steady development since its launch in September 2021. "WMC 2.0" commenced on 26 February 2024. Enhancement measures include

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 participate in the scheme, expanding the scope of participating institutions to include eligible securities firms, expanding the scope of eligible investment products to encompass non-complex fund products with higher risk levels, and further enhancing the promotion and sales arrangements. Subsequently, building upon the "WMC 2.0", further enhancement measures concerning promotion and sales arrangements were introduced in 2025, including written consent and "three-party online conference" arrangements[1], as well as allowing Southbound Scheme account opening through a non-face-to-face approach. These measures aim to facilitate banks and securities firms in providing more effective sales and account opening services.

As an innovative financial co-operation measure in the GBA involving 3 different regulatory systems, WMC has been implemented under a pilot approach in a gradual and incremental manner. The Government and the financial regulators will closely monitor market developments and the operation of WMC, maintain close communication with Mainland regulatory authorities, and regularly review the implementation of "WMC 2.0", so as to explore further enhancement measures such as expanding the scope of the pilot, raising the investment quota, expanding the scope of eligible investment products, and enhancing the sales and promotion arrangements, etc.

(3) According to the statistics published by the People's Bank of China (PBoC), up to end-2025, the total cross-boundary fund remittance under WMC (including Guangdong, Hong Kong and Macao) exceeded RMB131.2 billion; Southbound WMC quota usage exceeded RMB16.7 billion; Northbound WMC quota usage amounted to around RMB250 million.

(4) Since the official implementation of "WMC 2.0" on 26 February 2024, its operations have been smooth and orderly, with positive market feedback. As of end-December 2025, 25 eligible Hong Kong banks have partnered with Mainland partner banks to provide WMC services (of which 22 banks offer both Southbound and Northbound services; 2 banks offer Southbound service only; and 1 bank offers Northbound service only). Additionally, the first batch of 14 brokers participating in WMC have commenced services from end-2024. As of end-December 2025, these brokers had opened approximately 35 000 investment accounts.

According to the statistics published by the PBoC, as of end-December 2025, the number of individual investors participating in WMC (including Northbound and Southbound investors from Guangdong, Hong Kong and Macao) reached 177 900, up by around 30% from end-2024.

- End -

[1] The written consent arrangement allows Hong Kong banks and securities firms to, in their place of business, proactively introduce products which meet the risk appetite of Southbound Scheme customers and provide related information, and/or provide research reports on products to the customers, after obtaining their consent. The "three-party online conference" arrangement enables Mainland banks and securities firms, upon request from Southbound Scheme customers, to assist the customers at their Mainland branch premises in setting up three-party online dialogues or conferences with Hong Kong banks and securities firms regarding Southbound Scheme services.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3557)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. It is stated under the Programme that the total financial provision for the eMPF Platform for 2026-27 is 13.1% higher than that for the preceding financial year. Will the Bureau please advise on the share in the Government's estimate for the preceding financial year that will be disbursed to the eMPF Platform Company Limited for use in the current financial year? Will this share be included in the estimated provision of $160.1 million for the current financial year?

2. Will the Bureau please advise, with a breakdown by category, on the total number of complaints received since the launch of the eMPF Platform and the types of complaints involved? What is the latest success rate in handling these complaints? In light of the increase in provision, how much of the estimate will be spent on enhancing the operation of the eMPF Platform? How will the estimate be apportioned?

3. Will the Bureau please advise whether any key performance indicators have been set for the user registration rate on the eMPF Platform for the current financial year? If so, what are the specific indicators? As regards the promotion and publicity of the eMPF Platform, how will the Bureau apportion the provision for this financial year and what measures will it adopt to accelerate the boost in the registration rate on the platform and digital uptake?

Asked by: Hon KWOK Fu-yung (LegCo internal reference no.: 44)

Reply:

(1) During the period from 2019 to 2021, the Legislative Council (LegCo) approved a total provision of about $4.9 billion for the Government to cover the non-recurrent expenditure of the eMPF Platform Project. Such provision is mainly used to cover the operating expenses of data centres and contractual payments relating to the Platform's software and hardware development as well as system maintenance, the eMPF Platform

Company Limited (eMPF Company)'s initial operating expenditure, and Government Cloud Infrastructure Services fees (GCIS fees).

Funding required by the eMPF Platform Project in respect of each financial year (save for GCIS fees payable to the Digital Policy Office (DPO)) will be included in the Government's estimate and disbursed to eMPF Company in the preceding financial year. The provision for the eMPF Platform Project in the Government's 2026–27 estimate is about $160.1 million, which is higher than the revised estimate for 2025–26 (i.e. $141.5 million) by about 13%, mainly due to an increase in contractual payments relating to system maintenance, coupled with the need to set aside funding for the one-off system enhancement of the eMPF Platform to implement the Phase Two Proposal of Mandatory Provident Fund (MPF) "Full Portability" (subject to LegCo's approval).

For 2025-26, the Government's actual expenditure for the eMPF Platform Project was about $133.86 million, over 90% of which was already disbursed to eMPF Company in March 2026 to cover the contractual payments relating to system maintenance for 2026-27. The remaining amount has also been disbursed to DPO as GCIS fees for 2025-26.

(2) As at end-February 2026, eMPF Company has received a total of around 11 500 complaints, and has processed over 76% of the cases (i.e. about 8 800 cases). The complaints mainly concerned delays in processing MPF administrative work for individual cases, as well as MPF contributions not being timely reflected in employees' account balances after being made by employers, etc. The relevant details are set out at **Annex**. To handle complaints in a timely manner and to improve user experience, the Project Contractor has, upon eMPF Company's request, implemented a series of enhancement measures, including increasing headcounts dedicated to handling complaints, strengthening managerial oversight of case progress, upgrading internal communication tools to provide better frontline support, implementing a mechanism to assign dedicated case officers to handle each case, and introducing artificial intelligence to optimise data retrieval and improve communication with customers, etc. The Government has already requested the Mandatory Provident Fund Schemes Authority (MPFA) and eMPF Company to closely monitor the Contractor's service standard in handling complaints to ensure the complaints are handled properly and swiftly. To this end, eMPF Company has recently implemented a performance tracking system to continuously monitor the Platform's operation statistics and to introduce alerts on critical processes, reminding the Contractor's staff to complete the processing of instructions made by employers and scheme members within the specified timeframe. The Government, MPFA and eMPF Company will continue to closely monitor the complaint handling mechanism of the eMPF Platform, with a view to providing employers and scheme members with customer services of higher quality.

In accordance with the contract for the design, building and operation of the eMPF Platform, it is the Contractor's unshirkable responsibility to ensure the robustness, reliability, security and user-friendliness of the Platform. Since the relevant contract is a fixed-price contract, and has already covered services including complaints handling, system maintenance and technical support, etc., no additional funding is required for the enhancement measures mentioned above.

(3) The contract signed between eMPF Company and the Contractor has stipulated key performance indicators (KPIs) in respect of the annual digital take-up rates of the Platform. For instance, the digital take-up rate must reach 50% in 1 year after commencement of operation of the Platform, 60% in 2 years thereafter and so on, until it reaches 90% in 5 years' time. If eMPF Company observes that the KPIs are not met, the Contractor will be asked to allocate additional resources at its own costs and submit a follow-up plan to catch up with the KPIs.

As at end-February 2026, the digital take-up rate of the eMPF Platform has already exceeded 70%, which is higher than the applicable KPI (i.e. 60%). Amongst the 22 onboarded MPF schemes, the total number of registered users was about 1.84 million, comprising around about 190 000 employers and 1.65 million scheme members, i.e. about 70% of active employers and over one-third of scheme members have already registered as Platform users. Since scheme members are not required to make monthly MPF contributions through the eMPF Platform, and some scheme members may not actively manage their MPF assets, the relevant registration rate is relatively low for the time being.

MPFA has, therefore, been working at full steam in strengthening its engagement, promotion, and education activities to assist scheme members and employers in registering with the eMPF Platform and familiarising themselves with the Platform's operations, thereby promoting widespread adoption of the eMPF Platform and boosting the overall digital take-up rate. The latest development is summarised below.

(a) **Stakeholders engagement exercise**: Commenced the third round of stakeholders engagement exercise starting from April 2025 to assist scheme members in registration with and using the Platform, with a special focus on the less tech-savvy grassroots and smaller-sized businesses. Over 610 meetings, talks, exchange sessions, district outreach activities and collaborative events with different stakeholder groups have been arranged so far to introduce the Platform's functionalities and provide on-site registration service. More events in collaboration with various stakeholder groups will be rolled out to further promote the Platform;

(b) **eMPF fleet**: Launched the eMPF fleet in October 2025, which has been travelling across Hong Kong Island, Kowloon, and the New Territories to proactively reach out to the public and introduce the Platform's functionalities, with service ambassadors providing on-site registration support and addressing enquiries from employers and employees. So far over 110 outreach sessions have been conducted across various districts, assisting the public to complete eMPF registration and addressing enquiries, thereby enhancing users' understanding of the eMPF Platform;

(c) **Three-tiered testing and engagement framework**: Continuously gathering views from IT experts, industry representatives and users from diverse backgrounds through the three-tiered engagement framework comprising External Professional Testing, Expert Group and Standing User Group, with a view to continuously enhancing the user interface and operational processes of the eMPF Platform and bringing comprehensive elevation of user experience;

(d) **Support in all districts**: Co-organising seminars with the Home Affairs Department and district groups and setting up registration counters to provide convenient services for local residents. Meanwhile, setting up booths in or arranging eMPF fleet to attend large-scale public events, including the Hong Kong Brands and Products Expo and Lunar New Year Fairs, etc., to extensively and proactively reach out to the public. In addition, eMPF registration consultation counters have been set up in multiple major government office buildings to further facilitate the public and civil servants to register.

(e) **Media publicity**: Continuously arranging different media publicity activities, including press conferences, media interviews, blog posts, featured articles, and advertorials in conventional and online media, etc., to publish information pertinent to the Platform's latest development in a timely manner, and continue to step up publicity on the various enhancement measures and functions;

(f) **Awareness campaign**: Increasing the broadcasting frequency and coverage of the Television Announcements in the Public Interest to raise public awareness on the Platform; and

(g) **Marketing activities**: Launching advertisements on various media outlets, including television, the Internet, social media platforms, and large outdoor billboards, etc., to urge employers and scheme members to register an eMPF account. A series of real-life stories featuring eMPF users has been launched on television channels and online media platforms since July 2025, shedding light on how the Platform can facilitate scheme members to manage their MPF, the customer and outreach team services, and the role of intermediaries.

Annex

Category	Number of complaints received	
	Employers	**Scheme members**
eMPF registration	419	262
Enrolment in MPF schemes	956	225
Making MPF contributions	3 295	1 570
Transfer of MPF accrued benefits	139	407
Change of account information and user particulars	282	192
Change of investment portfolios	Not applicable	149
Withdrawal of MPF accrued benefits	Not applicable	2 053
Offsetting of long service payment / severance payment	387	285
Customer services	350	370
Others	72	100
Total	**5 900**	**5 613**
	11 513	

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Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)063

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0872)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the Mandatory Provident Fund (MPF), will the Government inform this Committee of:

(1) the number of Payment Notices for MPF Contributions and Surcharge (Payment Notices) issued to employers by the Mandatory Provident Fund Schemes Authority (MPFA) in each of the past 4 years;
(2) in respect of the cases where the Payment Notices referred to in (1) were issued, the average amount of default MPF mandatory contributions per employee and the average duration of the defaults each year;
(3) in respect of the cases where the Payment Notices referred to in (1) were issued, the number and percentage of those in which employers failed to settle the default MPF mandatory contributions and surcharges within the respective time limits each year;
(4) in respect of the cases referred to in (3) where the Payment Notices were not complied with within the respective time limits, the number of those each year in which the MPFA had to initiate civil proceedings to recover the default MPF mandatory contributions, where the employers still failed to settle the default MPF mandatory contributions following the respective court rulings, and where the MPFA pursued further legal action as a consequence;
(5) the total amounts of default MPF mandatory contributions recovered successfully and unsuccessfully by the MPFA in each of the past 4 years;
(6) in a tabulated format, the numbers of cases by type of offence in each of the past 4 years in which employers committed the following offences: failure to enrol employees in an MPF scheme; providing false or misleading information to trustees, eMPF Platform or MPFA; failure to provide monthly pay-records to employees; failure to notify MPF trustees in writing of an employee's cessation of employment; and failure to notify trustees in writing of updates on employer information.

Asked by: Hon LAM Chun-sing (LegCo internal reference no.: 37)

Reply:

(1) and (3)

In the past 4 financial years, the number of Payment Notices for Mandatory Provident Fund (MPF) Contributions and Surcharge (Notices) issued by the Mandatory Provident Fund Schemes Authority (MPFA) to employers suspected of having defaulted on MPF contributions, the number of employers who settled default contributions and surcharges within the time limit of Notices (i.e. within 14 days after the issuance of Notices) and the percentage of Notices involved are tabulated below:

	Financial Year			
	2022-23	2023-24	2024-25	2025-26*
Number of Notices issued	346 700	376 300	399 700	293 600
Number of employers who settled default contributions and surcharges within the time limit^	31 900	28 800	29 900	19 300
Percentage of Notices involved	25%	22%	21%	16%

^ Employers may receive more than one Notice within a financial year

* As of December 2025

(2) and (5)

In the past 4 financial years, the total amount of MPF contributions in arrears successfully recovered by MPFA, the number of employees involved and the average amount of contributions owed to the relevant employees, and the total amount of contributions in arrears not recovered are tabulated below:

	Financial Year			
	2022-23	2023-24	2024-25	2025-26*
Total amount in arrears successfully recovered ($ million)	145	155	191	145
Number of employees involved	96 600	96 600	108 400	72 100
Average amount of contributions owed to the relevant employees ($)	1,500	1,600	1,760	2,000
Total amount in arrears not recovered# ($ million)	8	7	10	17

Reasons for failure to recover outstanding contributions include employers having ceased business or not having available assets, etc.

* As of December 2025

MPFA does not maintain statistics on the duration for which the relevant employees' MPF contributions remained in arrears.

(4) In the past 4 financial years, the number of civil claims MPFA filed against employers defaulting on MPF contributions, the number of cases where employers failed to settle the arrears after civil claims had been awarded and requiring follow-up action by MPFA, and the number of cases where MPFA applied to the court for further enforcement actions are tabulated below:

	Financial Year			
	2022-23	2023-24	2024-25	2025-26*
Number of civil claims filed#	1 251	1 432	1 728	1 298
Number of cases where employers failed to settle the arrears after civil claims had been awarded and requiring follow-up action by MPFA	616	740	922	799
Number of cases where MPFA applied to the court for further enforcement actions^	116	200	196	335

\# Including civil claims filed at the Small Claims Tribunal, the District Court and the High Court

^ Including the court granting garnishee orders to seize money from defaulting employers' bank accounts, bailiffs taking actions to seize assets of defaulting employers, etc.

* As of December 2025

(6) In the past 4 financial years, the number of cases where employers were in violation of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) by the types of non-compliance are tabulated below:

Type of Non-compliance#	**Financial Year**			
	2022-23	2023-24	2024-25	2025-26*
Failure to enrol employees in an MPF scheme	436	445	412	274
Providing trustees, eMPF Platform or MPFA with false or misleading information	13	10	4	2
Failure to provide employees with monthly pay-records	7	4	6	3
Failure to notify trustees in writing of an employee's cessation of employment	153	84	111	66
Failure to notify trustees in writing of updates on employer information	No itemised breakdown of such cases			

\# Cases may involve more than one type of non-compliance

* As of December 2025

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Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)064**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0248)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that about $160 million will be allocated to the eMPF Platform (the Platform) Project in the 2026-27 financial year. The provision is mainly used to cover the operating expenses of data centres, contractual payments relating to the Platform's system maintenance, and other one-off expenses (including one-off system enhancement costs pertinent to the implementation of Mandatory Provident Fund (MPF) "Full Portability"). Regarding the usage of the Platform, will the Government inform this Committee of the following:

(1) What are the respective numbers of scheme members and employers registered with the Platform to date? What are their respective percentages to the total number of registered users?
(2) Since its launch, how many complaints against the Platform have been received so far and what are the specific issues involved? How many cases have been processed currently and what is the average processing time for a case? Has a performance pledge been drawn up requiring the cases to be resolved within a specified timeframe? If so, what are the details; if not, what are the reasons?
(3) Since its launch, has the Platform experienced technical failures each year? If so, what are the details?

Asked by: Hon LAM Lam, Nixie (LegCo internal reference no.: 37)

Reply:

Having consulted the Mandatory Provident Fund Schemes Authority (MPFA), reply to the three-part question is as follows.

(1) As at 28 February 2026, amongst the 22 onboarded Mandatory Provident Fund (MPF) schemes, the total number of registered users was about 1.84 million, comprising around 1.65 million scheme members and about 190 000 employers, i.e. about 70% of active

employers and over one-third of scheme members have already registered as Platform users.

(2) The eMPF Platform Company Limited (eMPF Company) has made service pledges in respect of services provided by the Platform. On complaints handling, under general circumstances, eMPF Company will acknowledge receipt of complaints within 3 working days and issue replies within 12 working days. The relevant details have been uploaded onto eMPF Company's website for public reference.

As at 28 February 2026, eMPF Company has received a total of around 11 500 complaints, and has processed over 76% of the cases (i.e. about 8 800 cases). The complaints mainly concerned delays in processing MPF administrative work for individual cases, as well as MPF contributions not being timely reflected in employees' account balances after being made by employers. Majority of the complaints could be fully resolved within 18 working days. To handle complaints in a timely manner and to improve user experience, the Project Contractor has, upon eMPF Company's request, implemented a series of enhancement measures, including increasing headcounts dedicated to handling complaints, strengthening managerial oversight of case progress, upgrading internal communication tools to provide better frontline support, implementing a mechanism to assign dedicated case officers to handle each case, and introducing artificial intelligence to optimise data retrieval and improve communication with customers, etc..

(3) The eMPF Platform's operation has been largely smooth since its launch in June 2024 and has successfully processed over 7.4 million administrative instructions without encountering any systemic technical defects. Prior to commencing operation, the Platform has passed a series of rigorous and comprehensive testing on various fronts, including security, load and privacy, etc. Moreover, a security risk assessment and audit, as well as a privacy impact assessment have been conducted by an independent third-party consultant. To provide additional safeguards, eMPF Company has also engaged an independent third-party consultant to conduct an external assessment of the Platform and confirm system readiness prior to launching the Platform. Since the commencement of operation of the Platform, eMPF Company has been monitoring the network system round-the-clock to detect and intercept cyberattacks. Regular cyberattack drills and annual security audits are also conducted to assess risks and vulnerabilities, so as to ensure the robustness, reliability, security and user-friendliness of the Platform.

End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)065**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3398)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under Matters Requiring Special Attention in 2026-27, establishing a central clearing system for gold in Hong Kong is mentioned, while the development of gold storage facilities is stated in the previous year of estimates. Please inform this Committee:

(1) of the estimated expenditure and staffing involved in establishing a central clearing system for gold in Hong Kong, as well as the expected schedule for its rollout; and
(2) how the system will work in co-ordination with existing gold storage facilities, thereby further enhancing Hong Kong's commodities ecosystem.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 51)

Reply:

(1) The Hong Kong central clearing system for gold (the System) is scheduled to commence trial operations within this year. System development, operation and other related expenditures will be covered by market arrangements and will not involve Government funding. With regard to the Hong Kong Precious Metals Central Clearing Company Limited, which is wholly owned by the Government, its management and operation at this stage is part of the regular duties of the Financial Services Branch (FSB). The manpower and expenditure involved have been included in the overall establishment and expenditure of FSB, and hence no breakdown is available.

(2) The Government has proposed expediting the establishment of an international gold trading market, including supporting the Airport Authority Hong Kong and financial institutions to expand gold storage capacity in Hong Kong, with a target of achieving over 2 000 tonnes in 3 years to propel Hong Kong into a regional gold reserve hub. Storage capacity serves as the foundation of supporting the storage of gold in Hong Kong in compliance with international standards. Physical storage drives

investment trading and the development of derivative products, with related physical gold transactions requiring clearing and settlement through the System. This, in turn, fosters the growth of related industries such as insurance and logistics services, thereby further developing the relevant ecosystem.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)066**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3399)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated under Matters Requiring Special Attention in 2026-27, the Government will promote the development of digital assets, implement the licensing regime for virtual asset trading platforms and expand its scope to custodian services providers, and implement the licensing regime for stablecoin issuers. In this connection, please inform this Committee of:

(1) the specific timetables for legislation, consultation and licensing in connection with expanding the regulatory scope to virtual asset custodian services providers; and
(2) the expected numbers of licences to be formally issued for virtual asset trading platforms and stablecoin issuers in 2026-27.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 52)

Reply:

(1) The Government is committed to establishing Hong Kong as a global hub for innovation in the digital asset field, and will continue to actively implement the various measures in the Policy Statement 2.0 on the Development of Digital Assets in Hong Kong, including establishing a comprehensive regulatory framework.

The Financial Services Branch (FSB) and the Securities and Futures Commission (SFC) conducted a two-month public consultation on the legislative proposals for the licensing regimes for virtual asset dealing and custodian service providers from June to August 2025. The consultation conclusions were published on 24 December 2025. In response to the feedback received, the FSB and the SFC also, on the same day, launched a further public consultation on establishing separate licensing regimes for VA advisory and management service providers. The further public consultation lasted for 1 month, and ended in the end of January 2026.

The FSB and the SFC are now formulating details of the relevant licensing regimes with reference to the views collected in the public consultations, with a target of introducing a bill into the LegCo within 2026. Upon the completion of the legislative work, the regulatory framework in Hong Kong will provide comprehensive coverage of the key nodes of the digital asset industry, balancing risk management and investor protection, while providing favourable conditions for market development and financial innovation.

(2) As of the end of February 2026, there were 12 virtual asset trading platform operators which have been formally licensed by the SFC. The SFC will continue to handle licence applications filed by another 7 virtual asset trading platform operators in accordance with the SFC's swift licensing process. Under the swift licensing process, applicants are required to implement their internal policies, procedures, systems and controls, and to arrange an external assessment on these measures to be conducted under the supervision of the SFC.

As regards the licencing of stablecoin issuers, the Hong Kong Monetary Authority sets a high bar, and expects that only a handful of licences would be issued initially.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0953)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned under Programme (1) that the Financial Services Branch will promote the competitiveness and sustainable development of the stock market. According to the information recently released by the Hong Kong Exchanges and Clearing Limited (HKEX), there are currently 488 companies awaiting listing. In this regard, will the Government inform this Committee of:

a. the average and the longest waiting time for companies that were successfully listed in the past year; and
b. the specific strategies adopted by the Government to enhance the speed and efficiency of company listings, thereby improving the listing process to avoid the prolonged waiting time for companies seeking to go public, while strengthening the competitiveness of the stock market?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 36)

Reply:

To provide greater certainty in the time for vetting of listing applications, the Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited (HKEX) announced in October 2024 specific measures to optimise the listing vetting process. Under the enhanced vetting process, the SFC and The Stock Exchange of Hong Kong Limited (SEHK) will continue to conduct regulatory assessments in parallel upon receipt of new listing applications. Both parties will indicate any material regulatory concerns on the new listing applications after a maximum of 2 rounds of regulatory comments in no more than 40 business days[1]. For A-share companies that meet the relevant conditions when submitting a

[1] Excluding the response time of the applicants.

new listing application[2], the SFC and the SEHK will indicate any material regulatory concerns on the application after one round of regulatory comments in no more than 30 business days[3], further shortening the vetting time by a quarter as compared with general new listing applications.

With the implementation of the enhanced process, the time for vetting of listing applications has significantly improved. The period from the first submission of a listing application to the point at which the application may proceed to a Listing Committee hearing includes both the HKEX's vetting time and the applicant's response time. For listing applications considered by the Listing Committee in 2025, the median time required for the HKEX's vetting is 32 business days. Except for applications involving material regulatory concerns (such as listing eligibility issues, unusual business models or arrangements, issues on the legality or compliance of business operations, etc.), the time required for HKEX's vetting does not exceed 40 business days.

With Hong Kong being a global major listing platform for companies from different jurisdictions, the Government will continue to drive the SFC and HKEX to review the listing regime and vetting process on an ongoing basis and to explore improvements to their efficiency and transparency as appropriate, with a view to striking a balance between market development and regulatory needs.

- End –

[2] Including that (1) it is expected to have a minimum market capitalisation of $10 billion; and (2) it can confirm, with the support of legal advisers' opinion, that it has complied with all laws and regulations, in all material respects, applicable to its A-share listing throughout the two full financial years immediately preceding the new listing.

[3] Excluding the response time of the applicants.

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)068

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3256)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned under Programme (1) that the company re-domiciliation regime will be implemented. The Financial Secretary stated that since the commencement of the company re-domiciliation regime last year, the Companies Registry had approved 22 re-domiciliation applications, while about 20 applications were being processed. In this connection, please inform this Committee of the following:

a. the details of the 22 cases, including the industries and jurisdictions of origin of the applicant companies, and the expected timeframe for completing their re-domiciliation to Hong Kong;
b. the number of cases under negotiation, in addition to the roughly 20 applications currently being processed, and the total number of enquiries received; and
c. As companies seeking re-domiciliation to Hong Kong are mainly multinational corporations concentrated in certain industries, what bespoke strategies will be devised to step up global publicity to attract more enterprises to establish a presence in Hong Kong?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 37)

Reply:

(a) On 23 May 2025, we launched the company re-domiciliation regime, providing a simple, accessible and cost-effective route for non-Hong Kong companies to re-domicile to Hong Kong. As of 31 March 2026, the Companies Registry has approved 30 cases. The Companies Registry is processing about 20 applications. With complete submission documents and information, it is generally estimated that the Companies Registry may approve a re-domiciliation application in 2 weeks' time.

Among the 30 approved applications, the corresponding distributions in terms of business nature of the re-domiciled companies and place of incorporation of the applicants are as follows:

Business nature of the re-domiciled companies	**No. of companies**
Financial service activities, including investment and holding companies, and the activities of trusts, funds and similar financial entities.	23
Real estate activities	3
Insurance (including pension funding)	2
Rental and leasing activities	2
Total	**30**

Place of incorporation of the applicants	**No. of Companies**
Luxembourg	8
British Virgin Islands	13
Bermuda	5
Cayman Islands	3
Isle of Man	1
Total	**30**

(b) and (c)

The Financial Services Branch, in collaboration with the Companies Registry and financial regulators, has been actively providing support to applicant companies to facilitate their re-domiciliation to Hong Kong. Since the launch of the company re-domiciliation regime in May 2025, the Companies Registry has received over 400 enquiries related to company re-domiciliation.

On promotion, the Financial Services Branch works with Invest Hong Kong, Hong Kong Economic and Trade Offices and Hong Kong Exchanges and Clearing Limited to strengthen the external promotion efforts, encouraging major Hong Kong-listed companies incorporated outside Hong Kong and other companies to make full use of the mechanism to re-domicile to Hong Kong.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)069

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3299)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Services and the Treasury Bureau fosters the development of the asset and wealth management industries. It is mentioned in Programme (2) that ongoing training, knowledge exchange and networking opportunities for family office practitioners and next-generation asset owners will be offered through the Hong Kong Academy for Wealth Legacy (HKAWL) established under the Financial Services Development Council. In this connection, would the Government inform this Committee of the following:

a. The HKAWL launched the online platform of "Impact Link (iLink)" in June 2025. What is the estimated administrative expenditure for maintaining the platform? What is the number of cases in which the platform successfully facilitated the funding of local scientific research or charity projects by family offices?
b. In view of the increasing number of family offices, is there a sufficient supply of relevant practitioners and does the HKAWL need to enhance the relevant training?

Asked by: Hon LAMPORT, Jonathan Stuart (LegCo internal reference no.: 35)

Reply:

(a) The Hong Kong Academy for Wealth Legacy (HKAWL) launched the Impact Link (iLink) Online Portal on 17 June 2025, which provides a dedicated depository platform for invited family philanthropists to discover scalable impact investing initiatives in Hong Kong and beyond. As of end-February 2026, the iLink Online Portal has been joined by 55 family philanthropists and altogether nominated 12 non-governmental organisations and charitable projects. The HKAWL will continue to identify suitable family philanthropists and projects to sign up for the platform. Family philanthropists can connect with the relevant responsible organisation directly to enquire about or invest in the initiative of interest, without having to apply through the portal. Therefore, the HKAWL does not maintain the statistics on the initiatives facilitated by the platform.

The HKAWL's estimated expenditure for maintaining the portal in 2026-27 is about $150,000.

(b) According to the study findings by the consultant commissioned by Invest Hong Kong published in February 2026, there were over 3 380 single family offices operating in Hong Kong as of end-2025. This represents an increase of about 680 offices, or a growth of more than 25%, over the past 2 years. Single family offices directly employ over 10 000 full-time professionals in Hong Kong.

The HKAWL has been committed to promoting knowledge exchange, talent development, and impactful philanthropy, solidifying Hong Kong's position as a premier destination for intergenerational wealth management and a global philanthropy hub. Going forward, the HKAWL will continue to keep in view the talent supply in the family offices and asset and wealth management sectors, and partner with leading organisations and thought leaders around the world to deliver relevant training and capacity building activities for next-generation asset owners and the family office sector, equipping families with expertise in intergenerational integration, sustainable governance and strategic philanthropy. The HKAWL will also provide families with actionable insights and tools for sustainable legacy stewardship amid a dynamic global landscape.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)070

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0112)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Among the 100 students who have participated in the GBA Fintech Two-way Internship Scheme for Post-secondary Students so far, how many have secured return offers from their internship companies or job offers from companies in related industries upon completion of their internship?
2. Will the Government consider optimising the Scheme to strengthen ties with internship companies and encourage them to hire outstanding interns as full-time employees, thereby enhancing the effectiveness of the Scheme in facilitating talent supply?

Asked by: Hon LAU Chi-pang (LegCo internal reference no.: 8)

Reply:

In October 2023, the Government launched the GBA Fintech Two-way Internship Scheme for Post-secondary Students (the Scheme) to subsidise students from the Mainland and Hong Kong to participate in short-term internships in fintech companies, with a view to enhancing talent exchange and enlarging the fintech talent pool.

The Scheme is targeted at full-time students studying fintech-related subjects in post-secondary institutions, including higher diploma and associate degree students, undergraduates, master's degree students and postgraduates. Internship positions in Hong Kong accept applications from Mainland students studying in the Mainland and Hong Kong. Internship positions in Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area accept applications from Hong Kong students studying in the Mainland and Hong Kong.

The Scheme has been well received by the students and enterprises. As of March 2026, about 120 students and 30 fintech companies have participated in 5 rounds of the Scheme.

The scheme administrator (i.e. Cyberport) continuously reviews the implementation and effectiveness of the Scheme through questionnaires and feedback from enterprises.

According to Cyberport's effectiveness evaluation, nearly 70% of participating students indicated that the Scheme had enhanced their understanding of the fintech industry and that they planned to pursue a related career upon graduation. Moreover, about one-fifth of the participating enterprises have hired students who completed their internships as full-time employees, reflecting that the Scheme is conducive to strengthening the grooming of fintech talent. As many interns have yet to graduate, we will closely monitor the situation of interns in pursuing fintech-related career after their graduation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1128)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is pointed out in paragraph 204 of the Budget Speech that the Government will explore facilitating financial institutions to obtain public utility usage data of enterprises with their consent to enhance the efficiency of green financing and risk assessment. In this connection, will the Government inform this Committee of:

1) the implementation timetable for the study, as well as the staffing arrangements and estimated expenditure to be involved;
2) the relevant public utility usage data of enterprises preliminarily planned to be covered;
3) the measures to be taken by the Government to ensure security in obtaining and using the data; and
4) how this initiative will enhance the efficiency of green financing and risk assessment?

Asked by: Hon LAU Ka-keung (LegCo internal reference no.: 16)

Reply:

Public utility usage data (including water, electricity and gas usage data) reflects an enterprise's carbon footprint and is highly valuable for financial institutions in providing, approving, and renewing green financing and loans to enterprises, especially small and medium enterprises. Currently, the relevant data is primarily provided by the enterprises applying for the financing, leading to issues such as incomplete data, insufficient accuracy, and cumbersome submission processes. Therefore, we are studying the feasibility of collaboration with utility providers (including electricity companies, Towngas, and the Water Supplies Department) to facilitate financial institutions' more direct access to such data under the consent of the enterprises, with a view to assisting financial institutions to more accurately assess enterprises' carbon emission levels and related risks, as well as enhancing the efficiency of green financing and risk assessment. We will also examine the necessary data security measures for transmitting and storing such data to ensure the confidentiality, accuracy, and integrity of the data. The Financial Services and the Treasury Bureau is

handling the relevant work with our existing manpower and resources. There is no related itemised breakdown of expenditure estimates.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1129)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated in paragraph 98 of the Budget Speech, to attract more family offices (FOs) and funds to set up in Hong Kong, the Government will enhance the tax regime, including expanding the scope of "fund" to cover specific funds-of-one, as well as classifying digital assets, precious metals, specified commodities, etc. as qualifying investments eligible for tax concessions. In this connection, will the Government inform this Committee of:

1) the number of FOs successfully set up in Hong Kong to date, broken down by year and by region, in tabular form;
2) the number of FOs that are preparing to or have decided to set up or expand business in Hong Kong;
3) the expected number of additional FOs to be attracted to set up in Hong Kong in the next 3 years following the enhancement of the tax regime; and
4) the Government's strategies to attract more FOs to set up in Hong Kong, apart from tax incentives.

Asked by: Hon LAU Ka-keung (LegCo internal reference no.: 17)

Reply:

(1) The dedicated FamilyOfficeHK team (the dedicated team) of Invest Hong Kong (InvestHK) provides one-stop support services to family offices (FOs) and ultra-high-net-worth individuals interested in pursuing development in Hong Kong. Since its establishment in June 2021 up to end-February 2026, the dedicated team has assisted 242 FOs to set up or expand their business in Hong Kong, of which the breakdown by year and region is tabulated below –

Region	Year						**Total**
	2021 (from 1 June)	2022	2023	2024	2025	2026 (up to 28 February)	
Mainland, Macao and Taiwan, China	6	7	24	75	68	20	**200**
Europe and Americas	2	4	-	12	8	-	**26**
Asia Pacific and Oceania	1	1	2	8	4	-	**16**
Total	**9**	**12**	**26**	**95**	**80**	**20**	**242**

On the other hand, according to the study findings by the consultant commissioned by InvestHK published in February 2026, there were over 3 380 single FOs operating in Hong Kong as of end-2025. This represents an increase of about 680 offices, or a growth of more than 25% over the past 2 years.

(2) As at end-February 2026, around 160 FOs have indicated to InvestHK's dedicated team that they are preparing or have decided to set up or expand their business in Hong Kong.

(3) and (4)

The Government has been actively promoting the development of FO business to strengthen Hong Kong's competitiveness in asset and wealth management industry and related professional service sectors. The Financial Services and the Treasury Bureau issued the "Policy Statement on Developing Family Office Businesses in Hong Kong" in March 2023 with a view to creating a conducive and competitive environment for the businesses of global FOs and asset owners to thrive in Hong Kong.

In order to attract more family offices to set up and operate in Hong Kong, apart from striving to create a facilitative tax environment, the Government has been implementing a number of measures, including –

(a) riding on the success in the past 3 years, the Financial Services and the Treasury Bureau and InvestHK hosted the fourth edition of Wealth for Good in Hong Kong Summit on 24 March 2026. Themed "Building Lasting Legacies", the Summit gathered FOs from around the world, underscoring Hong Kong's status as a leading international financial centre and vibrant global FO hub;

(b) InvestHK's dedicated team organised and participated in around 200 investment promotion events in 2025, collaborated closely with more than 160 enterprises and related organisations, and reached over 20 000 attendees through face-to-face interactions to promote Hong Kong's competitiveness and unique advantages as a FO hub. The dedicated team will continue to conduct FO-themed roundtable

forums in major cities to highlight Hong Kong's role as a leading hub for asset and wealth management; and

(c) the Government launched the New Capital Investment Entrant Scheme (New CIES) in March 2024 and has received 3 166 applications as of end-February 2026, potentially brining in an investment amount of about HK$95 billion into Hong Kong. Among them, 1 762 applications have been verified as having completed the investments and granted formal approval. Under the New CIES, an applicant may hold permissible investment assets through a family-owned investment holding vehicle (FIHV) or a family-owned special purpose entity under an FIHV, which creates synergy with the objective of attracting FOs to establish in Hong Kong.

Separately, InvestHK's dedicated team launched the Network of Family Office Service Providers in June 2023 to bring together relevant professional services providers across the globe to provide one-stop services for FOs around the world which are interested in establishing a presence in Hong Kong. In November 2023, the Hong Kong Academy for Wealth Legacy was established to provide a platform for collaboration, networking, knowledge sharing, and relevant training for the FO sector, asset owners and wealth inheritors.

The Government announced in September 2025 that we have achieved early the target of facilitating at least 200 FOs to set up operations or expand their business in Hong Kong from 2022 to 2025, as laid down in the Chief Executive's 2022 Policy Address. We will strive to achieve the new target of facilitating at least 220 FOs to set up operations or expand their business in Hong Kong from 2026 to 2028, as set out in the Chief Executive's 2025 Policy Address.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)073

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1130)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 204 of the Budget Speech that the Government will support the exploration with the Mainland and international multilateral financial institutions of the establishment of a Hong Kong-based Green Technology Projects Accelerator (the Accelerator). The Accelerator will provide incubation, acceleration, and empowerment services for green technology projects in Belt and Road regions, and serve as an innovative demonstration of Hong Kong's green finance-related services. In this connection, please advise this Committee of:

1. the Mainland and international multilateral financial institutions with which the Government has commenced preliminary explorations, and the latest progress;
2. the proposed operational model of the Accelerator;
3. the staff establishment and estimated expenditure for supporting the establishment of the Accelerator;
4. the major green technology areas the Accelerator will focus on; and
5. the support to be provided by the Government to the Accelerator.

Asked by: Hon LAU Ka-keung (LegCo internal reference no.: 19)

Reply:

The Green Technology Projects Accelerator (Accelerator) aims to provide comprehensive support to green technology enterprises, facilitating financing for outstanding green technology projects and enabling their implementation in the Belt and Road regions. These projects are designed to achieve a balance of economic benefits, financing feasibility, and environmental impact. During the incubation process, the Accelerator will fully leverage Hong Kong's resources in green finance, green technology certification, green rating accreditation, consultancy, and legal services, creating innovative case studies for Hong Kong's green finance services.

The Accelerator will focus on green technology areas including green energy and energy transition (e.g., hydrogen utilisation, biomass power generation), green transportation (e.g., long-duration energy storage, mobile charging stations), green buildings (e.g., high-efficiency green materials), circular economy (e.g., biomass recycling, high-performance sound-insulating panels made from recycled materials), green agriculture (e.g., photovoltaic and precision irrigation, desert planting technology) and water treatment (e.g., photovoltaic-powered desalination, rainwater collection and recycling), etc.

The Accelerator will be co-founded by charitable foundations, Mainland institutions, international multilateral organisations and commercial banks. The Accelerator's preparatory team is engaging with national-level investment institutions and green technology promotion platforms in the Mainland, as well as multilateral financial institutions and major commercial financial institutions, to discuss collaboration on the Accelerator initiative. The Government will assist in promoting cooperation between the Accelerator's preparatory team and the relevant multilateral financial institutions, aiming to create a new model in the field of green blended finance that can be promoted globally. The Financial Services and the Treasury Bureau is handling the relevant work with our existing manpower and resources. There is no related itemised breakdown of expenditure estimates.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)074**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3111)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 121 of the Budget Speech, the Government will hold for the first time the Asia-Pacific Economic Cooperation (APEC) Finance Ministers' Meeting (FMM) this year, and will continue hosting various financial mega events. In this connection, will the Government advise this Committee on the following:

1. What are the manpower and estimated expenditure involved in organising the APEC FMM?
2. How will the Government leverage the APEC FMM to deepen international exchanges and collaboration so as to better integrate into and serve the overall national development?
3. The APEC Economic Leaders' Meeting will be held in Shenzhen in November. How will the Government deepen integration with Shenzhen and further promote interconnectivity to help telling good stories of China, Hong Kong and Shenzhen?
4. Please set out in tabular form the scheduled dates, estimated number of participants, publicity channels, and the manpower and estimated expenditure involved with regard to the planned financial mega events in 2026-27 other than the APEC FMM.
5. What strategies will the Government employ to extend the economic benefits brought about by premier financial conferences to sectors such as tourism, retail and catering?

Asked by: Hon LAU Ka-keung (LegCo internal reference no.: 18)

Reply:

(1) The total expenditure for organising the Asia-Pacific Economic Cooperation (APEC) Finance Ministers' Meeting (FMM) 2026 to be held in Hong Kong is estimated to be approximately $72 million. The details are set out below:

(i) The related salary costs for 36 time-limited posts (including 2 directorate and 34 non-directorate posts, covering the Administrative Officer, Executive Officer,

Clerical and Secretarial Grades, etc.) for organising the meeting are around $22 million.

(ii) The meeting related expenditure is around $50 million, namely (1) around $25.5 million for rental of venue and support (including venue and supporting facilities, information and communication technology services and support, and various equipment, etc.); (2) around $6.5 million for promotion, publicity and printing; (3) around $11 million for hospitality, food and beverage, and transportation, etc.; and (4) around $7 million for security related expenditure.

(2) The HKSAR Government will leverage on this invaluable opportunity to showcase Hong Kong's comprehensive development in the economic, financial and social dimensions, etc., to participating economies and the international community. This will help deepen our collaboration with other APEC member economies, reinforcing and enhancing Hong Kong's status as an international financial centre, and thereby fully demonstrating Hong Kong's role as a "super connector" and "super value-adder".

Specifically, the HKSAR Government will make good use of the FMM programme arrangements. For example, when setting up the meeting venue, we will consider showcasing Hong Kong's latest developments in finance, commerce and technology through exhibition booths around the conference area. We also plan to arrange site visits for participants to explore key infrastructure and facilities relevant to Hong Kong's business environment and the development of industry digitalisation technologies, enabling attendees to discover firsthand the boundless opportunities offered by Hong Kong as an international metropolis.

(3) The HKSAR Government fully supports China's hosting of APEC 2026 meetings. Leveraging the unique advantages under the "one country, two systems" principle, the HKSAR Government will continue to participate actively in the work of APEC under the name of "Hong Kong, China" as a separate member, thereby strengthening our connectivity with both the Chinese Mainland and the world, reinforcing Hong Kong's position as an international trade and financial centre, as well as deepening international exchanges and cooperation.

The HKSAR Government eagerly looks forward to the APEC Economic Leaders' Meeting in Shenzhen this year, and will maintain close liaison with the Central authorities and Shenzhen Municipal People's Government to deepen practical cooperation in the Asia-Pacific region in areas including free trade, connectivity, digital economy, and artificial intelligence. We hope to inject new impetus into the long-term development of APEC, promote high-quality development in the region, and jointly tell the good stories of the country, Hong Kong and Shenzhen.

(4) Details regarding the proposed dates, estimated number of participants, promotion channels, manpower and estimated expenditure of the financial mega events scheduled for 2026-27 are set out below.

Financial mega event	Proposed dates	Estimated number of participants and promotion channels	Estimated expenditure
Global Financial Leaders' Investment Summit (2026)	2 to 4 November 2026	The summit is expected to attract around 300 participants, including top managerial personnel of international financial institutions. The Hong Kong Monetary Authority (HKMA) will conduct publicity through its official website, official social media pages and channels.	The summit will be organised by the HKMA, with the third day's events jointly hosted by the Securities and Futures Commission and the Hong Kong Academy of Finance. The expenditure relevant to the summit will be borne by the HKMA.
Hong Kong FinTech Week x StartmeupHK Festival 2026	2 to 6 November 2026	The event is expected to attract around 45 000 participants(Note), including distinguished speakers, sponsors and exhibitors, as well as Mainland and international delegations. Invest Hong Kong (InvestHK) will conduct publicity through various channels, including the official website, social media, outdoor advertisements, media interviews, physical promotional activities, etc.	The preparatory work of the event is being handled by existing manpower of the Financial Services Branch and InvestHK. The estimated expenditure for the event, including the venue rental and engagement of event organiser, is around $14 million and will be borne by InvestHK; the event organiser runs the event by drawing on revenue sources including ticketing revenue, corporate exhibition fees and sponsorship.
Asian Financial Forum (AFF) 2027	January 2027 (preliminary)	The AFF is expected to attract over 4 000 participants from more than 60 countries and regions, including government officials from all over the world,	The preparatory work of the AFF is handled by existing manpower of the Financial Services Branch and the HKTDC.

Financial mega event	Proposed dates	Estimated number of participants and promotion channels	Estimated expenditure
		representatives from multilateral organisations, and financial and business leaders. Publicity for the AFF will be conducted through various channels, including offices in Mainland and overseas economic and trade offices set up by the HKSAR Government, offices set up globally by the Hong Kong Trade Development Council (HKTDC), forum's website, social media platforms, newspaper, outdoor advertising, etc.	The annual expenditure on the AFF funded by the Financial Services Branch is around $7 million.

Note: The number of participants represents the cumulative attendance from the main forum and side events.

(5) Based on past experience, high-end financial conferences and other international events have consistently attracted numerous participants to Hong Kong, including high-spending business travelers. The HKSAR Government will provide relevant travel information for visitors' reference in accordance with conference arrangements, and arrange guided tours and experiential activities beyond the conferences depending on their needs. This would encourage increased spending by the travellers during their exploration of Hong Kong, stimulating economic activity in other sectors such as accommodation, dining, retail, and entertainment, thereby benefiting multiple industries and making significant contribution to Hong Kong's economy.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)075**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0943)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The 2026-27 Budget Speech has set out a number of strategic initiatives to invest in the future. Regarding the gold market, the Government has proposed three measures, namely offering tax incentives for eligible institutions, assisting the setting up of an industry-led trade association and developing a training framework. These measures reflect the strategic thinking of promoting Hong Kong's development into a world-class gold market. However, how to ensure the proper use of relevant resources and the effective implementation of these measures so as to further consolidate Hong Kong's status as an international financial centre remains the focus of public concern. In this connection, will the Government inform this Committee:

1. Regarding exploring the offering of tax incentives for eligible institutions conducting gold trading and settlement in Hong Kong, when does the Government expect to complete the relevant study? What is the specific scope of the proposed tax incentives (e.g. whether it will cover trading, settlement, insurance, financing, etc.) and what are the preliminary ideas? Will an international comparative study be conducted on the strength of the tax incentives to ensure Hong Kong's competitiveness?

2. Regarding assisting the industry in setting up an industry-led trade association, what is the specific role of the Government (e.g. whether it will provide start-up fund, venue support, or policy co-ordination)? What are the anticipated timetable for establishing the trade association, its terms of reference, as well as its specific plans for liaising with domestic and international industry counterparts?

3. Regarding the development of a training framework, will the Government collaborate with the Vocational Training Council, tertiary institutions and the industry to offer professional training courses related to the gold market? If so, what are the details (including the content of the programmes, estimated numbers of places, course offering schedules and financial resources involved)? If not, how does the Government plan to help the industry keep abreast of the latest gold market developments and acquire relevant skills?

4. Following the signing of a co-operation agreement with the Shanghai Gold Exchange earlier this year and the establishment of a Hong Kong's central clearing system for gold, what is the projected progress of the construction of gold storage facilities? When will the Airport Authority's storage capacity expansion project be completed to achieve the goal of increasing the storing capacity to over 2 000 tonnes in 3 years?

Asked by: Hon LEE Ka-kui, Elvin (LegCo internal reference no.: 4)
Reply:

(1) The Government will explore offering tax incentives for eligible institutions conducting gold trading and settlement in Hong Kong, with a view to attracting them to establish or expand their operations in the city. The Financial Services and the Treasury Bureau is currently working with relevant institution on this study and formulating the specific details, including making reference to the tax concession policies of other major international gold trading markets, so as to ensure the competitiveness of Hong Kong's tax arrangements and appeal to relevant institutions to choose Hong Kong as a hub for trading, storage, clearing and delivery. Specific measures will be announced in due course.

(2) The Government will assist the industry in setting up an industry association to consolidate resources, step up promotion, and foster ties with industry stakeholders from around the world. Specifically, the Government will form a preparatory taskforce to engage local and international industry stakeholders extensively to foster collaboration, and facilitate the establishment of an industry-led association. The taskforce will hold in-depth discussions on details such as the structure, membership and financial arrangements of the industry association. Subject to the taskforce's discussions, our target is to establish the industry association within this year.

(3) Gold trading is a highly specialised financial field that demands both financial expertise and substantial on-the-job experience. To support the development of gold-related trading, the Financial Services Development Council (FSDC) will consider allocating resources to pilot relevant programmes in 2026-27, with a view to keeping the financial services sector and relevant industry personnel abreast of the latest developments in the gold market and equipping them with the necessary skills. In the medium to long term, FSDC will also assist the industry in developing a training framework to nurture local talents. The Government will extensively incorporate the views of the industry association and other stakeholders from the industry when formulating relevant measures and implementation details.

(4) The Government has proposed expediting the establishment of an international gold trading market, including supporting the Airport Authority Hong Kong (AAHK) and financial institutions to expand gold storage capacity in Hong Kong, with a target of achieving over 2 000 tonnes within 3 years to propel Hong Kong into a regional gold reserve hub. AAHK has already announced plans to expand the precious metals depository of the airport in phases, which will significantly increase its capacity to 1 000 tonnes. The project is expected to be completed according to the target timeline.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0495)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimated provision for the Financial Services Branch has increased by $91.2 million (20.5%) to $536 million in 2026-27 due to the additional provision for organising the Asia-Pacific Economic Cooperation (APEC) Finance Ministers' Meeting 2026. In this connection, will the Government provide this Committee with:

1. a breakdown of the expenditure on specific manpower resources in respect of the dedicated provision, including (i) venue staff; (ii) publicity; (iii) consultancy contracts; and (iv) meeting-related staffing;
2. the respective amounts to be allocated to (i) venue booking and hiring of logistics services; (ii) publicity and printing; (iii) hospitality and catering; and (iv) other one-off administrative expenses in respect of the additional provision?

Asked by: Hon LEE Kwong-yu (LegCo internal reference no.: 34)

Reply:

The total expenditure for organising the Asia-Pacific Economic Cooperation Finance Ministers' Meeting 2026 to be held in Hong Kong is estimated to be approximately $72 million. The details are set out below:

(1) The related salary costs for 36 time-limited posts (including 2 directorate and 34 non-directorate posts, covering the Administrative Officer, Executive Officer, Clerical and Grades, etc.) for organising the meeting are around $22 million.

(2) The meeting related expenditure is around $50 million, namely (1) around $25.5 million for rental of venue and support (including venue and supporting facilities, information and communication technology services and support, and various equipment, etc.); (2) around $6.5 million for promotion, publicity and printing; (3) around $11 million for

hospitality, food and beverage, and transportation, etc.; and (4) around $7 million for security related expenditure.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)077**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0496)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 111(c) of the Budget, in order to build the international gold trading market, the Government will "help the industry keep abreast of the latest gold market developments, acquire relevant skills and develop a training framework". In the past, the Government provided training for the precious metals industry mainly through organising talks on anti-money laundering compliance. Regarding this new training framework on the "trading and market skills" for the gold market, will the Government inform this Committee of the following:

1. Has the Government earmarked any dedicated funds or consultancy fees for designing relevant courses with greater diversity in 2026-27?
2. What specific professional areas are expected to be covered in this training framework?
3. Will the Government consider collaborating with the industry to organise certificate courses?

Asked by: Hon LEE Kwong-yu (LegCo internal reference no.: 35)

Reply:

To promote gold market development, the Government has been actively implementing a series of measures to establish Hong Kong as an international centre for gold trading, storage, clearing and risk management, including:

(a) supporting the Airport Authority Hong Kong and financial institutions to expand gold storage capacity in Hong Kong, with a target of achieving over 2 000 tonnes within 3 years to propel Hong Kong into a regional gold reserve hub;

(b) encouraging gold traders to set up or expand refineries in Hong Kong, and promoting the integration of Hong Kong-Shenzhen gold processing trade to produce refined gold for exporting to Hong Kong for trading and delivery;

(c) establishing a central clearing system for gold in Hong Kong to provide efficient and reliable clearing services for transactions of gold in compliance with international standards, and invite the participation of the Shanghai Gold Exchange to prepare for mutual market access with the Chinese Mainland in the future;

(d) offering a greater variety of gold investment vehicles by assisting issuers in issuing gold funds, and supporting the development of new investment products such as tokenised gold; and

(e) supporting the setting up of a trade association for the gold industry, with a view to establishing an exchange platform with the Government and regulators to step up promotion efforts and attract more Belt and Road clients, and strengthen talent training.

Gold trading is a highly specialised financial field that demands both financial expertise and substantial on-the-job experience. To support the development of gold-related trading, the Financial Services Development Council (FSDC) will consider allocating resources to pilot relevant programmes in 2026-27, with a view to keeping the financial services sector and relevant industry personnel abreast of the latest developments in the gold market and equipping them with the necessary skills. In the medium to long term, FSDC will also assist the industry in developing a training framework to nurture local talents. The Government aims to assist the industry in setting up an industry-led trade association within this year, and will extensively incorporate the views of the association and other stakeholders from the industry when formulating relevant measures and implementation details.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)078**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0950)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

HK$333 million will be allocated to the operational expenses for 2026-27, representing a 24.4% increase over the revised estimate for 2025-26. As stated in the Budget, the Financial Services Branch should undertake the following work regarding digital assets in 2026-27: (a) introducing a bill to establish licensing regimes for, among others, digital asset dealing and custodian service providers; (b) expanding the regulatory scope of virtual asset trading platforms (VATPs); and (c) implementing the licensing regime for issuers of fiat-referenced stablecoins. In this connection, will the Government inform this Committee of the following:

1. How much of the provision is designated for supporting policy formulation, legal drafting and administrative co-ordination in relation to digital asset regulation and licensing legislation as mentioned in items (a) to (c)? What other expenditure items are covered by the provision, apart from the expenses for the Asia-Pacific Economic Cooperation Finance Ministers' Meeting 2026?
2. Given the reduction in establishment, will the Government make use of outsourced consultancy or legal services when arranging manpower to undertake the workload of items (a) to (c)? If so, what is the expenditure involved?

Asked by: Hon LEE Kwong-yu (LegCo internal reference no.: 37)

Reply:

The Government is committed to establishing Hong Kong as a global hub for innovation in the digital asset field, and will continue to actively implement the various measures in the Policy Statement 2.0 on the Development of Digital Assets in Hong Kong. These include establishing a comprehensive regulatory framework, such as the implementation of the licensing regime for virtual asset trading platforms and the expansion of the regulatory scope to virtual asset dealing, custodian, advisory and management service providers, and the implementation of the licensing regime for stablecoin issuers.

The work related to promoting the development of digital assets is taken forward by the Government and financial regulators. Within the Financial Services Branch, the relevant work is handled by existing manpower and resources, without the engagement of external consultants or legal services. The relevant expenditures and manpower have been incorporated into the overall budget of the Financial Services Branch, with no breakdown of expenditure available.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)079**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3007)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 119 of the Budget Speech, the Government will release specific measures relating to strengthening regulation of money lenders next month (i.e. in March) to address the issue of excessive borrowing. Given that introducing new regulations will incur corresponding administrative and enforcement costs, would the Government advise this Committee on the following:

1. whether the Government has earmarked expenditure dedicated to the implementation of the "specific measures"; if yes, the amount;
2. the estimated amount of resources to be allocated to reinforce public (especially young people and low-income individuals) education and publicity on the prevention of excessive borrowing; if yes, the amount; and
3. whether the Bureau has made additional staffing provision for the year to strengthen compliance inspection of licensees and to handle the vetting of attached conditions to licences; if yes, the details.

Asked by: Hon LEE Kwong-yu (LegCo internal reference no.: 33)

Reply:

The Government has been closely monitoring the market situation in the money lending sector to continuously review and enhance the prevailing regulatory measures. Having consulted the Companies Registry (CR) and the Hong Kong Monetary Authority (HKMA), our reply is as follows:

(1) On 13 March 2026, the Financial Services and the Treasury Bureau (FSTB) published the consultation conclusions and specific measures on enhancing the regulation of licensed money lenders (money lenders) to address the issue of excessive borrowing and better protect the public. The FSTB will implement relevant measures in 2 phases.

The measures under the first phase will be implemented in August 2026, and mainly include introducing "debt servicing ratio" caps for unsecured personal loans of low-income earners and prohibiting money lenders from requesting borrowers to provide loan referees.

The measures relating to the Credit Data Smart (CDS) under the second phase will be implemented in June 2027. The measures include (1) requiring all money lenders engaged in unsecured personal loan business to submit personal credit information of their unsecured personal loan borrowers to the CDS once every 30 days; and (2) requiring money lenders with total amounts of unsecured personal loans reaching $50 million or above, and money lenders with unsecured personal loans to borrowers whose monthly incomes are below $12,000, to join the CDS to obtain borrowers' personal credit information.

The CDS platform operator (i.e. the Hong Kong Interbank Clearing Limited) will build a web-based portal for money lenders to regularly upload personal credit information of their unsecured personal loan borrowers. Money lenders will not be required to bear the development costs of the web-based portal. The HKMA and the user group under the CDS are discussing the development and operational arrangements (including the costs concerned). Apart from this, the Financial Services Branch and the CR will carry out the above work under existing resources.

(2) In 2026-27, we have earmarked $0.9 million, to step up publicity and education targeting young people and low-income earners (including the foreign domestic helper community), in order to enhance their understanding of money borrowing, and adopt a multilingual and multi-pronged approach to promote the importance of prudent borrowing. We will also strengthen collaboration with non-governmental organisations to develop educational materials on financial management and borrowing, in order to enhance borrowers' relevant knowledge.

(3) Currently, the Licensing Court is responsible for vetting and approving applications for money lenders' licences and granting the licences, as well as imposing licensing conditions in the licences. The FSTB and the CR have held discussions with the Judiciary on updating the issued money lender's licences in phases to dovetail with the implementation of the new measures.

The CR will continue to strictly regulate the operation of money lenders and regularly conduct site inspections to monitor the money lenders' compliance. If irregularities are identified, the CR will issue rectification orders and warning letters to the money lenders.

The regulatory work of money lenders is a regular duty of the Financial Services Branch and the CR, and is handled under existing resources and manpower.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)080**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0811)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 94 of the Budget Speech, the Hong Kong Exchanges and Clearing Limited (HKEX) will take forward a series of measures to continue enhancing the securities market, attracting issuers and boosting market efficiency. In this connection, will the Government inform this Committee of the following:

i. Regarding the continued enhancement of the securities market, will the HKEX further review the market positioning of the GEM and the Main Board, rebrand the GEM, and put in place effective solutions such as shortening the waiting period for transfer to the Main Board and relaxing the $500 million market capitalisation requirement for such transfers?
ii. According to the website "stockanalysis.com", 60 China Concept Stock companies were listed on the NASDAQ in the United States in 2025, 32 of which were from Hong Kong. Will the HKEX actively attract relevant enterprises and assist them in getting listed in Hong Kong, thereby helping boost the business of small and medium-sized underwriters, sponsors, dealers, etc., and increase the demand for small and medium-sized professional services providers?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 1)

Reply:

(i) To provide a more effective fundraising platform for small and medium enterprises (SMEs), the Hong Kong Exchanges and Clearing Limited (HKEX) implemented the GEM listing reforms in 2024 after market consultation to enhance its competitiveness. The reforms included introducing a new listing avenue for high-growth enterprises that are heavily engaged in research and development activities; launching a new "streamlined transfer mechanism" to facilitate eligible issuers to transfer to the Main Board; and simplifying the reporting requirements while aligning other continuing obligations of GEM and Main Board issuers. Since the reforms took effect, 5 GEM issuers have newly listed and raised $360 million. 8 GEM companies have applied to

transfer to the Main Board under the streamlined mechanism, 2 of which have successfully completed the transfer to list on the Main Board. The total market capitalisation of GEM listed companies also increased from $53.6 billion before the reforms to $81.6 billion as at end-February this year.

There are many factors affecting GEM's liquidity and issuers' applications for transfer. For example, geopolitical developments will have influence on global markets and capital flows, while investors' risk appetite has become more conservative with greater focus on mature enterprises supported by track records. SMEs' demand for listing and fundraising is also affected by external factors such as macroeconomic growth, industry outlook, market sentiment and interest rate policies. The Securities and Futures Commission and HKEX will continue to assess the overall market structure, engage with different stakeholders and listen to their views and explore further measures to improve the listing regime, so as to better serve the financing needs of enterprises of different types and sizes.

(ii) To cater for the demand of Mainland enterprises for overseas listing, HKEX has introduced a series of reforms to the listing mechanism in recent years, including a comprehensive review of the listing regime in response to the fundraising needs and characteristics of "China Concept Stocks" and other overseas issuers, revising the market capitalisation requirement and the "innovative company" condition for secondary listing of such issuers in Hong Kong, etc., so as to further facilitate the listing of "China Concept Stocks" in Hong Kong. Since the listing regime reform in 2018, as at end-February 2026, 37 "China Concept Stock" issuers have returned to Hong Kong, with their total market capitalisation accounting for nearly 80% of all "China Concept Stocks" listed in the United States.

To further attract issuers to list in Hong Kong, HKEX launched a market consultation in March this year on the proposals under the first phase of the competitiveness review of the listing regime. The consultation put forward a number of specific enhancement proposals, including lowering the market capitalisation and revenue requirements for companies with weighted voting rights (WVR) structures and lowering the financial requirements for secondary listing of overseas enterprises (including those without WVR structures). These measures will help facilitate overseas enterprises, including "China Concept Stocks", to list in Hong Kong and make Hong Kong their listing venue of choice. The consultation period will end on 8 May 2026, and we welcome the market to submit views to HKEX. The relevant reforms are expected to make the listing platform better aligned with the latest economic trends and corporate needs. With more enterprises interested in listing in Hong Kong, the reforms can drive business growth of various financial services institutions and provide a favourable environment for the development of market participants.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)081**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0812)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 95 of the Budget Speech, the Government will introduce the next stage of reforms, including enhancing the regulatory regime for listed companies. In this connection, will the Government inform this Committee of the following:

i. As regards enhancing the regulation of listed companies, will the Hong Kong Exchanges and Clearing Limited (HKEX) relax restrictions on the rules governing acquisitions, mergers or reverse takeovers (RTO) by listed companies? Specifically, will it ease the requirements for cross-sector mergers and acquisitions with regard to core business transformation, which relates to Rule 13.24 of the Listing Rules concerning "carry[ing] out a business with a sufficient level of operations"?

ii. Will the HKEX also relax the requirement concerning "cash companies" under Rule 14.82 of the Listing Rules to increase flexibility and hence allow business to be restructured and improved since listed companies should not be forced to delist particularly when traditional business deteriorate but financial assets appreciate as market conditions improve?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 2)

Reply:

Apart from striving to broaden and deepen the securities market, the Government, the Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited (HKEX) also attach great importance to enhancing the quality of listed issuers. In response to market concerns about "shell companies" which may result in listed companies without substantial operations or business that gives rise to speculative trading activities and higher risk of market manipulation, Rule 13.24 of the Listing Rules requires listed issuers to maintain sufficient operations and to possess assets of sufficient value to support their operations. Rule 14.82 further provides that an issuer whose assets consist wholly or substantially of cash

and/or short-term investments will not be considered suitable for listing. These Listing Rules are intended to combat "shell company" activities as well as to maintain market quality and a fair and orderly market, rather than to restrict legitimate business expansion or diversification by listed issuers.

In implementing the relevant provisions of Rule 13.24 and Rule 14.82, HKEX will conduct a holistic assessment of whether the issuer has any "shell company" issues having regard to the its individual circumstances, including the business model, operating scale and track record, customer base and profile of the issuer, etc., with reference to industry practices and standards. If an issuer's business has only temporarily curtailed or suspended due to market conditions, it will not be regarded as breaching Rule 13.24. In assessing whether an issuer constitute a cash company specified under Rule 14.82, HKEX adopts a principles-based approach, taking into account the value of the issuer's cash and short-term investments relative to its total assets, operating scale and financial position, the nature of its business, and the cash needs of its day-to-day operations, so as to assess whether shareholder funds have not been invested in the issuer's actual business activities.

If HKEX considers that an issuer fails to meet the requirements after its consideration, it will suspend the trading of the securities concerned in accordance with Rule 6.01 of the Listing Rules, issue resumption guidance to the issuer, and allow up to 18 months for the issuer to re-comply with the requirements according to the actual circumstances. If the issuer fails to meet the resumption conditions within the prescribed period, HKEX will consider cancelling the listing of its securities. To safeguard the interests of the investing public, we consider it necessary at this stage to continue maintaining market quality through the relevant rules. The SFC and HKEX will keep the Listing Rules under review and propose enhancements as appropriate, with a view to strengthening the competitiveness of the securities market.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0813)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 94 of the Budget Speech that the Hong Kong Exchanges and Clearing Limited will take forward board lot reforms in the securities market and put forward specific implementation proposals for the settlement cycle of T+1 for market consultation. In this connection, will the Government inform this Committee of the following:

i. Regarding the board lot reforms, what measures will be taken by the regulators to expedite the implementation of the proposals, and is there a timeframe and roadmap for their implementation?
ii. Regarding the proposals for the settlement cycle of T+1, will the regulators consider providing the industry with a buffer period during the initial implementation stage, such as a 6-month to 9-month notification and transitional period, and offering targeted support to brokerage firms adversely affected by the new policy?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 4)

Reply:

(i) The Government is committed to driving the Securities and Futures Commission and the Hong Kong Exchanges and Clearing Limited (HKEX) to study measures for optimising the trading mechanism, with a view to enhancing market efficiency and competitiveness.

At present, the securities market adopts "board lots" as the single trading unit, with the number of shares per "board lot" determined by the issuer. Taking into account the diverse views in the market on trading units, HKEX has conducted consultation on optimising the framework for board lot trading units for stocks, with the aim of aligning trading arrangements more closely with the liquidity characteristics and investment needs of shares of different sizes, thereby facilitating orderly trading and enhancing efficiency. HKEX has proposed to standardise the number of shares per board lot for

securities, reducing from more than 40 variations currently to 8, while halving the minimum board lot value guidance to $1,000 and introducing a new ceiling guidance of $50,000. The consultation paper explained that the arrangements are intended to improve operational efficiency in the secondary market and, by lowering the board lot value threshold, support greater participation of retail investors in Hong Kong's stock market. The consultation concluded on 12 March this year. HKEX is carefully studying the views of different market participants, with the target of publishing the consultation conclusion and announcing the implementation arrangements within the year.

(ii) The operating mode of the market is evolving continuously with rapid technology. To lay a solid foundation for the sustainable development of a vibrant capital market, we will actively explore shortening the settlement cycle of the cash equities market to T+1. Since July last year, HKEX has been engaging the market to discuss this subject, and has progressively introduced new functionalities and system upgrades to its post-trade system, making the existing Central Clearing and Settlement System compatible with a T+1 settlement cycle and undertaking advance technical preparations for shortening the settlement cycle.

As the next step, HKEX will consult the market in the first half of this year on the operational model and implementation timetable for shortening the settlement cycle of the cash equities market to T+1. HKEX will take full account of market views on the preparatory work and timetable for implementation in order to finalise the relevant details. Appropriate assistance and sufficient preparation time will be provided to the industry for the transition to a T+1 settlement cycle.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)083**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0814)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 112 of the Budget Speech that the Hong Kong Monetary Authority's CMU OmniClear Holdings Limited and the Hong Kong Exchanges and Clearing Limited (HKEX) will soon commence a study on the establishment of a one-stop multi-asset class post-trade securities infrastructure. This will facilitate cross-product and cross-boundary collateral connectivity, enhancing market liquidity and risk management. In this connection, will the Government inform this Committee of the following:

i. In addition to promoting cross-product collateral connectivity, will the HKEX review and optimise its clearing system as early as possible, including cross-product margin arrangements in respect of securities, futures and stock options, so as to enhance market capital efficiency, increase market liquidity, and consolidate Hong Kong's status as an international financial centre?
ii. To strengthen market liquidity and participants' risk management, will the Government, the Securities and Futures Commission and the HKEX place greater emphasis on the development of futures and derivatives; urge the Hong Kong Futures Exchange Limited to implement 23-hour trading as soon as possible, further diversify commodity futures products as well as enhance the promotion of the futures industry; and introduce incentive schemes for the industry to further stimulate the trading of futures products?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 5)

Reply:

The Government has been driving the Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited (HKEX) to enhance market efficiency as well as enrich asset allocation and risk management options in the market, thereby strengthening the competitiveness of Hong Kong's securities and derivatives markets.

In respect of the futures and derivatives market, various product expansion and trading mechanism enhancement initiatives have been introduced in recent years. Notably, a number of new products were launched on HKEX in 2025, including the Hang Seng Biotech Index Futures, Asia's first batch of single-stock leveraged and inverse products, the first batch of US dollar-denominated derivative warrants on US equities and the introduction of weekly contracts for 5 stock option classes, providing investors with more diversified investment tools. These measures drove derivatives trading volume to a record high, with the average daily volume reaching 1.66 million contracts in 2025, representing a year-on-year increase of 7%.

Looking ahead, the Government will continue to drive HKEX in promoting the development of the futures and derivatives market. HKEX is developing a new-generation derivatives trading platform to facilitate the introduction of new products and enhance market functionality in future. The new platform will provide clients with an improved trading and clearing experience, including support for nearly 24-hour trading, additional order types, industry-oriented interfaces, and enhanced testing and onboarding experience. On the product side, the Government and regulators will continue to discuss with relevant Mainland institutions on launching offshore Mainland government bond futures in Hong Kong and expanding the types of interest rate derivatives under Swap Connect. HKEX will also further strengthen market education and promotional efforts to encourage participation by industry stakeholders and investors in the securities and futures markets.

In addition, with the support of the SFC, HKEX enhanced its clearing house margin collateral arrangements in October 2025, including adjusting the calculation method for interest paid to participants on cash collateral and lowering the accommodation charges for non-cash collateral. HKEX also enhanced the cross-product margin arrangements under the futures market clearing house with effect from 1 April 2026. Furthermore, the SFC has invited HKEX to study the expansion of acceptable collateral types and explore cross margining between clearing houses, etc., taking into account factors such as the international competitiveness of the Hong Kong market and market risks, with a view to further improving risk management efficiency. The SFC and HKEX will announce the enhancement arrangements in due course.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)084**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0815)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 111 of the Budget Speech that to build the international gold trading market, the Government signed a co-operation agreement with the Shanghai Gold Exchange (SGE) earlier this year and established a Hong Kong's central clearing system for gold. In this connection, will the Government inform this Committee of the following:

i. Please specify which types of institutions conducting gold trading and settlement in Hong Kong will be eligible for tax incentives and what are the relevant eligibility criteria; whether members of the Hong Kong Gold Exchange (HKGX) are eligible for the tax incentives;
ii. Whether the Government will actively assist the HKGX in aligning with policies of the country and the Hong Kong Special Administrative Region, as well as enhancing connectivity with the SGE; whether communication and co-operation with the HKGX will be strengthened in areas such as trading, clearing, gold standard setting and more;
iii. Whether the Government will urge regulators to optimise the existing regulations governing traditional and innovative products (including those relating to paper gold schemes which presently restrict access by non-banking institutions), as well as urge the Hong Kong Monetary Authority to encourage banks to adopt a friendly attitude towards operators of precious metal and digital asset businesses and not to easily classify general business as business with high money laundering risk in addition to opening bank accounts?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 6)

Reply:

(i) The Government will explore offering tax incentives for eligible institutions conducting gold trading and settlement in Hong Kong, with a view to attracting them to establish or expand their operations in the city. The Financial Services and the Treasury Bureau is currently working with relevant institution to study and work out specific details,

including making reference to the tax concession policies of other major international gold trading markets, so as to ensure the competitiveness of Hong Kong's tax arrangements and appeal to relevant institutions to choose Hong Kong as a hub for trading, storage, clearing and delivery. Specific measures will be announced in due course.

(ii) The Hong Kong Gold Exchange is currently the only spot gold exchange in Hong Kong. Its trading volume has grown in recent years, demonstrating the vitality of the gold market. With the wide spectrum of gold trading, the Government will assist the industry in setting up an industry association to consolidate resources and promote industry collaboration, better integrate into the overall landscape of developing the gold market as well as to provide advice on specific measures. As a member of the local gold ecosystem, the Hong Kong Gold Exchange will be deeply involved in the relevant work. The Government will set up a preparatory taskforce to hold in-depth discussions on the structure, membership and financial arrangements of the industry association.

(iii) Paper gold schemes (PGS) are categorised as "collective investment schemes" under the Securities and Futures Ordinance (SFO). Accordingly, PGS offered to the public in Hong Kong are subject to authorisation by the Securities and Futures Commission (SFC), unless an exemption under SFO applies (such as offers made exclusively to "professional investors" as defined under SFO). While the SFC is open to product innovation and market development, ensuring adequate investor protection is equally important. As the intermediaries and sales of PGS are not regulated under SFO, PGS currently seeking authorisation from the SFC must generally be issued by banks under the prudential regulation of the Hong Kong Monetary Authority (HKMA). Currently, products such as gold exchange traded funds already provide retail investors with non-physical gold investment channels. As the underlying assets of relevant products are largely similar, expanding the eligibility of PGS issuers would involve broader regulatory implications, including the conduct of intermediaries and supervision of issuers. As such, careful deliberations and further studies of the proposal would be required.

The Government has been working closely with financial regulators to improve the market environment continuously for digital assets. At the same time, the HKMA has been reminding the banking sector in Hong Kong that banks should ensure that legitimate businesses (including virtual assets-related institutions) are not subject to unreasonable barriers in accessing banking services when implementing sound risk management measures. Specifically, banks should adopt a "risk-based approach" when conducting customer due diligence, avoid adopting a "one-size-fits-all approach", and ensure that when implementing anti-money laundering measures effectively, they should enhance access to basic banking services by businesses through transparent, reasonable and efficient procedures.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)085**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0816)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 94 of the Budget Speech that the Hong Kong Exchanges and Clearing Limited will launch the uncertificated securities market regime in collaboration with the Securities and Futures Commission (SFC) and the industry this year. Regarding further assisting the industry's upgrading and transformation, will the Government inform this Committee of the following:

i. To facilitate the securities industry's smooth transition to the newly introduced uncertificated securities market regime and help it address the introduction of new fees payable to share registrars under the new regime, will the Government consider launching a subsidy scheme for brokerage firms (especially those more significantly affected) to alleviate the pressure and assist the industry in coping with potential additional costs, thereby ensuring market fairness?
ii. Will the Government explore the establishment of a dedicated fund to subsidise the industry's system upgrade and staff training required for compliance with the new regulatory requirements, with a view to reducing compliance costs and promoting upgrading and transformation? Will it also conduct a comprehensive review of various fees charged by the SFC and the Hong Kong Exchanges and Clearing Limited, so as to reduce the industry's operating costs?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 7)

Reply:

(i) The Securities and Futures Commission (SFC), the Hong Kong Exchanges and Clearing Limited (HKEX) and the Federation of Share Registrars Limited have been in close communication with the industry on the implementation of the uncertificated securities market (USM) regime, with a view to launching it in November this year. A number of measures have already been introduced to facilitate a smooth transition for all parties, including brokers. These measures included adopting a phased implementation

strategy under which newly listed securities will be required to be issued in paperless form from the time of listing, while for securities already listed prior to the launch date, issuers will be gradually integrated into the USM regime over a five-year period to allow relevant securities to gradually transition within 5 years from the effective date; retaining the existing nominee structure to minimise system changes required of brokers; providing brokers with adequate information and technical support; and conducting investor education to help investors understand the operation of the new regime and subsequent steps for participation, thereby enhancing investor awareness.

As certain existing fees are no longer applicable under USM, HKEX will adjust the fee structure to make the fees simpler, more direct and predictable as well as more aligned with the fee models of other major markets. This will ensure that operating costs of the market are commensurate with the needs of digitalised operations and support sustainable market development. After extensive consultation with the industry, HKEX has made multiple adjustments to the fees to alleviate the financial burden on small brokers, including (i) raising the threshold for the lowest membership fee rate tier to cover more small brokers; (ii) lowering the membership fee rate applicable to relevant brokers; (iii) granting a one-year waiver of membership fee for small brokers; and (iv) adjusting the stock custody fee rate. According to HKEX's assessment, about 88% of small brokers, i.e. Category C brokers, will pay lower relevant fees in the first year after the implementation of USM as compared with before. From the second year onwards, about 65% of small brokers will pay lower fees as compared with before. As regards the 3 fees collected by share registrars through HKEX, the level of fees will make reference to the limits set by the SFC.

(ii) With the buoyant stock market, we are pleased to see an increase in brokers' revenue. According to the latest Financial Review of the Securities Industry published by the SFC, Hong Kong's securities industry maintained its overall strong performance in 2025, with net profit rising by 62 per cent year-on-year to HK$71.7 billion, driven by increasing trading volume. Notably, the aggregate net profit of exchange participants totalled HK$35.4 billion, up 62 per cent from a year ago, while Category C brokers' net profit rose by about 77% to HK$6.1 billion. The Government will continue to monitor the operating conditions of brokers and maintain close communication with the industry.

Meanwhile, the SFC and HKEX review their different fees from time to time. In this regard, HKEX adjusted the securities market's stock settlement fee structure in June last year, removing the minimum and maximum fee limits and unifying the fee rate to balance costs across all transaction sizes; optimised its clearing house margin collateral arrangements in October last year by lowering the accommodation charges for non-cash collateral; and regularised the fixed monthly fee for enterprise data package and the reduced fee for mobile market data services with effect from January this year. The SFC and HKEX will continue to review their fees on an ongoing basis to ensure that the levels remain competitive.

The USM regime seeks to eliminate the need for paper documents in evidencing and transferring legal ownership, thereby reducing reliance on paper and manual processes, promoting straight-through processing, and enhancing the infrastructure and investor protection of Hong Kong's securities market. As was the case with the trading arrangements under severe weather implemented in 2024, we believe that with

comprehensive and candid communication, concerted efforts, and thorough preparation, we can successfully implement the USM regime together, thereby enhancing the overall efficiency and competitiveness of Hong Kong's securities market and benefiting the development of the securities industry.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)086**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0817)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 93 of the Budget Speech that, since the implementation of Severe Weather Trading arrangements by the Hong Kong Exchanges and Clearing Limited, the stock market has operated in inclement weather for 7 trading days. The trading maintained market liquidity while generating stamp duty revenue of about $2.5 billion. In this connection, please inform this Committee of the following:

i. How does the Government assess the change in the overall revenue from stamp duty on stock transfer over the past year, and what is the percentage share of stamp duty on stock transfer in the overall government revenue?
ii. Given that the government revenue from stamp duty on stock transfer saw substantial increase due to robust stock market trading last year, will the Government consider further reviewing or reducing the stamp duty on stock transfer, such as imposing a rate of 0.05% on only one side of transactions, or study the feasibility of implementing a tiered stamp duty reduction regime, with a view to enhancing the competitiveness of Hong Kong's stock market, stimulating high-frequency trading activities and attracting new capital from international markets? If not, what are the reasons?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 9)

Reply:

(i) The revenue from stamp duty on stock transfers in 2024-25 was about $52.2 billion, accounting for about 9.2% of the Government's overall revenue. As of end February this year, the revenue of stamp duty on stock transfers for 2025-26 is about $75.3 billion. The overall government revenue and revenue from stamp duty on stock transfers in 2025-26 will be released later. As it takes time to compile statistics on other government revenue, it is not feasible to make an estimate on the share of stamp duty on stock transfers in the overall government revenue for the time being.

(ii) We have been taking forward securities market reforms to enhance market competitiveness. The market conditions recently have been generally favourable, the market sentiment has significantly improved and market turnover has reached a record high. The resilience of our country's economy and breakthroughs in key technologies have attracted international investors to increase their holdings of Hong Kong-listed assets. The close cooperation between regulators, the industry and the Government over the past few years in implementing a series of reforms also boosted market vitality and liquidity.

The Government has lowered the rate of stamp duty to 0.1% since mid-November 2023 to reduce investors' transaction costs. To promote the development of different financial products and areas, we have exempted the stamp duties payable for trading exchange-traded funds (ETFs), debt securities, derivatives, and specified transactions by market makers of the HKD-RMB dual counters respectively. We have also implemented the waiver of stamp duties payable on the transfer of real estate investment trust shares or units and the jobbing business of options market makers in 2024. In addition, there is no capital gains tax in Hong Kong.

Enhancing the competitiveness of the Hong Kong market cannot be achieved solely by reducing the rate of stamp duty on stock transfers. We will continue to improve the listing regime, market structure and trading mechanism with a view to providing investors with more quality issuers and products and allow them to trade in a more efficient manner.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)087**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0818)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 104 of the Budget Speech that the Government will develop Hong Kong into a global hub for digital asset innovation through the establishment of a comprehensive regulatory framework. In this connection, please inform this Committee of the following:

i. Will the regulators consider allowing institutional and retail investors to participate in more digital asset transactions across different types and currencies, adjusting the qualification requirements for professional investors, and classifying digital assets as assets under the Securities and Futures (Financial Resources) Rule? If not, what are the reasons?
ii. Will the Government collaborate with the industry to explore increasing the asset-under-management size and turnover of Exchange Traded Funds on digital assets, enhancing the international competitiveness and appeal of digital asset-related products, developing digital asset futures and options products, reviewing the requirement for responsible officers of licensed corporations to retake examinations upon licence upgrade, and urging the Securities and Futures Commission to expedite the approval process for licence upgrade applications?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 10)

Reply:

The Government is committed to establishing Hong Kong as a global hub for innovation in digital asset. Our reply to the 2 parts of the question is as follows:

(i) Under the existing regulatory regime of the Securities and Futures Commission (SFC), licensed virtual asset trading platforms (VATPs) should perform all reasonable due diligence on all virtual assets before including them for trading, and ensure that the virtual assets continue to satisfy all criteria. These include assessment of the

background of the management or development team, supply and demand, market maturity, liquidity and technical aspects of a virtual asset. Further, where a licensed VATP intends to make virtual assets available to retail clients, it should also ensure that the selected virtual assets are of high liquidity, thereby reducing their susceptibility to market manipulation. On this basis, the SFC is actively looking into and promoting the participation of institutional and retail investors in a broader range of digital asset transactions, and has made specific adjustments to the compliance framework and product scope.

Specifically, the SFC published the "ASPIRe" roadmap in February 2025, setting out 12 major initiatives under 5 pillars, namely Access, Safeguards, Products, Infrastructure and Relationships. These initiatives aim to streamline access for global liquidity, enable compliance and product frameworks focusing on security, and drive infrastructure upgrades for traditional finance to tap into blockchain efficiency. The SFC subsequently issued a circular in November 2025 to further allow VATPs to offer trading in virtual assets without a 12-month track record to professional investors; to distribute to professional and retail investors stablecoins licensed by the Hong Kong Monetary Authority; and to distribute tokenised securities and other digital asset-related investment products. In addition, the SFC is taking forward the Digital Asset Accelerator under the Relationships pillar of the "ASPIRe" roadmap to strengthen structured communication with market innovators and provide early engagement, thereby improving the efficiency of new product and service development.

In respect of professional investors' qualifying criteria and minimum monetary threshold requirements, the SFC has conducted a review during 2019-20. The outcome of the review was that the current minimum monetary thresholds were simple and easy-to-interpret and appropriately reflected an investor's loss absorption ability, as well as being in line with those in comparable jurisdictions (such as the United States, the United Kingdom, Singapore and Australia). The SFC will continue to evaluate whether the professional investor qualification requirements are in line with those in comparable jurisdictions.

Regarding the suggestion to include virtual assets under the Securities and Futures (Financial Resources) Rules, the high volatility, liquidity risks and susceptibility to cyberattacks of virtual assets mean that cautious assessment is required on how virtual assets should be treated for the purpose of financial resources rules. The SFC will continue to review international standards and, under the Products pillar of the "ASPIRe" roadmap, promote margin trading within the virtual asset sector to enhance market liquidity, with a view to increasing the participation in virtual asset trading by margin clients with strong credit profiles and collateral, while ensuring that risks remain controllable.

(ii) The SFC has been maintaining close communication with the industry to support them in launching virtual asset ETFs that are globally competitive and appealing, while ensuring adequate investor protection. Since the launch of Asia's first batch of 6 virtual asset spot ETFs in April 2024, the SFC authorised 5 more such products in 2025, bringing the count of virtual asset spot ETFs to 11. As of February 2026, the virtual asset ETFs listed in Hong Kong had a total market size of US$536 million, up by 85% since their launch in April 2024, with average daily turnover remaining at around US$6

million.

To support the further development of virtual asset ETFs, the SFC revised its circular on SFC-authorised virtual asset funds in April 2025 to provide guidance on such funds' engagement in staking and other virtual assets related activities. 3 SFC-authorised virtual asset ETFs have since been approved for staking, making them pioneers in Asia Pacific.

In respect of developing virtual asset futures, options and other products, the Products pillar of the ASPIRe roadmap focuses on expanding the range of virtual asset products and services that can be provided under the regulatory framework of the Hong Kong market, in particular by facilitating the trading of virtual asset derivatives and other related products for professional investors. To implement this direction, the SFC set out its high-level framework for licensed VATP operators to offer virtual asset perpetual contracts (Perps) to clients in February 2026. The framework reflects the SFC's commitment to expanding the scope of product offerings, including Perps. This initiative aims to deepen market liquidity, broaden risk management tools for investors, and further strengthen Hong Kong's position as a leading global digital asset hub. To promote responsible product innovation, the SFC welcomes interested platform operators to submit their proposed Perp structure to the SFC, taking into account the various safeguards and investor protection measures discussed in the framework, as well as explaining how the proposed product structure can fit within Hong Kong's existing regulatory and legal framework.

Regarding the examination requirements for Responsible Officers (ROs) of licensed corporations, in order to enhance their general compliance and knowledge in the virtual asset space, the SFC has, since December 2025, strongly encouraged that such licensed corporations have at least 2 Responsible Officers who have passed the exam under the Certification Programme for Virtual Asset Professionals (CVAP exam) run by the Hong Kong Securities and Investment Institute (HKSI). For licensed individuals who have passed the CVAP exam prior to the launch of the new regime, the SFC is considering if they can be subject to certain grandfathering arrangements such that they may be exempt from re-taking all or some of the relevant virtual asset regulatory paper(s). The SFC will consult the public on the applicable regulatory requirements for the new regimes in due course.

Lastly, regarding the processing time for intermediaries' engagement in virtual asset-related activities, the time it takes for the SFC to process a notification from an intermediary may vary depending on a number of factors, such as the quality and completeness of the intermediary's notification, the quality of the intermediary's supporting documents, and the intermediary's response time to provide any further information requested during the assessment process. The SFC will continue to keep in view the approval efficiency, and expects intermediaries to collaborate with the SFC to enable a smoother approval process.

The Government and the SFC will continue to review the relevant regulatory regimes, with a view to enhancing the attractiveness of virtual asset-related products and services in the Hong Kong market, so as to promote the steady and sustainable development of the industry.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)088**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0819)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 102 of the Budget Speech that the Government will step up publicity to attract enterprises to re-domicile to Hong Kong. In this connection, please inform this Committee of the following:

i. Will the Government consider setting up a dedicated subsidy to encourage existing Cayman funds to re-domicile to Hong Kong's limited partnership funds (LPFs), thereby expanding the scale of LPF management in Hong Kong?
ii. Will the Government consider providing tax incentives and urging the Hong Kong Exchanges and Clearing Limited to reduce listing fees, thereby attracting more large internationally-managed private equity funds to list in Hong Kong and gradually enhancing the attractiveness of Hong Kong's private equity market?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 11)

Reply:

The Government is committed to attracting more global capital to be managed in Hong Kong, thereby promoting the development of the financial markets.

The Government introduced diversified fund structures, including the open-ended fund company (OFC) regime and the limited partnership fund (LPF) regime, which are well received by the industry. As of end-March 2026, 715 OFCs and over 1 600 LPFs have been set up in Hong Kong, representing year-on-year increases of 38% and 45% respectively. The Government has put in place a fund re-domiciliation mechanism since November 2021 to facilitate non-Hong Kong funds in the form of OFCs or LPFs to re-locate to Hong Kong. As of end-March 2026, 21 funds have re-located to Hong Kong.

In respect of authorising funds which seek a listing on the Hong Kong Exchanges and Clearing Limited (HKEX), the Securities and Futures Commission (SFC) issued a circular in

February 2025 to clarify the regulatory requirements in relation to closed-ended funds that invest mainly in private and less liquid assets, thereby encouraging sizeable alternative asset funds (including private equity (PE) funds), preferably those with regular income streams, to list in Hong Kong. The SFC authorised (with conditions) the first listed alternative asset fund in December 2025, and the fund targets to list at an appropriate time.

The Government is committed to providing a facilitative tax environment for the industry to attract more funds to set up and operate in Hong Kong. Under the prevailing tax regime, SFC-authorised publicly offered funds are already exempt from profits tax. In addition, the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Ordinance 2021 has been effective from May 2021, providing tax concessions for carried interest distributed by eligible PE funds operating in Hong Kong. The Government will introduce a bill into the Legislative Council in the first half of 2026 to further enhance the preferential tax regimes for funds, single-family offices and carried interest, including enhancing the tax concession arrangement on the distribution of carried interest, so as to attract more funds to set up in Hong Kong.

Funds that are eligible to be authorised by the SFC and listed in Hong Kong under the Listing Rules should have sizeable asset under management and business operations, and they should have sufficient resources to cover the relevant costs of applying for listing. The listing fee collected by HKEX only makes up a small proportion of the expenses associated with listing. HKEX and the SFC will review the level of relevant fees under HKEX from time to time so as to ensure their levels would be competitive as compared to other major markets.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)089**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0820)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 92 of the Budget Speech that the Government will actively explore with the Mainland the inclusion of a Renminbi (RMB) trading counter under the Southbound trading of the Stock Connect. In this connection, please inform this Committee of the following:

i. When is the proposal on the inclusion of a RMB trading counter under the Southbound trading of the Stock Connect expected to be implemented? Furthermore, what were the total turnover and average daily turnover of transactions at RMB counters in the past year? Has the expected target been achieved? What was the amount of stamp duty collected from the relevant stock transfers?
ii. Will the Government explore exempting the stamp duty payable on stock transfers at RMB counters, or consider imposing a rate of 0.05% on both sides/0.05% on only one side of transactions, so as to boost the turnover of transactions at RMB counters? If not, what are the reasons? What measures will the Government put in place to improve the liquidity of RMB trading counters?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 13)

Reply:

To meet the increasing demand from global investors for allocating Renminbi (RMB) assets, the Government, regulators and the Hong Kong Exchanges and Clearing Limited (HKEX) actively promote the issuance and trading of RMB securities in Hong Kong. The "Hong Kong Dollar (HKD)-RMB Dual Counter Model" (dual-counter model) was introduced by HKEX in 2023 and the total turnover of RMB counter of relevant securities was about RMB23 billion in 2025, including those from transactions of dual-counter market makers (DCMMs). To create favourable conditions for market makers to conduct market making and liquidity providing activities at lower transaction costs, the Government has made legislative amendments to exempt the stamp duty payable on specific transactions by

DCMMs. Other transactions are subject to stamp duty at the prevailing rate, i.e. 0.1% payable by buyers and sellers respectively.

The dual-counter model and the DCMM regime have been operating smoothly so far. Currently, a total of 23 issuers have adopted the dual-counter model to provide HKD and RMB securities trading. Meanwhile, 10 exchange participants have been designated as DCMMs to conduct market making and liquidity providing activities. The average monthly turnover of the HKD counter and RMB counter of dual-counter securities in 2025 accounted for about 37.04% and 0.05% of the average monthly turnover of the cash securities market respectively. One of the reasons for the difference was that Mainland investors engaging in Southbound trading currently could only use HKD to trade Hong Kong stocks.

The Government will continue to facilitate relevant Chinese Mainland and Hong Kong institutions to conduct technical preparations for implementing the inclusion of RMB stock trading counter under Southbound trading of Stock Connect. The measure will allow Chinese Mainland investors to buy and sell Hong Kong stocks in RMB and is expected to have a positive impact on turnover at the RMB counter. It will also encourage more issuers to consider setting up RMB counter for their shares and prompt investors holding offshore RMB to consider participating in RMB counter trading. The Government has also carried out preparatory work for allowing the stamp duty payable on the transfer of stocks at RMB counters to be paid in RMB, which involves amending the Stamp Duty Ordinance and system changes by the relevant government departments, HKEX, and the industry. The Government will introduce the relevant amendment bill into the Legislative Council in the first half of 2026.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)090**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0825)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 100 of the Budget Speech that to foster the development of Hong Kong as an asset and wealth management centre, the Integrated Fund Platform under the Hong Kong Exchanges and Clearing Limited (HKEX) will expand its services this year, covering fund sales procedures such as payment and settlement. In this connection, would the Government inform this Committee of the following:

i. In addition to functions such as payment and settlement, will HKEX consider enabling the Integrated Fund Platform to conduct "business-to-customer" subscriptions and redemptions to enhance market efficiency?
ii. Will the Government review the inclusion of open-ended fund companies (OFCs) in the Mainland-Hong Kong Mutual Recognition of Funds regime to broaden the space for development for the asset management industry in both places?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 28)

Reply:

The Integrated Fund Platform (IFP) established by the Hong Kong Exchanges and Clearing Limited (HKEX) has been well received by the fund industry since its launch. The IFP introduced earlier the "Fund Repository" providing a one-stop information portal for investors to access key details on over 2 000 funds authorised by the Securities and Futures Commission, as well as the "Order Routing Service" enhancing connectivity between market participants of all sizes across the fund value chain to elevate operational efficiencies in fund distribution. Subject to regulatory approval, the IFP will launch the "Platform and Nominee Service" in 2026, expanding its services to include the provision of nominee services, as well as the facilitation of payments and settlement, so as to enhance market efficiency and lower transaction costs. Both the "Order Routing Service" and the "Platform and Nominee Service" will operate on a "business-to-business" model. HKEX will continue to

collaborate with regulators and industry stakeholders to enhance the efficiency of the IFP and promote broader industry participation in the platform.

The Government is committed to enhancing the mutual market access mechanism with the Mainland. The Mainland-Hong Kong Mutual Recognition of Funds arrangement (the Arrangement) was launched in July 2015, where eligible Mainland and Hong Kong funds can be offered to retail investors in each other's market through a streamlined vetting process. The regulators implemented enhancement measures starting from 1 January 2025, which include relaxing the sales restriction of mutual recognition funds in the other market and allowing Hong Kong funds to delegate investment management functions to overseas asset management companies within the same group. The measures enhanced the flexibility and scale of the Arrangement, where a total of 86 funds were authorised by the regulators of the two places as of end-February 2026. In 2025, the net subscription amount of Hong Kong mutual recognition funds in the Mainland reached RMB82.5 billion, representing a 2.3-fold increase year-on-year. As for the suggestion to include open-ended fund companies (OFCs) under the Arrangement, as OFCs are set up in corporate form and there are currently no investment funds of similar structure in the Mainland, based on the principle of reciprocity under the Arrangement, the inclusion of OFCs under the Arrangement will require further study. The Government and regulators will continue discussions with Mainland counterparts on different enhancement measures for the mutual market access mechanism to support market development.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)091**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0826)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned under Head 148 of the Budget Speech that the Financial Services and the Treasury Bureau will promote the development of financial market of commodities. In this connection, would the Government inform this Committee of the following:

i. Does the Government have any plans to attract more commodity enterprises (especially non-ferrous metal enterprises) to establish operations in Hong Kong and use Hong Kong as their primary business base; and to revitalise the commodity futures market and attract industry clients of market makers to participate in market trading?
ii. How will the Government promote the development of futures products, such as the futures of agricultural products, precious metals, and energy, to enhance Hong Kong's competitiveness in commodity trading?
iii. Does the government have any plans to enhance the logistics support facilities in the vicinity of warehouses approved by the London Metal Exchange (LME) under the Hong Kong Exchanges and Clearing Limited (HKEX) to facilitate warehouse operators in expanding their business?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 29)

Reply:

The Government will continue to promote the development of Hong Kong's commodity trading ecosystem, including supporting the industry in establishing more approved warehouses. The London Metal Exchange (LME), a subsidiary of the Hong Kong Exchanges and Clearing Limited, included Hong Kong as an approved delivery point within the LME's global warehousing network in January 2025 and began taking applications from warehouse operators. As of end January 2026, all 15 LME-approved warehouses in Hong Kong had commenced operations, storing 23 000 tonnes of non-ferrous metals. This provides efficient delivery options for industry participants in international metal trading while driving the development of Hong Kong's shipping and related services. LME

maintains close communication with industry stakeholders and there is no requirement to enhance related infrastructure. Should the need arise, the Government will provide assistance as appropriate.

At the same time, the Government has also proposed other measures to promote the development of the commodity trading ecosystem. The Transport and Logistics Bureau will introduce an amendment bill in the first half of this year to provide a half-rate tax concession to eligible commodity traders, thereby attracting more commodity enterprises to establish operations or expand their businesses in Hong Kong.

To further promote commodity trading, the Government established the Strategic Committee on Commodities (the Committee) led by the Financial Secretary and its first meeting was held in December 2025, bringing together industry representatives to enhance the top-level design of commodity policy. The Committee will conduct in-depth and comprehensive research into global commodities market trends, thoroughly review the current landscape and trends in areas such as physical trade, financial and derivative trading (including promoting the development of futures products), as well as shipping and logistics. It will also study the opportunities for developing businesses of various major and emerging categories of commodities in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0827)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraphs 96 and 97 of the Budget Speech that the Government will reinforce Hong Kong's position as a global fixed income and currency hub and continue issuing tokenised bonds on a regular basis. In this connection, would the Government inform this Committee of the following:

i. Will the Government reserve a certain allocation for subscription by retail investors in all future bond programmes (including tokenised bonds and infrastructure bonds) to promote the development of retail bonds and financial inclusion, as well as to meet the public demand for fixed-income products?
ii. Regarding the exploration of tokenising traditional bonds already issued by the Government, what is the preliminary plan regarding the amount of traditional bonds involved? Will green bonds, Silver Bonds, and infrastructure bonds be covered?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 30)

Reply:

(i) The Government has been issuing different types of retail bonds in the past (including iBond, Silver Bond, retail green bond, and retail infrastructure bond) in order to provide members of the public with a safe and reliable investment options for generating steady returns, while also promoting the further development of the retail bond market. In particular, the funds raised from the issuance of retail green bonds, retail infrastructure bonds and Silver Bonds in recent years are invested in local green and infrastructure projects in accordance with the relevant bond frameworks, enabling members of the public to participate in the development of relevant projects through bond investment. The Government will keep in view the market conditions, and devise suitable arrangements for future bond issuances.

Regarding retail tokenised bonds, in collaboration with the Bank for International Settlements Innovation Hub, the Hong Kong Monetary Authority (HKMA) completed a proof-of-concept study through Project Genesis. However, implementation of the relevant concept would involve multiple aspects, including legal, technical, and operational aspects, and would require collaboration among various parties in the entire issuance chain. At the same time, the HKMA is also assessing whether the current form of tokenised bonds can meet the needs of retail investors, and will continue to engage with the industry to explore how tokenised bonds can be effectively and suitably applied at the retail level.

(ii) The Securities and Futures Commission (SFC) and the HKMA are actively implementing the Roadmap for the Development of Fixed Income and Currency Markets announced last year. To promote innovation in the bond market, the Government issued the third batch of tokenised bonds with an issuance size of $10 billion in the fourth quarter last year. It marked the largest tokenised bond issuance in the world at the time of issuance. The option to settle via tokenised central bank money also laid the foundation for future integration with other forms of digital money.

The Government will continue issuing tokenised bonds on a regular basis, and explore secondary market applications of these types of bonds (including digitally native bonds and tokenised version of existing bonds). In addition, the Government will provide guidelines to clarify that registers of debenture holders can be kept in the form of a distributed ledger, and will also explore other enhancement measures, with a view to promoting the wider adoption of tokenisation in Hong Kong's bond market. The HKMA will continue to encourage more digital bond issuances in Hong Kong through the Digital Bond Grant Scheme. We will announce the progress of the above work in a timely manner.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)093**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0828)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraphs 120 and 121 of the Budget Speech that the Government will introduce a series of initiatives to strengthen international financial co-operation. In this connection, would the Government inform this Committee of the following:

i. What plans does the Government have to enhance and consolidate co-operation between the Hong Kong Exchanges and Clearing Limited (HKEX) and Invest Hong Kong and overseas Economic and Trade Offices, and which department is responsible for co-ordinating the efforts to actively attract enterprises in the Middle East and the Association of Southeast Asian Nations (ASEAN) to list and conduct investment and financing activities in Hong Kong?
ii. Will the Government take the lead in organising more visits and investment promotion seminars with the financial services sector to drive the sector, especially small and medium-sized financial institutions, to develop business in countries in the Middle East, ASEAN, etc. and increase their development opportunities there?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 31)

Reply:

The Government, regulators and Hong Kong Exchanges and Clearing Limited (HKEX) are committed to developing Hong Kong into a deeper and broader fundraising platform, with a view to attracting different types of enterprises and investors from both the Mainland and overseas to participate in financing and investment activities to reinforce Hong Kong's function as an international fundraising centre.

The Government continues to strengthen promotion in target markets including the Middle East and the ASEAN region through overseas visits by the Chief Executive, the Financial Secretary and those coordinated by various policy bureaux according to their policy portfolios, as well as publicity efforts of the overseas Economic and Trade Offices in

showcasing the latest developments and opportunities in Hong Kong's financial services and other sectors. Notably, the Chief Executive led a business delegation comprising Hong Kong and Mainland enterprises to Qatar and Kuwait in May last year to further enhance exchanges and connections with the Middle East in areas such as finance, trade, investment and innovation and technology, and to promote Hong Kong's latest strengths and opportunities to local political and business communities. The Financial Secretary also visited Indonesia and Saudi Arabia in January and October last year respectively, attending international financial events to introduce Hong Kong's role and advantages as a "super connector" and "super value-adder" to local leaders in commerce, finance and innovation and technology to demonstrate how Hong Kong can assist enterprises in tapping new opportunities in the Mainland, in particular the Guangdong-Hong Kong-Macao Greater Bay Area.

To further promote Hong Kong's securities market and fundraising platform to overseas enterprises and capital, HKEX will organise a number of major promotional activities in the coming year, including co-hosting thematic flagship summits and events with organisations in the Middle East and Southeast Asia, thereby strengthening Hong Kong's connections with overseas markets, fostering bilateral financial market cooperation, and attracting more issuers and capital to Hong Kong for fundraising activities. HKEX will also continue to participate in various outreach activities and work together with the local financial services sector (including small and medium-sized financial institutions) to expand and deepen corporate coverage through keynote speeches, forum exchanges and thematic roadshows, etc., and introduce the advantages of Hong Kong's financial services and listing platform. The Government will coordinate relevant promotional efforts, and will continue to step up external promotion by organising international financial events, arranging overseas visits, and providing active assistance to interested enterprises through the Office for Attracting Strategic Enterprises, Invest Hong Kong, and the Mainland and overseas Economic and Trade Offices to support the local financial services sector in opening up new markets.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0829)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 89 of the Budget Speech, considering that the initial capital of $62 billion of the Hong Kong Investment Corporation Limited (HKIC) has been largely allocated, the Government will arrange for capital injection in a timely manner to further promote information and technology development and industry clustering. In this connection, please inform this Committee of the following:

i. What is the HKIC's current status of operation, including its monthly expenditure, income and profit, as well as assets and projects under its purview?
ii. What is the estimated amount of additional capital injection for the HKIC?
iii. Please set out the details of the HKIC's investment and withdrawn projects in the past.

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 32)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

Since coming into full operation, the HKIC has adopted a prudent yet proactive investment strategy, steadily building its investment portfolio and ecosystem in key technology areas and priority strategic industries. To date, the HKIC has invested in over 200 projects across hard and core technology, biotechnology, new energy and green technology, as well as the adjacent sectors and applications. Among these, 10 companies have been listed in Hong Kong, and over 20 have already filed or are preparing to file for listing in Hong Kong this year. For every HK$1 invested by the HKIC, it has successfully attracted over HK$8 from long-term capital, demonstrating its strong abilities in curating and leveraging capital.

According to the first Annual Report published by the HKIC, as of the end of 2024, the HKIC recorded over HK$2.3 billion in investment income, with total assets of approximately HK$64 billion. Operating expenses amounted to around HK$93 million, covering staff and related costs, legal and professional fees, and other operating expenses. Further updates on the company's operational and investment progress in 2025 will be disclosed in the new annual report to be published later this year.

As a long-term investment institution committed to the principle of "patient capital", the HKIC's core strategy is to support companies' growth. By nurturing key strategic sectors and related companies, the HKIC brings together capital and talent to build a vibrant ecosystem for Hong Kong's industries. Currently, its investment portfolio includes projects in the incubation and development stages, as well as those already listed, which have recorded very positive financial performance, demonstrating substantial values of these investee companies in the capital market. Moreover, many of these investee companies are accelerating their path to listing, showing a steady growth trajectory. Most of these companies are in a high-growth phase; their business performance and development progress are in line with expectations; and they continue to unlock their potential through technology commercialisation and market expansion.

Regarding the timing and amount of capital injection, the HKIC is maintaining close communication with the Hong Kong Special Administrative Region Government. The HKIC will dynamically evaluate market opportunities, project readiness and funding needs, ensuring that every investment delivers unique value to Hong Kong's economy and achieves optimal strategic benefits.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)095

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2679)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 95 of the Budget Speech that the Government will continue to explore with the market the provision of an over-the-counter (OTC) trading platform for delisted stocks or those requiring special handling. In this connection, please inform this Committee of the following:

i. Will regulators draw on the experience of overseas OTC markets and set a timetable for the implementation of the "Hong Kong version" of OTC, while ensuring that listed companies will not be delisted hastily before their delisting by allowing greater flexibility and inclusiveness?
ii. Regarding the establishment of a "Hong Kong version" of OTC, will regulators consider easing restrictions on professional investors under the premise of allowing retail investors to participate in the trading? If restrictions on professional investors are to be imposed, will consideration be given to reviewing the qualification requirements for professional investors? For example, in addition to asset levels, will consideration be given to other criteria (such as academic qualification and experience) for meeting the requirements imposed on professional investors?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 3)

Reply:

The Government has been driving the Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited (HKEX) to leverage the unique advantages under "One Country, Two Systems" to pursue reforms in different areas of the securities market and continuously enhance the listing regime, including studying the establishment of an over-the-counter (OTC) market in Hong Kong. We understand that market participants have expressed on different occasions diverse views on the establishment of such a market in Hong Kong and its various aspects, such as its functions, positioning, suitable securities and investor scope. Over the course of the review, the SFC and HKEX will draw reference from

the experience of other markets, maintain close communication with the industry and listen to the views of different market participants on relevant issues. The market will be consulted on the specific proposals when they are ready.

On arrangements regarding delisting, the purpose of HKEX's existing delisting mechanism is to execute timely delisting of issuers that no longer meet the continuing listing criteria in a systematic manner, and to encourage suspended issuers to act promptly towards resumption by addressing the fundamental issues involved in the suspension of the trading of their securities. In accordance with the relevant provisions of the Listing Rules, HKEX may cancel the listing of securities of Main Board companies that have been suspended for 18 consecutive months or securities of GEM companies that have been suspended for 12 consecutive months. The reasons for suspension include insufficient public float of the issuer's securities; the issuer does not have sufficient business operations or does not have assets of sufficient value to support its operations; the issuer has not published its results in accordance with the relevant requirements under the Listing Rules; or the issuer or its business is no longer suitable for listing, etc. HKEX in general will provide guidance on resumption of trading within 3 months of the issuer's suspension, and will give listed issuers sufficient time to address relevant matters and follow up. Generally speaking, when handling cases on resumption of trading, HKEX will make an assessment based on specific facts and circumstances of individual issuers. For example, when assessing the issuer's business, HKEX will consider the issuer's business operation model, business scale and performance, source of funds, customer base size and type, internal control mechanism, etc., and will make reference to the practices and standards of the relevant industry.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)096**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2680)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 92 of the Budget Speech, the Government will actively introduce a series of measures to enrich mutual-market access. In this connection, would the Government inform this Committee of the following:

i. To further enhance mutual-market access, will the Government explore with Mainland regulators to enhance the diversity of investment products under the Cross-boundary Wealth Management Connect (WMC) Scheme, including offering investment products beyond those of low-to-medium risk, alternative investments, or private equity funds; and encourage Mainland brokers to form partnership with more Hong Kong brokers on a "one-to-many" basis, so as to increase the participation of brokers of different capital backgrounds?
ii. Will the Government discuss with Mainland regulators to expedite the establishment of the mutual recognition mechanism for various financial qualifications in the Greater Bay Area (GBA), and to continuously enhance the existing sale and promotion arrangements for WMC products, so that practitioners in the Mainland and Hong Kong can develop their businesses in the GBA without hindrance?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 8)

Reply:

Cross-boundary Wealth Management Connect (WMC) in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) provides GBA residents with a formal, direct and convenient channel for cross-boundary investment in diverse wealth management products and marks a milestone in the financial development of the GBA.

WMC has seen continuous and steady development since its launch in September 2021. "WMC 2.0" commenced on 26 February 2024. Enhancement measures include 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 participate in the scheme, expanding the scope of participating institutions to include eligible securities firms, expanding the scope of eligible investment products to encompass non-complex fund products with higher risk levels, and further enhancing the promotion and sales arrangements. Subsequently, building upon the "WMC 2.0", further enhancement measures concerning promotion and sales arrangements were introduced in 2025, including written consent and "three-party online conference" arrangements[1], as well as allowing Southbound Scheme account opening through a non-face-to-face approach. These measures aim to facilitate banks and securities firms in providing more effective sales and account opening services. According to the statistics published by the People's Bank of China, up to end-January 2026, some 178 700 individual investors in the GBA participated in WMC and cross-boundary fund remittances (including Guangdong, Hong Kong and Macao) amounting to over RMB133.3 billion had been recorded.

As an innovative financial co-operation measure in the GBA involving 3 different regulatory systems, WMC has been implemented under a pilot approach in a gradual and incremental manner. Under the current regulations in the Mainland, Mainland brokers are already allowed to collaborate with multiple Hong Kong brokers to participate in WMC. The Government and the financial regulators will closely monitor market developments and the operation of WMC, maintain close communication with Mainland regulatory authorities, and regularly review the implementation of "WMC 2.0", so as to include more eligible Hong Kong brokers to participate in WMC and explore further enhancement measures such as expanding the scope of the pilot, raising the investment quota, expanding the scope of eligible investment products, and enhancing the sales and promotion arrangements, etc.

Regarding mutual recognition of professional qualifications with the Mainland, for the securities and futures sector, the Hong Kong Securities and Futures Commission (SFC) and the China Securities Regulatory Commission have implemented an arrangement for mutual recognition of professional qualifications, and simplified the relevant procedures for obtaining securities practising registration and applying for the futures or fund practising qualifications on the Mainland. Hong Kong professionals with relevant licence issued by the SFC only need to pass the Mainland's examination on the relevant laws and regulations; and the examination on the foundation paper is not required.

For the banking sector, the Hong Kong Institute of Bankers (HKIB) and the China Banking Association (CBA) signed the Memorandum of Understanding on Mutual Recognition of Personal Wealth Management Qualification Certificates in 2009, officially launching the mutual recognition mechanism. Subsequently, the two sides signed addendums in 2010, 2015 and 2022 to improve the relevant arrangements. Under the Agreement, financial practitioners from the Mainland and Hong Kong can obtain "dual qualifications" (Level 1 of Qualification Certificate of Banking Professional in the Mainland and the Associate Retail Wealth Professional in Hong Kong) through the mutual recognition mechanism.

[1] The written consent arrangement allows Hong Kong banks and securities firms to, in their place of business, proactively introduce products which meet the risk appetite of Southbound Scheme customers and provide related information, and/or provide research reports on products to the customers, after obtaining their consent. The "three-party online conference" arrangement enables Mainland banks and securities firms, upon request from Southbound Scheme customers, to assist the customers at their Mainland branch premises in setting up three-party online dialogues or conferences with Hong Kong banks and securities firms regarding Southbound Scheme services.

Hong Kong will continue to examine enhancement measures with Mainland regulators to explore ways of broadening Hong Kong professionals' entry into the Mainland market, thereby increasing the flexibility in the provision of human capital for the Mainland and Hong

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2681)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 91 of the Budget Speech that the Government will tap into emerging markets to bring more cross-boundary Renminbi (RMB) transactions to Hong Kong, and will expedite the issuance of Mainland government bond futures in Hong Kong. In this connection, will the Government inform this Committee of the following:

i. What plans does the Government have to proactively provide more diversified offshore RMB products and services to countries along the Belt and Road (B&R countries) which have accumulated a considerable amount of RMB through mutual trade, with a view to attracting foreign capital to invest in Hong Kong and driving cross-boundary RMB transactions? What progress has been made in attracting capital from B&R countries in ASEAN and the Middle East?
ii. What plans does the Government have to strengthen the financial infrastructure and expedite the issuance of Mainland government bond futures, with a view to consolidating Hong Kong's status as an offshore RMB business hub in the region?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 12)

Reply:

(i) The 2026-27 Budget proposes attracting high-quality issuers to increase Renminbi (RMB) bond issuance in Hong Kong and tapping into emerging markets to bring more cross-boundary RMB transactions to Hong Kong. This initiative enables high-quality issuers to leverage the depth and broad investor base of Hong Kong's financial market to support their development projects, enhancing the mutual promotion of the fundraising market and RMB internationalisation. Some sovereign and quasi-sovereign entities, such as the Government of Indonesia and the Development Bank of Kazakhstan, issued offshore RMB bonds in Hong Kong for the first time in 2025. In February 2026, the Indonesian government issued bonds (including offshore RMB bonds) in Hong Kong again. Multilateral development banks such as the Asian

Infrastructure Investment Bank and the Asian Development Bank have also been issuing offshore RMB bonds in Hong Kong. These developments underscore Hong Kong's growing appeal as a leading hub for offshore RMB bond issuance. We will strengthen our promotional efforts through delegation visits, conferences, roadshows, etc., to actively highlight the advantages of Hong Kong's offshore RMB services to the international market, including working with the banking industry to actively cultivate high-potential countries and regions such as ASEAN and develop emerging markets such as the Middle East and the Belt and Road, thereby attracting more cross-boundary RMB transactions to be conducted through Hong Kong.

(ii) Since the launch of Bond Connect's "Northbound Trading" and "Southbound Trading" in 2017 and 2021 respectively, they have not only deepened connectivity between the Mainland and international markets, but also reinforced Hong Kong's central role in RMB clearing, financing, and asset management. The Central Moneymarkets Unit (CMU) has also played a pivotal role in supporting the offshore RMB bond repo service and cross-boundary bond repo service introduced last year. CMU will continue to enhance its system capabilities and functionalities to support further enhancements to Bond Connect Scheme to promote two-way capital flows, and support the Hong Kong Monetary Authority's RMB Business Facility to bolster liquidity in the offshore RMB market in Hong Kong.

Furthermore, as global investors' demand for RMB-denominated products grows, Hong Kong's role as a global offshore RMB business hub and risk management centre becomes increasingly important. The Government is committed to continuously enriching the suite of RMB-denominated investment products and risk management tools to meet the needs of both domestic and overseas investors. The regulators of the Mainland and Hong Kong have announced their support for the launch of offshore treasury bond futures in Hong Kong. Relevant institutions in the Mainland and Hong Kong are actively preparing for the implementation of the initiative, which will be announced upon regulatory approval.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)098

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2682)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated in paragraph 92 of the Budget Speech, the Government will actively explore with the Mainland to include real estate investment trusts (REIT) under mutual-market access and explore further enhancements to the Bond Connect. In this connection, please inform this Committee of the following:

i. Are there any implementation timetables for the above 2 enhancement measures of mutual-market access? Will the enhancement measures include streamlining transaction procedures and lowering transaction costs?
ii. To further deepen the mutual-market access mechanism, will the Government strengthen collaboration with the Mainland to explore the relaxation of restrictions on the Southbound trading of Stock Connect, including lowering the market access threshold for listed companies, such as allowing market access for companies with market capitalisation of RMB 3 billion; and relaxing the investment threshold of RMB 500,000 for Mainland individual investors (such as lowering the threshold to a range between RMB 100,000 and RMB 250,000)?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 14)

Reply:

The Government is committed to deepening and expanding mutual access between the Mainland and Hong Kong financial markets as well as working closely with regulators and Mainland authorities to actively explore various expansion proposals, with a view to progressively broadening the product scope and coverage under the mutual access mechanism while providing more supporting tools to meet investors' onshore investment-related demand.

With the strong support of the Central People's Government, the mutual access programme has achieved numerous breakthroughs in recent years, such as the inclusion of emerging and innovative enterprises with weighted voting rights structures, pre-revenue biotechnology

companies, exchange-traded funds and foreign companies primary listed in Hong Kong under Stock Connect; enhancing the settlement arrangements under Bond Connect and expansion of the investor scope under Southbound trading; launching cross-boundary and offshore bond repurchase business; gradually expanding the collateral function of onshore bonds in the offshore market; as well as enriching the product types under Swap Connect and increasing relevant daily trading quota, etc.

Going forward, regulators of the two places will continue to take forward measures to further deepen mutual access between the 2 financial markets, including the inclusion of real estate investment trusts under mutual access and exploring continuous enhancements to Bond Connect. On this basis, we will continue to explore with the Mainland the optimisation of Stock Connect arrangements, covering areas such as the scope of eligible securities, investor requirements, trading arrangements, etc. Specific measures will be announced as and when they are ready.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2691)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 98 of the Budget Speech that the number of single family offices in Hong Kong exceeds 3 300, and the Government will introduce measures to attract more family offices to set up in Hong Kong. In this connection, please inform this Committee of the following:

i. Will the Government step up publicity and promotional efforts, and strengthen investor education for single family offices, with a view to developing a more professional ecosystem and clearer positioning, while driving growth in trusts, legal, and other professional services? In addition, will the regulatory requirements and guidelines for multi-family offices be enhanced?
ii. Will the Government explore the possibility of expediting the development of more fixed-income products, tokenised assets and Web3 investment projects to broaden investment options for family offices?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 27)

Reply:

(i) The Government has been actively promoting the development of family office (FO) ecosystem to strengthen Hong Kong's competitiveness in asset and wealth management industry and related professional service sectors. In particular, the Government funded the establishment of the Hong Kong Academy for Wealth Legacy (HKAWL), which is committed to providing a wide range of training programmes and knowledge exchange for next generation asset owners and FO practitioners. Through partnering with leading organisations and thought leaders around the world, the HKAWL strives to strengthen families' expertise in intergenerational integration, sustainable governance and strategic philanthropy, and provide families with actionable insights and tools for sustainable legacy stewardship amid a dynamic global landscape.

According to the study findings by the consultant commissioned by Invest Hong Kong published in February 2026, there were over 3 380 single FOs operating in Hong Kong as of end-2025. This represents an increase of about 680 offices, or a growth of more than 25%, over the past 2 years. Single FOs directly employ over 10 000 full-time professionals in Hong Kong. As FOs create business opportunities for Hong Kong's asset and wealth management industry, and in turn generate demand for other related professional services, including fund administration, trusts, legal and accounting services, the number of relevant professional positions thus generated is expected to be even higher, taking account of other service providers supporting FOs.

Regarding the regulation of investment activities of FOs, the licensing regime under the Securities and Futures Ordinance is activity-based. A multi-FO is required to apply for a licence under the Securities and Futures Ordinance if it carries on a business of regulated activity in Hong Kong, for example, providing asset and wealth management services to clients, and to fulfil relevant code of conduct and statutory requirements applicable to licensed corporations. To facilitate the industry's understanding of the regulatory regime in Hong Kong, the Securities and Futures Commission (SFC) has issued circular on the licensing obligations of FOs and quick reference guides to provide additional guidance.

(ii) On development of fixed income and currency market, the SFC and the Hong Kong Monetary Authority (HKMA) jointly published the Roadmap for the Development of Fixed Income and Currency (FIC) Markets (the Roadmap) in September 2025, which outlines key initiatives across the 4 pillars of primary market issuance, secondary market liquidity, offshore Renminbi (RMB) business and next-generation infrastructure, to foster a diverse and sustainable marketplace, advance infrastructure and provide a greater variety of product offerings for investors.

In fact, the Hong Kong bond market saw vibrant development in recent years, with annual issuance size gradually rising and issuers becoming more diversified with sovereign and quasi-sovereign entities, as well as multilateral development banks issued offshore RMB bonds in Hong Kong. At the same time, the Government and the financial regulators have also been continuously promoting the development of Hong Kong's fixed income market through various policies and measures, including (i) issuance of Government Bond under the Government Sustainable Bond Programme and Infrastructure Bond Programme, covering different currencies, tenors and formats, (ii) promoting green and tokenised bond issuances through the Green and Sustainable Finance Grant Scheme and the Digital Bond Grant Scheme, and (iii) arranging the Hong Kong Mortgage Corporation Limited's issuance of infrastructure loan-backed securities (ILBS) for 3 consecutive years. These measures help provide a greater variety of fixed income product options for different types of investors (including FOs). The Government and the financial regulators will further develop Hong Kong as a global FIC hub according to the Roadmap.

In addition, 1 key direction in the Policy Statement 2.0 on the Development of Digital Assets in Hong Kong, published by the Government in June 2025, is to expand the suite of tokenised products. Specifically, the Government is supporting the establishment of comprehensive benchmarks and promoting innovative products and services through the regularised issuance of tokenised bonds, and incentivising the tokenisation of real-

world assets (including the clarification of stamp duty arrangements applicable to the transfer of tokenised exchange-traded funds) to enhance liquidity and accessibility. At the same time, the SFC has been actively expanding virtual asset product offering and services. For example, the SFC further allowed virtual asset trading platforms to offer trading in virtual assets without a 12-month track record to professional investors; to distribute to professional and retail investors stablecoins licensed by the HKMA; and to distribute tokenised securities and other digital asset-related investment products. These measures for promoting digital asset development help increase the investment options for FOs.

On the other hand, to attract more funds and FOs to set up and operate in Hong Kong, we will further enhance the preferential tax regimes for funds, single FOs and carried interest to cover more types of qualifying transactions eligible for tax concessions, which will include digital assets and therefore help broadening the investment options for funds and FOs. Our target is to introduce the legislative proposal into the Legislative Council in the first half of 2026. If approved, the relevant measures will take effect from the year of assessment 2025/26.

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 2692)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to paragraph 216 of the Budget Speech, the Hong Kong Investment Corporation Limited (HKIC) will collaborate with regional and international long-term capital to channel funds into high-quality commercial property projects that align with Hong Kong's industrial positioning and match them with enterprises from target industries. In this connection, would the Government inform this Committee of the following:

i. What amount of funds does the Government expect the HKIC to channel into commercial property projects?
ii. How much potential regional and international long-term capital is the Government currently in discussion with? Which regions and countries are involved in such long-term capital?
iii. What is meant by "high-quality commercial property projects"? Are the majority of them commercial properties in Hong Kong?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 33)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

The 2026-27 Budget proposes that the HKIC will partner with regional and international capital and channel the capital into commercial property that aligns with Hong Kong's industrial positioning. By channeling international long-term capital into high-quality commercial property projects, the HKIC will forge a pioneering and deep synergy between "Industry and Space", enabling promising enterprises to make good use of these high-quality assets in Hong Kong, while providing international capital with room for medium-to-long-term capital appreciation, thereby bringing benefits to all parties involved.

The HKIC has consistently maintained an open and flexible approach to establishing suitable frameworks for leveraging capital from different parts of the world for collaboration. We will identify suitable partners based on the project nature and quality, as well as the principle of collaborative success.

Promoting the development of strategic industries is one of the HKIC's core missions. Therefore, our investment in commercial property projects is premised on focusing on spaces that can serve these strategic industries, thereby connecting investment projects with target enterprises. Examples include laboratories required for the life and health technology sector, data centres and production spaces for new industrialisation. This type of commercial property investment, which is closely aligned with the actual needs of enterprises, will effectively optimise resource allocation, facilitate enterprises in establishing a foothold in Hong Kong, and continuously inject momentum into Hong Kong's economy.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)101**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2694)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In paragraphs 167 and 168 of the Budget Speech, 2 programmes on nurturing financial talent, namely the Financial Leaders Programme and the GBA Fintech Two-way Internship Scheme for Post-secondary Students, are mentioned. In this connection, will the Government inform this Committee of:

i. the respective expenditure, manpower and administrative cost involved in the 2 programmes;
ii. the programmes on training financial talent subsidised by the Government and the relevant expenditure involved in the past 3 years, as well as their effectiveness?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 35)

Reply:

(i) The "Financial Leaders Programme" was launched in August 2021 by the Hong Kong Academy of Finance, a subsidiary of the Hong Kong Monetary Authority (HKMA). The programme aims to inspire talents with considerable experience in the financial industry, to equip them with a mindset to lead, to enhance their understanding of financial issues from a macro and systemic perspectives, as well as to expand their professional network.

The programme is tailored for promising senior financial executives with diverse backgrounds and expertise who are approximately 1 to 2 levels below the CEO position, offering them a transformative experience that lasts around 9 months on a part-time basis. All related expenses are covered by the HKMA's internal resources.

Since its inauguration, the programme has attracted over 80 senior executives, benefiting nearly 50 institutions. The programme helped nurturing a pool of financial

leaders with a global vision for Hong Kong's financial system, and has earned broad recognition from the financial industry.

The GBA Fintech Two-way Internship Scheme for Post-secondary Students (the Scheme) was launched in October 2023 to subsidise students from the Mainland and Hong Kong to participate in short-term internships in fintech companies, with a view to enhancing talent exchange and enlarging the fintech talent pool.

The Scheme is targeted at full-time students studying fintech-related subjects in post-secondary institutions, including higher diploma and associate degree students, undergraduates, master's degree students and postgraduates. Internship positions in Hong Kong accept applications from Mainland students studying in the Mainland and Hong Kong. Internship positions in Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area accept applications from Hong Kong students studying in the Mainland and Hong Kong.

The overall estimate of the Scheme is $12 million, including about $10 million for student internship subsidy and $2 million for publicity and administrative expenditure incurred by the scheme administrator (i.e. Cyberport). As at end-March 2026, a total of about $7 million has been allocated. About 120 students and 30 fintech companies have participated in 5 rounds of the internship scheme.

(ii) Details, relevant expenditure and effectiveness of programmes on training financial talent subsidised by the Financial Services and the Treasury Bureau (FSTB) in the past 3 years are set out in **Annex**.

Annex

Details, relevant expenditure and effectiveness of programmes on training financial talent subsidised by FSTB in the past 3 years

	Item	Objectives	Relevant expenditure	Effectiveness
1.	Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector	To provide subsidies for tertiary student internships and professional training for practitioners, and promote the employment opportunities and career prospects of the industry through different channels.	In the past 3 financial years (as at end-February 2026), a total of about $40 million has been allocated.	In the past 3 financial years (as at end-February 2026); for the insurance sector, over 7 000 insurance practitioners attended the subsidised professional training courses, and 230 tertiary students have completed internship. As for the asset and wealth management sector, a total of 1 553 practitioners have received subsidies for attending professional training programmes and 552 students have completed internship placement under the Programme during the period.
2.	Pilot Green and Sustainable Finance Capacity Building Support Scheme (The Pilot Scheme)	To provide funding support for local eligible market practitioners and related professionals as well as students and graduates of relevant disciplines to participate in training related to green and sustainable finance in response to the new trend of developing low-carbon and sustainable economy.	As at end-March 2026, a total of about $61 million has been allocated.	As at end-March 2026, over 9 700 applications were approved, among which around 65% of the applicants were practitioners in the financial services industry or non-financial services industries with responsibilities involving green and sustainable finance considerations, while the rest were students or graduates of relevant disciplines. The Pilot Scheme helps alleviate the cost of personnel training for local industries and assists them in building up professional teams and talent

	Item	Objectives	Relevant expenditure	Effectiveness
				pool in green finance. It ties in with industry efforts in strengthening resilience to climate risks and seizing the green finance-related opportunities within the region.
3.	Pilot Scheme on Training Subsidy for Fintech Practitioners	To provide practitioners having successfully attained fintech professional qualifications with training subsidy, with a view to promoting the professional development of fintech talents and expanding the fintech talent pool in Hong Kong.	As at end-March 2026, a total of about $20 million has been allocated.	As at end-March 2026, about 870 practitioners have enrolled in the relevant courses.
4.	2023 Set Sail for GBA – Scheme for Financial Leaders of Tomorrow (2023-24)	To enhance Hong Kong young people's understanding of the financial market in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and enable them to gain a deeper insight into the workplace culture of financial institutions in the GBA and experience the latest development in Mainland cities, thereby preparing them for future employment and development in the financial sector.	A total of about $918,000 was allocated.	33 undergraduates in tertiary institutions in Hong Kong took part in a four-day trip in the GBA and a one-day pre-internship training, followed by a six-week internship at financial institutions in Shenzhen. The scheme was successfully concluded in end-July 2023.

	Item	Objectives	Relevant expenditure	Effectiveness
5.	GBA Fintech Two-way Internship Scheme for Post-secondary Students	Drawing on the successful experience of the "2023 Set Sail for GBA – Scheme for Financial Leaders of Tomorrow", to subsidise students from the Mainland and Hong Kong to participate in short-term internship in fintech companies, with a view to enabling them to gain first-hand understanding of the operations of fintech companies and the fintech ecosystems of the Mainland and Hong Kong, and equipping them early with knowledge in pursuing a career in fintech.	As at end-March 2026, a total of about $7 million has been allocated.	As at end-March 2026, about 120 students and 30 fintech companies have participated in 5 rounds of the internship scheme.
6.	Guangdong-Hong Kong-Macao Young High-end Certified Public Accountants Talent Training Programme[1] (First cohort: July 2022 to January 2024; Second cohort: December 2024 to December 2027)	To subsidise young accountants from Hong Kong to participate in professional accounting training courses held in the GBA, promoting positive interaction and exchange among the accounting professions in the GBA.	As at end-February 2026, a total of about $475,800 has been allocated.	As at end-February 2026, 13 Hong Kong accountants have been subsidised to complete the courses under the first cohort of the training programme. Besides, 10 Hong Kong accountants have been subsidised to take the courses under the second cohort of the training programme.

- End –

[1] Led by the Guangdong Institute of Certified Public Accountants and jointly organised by accounting professional bodies in Hong Kong and Macao.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2695)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned under Head 148 of the Budget Speech that the funding requirement for various funding initiatives under "Funding for promoting and facilitating the development of the financial services sector" is lower in 2025-26 than that in 2024-25. In this connection, will the Government inform this Committee of:

i. the initiatives subsidised by the Funding, the amount of funding granted to each of them and their effectiveness.
ii. whether the Government will consider providing further funding to promote the development of the financial services sector; if not, the reasons.
iii. the reasons for the lower funding requirement in 2025-26.

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 36)

Reply:

(i) and (iii)

The funding requirement for various funding schemes/ initiatives under the "Funding for promoting and facilitating the development of the financial services sector" (the Funding) is lower in 2025-26 than that in 2024-25, from around $210 million in 2024-25 actual expenditure, decreases by around $140 million to around $70 million in 2025-26 estimates. Details, total amount of funding granted, effectiveness evaluation, changes and reasons for changes in the estimated expenditure of items subsidised by the Funding are set out in **Annex**.

(ii) After deducting the 2025-26 expenditure of around $70 million, the balance of the Funding is around $270 million, which is sufficient to complete all items in progress. We have no plan to increase the provision for the Funding. We will continue to keep in view the market situation and industry demand, so as to roll out initiatives conducive to promoting and facilitating the development of the financial services sector.

Annex

Details, total amount of funding granted, effectiveness evaluation, changes and reasons for changes in the estimated expenditure of items subsidised by the Funding in 2024-25 and 2025-26

	Item (Duration subsidised by the Funding)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Actual Expenditure	2025-26 Estimated Expenditure
1.	Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts (From 2021-22 to 2027-28)	To support the set-up of open-ended fund companies (OFCs) and real estate investment trusts (REITs) in Hong Kong, the Government and the Securities and Futures Commission (SFC) launched the Grant Scheme in May 2021 to provide funding support for OFCs to set up or re-domicile to Hong Kong and REITs listed in Hong Kong.	Since the introduction of the Grant Scheme in May 2021, the SFC has approved 641 OFC and 1 REIT applications as of end- March 2026, and a total of $269.3 million has been granted.	The Grant Scheme has effectively promoted the development of the funds sector, with the number of OFCs set up in Hong Kong increased by 38% year-on-year to 715 as of end-March 2026.	$93.5 million	$39.65 million (The subsidy amount under the Grant Scheme has been adjusted since 2025-26 to benefit more market participants. The estimated expenditure for 2025-26 has been adjusted accordingly.)
2.	Pilot Green and Sustainable Finance Capacity Building Support Scheme	The Pilot Scheme provides funding support for local eligible market practitioners and related professionals as well as students and graduates of	As of end-March 2026, over 9 700 reimbursement applications were approved, involving a total reimbursement	As of end-March 2026, over 9 700 reimbursement applications were approved, among which around 65% of the applicants were practitioners in the financial	$20.49 million	$23.02 million

	Item (Duration subsidised by the Funding)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Actual Expenditure	2025-26 Estimated Expenditure
	(From 2021-22 to 2028-29)	relevant disciplines to participate in training related to green and sustainable finance in response to the new trend of developing low-carbon and sustainable economy.	amount of over $55 million.	services industry or non-financial services industries with responsibilities involving green and sustainable finance considerations, while the rest were students or graduates of relevant disciplines. The Pilot Scheme helps alleviate the cost of personnel training for local industries and assists them in building up professional teams and talent pool in green finance. It ties in with industry efforts in strengthening resilience to climate risks and seizing the green finance-related opportunities within the region.		
3.	Asian Financial Forum (Held annually)	The Forum is a Hong Kong's annual flagship event and a key event for the region's financial	As at end -March 2026, a total of $37.76 million has been disbursed by the	Every year, the Forum attracts officials, representatives of multilateral organisations,	$6.2 million	$6.5 million

	Item (Duration subsidised by the Funding)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Actual Expenditure	2025-26 Estimated Expenditure
		community, with the aim of gathering top representatives of both public and private sectors from around the world to discuss global economic and financial issues, facilitating exchanges and collaborations, and also showcasing Hong Kong's function and status as an international financial centre.	Funding to subsidise the costs of the Forum.	and financial and business leaders from all over the world to participate, facilitating exchanges and collaborations. It also expands Hong Kong's circle of friends and fully demonstrates Hong Kong's unique role as a "super-connector" and "super value-adder". The 19th Asian Financial Forum held in January 2026 attracted an enthusiastic response, with over 4 000 policymakers and business leaders from more than 60 countries and regions participating. In addition, the 19th Asian Financial Forum introduced the inaugural Global Business Summit, successfully showcasing the core function of finance empowering businesses.		

	Item (Duration subsidised by the Funding)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Actual Expenditure	2025-26 Estimated Expenditure
4.	Green and Sustainable Finance Grant Scheme (From 2021-22 to 9 May 2024)	The Grant Scheme provides funding support for eligible bond issuers and loan borrowers to cover part of their expenses on bond issuance and external review services.	Since the introduction of the Grant Scheme in 2021, a total of around $260 million has been granted.	The Grant Scheme aims to encourage more green financing activities to be conducted in Hong Kong and has provided funding support to 440 green and sustainable debt instruments issued in Hong Kong since its launch in 2021.* *Excluding the number of applications and related expenditure under the extended Grant Scheme since 10 May 2024. The related funding requirement is absorbed by the Hong Kong Monetary Authority (HKMA).	$47.9 million	Not Applicable (The Grant Scheme has been extended by 3 years from 10 May 2024 to 2027, with the related funding requirement being absorbed by the HKMA.)
5.	Pilot Insurance-linked Securities (ILS) Grant Scheme (From 2021-22 to 2028-29)	As a global risk management centre and insurance hub, Hong Kong aims to promote the ILS business. The Grant Scheme can attract	Since the launch of the Grant Scheme in May 2021, a total subsidy of about $53 million has been granted.	A total of 7 catastrophe bonds have been issued in Hong Kong since the launch of the Grant Scheme in 2021, including 6 bonds granted with subsidies.	$24 million	Nil (We already provided a total funding of $60 million

	Item (Duration subsidised by the Funding)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Actual Expenditure	2025-26 Estimated Expenditure
		more ILS issuers and nurture talent, propelling the development of an ecosystem for non-traditional risk transfer market.				(including $24 million in 2024-25) to the scheme administrator (i.e. Insurance Authority) in previous financial years. As there is residual funding in the Grant Scheme, it is not necessary to allocate funding in 2025-26.)
6.	Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme (2024-25)	The Funding Support Scheme provides early-stage funding to support technology companies or research institutes conducting green fintech activities to collaborate with local enterprises to co-develop new projects in the market that can address the industry pain	Launched in June 2024, the Funding Support Scheme approved 60 applications. The grant for each approved project is $150,000, involving a total funding support of $9 million.	The Funding Support Scheme has approved grants to 60 green Fintech solutions. All of these solutions have completed proof-of-concept and are expected to be launched on the market.	$10 million (including the fees of $1 million paid to the scheme administrator (i.e. Cyberport))	Not Applicable (The Funding Support Scheme was launched in June 2024. The total funding of $10 million has been fully disbursed to the scheme

	Item (Duration subsidised by the Funding)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Actual Expenditure	2025-26 Estimated Expenditure
		points. It facilitates the commercialisation of the solutions and the completion of the proof-of-concept stage, enabling wider adoption of green and sustainable fintech solutions with potential in the business landscape of Hong Kong.				administrator (i.e. Cyberport) in 2024-25, and therefore it is not necessary to allocate funding in 2025-26.)
7.	Wealth for Good in Hong Kong Summit (2024-25)	The Wealth for Good in Hong Kong Summit, which is a top-level exclusive event for global family offices, showcased Hong Kong's strengths as a global hub for family offices.	A maximum commitment of $6.7 million had been earmarked in 2024-25 under the Funding to support the operating costs of the Summit.	There were around 360 attendees for the Summit in 2024-25.	$5.9 million	Not applicable
8.	Pilot Scheme on Training Subsidy for Fintech Practitioners	The Subsidy Scheme provides practitioners having successfully attained fintech professional qualifications with	As at end-March 2026, a total of about $20 million has been allocated to the scheme administrator (i.e.	As at end-March 2026, around 870 practitioners have enrolled in the relevant courses.	$0.78 million	Nil (The Subsidy Scheme has been implemented since September

	Item (Duration subsidised by the Funding)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Actual Expenditure	2025-26 Estimated Expenditure
	(From 2022-23 to 2028-29)	training subsidy, with a view to promoting the professional development of fintech talents and expanding the fintech talent pool in Hong Kong.	Hong Kong Institute of Bankers).			2022. In previous financial years, we have provided a total funding of about $20 million (including $0.78 million in 2024-25) to the scheme administrator. As there is surplus funding in the Subsidy Scheme, it is not necessary to allocate funding in 2025-26.)
				Total:	**around $210 million**	**around $70 million**

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)103**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0797)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated in paragraph 94 of the Budget Speech, board lot reforms in the securities market will be taken forward and the uncertificated securities market regime will be launched in collaboration with the Securities and Futures Commission (SFC) and the industry this year. In this connection, please inform this Committee of the following:

1. Currently, the number of shares per lot is determined by the issuer. Earlier, the Hong Kong Exchanges and Clearing Limited (HKEX) proposed in its consultation paper to standardise board lot units, cutting the number of board lot unit options from over 40 at present to 8. Will reference be drawn from the Shanghai and Shenzhen stock markets, where a board lot is fixed at 100 shares, to further reduce the number of board lot unit options, thereby facilitating integration with the Mainland market?

2. In Hong Kong, both the buyers and the sellers of stocks are currently required to pay a stamp duty at a rate of 0.1% of the value of the transactions, whereas in the Shanghai and Shenzhen stock markets, a stamp duty at 0.1% is levied only on the sellers. Will Hong Kong draw reference from Shanghai and Shenzhen, charging stamp duty solely on sellers to enhance competitiveness?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 24)

Reply:

(1) The Government is committed to driving the Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited (HKEX) to study measures for optimising the trading mechanism, with a view to enhancing market efficiency and competitiveness.

At present, the securities market adopts "board lots" as the single trading unit, with the number of shares per "board lot" determined by the issuer. Taking into account the

diverse views in the market on trading units, HKEX has conducted consultation on optimising the framework for board lot trading units for stocks, with the aim of aligning trading arrangements more closely with the liquidity characteristics and investment needs of shares of different sizes, thereby facilitating orderly trading and enhancing efficiency. Notably, after a comprehensive review of different board lot frameworks, HKEX has proposed to standardise the number of shares per board lot for securities, reducing from more than 40 variations currently to 8. The consultation paper explained that the proposal seeks to simplify trading and operational processes in the secondary market and improve the efficiency of strategy execution; while at the same time provide issuers with flexibility to select board lot sizes according to their own circumstances. The proposed arrangements would also prepare the market for the long-term goal of gradually moving towards a unified board lot size. The consultation concluded on 12 March this year. HKEX is carefully studying the views of different market participants, with the target of publishing the consultation conclusion and announcing the implementation arrangements within the year.

(2) With Hong Kong being an international financial centre, the Government has been driving the SFC and HKEX to leverage the unique advantages under "One Country, Two Systems" to pursue reforms in different areas of the securities market, thereby fostering high-quality and sustainable market development. Driven by a series of reforms, Hong Kong's initial public offering fundraising in 2025 reached $286.9 billion, ranking first globally; with an average daily turnover of $249.8 billion, representing a 90% increase over 2024.

The Government has lowered the rate of stamp duty on stock transfers to 0.1% since mid-November 2023 to reduce investors' transaction costs. To promote the development of different financial products and areas, we have exempted the stamp duties payable for trading exchange-traded funds, debt securities, derivatives, and specified transactions by market makers of the HKD-RMB dual counters respectively. We also implemented the waiver of stamp duties payable on the transfer of real estate investment trust shares or units and the jobbing business of options market makers in 2024. In addition, there is no capital gains tax in Hong Kong.

Enhancing the competitiveness of Hong Kong's market cannot rely solely on reducing the rate of stamp duty on stock transfers. We will continue to promote securities market reforms by enhancing the listing regime, market structure, trading mechanism and system infrastructure, so as to attract more quality issuers, provide investors with more diversified products and enhance market vibrancy and liquidity, thereby further strengthening the international competitiveness of Hong Kong's market.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2608)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 74 of the Budget Speech that the Government has already requested the Hong Kong Exchanges and Clearing Limited to review the relevant listing requirements so as to facilitate and attract the listing of aerospace enterprises in Hong Kong. In this connection, will the Government inform this Committee of the following:

1. Will the Government provide a timetable for the review so as to implement the initiative as soon as possible?
2. How many aerospace enterprises are expected to be attracted to list in Hong Kong each year upon implementation?
3. What is the expected annual amount of capital to be raised by these aerospace enterprises through listing in Hong Kong upon implementation?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 15)

Reply:

As a global major listing platform for companies from different jurisdictions, we have been keeping abreast of international trends and continuously enhancing Hong Kong's listing regime, broadening the fundraising channels for enterprises and facilitating listing by companies from different industries in Hong Kong, so as to build a vibrant and sustainable fundraising platform.

In recent years, the aerospace industry has experienced significant development, extending beyond national strategic initiatives into the commercial sphere. In March 2023, Hong Kong Exchanges and Clearing Limited (HKEX) introduced the listing regime for specialist technology companies, enabling sizeable specialist technology enterprises to list and raise funds under a new eligibility test. Notably, according to HKEX's guidance, aerospace technology (including the development of hardware or software through research, exploration and utilisation of space-related technology) has been included as an acceptable sector of

specialist technology industries. Applicants may apply for listing under Chapter 18C and benefit from the Technology Enterprises Channel. To support relevant developments, HKEX has commenced a review to assess whether the listing regime for specialist technology companies can meet the fundraising needs of the development of the aerospace industry, and will announce specific measures or provide further guidance in due course. As company listing is a commercial decision, and market sentiment is influenced by external factors such as macroeconomic growth, geopolitical circumstances and industry outlook, we are unable to provide specific estimates on the number of aerospace enterprises that may list in Hong Kong or the amount of funds to be raised in the future.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2609)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 89 of the Budget Speech that since the full operation of the Hong Kong Investment Corporation (HKIC), it has cumulatively invested in over 190 projects. 10 of the investee companies are already listed in Hong Kong, with a further 20 preparing for listing this year. In this connection, will the Government inform this Committee of the following:

1. What are the details of the above-mentioned 190 projects?
2. What are the respective amounts invested in each of the above-mentioned 190 projects?
3. What is the mechanism for selecting investment projects?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 20)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

Since coming into full operation, the HKIC has invested in over 200 projects, including companies with cutting-edge technologies or operating within key industries. Key investment themes include hard and core technology, biotechnology and new energy and green technology, accounting for 59%, 13% and 14% of the capital invested respectively. In terms of geographical distribution of investee companies, around 30% are from Hong Kong, with the remainder from the Chinese Mainland and overseas. According to the first Annual Report published by HKIC, as of the end of 2024, the HKIC recorded an investment income of over HK$2.3 billion. On one hand, these investments contribute to the growth of Hong Kong's innovation and technology (I&T) industry, helping local start-ups explore real-world application scenarios and expand into diverse markets. On the other hand, through the catalytic power of capital, they effectively bring together patient capital from international

markets to accelerate the development and innovative application of frontier technologies, thereby attracting high-quality projects and companies from the Chinese Mainland and overseas to establish and develop their businesses in Hong Kong.

The HKIC adopts a direct, proactive, and flexible strategy to identify high-potential projects and partners. During the selection process, the HKIC places significant weight on whether a company is firmly committed to using Hong Kong as their core business base and actively contributing to the local I&T ecosystem. At the same time, priority is given to companies or projects that can significantly bolster the development of both the upstream and downstream segments of the industrial ecosystem, as well as those capable of driving new demand in adjacent or related industry chains. By leveraging their "platform effect", these companies and projects promote the industry chain upgrades and enhance competitiveness, creating long-term strategic value for Hong Kong's economy.

To ensure the professionalism and rigour of its investment decisions, the HKIC has established a robust due diligence and risk assessment mechanism alongside a structured decision-making process. All investment projects are subject to review and approval by the Board of Directors or its Investment Committee. In addition to officials from relevant policy bureaux, the Board includes non-official industry leaders, such as experts, academics, and professionals with backgrounds in technology and extensive experience in start-ups. The HKIC also adopts a proactive post-investment management model, dynamically monitoring and continuously tracking the financial metrics and business development of its investee companies.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)106**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0534)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As specified in the Matters Requiring Special Attention in 2026-27, the Bureau will "enhance the efficiency of administration of corporate insolvency and personal bankruptcy". In this connection, will the Government inform this Committee of the following:

1. What are the numbers of applications received for (i) corporate insolvency and (ii) personal bankruptcy, the number of cases concluded and the average processing times in each the past 5 financial years, as well as the total number of cases still pending to date (the backlog)?

2. Given the Bureau's current proposal to "enhance the efficiency", what are the main reasons for the backlog or efficiency constraints (e.g. manpower shortage or a surge in the number of cases)?

3. What new plans or measures will be implemented specifically by the Bureau and the Official Receiver's Office under its purview (e.g. introducing new IT systems, streamlining regulatory procedures or contracting out more work) in order to "enhance the efficiency" in 2026-27? What are the specific indicators (KPIs), estimated expenditure and staffing arrangements?

Asked by: Hon LEUNG Tsz-wing, Dennis (LegCo internal reference no.: 55)

Reply:

(1) The numbers of bankruptcy petitions and winding-up petitions received, cases completed and active cases being handled for the past 5 financial years are as follows:

	2021-22 *(Note)*	**2022-23** *(Note)*	**2023-24** *(Note)*	**2024-25**	**2025-26 (up to February 2026)**
Number of bankruptcy petitions	6 401	7 554	8 220	9 498	8 897
Number of winding-up petitions	432	553	608	735	800
Number of cases completed (i.e. cases stayed, rescinded, and with release order made)	4 146	9 843	6 799	11 898	7 961
Number of active cases being handled	60 611	58 895	59 335	58 090	59 924

(Note) The figures of 2021 to 2023 were affected by the special arrangements for the COVID-19 pandemic during the periods, such as closure of the court and social distancing measures put in place by the Judiciary.

The number of insolvency cases handled by the Official Receiver's Office (ORO) includes in-house cases administered by the Official Receiver and outside cases handled by trustee/liquidator requiring the Official Receiver's monitoring.

In respect of processing time for insolvency cases, majority of ongoing cases are bankruptcy cases, including those still within the bankruptcy order period (typically four years for the first bankruptcy order, extendable to a total of 8 years depending on circumstances). In addition, the complexity of each individual case can vary very significantly or it may involve certain factors outside the control of the ORO including legal proceedings and claims/cooperation of third parties (e.g., disposal or buy-back of the bankrupt's interest in joint landed property involving co-owner or other interested parties).

(2) and (3)

The Financial Services Branch and the ORO are all along committed to maintaining a high standard and efficient insolvency service. As mentioned above, the complexity of individual cases varies possibly involving factors beyond control, so that case handling time frame cannot be generalised. The Financial Services Branch will continue to work with the ORO to review work procedures and implement appropriate improvement measures.

Specifically, in 2026–27, the ORO will optimise case administration and monitoring processes involving different stakeholders (e.g., creditors and private insolvency practitioners) through its Electronic Submission System, which has been fully implemented, with a view to saving manual efforts and further enhancing efficiency of relevant processes. It is also planned to introduce e-Proof documents in place of certain physical documents to be issued in the case handling processes, thus enabling their electronic transmission to streamline workflows and shorten the processing time. The above measures will be implemented with the ORO's existing expenditure funding and manpower resources.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)107**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0540)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 98 of the Budget Speech that to attract more family offices and funds to set up in Hong Kong, the Government will enhance the tax regime, including expanding the scope of "fund" to cover specific funds-of-one, as well as classifying digital assets, precious metals, specified commodities, etc. as qualifying investments eligible for tax concessions. On implementing and enhancing the preferential regime for setting up family offices, will the Controlling Officer advise this Committee of:

1. the number of tax exemption applications received (broken down by year) in 2021-22, 2022-23, 2023-24 and 2024-25; and
2. the numbers of approved, pending and refused applications in each of the above years.

Asked by: Hon LEUNG Tsz-wing, Dennis (LegCo internal reference no.: 52)

Reply:

(1) From a year of assessment commencing on or after 1 April 2022 onwards, eligible family-owned investment holding vehicles (FIHVs) managed by eligible single family offices (FOs) in Hong Kong may enjoy profits tax concession if the prescribed conditions are met. As of end-December 2025, the Inland Revenue Department (IRD) has received 1, 2 and 16 applications for tax concessions for FIHVs for the years of assessment 2022/23, 2023/24 and 2024/25 respectively. Having regard that the industry need time to adjust their operations in order to meet the eligibility requirements for tax concession, and also some of the industry players may still be observing the policy developments of the Government's plan to further enhance the tax concession regime for FIHVs, the current number of applications may not be an appropriate indicator of the effectiveness of the tax regime.

Apart from the tax concession for FIHVs, the Government has also introduced a series of policy measures to promote the development of FO business, including the

establishment of the Hong Kong Academy for Wealth Legacy, the launch of the New Capital Investment Entrant Scheme to attract new capital to Hong Kong, and the establishment of a dedicated team by Invest Hong Kong (InvestHK) to provide one-stop support services to FOs. The relevant policy measures have yielded significant results. According to the study findings by the consultant commissioned by InvestHK published in February 2026, there were over 3 380 single FOs operating in Hong Kong as of end-2025. This represents an increase of about 680 offices, or a growth of more than 25%, over the past 2 years. We have also achieved early the target of facilitating at least 200 FOs to set up operations or expand their business in Hong Kong from 2022 to 2025, as laid down in the Chief Executive's 2022 Policy Address. We will strive to further facilitate at least 220 FOs to set up operations or expand their business in Hong Kong from 2026 to 2028.

(2) The IRD adopts the "Assess-First-Audit-Later" approach. Most tax assessments are raised per returns and subject to subsequent reviews. Where an application for tax concession is found to be not acceptable later, the IRD will raise an assessment or additional assessment to disallow the concession within the statutory time limit. Therefore, the IRD is not able to provide a further breakdown on the applications by approval status.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0543)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In 2026-27, the Bureau will continue overseeing the Pilot Green and Sustainable Finance Capacity Building Support Scheme. Regarding the Scheme, will the Government inform this Committee of:

1. the numbers and percentages of participants subsidised under the Scheme from its inception to 2025-26, with a breakdown by industry engaged by the participants (e.g. banking, asset and wealth management, insurance, accounting/legal profession and non-financial businesses);
2. whether the Bureau has, in its estimate for administrative expenses for 2026-27, allocated any resources to develop a tracking mechanism for compiling statistics on the employment situation of participants subsidised under the Scheme upon completion of the programmes; if so, the findings;
3. based on the data currently available, the percentage of beneficiaries who have actually remained in, or successfully transferred to, core positions in the green and sustainable finance sector after completing the training programmes.

Asked by: Hon LEUNG Tsz-wing, Dennis (LegCo internal reference no.: 49)

Reply:

To nurture talent for further promoting green and sustainable finance, the Government launched in December 2022 the Pilot Green and Sustainable Finance Capacity Building Support Scheme (Pilot Scheme) for application by local eligible market practitioners and related professionals as well as students and graduates of relevant disciplines. Upon completing eligible programmes or accomplishing relevant qualifications, applicants can apply for reimbursement of up to $10,000. To continuously support local green-finance talent training, the Pilot Scheme has been extended to 2028.

As of end-March 2026, the Pilot Scheme has approved and disbursed 9 744 applications, among which around 65% of the applicants were practitioners in the financial services industry or practitioners in non-financial services industries whose responsibilities involve green and sustainable finance considerations. The distribution of approved and disbursed reimbursement applicants is as follows:

Applicant category [Note1]	**Approved and disbursed applications**	**Percentage**[Note5]
Practitioners in the financial services industry[Note2]	3 360	34
Practitioners in non-financial services industries whose roles and/or responsibilities involve green and sustainable finance considerations[Note3]	2 971	30
Full-time or part-time students at a university or local tertiary institution, with a view to obtaining a bachelor's degree or higher qualifications in relevant disciplines[Note4]	1 358	14
Holders of bachelor's degrees or postgraduate degrees in relevant disciplines[Note4]	2 055	21

Note 1: To be eligible for reimbursement under the Pilot Scheme, applicants must be 1) Hong Kong residents; and 2) either (i) Practitioners in the financial services industry (currently or previously in service); or (ii) Practitioners in non-financial services industries whose roles and/or responsibilities involve green and sustainable finance considerations (currently or previously in service); or (iii) Full-time or part-time students at a university or local tertiary institution, with a view to obtaining a bachelor's degree or higher qualifications in relevant disciplines; or (iv) Holders of bachelor's degrees or postgraduate degrees in relevant disciplines.

Note 2: Financial services practitioners refer to individuals employed in relevant sectors and organisations, including banking, asset and wealth management, insurance, accounting, etc.

Note 3: Green and sustainable finance considerations include but not limited to financing and investment, product development, disclosure, reporting and standards, regulation and compliance, corporate strategies and policies, data collection and analysis, rating assessment, risk management, consultancy and advisory services, marketing and investor relations, academic analysis and research, and internal audit.

Note 4: Relevant disciplines include but not limited to business administration, environment, science, engineering, social sciences and technology.

Note 5: Percentages may not sum up to 100% due to rounding.

The Pilot Scheme aims to promote green and sustainable finance and raise market awareness as well as participation. It strengthens Hong Kong market players' capacity, expands the talent pool and enhances capacity building. The Pilot Scheme encourages market practitioners as well as prospective practitioners to take up relevant training or acquire relevant professional qualifications and receive subsidies, based on interests and relevance. The approval process does not require applicants to provide proof of employment prospects, hence relevant information is not available.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)109

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0921)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that Hong Kong will align with the 15th Five-Year Plan and advance internationalisation of the Renminbi (RMB) by attracting high-quality issuers to increase RMB bond issuance in Hong Kong. This involves cross-boundary financial regulatory regimes. In this connection, will the Government inform this Committee of the following:

1. Will the Government put in place a mechanism to protect investors' interests or assist in recovering compensation should an issuer fail to redeem the bonds or pay interest due to financial difficulties? If yes, what are the details?
2. Will the government make it mandatory for an issuer in financial difficulties to restructure its debts, so as to protect investors' interests?
3. Will holders of RMB bonds issued in Hong Kong be affected if the issuer restructures its debts in the Mainland? Is approval from the Government of the Hong Kong Special Administrative Region required for the debt restructuring?
4. Will measures be formulated to impose purchase restrictions on investors to ensure that they have adequate knowledge of the risks involved?

Asked by: Hon MAN Wing-yee, Ginny (LegCo internal reference no.: 7)

Reply:

The 2026-27 Budget proposes attracting high-quality issuers to increase Renminbi (RMB) bond issuance in Hong Kong and tapping into emerging markets to bring more cross-boundary RMB transactions to Hong Kong. This initiative enables high-quality issuers to leverage the depth and broad investor base of Hong Kong's financial market to support their development projects, enhancing the mutual promotion of the fundraising market and RMB internationalisation. Some sovereign and quasi-sovereign entities, such as the Government of Indonesia and the Development Bank of Kazakhstan, issued offshore RMB bonds in Hong Kong for the first time in 2025. In February 2026, the Indonesian

government issued bonds (including offshore RMB bonds) in Hong Kong again. Multilateral development banks such as the Asian Infrastructure Investment Bank and the Asian Development Bank also issued offshore RMB bonds repeatedly in Hong Kong. These developments underscore Hong Kong's growing appeal as a leading hub for offshore RMB bond issuance.

In terms of investor protection, under the Securities and Futures Ordinance (Cap.571) (SFO), all offers of bonds to the public require the authorisation of the Securities and Futures Commission (SFC) unless otherwise exempted (e.g., offers to professional investors). In addition, the SFO also governs the activities of SFC-licensed intermediaries. Bonds listed on the Stock Exchange of Hong Kong must also comply with the Listing Rules. Listed bond issuers are subject to disclosure obligations under the Listing Rules as well as the SFO (such as the inside information regime), requiring them to promptly disclose any financial difficulties or defaults. This ensures that investors are informed of any financial distress without delay.

The level of disclosure for the benefit of the investors in the Hong Kong bond market depends on the type of bond offering. For retail bond offerings to public investors, issuers must have their offering documents authorised by the SFC (unless exemptions apply), ensuring that all material information necessary for an informed investment decision is disclosed. A significant majority of bonds in Hong Kong are either unlisted private placements (i.e. not public retail offerings), or listed under Chapter 37 of the Listing Rules, which restricts offerings to professional investors, such as individuals with a portfolio of at least HK$8 million. Unlisted private placements do not require SFC authorisation, and Chapter 37 offerings are subject to fewer disclosure requirements, as professional investors are presumed to have a higher level of sophistication and risk tolerance.

Furthermore, SFC-licensed intermediaries are required to ensure that any bond recommendations, taking into account the features and risks of the bonds, are suitable for their clients' financial circumstances and risk appetite. Any "mis-selling" by an intermediary would lead to disciplinary actions.

Retail investors may claim compensation from the Investor Compensation Fund (administered by the Investor Compensation Company Limited, a wholly-owned subsidiary of the SFC) in respect of their monetary losses as a result of a default of an SFC-licensed intermediary in relation to exchange-traded products in Hong Kong. The maximum compensation investors will receive is HK$500,000 per claimant.

The Government will continue to support the SFC and its subsidiary, the Investor and Financial Education Council (IFEC) to conduct investor education and enhance public understanding of various investment risks, including the risks involved in bond investments. The IFEC website provides a wide range of investor and financial education resources, including information about bond investments. The IFEC will continue to produce related education resources and share via social media channels to enhance the public's understanding. In addition, the SFC will continue to collaborate with regulatory counterparts and the Police to take forward the investor and financial education work and raise the anti-scam awareness of the public, as part of its efforts to protect investors' interests.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)110**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0251)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in the Matters Requiring Special Attention in 2026-27 under this Programme, the Financial Services Branch will "promote the development of digital assets in Hong Kong by, inter alia, establishing a comprehensive regulatory framework, including the implementation of the licensing regime for virtual asset trading platforms and the expansion of its regulatory scope to virtual asset dealing and custodian services providers, and the implementation of the licensing regime for stablecoin issuers; and enhance Hong Kong's regulatory regime for combatting money laundering and terrorist financing by, inter alia, stepping up the efforts in investor education and participate actively in inter-governmental organisations such as the Financial Action Task Force". Please inform this Committee of the expenditure and manpower involved in promoting the development of digital assets in 2025-26, which include overseeing the implementation of the licensing regime for digital asset service providers, regulating over-the-counter trading of digital assets and stablecoin issuers, and carrying out investor education. Is there sufficient manpower for implementing the licensing regime? What are the estimated expenditure and manpower involved in such work in 2026-27? Will additional manpower be required for the licensing work to meet the demands of the industry? Will additional resources be allocated to further strengthen the efforts in investor education and promotion of the digital asset business?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 18)

Reply:

To address the risks of money laundering and terrorist financing, protect investors and promote the sustainable development of Hong Kong's digital asset ecosystem, further to the introduction of the licensing regime for virtual asset (VA) trading platforms in June 2023, the Stablecoins Ordinance (Cap. 656) came into effect on 1 August 2025, establishing a statutory regulatory regime for stablecoins issuers in Hong Kong. The Hong Kong Monetary Authority (HKMA) has announced the first batch of licensees, and will exercise ongoing supervision over licensed issuers and step up public education efforts relating to stablecoins.

Furthermore, the Financial Services Branch (FSB) and the Securities and Futures Commission (SFC) conducted public consultation on the legislative proposals for establishing licensing regimes for VA dealing and custodian service providers from June to August 2025, and published the consultation conclusions in December 2025. The FSB and the SFC also conducted a further public consultation on establishing licensing regimes for VA advisory and management service providers. We are formulating details of the legislative proposals, and target to introduce a bill on the regulatory regimes for the 4 types of service providers above into the Legislative Council within this year.

Regarding investor education, the SFC and its subsidiary Investor and Financial Education Council (IFEC) have been making proactive efforts on VA investor education, including disseminating information about VA trading platforms and reminding the public of the risks of trading on unlicensed platforms. Through cross-media advertisements, short video clips, topical seminars, community outreach activities, social media platforms, media interviews, etc., the SFC and the IFEC enhance the public's basic understanding of the concepts of different investment tools (including VA), as well as their knowledge and awareness of relevant risks and potential fraud.

In particular, the IFEC has a VA section on its website, so as to assist the public in comprehending the features and associated risks of VA and related products. After the introduction of the regulatory framework for stablecoin issuers, the IFEC has developed targeted educational resources on stablecoins to introduce their nature, operational mechanisms, practical applications and potential risks, while also outlining the principal elements of the applicable regulatory regime. As one of the programmes under "Hong Kong Money Month 2026", the IFEC partnered with the media in March 2026 to conduct an exclusive interview with a representative of the SFC. The discussion covered key developments in the VA market, the emergence of tokenised products, and the impact of financial influencers on investors' decision-making.

Meanwhile, the SFC actively promotes anti-fraud messages in the community as well as publishes anti-fraud and VA-related posts and advertisements on social media and search engines. The SFC will further enhance collaboration with other regulators and the Hong Kong Police Force, with a view to jointly deepening public understanding of emerging investment products and preventing financial fraud, thereby better safeguarding the interests of investors.

The Financial Services Branch, the HKMA, the SFC and the IFEC will continue to handle and take forward the aforementioned tasks using existing manpower and resources, and will allocate resources flexibly based on actual circumstances. The relevant expenditures and manpower have been incorporated into their overall budgets, with no breakdown of expenditure available.

We will continue to closely monitor market developments and will enhance the licensing regimes as appropriate, with a view to promoting the sustainable development and innovation of Hong Kong's digital asset industry.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0259)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to Programme (1), one of the functions of the Financial Services Branch is formulating policies for Mandatory Provident Fund (MPF) schemes operation. The Financial Secretary has indicated that the Government will comprehensively review the proposal on allowing members of the public to withdraw contributions from their MPF accounts for home purchase. Has the Financial Services Branch assisted in the review? If so, what are the manpower establishment and expenditure involved in the review? What is the estimated time required for completing the review? Will the relevant review report be made public? Will the Government study the feasibility of treating reverse mortgages of properties by the public as another form of stable retirement protection, thereby supporting the argument that MPF contributions can be used for home purchase?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 515)

Reply:

The purpose of the Mandatory Provident Fund (MPF) System is to assist the Hong Kong working population in accumulating savings for their retirement. Allowing scheme members to withdraw their MPF benefits early for home purchases will cause an impact on their retirement protection. MPF is a long-term investment with compounding effect, designed to allow MPF benefits to accumulate steadily during the working life of scheme members. Therefore, MPF benefits should be preserved as far as possible and only be withdrawn upon retirement of the employed persons. If the Government were to relax the preservation requirement on MPF benefits and allow scheme members to make early withdrawals to meet their home ownership needs, scheme members will lose the opportunity for their MPF benefits to accumulate for value growth, thereby undermining the basic retirement protection of the working population.

Moreover, the MPF System offers the advantage of investment risk diversification. By investing in MPF funds that cover different asset classes and markets, scheme members can

reduce the impact of fluctuations in individual asset class or market on their MPF benefits. Real estate investments generally carry higher risks compared to those in MPF funds, hence will not be able to mitigate investment risks as effectively as a diversified MPF portfolio. If the property market experiences adjustments before the borrowers take out reverse mortgages, the fixed annuity payments they receive will also be reduced correspondingly, posing unnecessary risks to the basic retirement protection of the working population.

Having considered the above, the Government currently has no plan to allow early withdrawal of MPF benefits for property purchase purpose.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3432)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Since the launch of the New Capital Investment Entrant Scheme (New CIES), how many applications have been received? How many of them have been approved, rejected and are under process? What is the expected level of capital investment brought to Hong Kong? Will the Government consider further relaxing the restrictions of the New CIES on residential property investment by lowering the current threshold of $30 million for the purchase of one single residential property and raising the maximum amount of investment to be counted (currently capped at $10 million) for the purchase of residential properties? If yes, what are the details; if no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 528)

Reply:

From the launch of the New Capital Investment Entrant Scheme (New CIES) in March 2024 up to end-February 2026, Invest Hong Kong (InvestHK) has received 3 166 applications, potentially bringing an investment amount of around HK$95 billion into Hong Kong. Among them, 1 762 applications have been verified as having completed the investments and granted "formal approval". The details are tabulated below –

	Number of applications
Applications for Net Asset Assessment received by InvestHK	3 166
Applications for Net Asset Assessment approved by InvestHK	3 084
Entry applications received by Immigration Department (ImmD)	3 038
Applications with "Approval-in-principle" granted by ImmD	2 697

	Number of applications
Applications fulfilling Investment Requirements as approved by InvestHK	1 837
Applications with "Formal Approval" granted by ImmD	1 762

As of end-February 2026, no entry application received by ImmD has been rejected.

With effect from 17 September 2025, the threshold of transaction price of residential real estate under the New CIES is reduced from HK$50 million to HK$30 million for one single property, and the aggregate cap for the total investment amount in real estate which is counted towards the fulfillment of minimum investment threshold is raised from HK$10 million to HK$15 million (among which the cap on residential real estate remains at HK$10 million). The Government will continuously review the applicants' investment situation and evaluate the effectiveness of the New CIES in a timely manner.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)113**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2151)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the primary focuses of the Budget in the area of promoting the development of financial market of commodities is to drive the development of gold trading. However, the trading volume of Renminbi (RMB)-denominated London Metal Mini Futures (covering copper, aluminium, zinc, nickel, tin and lead) has remained at an extremely low level since their launch at the Hong Kong Exchanges and Clearing Limited. In this connection, will the Government inform this Committee of the following:

1. What were the average daily trading volume, the number of open contracts and the average daily turnover of the above 6 types of RMB-denominated metal futures as at the end of February 2026? Will further measures be taken to boost their liquidity?
2. Will the Government consider expanding the range of products to include other strategic commodities (such as oil, iron ore and silver)? If so, what are the details? If not, what are the reasons?
3. The concept of "Commodity Connect" has long been explored as a way to inject liquidity into the market. What are the details of the discussions between the Government and the Mainland regarding Commodity Connect? What is the specific implementation timetable?

Asked by: Hon NGAI Ming-tak, Michael (LegCo internal reference no.: 19)

Reply:

In the past 5 years, there has been no trading of Renminbi-denominated London Metal Exchange (LME) Mini Contracts on Hong Kong Exchanges and Clearing Limited (HKEX). HKEX has been actively expanding its commodities market. Since launching its first commodity futures in 2014, HKEX has successively introduced various products, including gold, silver and LME Mini Contracts. Currently, LME leads in global non-ferrous metals trading liquidity. Most traders can already invest directly in LME commodity products, resulting in relatively limited incentives to invest in HKEX's Mini Contracts.

Hong Kong's advantage lies in connecting the Chinese Mainland and overseas markets. HKEX has been expanding into different markets proactively as well as considering ways to enrich its product range from time to time as needed.

Exploring the establishment of a "Commodity Connect" with the Chinese Mainland is a long-term direction of mutual market access development. We will continue to strengthen our engagement with relevant Chinese Mainland authorities to follow up and explore expansion and enhancement arrangements for various mutual market access mechanisms. Specific measures will be announced in a timely manner when they are ready.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2152)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What specific product development roadmap and policy support measures does the Government have to ensure the synergistic development of various Renminbi products and further strengthen Hong Kong's position as the global offshore Renminbi business hub?

Asked by: Hon NGAI Ming-tak (LegCo internal reference no.: 21)

Reply:

With the support of the Central People's Government, the Government, regulators and Hong Kong Exchanges and Clearing Limited have all along been leveraging the unique advantages under "one country, two systems" to continuously enhance the mutual market access mechanism, strengthening Hong Kong's function as a global offshore RMB business hub while promoting the progress of RMB internationalisation. The National 15th Five-Year Plan has called for advancing the RMB internationalisation and pursuing greater openness of RMB capital accounts. We will leverage Hong Kong's unique strengths and proactively align with national development strategies. We will strive to continuously promote offshore RMB business in 4 main directions: enhancing offshore RMB liquidity, enriching RMB products, improving Hong Kong's financial infrastructure, and actively developing emerging markets.

Hong Kong currently processes about 75% of global offshore RMB payments, and has the largest offshore pool of RMB funds. As at end-2025, the RMB deposits (including outstanding Certificates of Deposit) in Hong Kong was about RMB1.1 trillion, providing liquidity support to offshore RMB trading and financial activities globally. The Hong Kong Monetary Authority (HKMA) introduced the RMB Trade Financing Liquidity Facility (TFLF) in February 2025. The facility offers banks a relatively stable source of offshore Renminbi (RMB) funding for their provision of trade finance-related services to corporate customers. To enhance the liquidity and global reach of the offshore RMB market in Hong Kong, the HKMA introduced the RMB Business Facility (RBF) in October 2025 which

replaced the RMB TFLF, featuring multiple enhancements such as providing enterprises with the longer-term RMB financing required for trade, daily operation and capital expenditure, so as to support the use of RMB in the real economy. Eligible end-users have also been extended from corporate clients of participating banks to cover also corporate clients of the participating banks' overseas intragroup banking entities. From 2 February 2026, the total size of the RBF was increased from RMB100 billion to RMB200 billion to support financial institutions in facilitating the wider use of RMB by enterprises and customers. Funds tapped under the RBF have been used to support participating banks' provision of trade finance, capital expenditure, and working capital term loans to their corporate clients. The HKMA will continue to monitor the implementation of the RBF, including quota utilisation by participating banks, collect market feedback, and consider further enhancements with the support of the People's Bank of China if and as appropriate.

On enriching RMB products, the Ministry of Finance (MoF) has been issuing RMB sovereign bonds in Hong Kong for 18 consecutive years from 2009, with the cumulative issuance amount reaching RMB448 billion as of February 2026. Since 2021, a total of RMB56.5 billion (as of February 2026) of Mainland local government offshore RMB bonds have been issued in Hong Kong by the Shenzhen Municipal People's Government, the People's Government of Hainan Province and the People's Government of Guangdong Province. We will continue to encourage the MoF and more local governments to issue offshore RMB bonds in Hong Kong. Furthermore, under the Government Sustainable Bond Programme (formerly known as the Government Green Bond Programme) and the Infrastructure Bond Programme, the Government has issued RMB-denominated bonds from time to time, with a total issuance amount of around RMB90 billion (as of end-March 2026). In 2025-26, the Government has issued around RMB35 billion worth of RMB bonds, accounting for around 25% of new bond issuance. In particular, in June 2025, the Government issued 20-year and 30-year long-tenor RMB bonds for the second time, with issuance sizes doubled from the inaugural issuance in 2024. The Government's past issuances of RMB bonds have been well received, attracting participation from a wide range of investors. Going forward, we will continue to increase the issuance of RMB bonds across different tenors on a regular basis through the tender arrangement for institutional RMB bonds, with a view to better meeting the asset allocation needs of international investors, while continuing to provide market benchmarks and further promoting offshore RMB market development. The actual issuance amount and arrangement will be subject to prevailing market conditions, the Government's overall issuance planning, and will be subject to approval by the Steering Committee chaired by the Financial Secretary. On other RMB products, the regulators of the Mainland and Hong Kong have announced their support for the launch of offshore treasury bond futures in Hong Kong and the inclusion of RMB counters under the Southbound Trading of Stock Connect, as well as the inclusion of real estate investment trusts (REITs) under mutual access. Relevant institutions in the Mainland and Hong Kong are actively preparing for the implementation of relevant initiatives, which will be announced upon regulatory approval.

On improving Hong Kong's financial infrastructure, since the launch of Bond Connect's "Northbound Trading" and "Southbound Trading" in 2017 and 2021 respectively, they have not only deepened connectivity between the Mainland and international markets, but also reinforced Hong Kong's central role in RMB clearing, financing, and asset management. The Central Moneymarkets Unit (CMU) has also played a pivotal role in supporting the offshore RMB bond repo service and cross-boundary bond repo service introduced last year. CMU will continue to enhance its system capabilities and functionalities to support further

enhancements to Bond Connect Scheme to promote two-way capital flows, and support the HKMA's RBF to bolster liquidity in the offshore RMB market in Hong Kong.

Also, we are actively developing emerging markets such as the Middle East and the Belt and Road. Some sovereign and quasi-sovereign entities, such as the Government of Indonesia and the Development Bank of Kazakhstan, issued offshore RMB bonds in Hong Kong for the first time in 2025. In February 2026, the Indonesian government issued bonds (including offshore RMB bonds) in Hong Kong again. Multilateral development banks such as the Asian Infrastructure Investment Bank and the Asian Development Bank have also been issuing offshore RMB bonds in Hong Kong. These developments underscore Hong Kong's growing appeal as a leading hub for offshore RMB bond issuance. We will strengthen our promotional efforts through delegation visits, conferences, roadshows, etc., to actively highlight the advantages of Hong Kong's offshore RMB services to the international market.

We will strive to continuously enhance offshore RMB liquidity, enrich RMB products, improve Hong Kong's financial infrastructure and actively develop emerging markets, with a view to supporting our country's goal of promoting RMB internationalisation, while further consolidating Hong Kong's position as a global offshore RMB business hub.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2153)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 202 of the Budget Speech that the Hong Kong Monetary Authority has been refining Hong Kong Taxonomy for Sustainable Finance to more effectively address the financing needs of relevant projects, thereby expediting low-carbon transition in the region. It will also strive to develop green transition planning guidance for banks within this year. What are the specific timetable and procedures for the guidance? Will the Government explore setting new targets for the next phase of the plan? If so, what are the details?

Asked by: Hon NGAI Ming-tak. Michael (LegCo internal reference no.: 22)

Reply:

The Hong Kong Monetary Authority (HKMA) released the first phase of the Hong Kong Taxonomy for Sustainable Finance (Hong Kong Taxonomy) in May 2024, aiming to provide the industry with assessment tools, enabling market participants to make informed decisions on green and sustainable finance, alleviating concerns about "greenwashing", and thereby promoting greater capital flows to related activities. In January 2026, the HKMA released Phase 2A of the Hong Kong Taxonomy to expand the Taxonomy scope, including adding transition activities, expanding on green economic activities, and incorporating the climate change adaptation category. The HKMA has commenced the next phase development to further expand the Hong Kong Taxonomy, including introducing more green and transition activities and expanding on climate change adaptation-related measures. The HKMA will continue to consult a broad range of stakeholders in order to effectively respond to sustainable financing needs and facilitate the region's transition to a low carbon economy.

Besides, in relation to transition planning of banks, the HKMA completed its first industry consultation on the draft of a new Supervisory Policy Manual module GS-2 on "Transition Planning" in 2025. The draft guidelines set out the expectations of the HKMA for banks in

relation to their transition planning process, including the establishment of a sound risk management framework, engagement with clients to understand their transition strategies, etc. Based on the feedback received, the HKMA has revised the draft and launched a second round of industry consultation, with an aim to finalising the guidelines within 2026.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)116

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2154)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Deception activities have become increasingly rampant. Online scams employing evolving tactics have resulted in substantial monetary loss. As regards strengthening financial education among members of the public and enhancing their anti-deception awareness, will the Government inform this Committee of:

1. the amount of government funding for the Investor and Financial Education Council (IFEC) in the past 5 financial years, with a breakdown by year;
2. the number of financial education activities held by the IFEC for the public and the corresponding number of participants in each of the past 5 years; and among such activities, the number of those on preventing investment fraud and the respective number of participants;
3. whether quantifiable performance indicators have been set for public financial literacy and anti-deception awareness, such as the target coverage rate with regard to anti-deception knowledge and the target rate of decrease in the number of investment fraud victims; if so, the specific figures; and
4. whether the Government will consider allocating additional resources to the IFEC to promote anti-deception education in a systematic manner; if so, the estimated amount of additional provision and specific plans?

Asked by: Hon NGAI Ming-tak, Michael (LegCo internal reference no.: 23)

Reply:

(1) The Investor and Financial Education Council (IFEC) is a public organisation under the Securities and Futures Commission (SFC). The IFEC makes use of resources provided by the SFC to carry out investor and financial education work. The Government had not provided funding to the IFEC in the past 5 financial years.

(2) In the past 5 financial years, the IFEC arranged over 2 200 talks and workshops for over 110 000 students, youth, working adults and seniors, covering messages such as anti-financial scam, digital finance knowledge and financial management (no relevant breakdown is available). Details are as follows:

	2021-22	**2022-23**	**2023-24**	**2024-25**	**2025-26**
Number of talks and workshops	357	673	344	378	504
Number of participants	17 244	30 210	25 136	20 571	21 394

Apart from the activities above, the IFEC launched Hong Kong's first digital financial education experiential learning centre, the IFEC FinEd Hub, in March 2024 to offer investment and anti-scam education to a wider audience through immersive and interactive learning experiences (such as anti-financial scam games that simulate real-life-inspired investment scams). As of end-March 2026, the FinEd Hub has recorded over 45 000 visits.

In addition, in March 2025, the IFEC organised the "Hong Kong Money Month" with the theme of "Guard against Fraud Thrive with Resilience" to comprehensively promote anti-financial scam messages to different segments of the community through cross-media promotion. The promotion videos recorded a total of 20.6 million views during the promotion period. The IFEC has also introduced various anti-financial scam education resources, animated videos, online seminars, etc., to educate the public on safeguarding against investment scams. The IFEC has again organised the "Hong Kong Money Month" in March 2026 under the theme "Invest in yourself for greater rewards", with new promotional commercials encouraging financial scam prevention.

(3) and (4)

The Government attaches great importance to investor education, and is committed to supporting the SFC and its subsidiary, the IFEC, in enhancing investors' anti-financial scam capabilities, raising the public's knowledge in financial products, and reminding investors of the risks associated with digital finance through various means and channels.

Apart from investor and financial education programmes, the IFEC consistently undertakes research and evaluations to understand the financial literacy and educational needs of the public. According to the "International Survey of Adult Financial Literacy" of the Organisation for Economic Co-operation and Development International Network on Financial Education (OECD/INFE) which covers close to 40 countries and economies, Hong Kong ranks among the top globally in terms of financial literacy. In the latest survey conducted in 2023, Hong Kong ranked first in digital financial literacy and ranked third in terms of overall financial literacy level. Besides, the IFEC has been monitoring the public's financial literacy level with a survey toolkit designed by the OECD/INFE. The results showed that the public's overall financial literacy level has been increasing, with the overall score for 2024 reaching 71.1 out of 100, higher than 70.1 in 2022 and 69.1 in 2019 and also the highest point since the inception of the study.

The SFC launched an anti-scam campaign "Don't be Sucker" in December 2024 to caution the public against common tactics used in fraudulent schemes through an original cartoon character "Shui Yu". The SFC launched advertisements featuring "Shui Yu" in high-visibility platforms and locations, making the anti-scam messages more relatable to the general public. Specifically, in June 2025, the SFC's feature story on a TV infotainment programme garnered over 2.8 million views across Hong Kong and the wider Guangdong region. As of end-March 2026, the SFC has published 116 posts on the social media platform of "Shui Yu", which has attracted over 3.2 million views by unique users.

To take forward the investor and financial education work, the SFC and the IFEC will continue to allocate existing resources as appropriate based on actual circumstances as well as collaborate with regulatory counterparts and the Police, so as to raise the anti-scam awareness of the public.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)117**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2157)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 89 of the Budget Speech, the Hong Kong Investment Corporation has, since its full operation, invested in over 190 projects spanning various fields, which mainly include hard and core technology, life technology, new energy and green technology. 10 of the investee companies are already listed in Hong Kong, with a further 20 preparing for listing this year. In this connection, will the Government inform this Committee of the following:

1. Please list the number of projects, cumulative investment amount and average investment amount by investment category.
2. What are the investment cost and current market value of shareholdings in respect of the 10 listed enterprises? What is the overall investment return rate?
3. How many local jobs have been created in Hong Kong by the over 190 projects invested in? What is proportion of research and development (R&D) positions in the jobs created? How many enterprises have established regional headquarters or R&D centres in Hong Kong?

Asked by: Hon NGAI Ming-tak, Michael (LegCo internal reference no.: 30)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

Since coming into full operation, the HKIC has invested in over 200 projects, including companies with cutting-edge technologies or operating within key industries. Key investment themes include hard and core technology, biotechnology and new energy and green technology, accounting for 59%, 13% and 14% of the capital invested respectively. In terms of geographical distribution of investee companies, around 30% are from Hong Kong,

with the remainder from the Chinese Mainland and overseas. On one hand, these investments contribute to the growth of Hong Kong's innovation and technology (I&T) industry, helping local start-ups explore real-world application scenarios and expand into diverse markets. On the other hand, through the catalytic power of capital, they effectively bring together patient capital from international markets to accelerate the development and innovative application of frontier technologies, thereby attracting high-quality projects and companies from the Chinese Mainland and overseas to establish and develop their businesses in Hong Kong.

As a long-term investment institution committed to the principle of "patient capital", the HKIC's core strategy is to support companies' growth. By nurturing key strategic sectors and related companies, the HKIC brings together capital and talent to build a vibrant ecosystem for Hong Kong's industries. Currently, its investment portfolio includes projects in the incubation and development stages, as well as those already listed, which have recorded very positive financial performance, demonstrating substantial values of these investee companies in the capital market. Moreover, many of these investee companies are accelerating their path to listing, showing a steady growth trajectory. Most of these companies are in a high-growth phase; their business performance and development progress are in line with expectations; and they continue to unlock their potential through technology commercialisation and market expansion.

In measuring investment effectiveness, the HKIC goes beyond pursuing reasonable financial returns, but also evaluates the contributions of investments to the local economy with the aim of building a robust ecosystem. According to the first Annual Report published by the HKIC, as of the end of 2024, its tangible impact has been reflected through various substantive indicators, including driving investee companies to generate over 268 000 square metres of leased floor space demand in Hong Kong, creating more than 6 400 direct jobs, and accumulating a total of 109 intellectual property rights registered in Hong Kong. These metrics fully demonstrate the HKIC's commitment to translating capital deployment into substantive economic value added that fuels the robust development of Hong Kong's I&T ecosystem.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3134)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to paragraph 111 of the Budget Speech, following the signing of a co-operation agreement with the Shanghai Gold Exchange earlier this year and the establishment of a Hong Kong's central clearing system for gold, the Government will explore offering tax incentives for eligible institutions, assist in setting up an industry-led trade association, and develop a training framework. In this connection, please inform this Committee of:

1. whether specific quantitative targets have been set for the development of Hong Kong's gold market for the next 3 and 5 years; if so, the details; and
2. whether there is any specific roadmap or timetable.

Asked by: Hon NGAI Ming-tak, Michael (LegCo internal reference no.: 17)

Reply:

The Government has been actively implementing a series of measures to promote gold market development. Specific measures for the short and medium term include:

(a) supporting the Airport Authority Hong Kong and financial institutions to expand gold storage capacity in Hong Kong, with a target of achieving over 2 000 tonnes within 3 years to propel Hong Kong into a regional gold reserve hub;

(b) encouraging gold traders to set up or expand refineries in Hong Kong, and exploring with the Chinese Mainland the feasibility of processing supplied materials in the Chinese Mainland to produce refined gold for exporting to Hong Kong for trading and delivery;

(c) establishing a central clearing system for gold in Hong Kong to provide efficient and reliable clearing services for transactions of gold in compliance with international standards, and invite the participation of the Shanghai Gold Exchange

to prepare for mutual market access with the Chinese Mainland in the future. The system is scheduled to commence trial operations within this year;

(d) offering a greater variety of gold investment vehicles by assisting issuers in issuing gold funds, and supporting the development of new investment products such as tokenised gold;

(e) exploring offering tax incentives for eligible institutions conducting gold trading and settlement in Hong Kong, with a view to attracting them to establish or expand their operations in the city;

(f) assisting the industry in setting up an industry association to consolidate resources, step up promotion, and foster ties with industry stakeholders from around the world; and

(g) helping the industry keep abreast of the latest developments in gold market, acquire relevant skills and develop a training framework.

We aim to leverage physical storage as the underlying foundation to support the clearing and settlement of gold trading in compliance with international standards through the central clearing system for gold in Hong Kong, thereby driving the development of the related industry chain including investment trading, derivatives, insurance, storage, trade and logistics services, and further consolidating Hong Kong's status as an international financial centre. The Government will dynamically adjust the relevant measures and their implementation timetable in response to market developments.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)119**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3136)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 91 of the Budget Speech that the Government will attract high-quality issuers to increase Renminbi (RMB) bond issuance in Hong Kong and tap into emerging markets to bring more cross-boundary RMB transactions to Hong Kong. Does the Government have specific target categories of issuers and a list of priority emerging markets for development? What are the associated strategies and incentives?

Asked by: Hon NGAI Ming-tak, Michael (LegCo internal reference no.: 20)

Reply:

The 2026-27 Budget proposes attracting high-quality issuers to increase Renminbi (RMB) bond issuance in Hong Kong and tapping into emerging markets to bring more cross-boundary RMB transactions to Hong Kong. This initiative enables high-quality issuers to leverage the depth and broad investor base of Hong Kong's financial market to support their development projects, enhancing the mutual promotion of the fundraising market and RMB internationalisation.

We will continue to actively promote the strength of Hong Kong's offshore RMB bond market, striving to attract a wider variety of bond issuers to issue RMB bonds in Hong Kong. For example, some sovereign and quasi-sovereign entities, such as the Government of Indonesia and the Development Bank of Kazakhstan, issued offshore RMB bonds in Hong Kong for the first time in 2025. In February 2026, the Indonesian government issued bonds (including offshore RMB bonds) in Hong Kong again. Multilateral development banks such as the Asian Infrastructure Investment Bank and the Asian Development Bank have also been issuing offshore RMB bonds in Hong Kong. These developments underscore Hong Kong's growing appeal as a leading hub for offshore RMB bond issuance.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3137)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 74 of the Budget Speech that the Government will facilitate and attract the listing of aerospace enterprises in Hong Kong. In this connection, will the Government inform this Committee of the following:

1. the numbers of aerospace enterprises that have been engaged or followed up with, and the numbers of such enterprises that have established a presence in Hong Kong in the past 3 years, with a breakdown by place of origin and scope of business;
2. regarding the listing of aerospace enterprises in Hong Kong, the number of aerospace enterprises that have already submitted listing applications, among which the respective numbers of enterprises that have been listed and those currently under review, as well as the overall fundraising scale; and
3. whether the Government has set any quantitative target for its work in attracting aerospace enterprises and facilitating their listing for the next 3 years; if so, the specific figures.

Asked by: Hon NGAI Ming-tak, Michael (LegCo internal reference no.: 24)

Reply:

As a global major listing platform for companies from different jurisdictions, we have been keeping abreast of international trends and continuously enhancing Hong Kong's listing regime, broadening the fundraising channels for enterprises and facilitating listing by companies from different industries in Hong Kong, so as to build a vibrant and sustainable fundraising platform.

To promote Hong Kong's capital market to businesses and investors, Hong Kong Exchanges and Clearing Limited (HKEX) is committed to strengthening its connections with different markets through key promotional events and participation in various outreach activities, expanding and deepening its coverage of companies in different sectors, providing detailed

introductions to the advantages of the Hong Kong listing platform and answering key questions for companies preparing for listing. Currently, 4 aerospace-related companies from the Mainland and the United States are listed in Hong Kong, covering industries such as aerospace development, aircraft manufacturing, aviation technology industry operations, etc. Their initial public offerings have raised over $3.5 billion. HKEX has also been actively following up on listing inquiries from aerospace-related companies.

In recent years, the aerospace industry has experienced significant development, extending beyond national strategic initiatives into the commercial sphere. In March 2023, HKEX introduced the listing regime for specialist technology companies, enabling sizeable specialist technology enterprises to list and raise funds under a new eligibility test. Notably, according to HKEX's guidance, aerospace technology (including the development of hardware or software through research, exploration and utilisation of space-related technology) has been included as an acceptable sector of specialist technology industries. Applicants may apply for listing under Chapter 18C and benefit from the Technology Enterprises Channel. To support relevant developments, HKEX has commenced a review to assess whether the listing regime for specialist technology companies can meet the fundraising needs of the development of the aerospace industry, and will announce specific measures or provide further guidance in due course. As company listing is a commercial decision, and market sentiment is influenced by external factors such as macroeconomic growth, geopolitical circumstances and industry outlook, we do not set quantitative targets for the listing of aerospace companies in the future.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. FSTB(FS)121

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1905)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Budget has mentioned advancing the internationalisation of the Renminbi (RMB) and continuing to enhance the securities market. In this connection, will the Government inform this Committee of the following:

1. On advancing RMB internationalisation, what are the plans, strategies and timetable for promoting more convenient foreign exchange quotations and transactions between RMB and other regional currencies?

2. On issuing RMB bonds of different tenors on a regular basis, what are the specific plans and details?

3. To continue enhancing the securities market, the Government has mentioned in the Budget that it will introduce the next stage of reforms, including enhancing the regulatory regime for listed companies. What updated financial instruments and financing markets will the Government use to provide a more effective financing platform for enterprises at different stages of development and of different sizes, in order to reform the listing regime and help accelerate the listing process and lower the listing costs?

4. On enhancing the regulatory regime for listed companies, how will the Government ensure that the regulation on listing companies will be strengthened without increasing the compliance costs of the companies?

5. On improving the vetting process for listing, will the Government abolish outdated listing mechanism and regulatory regime and introduce smart and digital measures to make Hong Kong's listing regime more efficient and effective and lower the costs and fees?

6. Given the new global situation and landscape, there is considerable demand for commodity trading denominated and settled in RMB from overseas, in particular the Belt and Road countries and regions. In this regard, will the Government consider introducing more and diversified RMB-denominated commodities so as to attract more related dealers to establish their presence and operate in Hong Kong?

7. The Government has mentioned in the Budget that it will issue bonds to support the long-term development of Hong Kong and the Northern Metropolis. It has been indicated that the Government will issue more bonds of different tenors. What are the details of the Government's bond issuance plans? What are the tenors and yield curves? How will the Government enhance the bond market infrastructure in the long run, so as to promote the long-term, stable development of our bond market and its derivative products?

8. It was mentioned in the 2024-25 Budget that the Government was actively implementing measures proposed in October 2023 by the Task Force on Enhancing Stock Market Liquidity, including reforming the Growth Enterprise Market (GEM). Subsequently, it has introduced a number of enhancement measures on GEM. How effective are these measures? Will there be other measures to promote the GEM reform in the long run?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 1)

Reply:

(1) The Hong Kong Monetary Authority (HKMA) is actively engaging in in-depth discussions with central banks in the Association of Southeast Asian Nations region and consulting the banking industry to explore feasible arrangements that promote direct foreign exchange quotations and trading between Renminbi (RMB) and other regional currencies in Hong Kong, with a view to effectively reducing transaction costs and enhancing market efficiency as well as financial and trade cooperation. We will provide more details and updates in due course.

(2) Under the Government Sustainable Bond Programme (formerly known as the Government Green Bond Programme) and the Infrastructure Bond Programme, the Government has issued RMB-denominated bonds on multiple occasions, with a total issuance amount of approximately RMB90 billion (as of early March 2026). In 2025-26, the Government issued around RMB35 billion in RMB bonds, accounting for about 25% of total new issuance. In particular, in June 2025, the Government issued 20-year and 30-year long-tenor RMB bonds for the second time, doubling the size of the inaugural issuance in 2024 amid positive market reception. The Government has also continued issuing RMB bonds of various tenors regularly through the institutional tender arrangement, further promoting the formation of the its RMB yield curve. Past RMB bond issuances have been well received, attracting a broad range of investors. Going forward, we will continue increasing the RMB government bond issuance to better meet the asset allocation needs of international investors, while providing market benchmarks to support offshore RMB market development.

(3) to (5)

The Government is committed to driving the Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited (HKEX) to continuously enhance the listing platform, so as to attract different types of enterprises as well as investors from the Mainland and overseas to participate in investment and financing activities in Hong Kong, exemplifying Hong Kong's function as an international fundraising centre. HKEX has launched various reforms to the listing regime over the past few years, including introducing the listing mechanism for specialist technology companies, improving the listing framework for overseas issuers, enhancing the listing vetting process, launching the "Technology Enterprises Channel", etc., thereby facilitating more high-quality enterprises to list in Hong Kong.

To further attract issuers to list in Hong Kong, HKEX launched a market consultation in March this year on the proposals under the first phase of the competitiveness review of the listing regime. The consultation put forward a number of specific enhancement measures, including lowering the market capitalisation and revenue requirements for companies with weighted voting rights structures and lowering the financial requirements for secondary listing of overseas enterprises, etc., so as to make the listing platform better aligned with the latest economic trends and corporate needs. We will also take forward the next stage of reforms to continuously enhance the securities market and improve market efficiency, including enhancing the regulatory regime for continuing obligations of listed companies. HKEX will propose specific enhancement measures for consulting the market.

The Government has been promoting HKEX to correspond to international trends of going paperless and digitalisation to increase market efficiency, so as to consolidate Hong Kong's position as a major international fundraising, risk management and trading hub. To this end, HKEX launched the digitalised initial public offering (IPO) settlement platform (i.e. FINI) in 2023 to comprehensively simplify and modernise the IPO settlement process, shortening the lead time between pricing of an IPO and trading of shares from the original 5 business days (T+5) to 2 business days (T+2), enhancing the efficiency of IPO settlement significantly and assisting the market to manage risks and costs effectively.

The operating mode of the market is evolving continuously with rapid technology advancement. To lay a solid foundation for the sustainable development of a vibrant capital market, we will actively explore shortening the settlement cycle of the cash equities market to 1 business day (T+1). Since July last year, HKEX has been engaging the market to discuss this subject, and has progressively introduced new functionalities and system upgrades to its post-trade system to make the existing Central Clearing and Settlement System compatible with a T+1 settlement cycle, advancing technical preparations for shortening the settlement cycle.

Going forward, HKEX will consult the market in the first half of this year on the operational model and implementation timetable for shortening the settlement cycle of the cash equities market to T+1. The Government will also work with the SFC and the industry to launch the uncertificated securities market regime within this year to remove the need of using paper documents to evidence and effect transfers of legal title to

securities, thereby enhancing the efficiency and infrastructure of the Hong Kong securities market as well as providing better investor protection and transparency.

(6) The 15th Five-Year Plan clearly outlines several key development priorities, including the establishment of a commodity trading ecosystem. With the progress of RMB internationalisation, the influence of RMB in the commodities market is gradually increasing. At the same time, the Mainland is one of the leading commodity consumers in the world. With our country's strong support, Hong Kong has the potential to continue optimising product development and infrastructure and strive to become a major cross-boundary commodity market.

HKEX has launched a series of commodity futures products settled in RMB, covering metal types such as gold, silver, aluminium, zinc, copper, nickel, tin and lead, as well as RMB-denominated gold exchange-traded funds. The Shanghai Gold Exchange also listed RMB-denominated gold contracts for delivery in Hong Kong on its International Board in 2025. On the other hand, the London Metal Exchange and Qianhai Mercantile Exchange, both a subsidiary of HKEX, operate the world's largest base metals exchange and our country's only offshore spot trading platform for soybeans respectively, laying the foundation for the expansion of RMB-denominated commodity products, channeling RMB's vitality in the currency market to the commodity market and promoting RMB internationalisation, thereby attracting relevant traders to expand their business in Hong Kong and establishing the ecosystem for relevant commodities.

(7) To better align with the long-term funding requirements of public works projects, the Government has been expanding the issuance of longer-term bonds. The ratio of bonds with tenors below 5 years to those of 5 years or above has shifted from 8:2 in 2024-25 to 6:4 for 2025-26. We expect this proportion to increase in 2026-27. When executing the bond issuance plan each year, the prevailing fiscal position, market situation and works progress will be taken into account.

To lay a solid foundation for the long-term development of efficient and robust financial market infrastructure, the Government is actively pursuing initiatives to commercialise, internationalise and modernise the Central Moneymarkets Units (CMU). Following the introduction of HKEX as a strategic shareholder in CMU OmniClear Holdings Limited, established by the HKMA, at the end of last year, CMU OmniClear and HKEX will conduct a study on the establishment of a one-stop multi-asset class post-trade securities infrastructure to cover Mainland and Hong Kong equities and debt securities in the long run. This will facilitate cross-product and cross-boundary collateral connectivity, enhancing market liquidity and risk management.

Besides, CMU OmniClear is actively seeking to establish linkages with central securities depositories in various regions. This will progressively expand the global network of CMU, thereby strengthening Hong Kong's role as a bridge connecting the Chinese Mainland with the international markets. Meanwhile, CMU OmniClear is modernising the CMU system in phases to strengthen its capability and functionality, and will establish a digital asset platform this year to support the issuance and settlement of digital bonds. In the future, the platform will be gradually extended to other digital assets and linked with other tokenisation platforms in the region, consolidating Hong Kong's leading role in digital asset market infrastructure.

(8) To provide a more effective fundraising platform for small and medium enterprises (SMEs), HKEX implemented the GEM listing reforms in 2024 after market consultation to enhance its competitiveness. The reforms included introducing a new listing avenue for high-growth enterprises that are heavily engaged in research and development activities, launching a new "streamlined transfer mechanism" to facilitate eligible issuers to transfer to the Main Board, simplifying the reporting requirements and aligning other continuing obligations of GEM and Main Board issuers, etc. Since the reforms took effect, 5 GEM issuers have newly listed and raised $360 million. 8 GEM companies applied to transfer to the Main Board under the streamlined mechanism, 2 of which have successfully completed the transfer to list on the Main Board. The total market capitalisation of GEM listed companies also increased from $53.6 billion before the reforms to $81.6 billion at end-February this year.

There are many factors affecting GEM's liquidity and issuers' applications for transfer. For example, geopolitical developments will have influence on global markets and capital flows, while investors' risk appetite will become more conservative with greater focus on mature enterprises supported by track records. SMEs' demand for listing and fundraising is also affected by external factors such as macroeconomic growth, industry outlook, market sentiment and interest rate policies. The SFC and HKEX will continue to assess the overall market structure, engage with different stakeholders and listen to their views to explore further measures to improve the listing regime, so as to better serve the financing needs of enterprises of different types and sizes.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)122**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2040)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Since its full operation, the Hong Kong Investment Corporation Limited (HKIC) has invested in over 190 projects spanning various fields, which include hard and core technology, life technology, new energy and green technology. 10 of the investee companies are already listed in Hong Kong, with a further 20 preparing for listing this year. In this connection, please inform this Committee of the following:

(1) What is the total actual capital invested by the HKIC to date? What are the distribution of investment amounts and the number of projects by industry? What are the average, highest and lowest investment amounts per project?
(2) Regarding the 10 listed companies, what are the HKIC's shareholding ratios and investment costs, as well as current market values and rates of return? Have any projects achieved exits and realised actual proceeds? What are the amounts involved?

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 34)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

Since coming into full operation, the HKIC has invested in over 200 projects, including companies with cutting-edge technologies or operating within key industries. Key investment themes include hard and core technology, biotechnology and new energy and green technology, accounting for 59%, 13% and 14% of the capital invested respectively. In terms of geographical distribution of investee companies, around 30% are from Hong Kong, with the remainder from the Chinese Mainland and overseas. On one hand, these investments contribute to the growth of Hong Kong's innovation and technology industry, helping local start-ups explore real-world application scenarios and expand into diverse

markets. On the other hand, through the catalytic power of capital, they effectively bring together patient capital from international markets to accelerate the development and innovative application of frontier technologies, thereby attracting high-quality projects and companies from the Chinese Mainland and overseas to establish and develop their businesses in Hong Kong.

As a long-term investment institution committed to the principle of "patient capital", the HKIC's core strategy is to support companies' growth. By nurturing key strategic sectors and related companies, the HKIC brings together capital and talent to build a vibrant ecosystem for Hong Kong's industries. Currently, its investment portfolio includes projects in the incubation and development stages, as well as those already listed, which have recorded very positive financial performance, demonstrating substantial values of these investee companies in the capital market. Moreover, many of these investee companies are accelerating their path to listing, showing a steady growth trajectory. Most of these companies are in a high-growth phase; their business performance and development progress are in line with expectations; and they continue to unlock their potential through technology commercialisation and market expansion.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)123**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1981)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the duties of the Financial Services and the Treasury Bureau (Financial Services Branch) is to formulate policies and/or introduce legislative proposals regarding the Mandatory Provident Fund (MPF) schemes operation. Please advise on the following:

1. Regarding a study to be conducted on MPF funds that offer stable returns at low fees, as mentioned by the Financial Secretary in the 2023-24 Budget, whether the study is still in progress and the expected date for introducing such funds; and
2. The Financial Services and the Treasury Bureau, in its reply to my written question in January 2024, mentioned that a mechanism had been put in place to earmark a certain proportion of Government green bonds for priority investment by MPF funds, and that the mechanism also applied to Government infrastructure bonds. Since the launch of the mechanism, what are the earmarked amount and subscription amount for the different types of Government bonds that allow priority investment by MPF funds?

Asked by: Hon WONG Kwok, Kingsley (LegCo internal reference no.: 22)

Reply:

(1) To satisfy the investment needs of different Mandatory Provident Fund (MPF) scheme members, the Mandatory Provident Fund Schemes Authority (MPFA) has been conducting studies on widening the choices of MPF funds, including MPF funds that offer stable returns at low fees. In addition, under the premise of balancing return potential and risks, the Government and MPFA have been committed to facilitating MPF funds' investment in a more diversified range of asset classes and improving the investment return potential of MPF funds with lower risks. Relevant measures include refining investment regulations, expanding the scope of permissible asset classes, proposing to relax restrictions on the asset allocation of MPF funds, etc. Meanwhile, MPF Conservative Funds recorded stable returns for 3 consecutive years from 2023 to 2025, with average annual net returns (i.e. returns after netting off fund fees and

expenses) of 3.5%, 3.7% and 2.3% respectively, all of which were higher than the inflation rates over the same periods.

Furthermore, in response to public concerns over the difficulty in choosing MPF funds and high fees, since April 2017, each MPF scheme must offer a Default Investment Strategy (DIS) that adopts a globally diversified investment approach, automatically reduces investment risk as scheme members age, and is subject to fee caps. Currently, close to one-third of MPF accounts (about 3.7 million) are investing in funds under DIS (i.e. the Core Accumulation Fund (CAF) and the Age 65 Plus Fund (A65F)). Since the launch of DIS in April 2017, the average annualised net returns of CAF and A65F up to end-December 2025 were 6.9% and 2.5% respectively, outperforming the annualised inflation rate of 1.8% over the same period. The Government and MPFA will, taking into account the evolving market trend, including the fact that certain low-risk MPF funds have lately generated returns higher than the inflation rate over the same period under interest rate normalisation, continuously review the need of launching new types of MPF funds.

(2) The Hong Kong Monetary Authority (HKMA) and MPFA have already put in place a mechanism to earmark a certain proportion of institutional Government green bonds and infrastructure bonds for priority investment by MPF funds, which was first applied in the issuances of institutional green bonds under the Government Green Bond Programme (renamed as the Government Sustainable Bond Programme in May 2024) and institutional infrastructure bonds under the Infrastructure Bond Programme in June 2023 and June 2025 respectively. To allow greater flexibility in meeting the demand for Government bonds among various types of investors and avoid undermining the participation from non-MPF fund investors, HKMA does not set nor announce a pre-determined allocation target or allocation cap. The actual allocation of bonds would depend on, among other factors, the investment decisions of MPF investment managers, overall subscription amount, and issuance size. Drawing reference from past issuances, the existing mechanism can satisfy the demand for institutional Government bonds among MPF fund investors.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2055)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 94 of the Budget Speech that the Hong Kong Stock Exchange (HKEX) will enhance the initial public offering (IPO) process. As the Securities and Futures Commission (SFC) expects to record a surplus, will the Administration inform this Committee:

(a) what were the average approval time and administrative fees required for processing IPO applications by the SFC and HKEX in the past 3 years;
(b) whether the Administration will, in line with the direction of enhancing the IPO process, establish a "fast track for listing" for local small and medium enterprises (SMEs) with potentials;
(c) whether the Administration will, in view of the robust fiscal position of the SFC, consider reducing the application fees and first-year licence fees for local SMEs seeking an IPO?

Asked by: Hon WONG Wing-wai, Ray (LegCo internal reference no.: 14)

Reply:

To provide greater certainty in the time for vetting of listing applications, the Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited (HKEX) announced in October 2024 specific measures to enhance the listing vetting process. Under the enhanced vetting process, the SFC and The Stock Exchange of Hong Kong Limited (SEHK) will continue to conduct regulatory assessments in parallel upon receipt of new listing applications. Both parties will indicate any material regulatory concerns on the new listing applications after a maximum of 2 rounds of regulatory comments in no more than 40 business days[1]. The enhanced arrangements apply to both Main Board and GEM listing applications.

[1] Excluding the response time of the applicants.

With the implementation of the enhanced process, the time for vetting of listing applications has significantly improved. The period from the first submission of a listing application to the point at which the application may proceed to a Listing Committee hearing includes both the HKEX's vetting time and the applicant's response time. For listing applications considered by the Listing Committee between 2023 and 2025, the median number of business days required for the HKEX's vetting was 45, 30 and 32 respectively. For listing applications reviewed by the SFC in the past 3 financial years[2], the average review time taken by the SFC was 34, 28 and 25 business days respectively. The vetting work and associated administrative costs are borne by HKEX and the SFC as part of their operating expenses, and do not involve additional Government expenditure.

Vetting of listing applications is an important step in assessing listing applicants' compliance and maintaining market quality. The objective is to safeguard the interests of the investing public subscribing for the relevant shares, particularly retail investors who may not possess professional knowledge of corporate financials. Applicants are required to meet listing requirements and provide sufficient, accurate, complete and non-misleading disclosure on their business, financial position and prospects, etc. The SFC and HKEX will continue to maintain communication with the industry and review the efficiency and transparency of relevant work, with a view to striking a balance between market development and regulatory needs. As regards the current costs of listing, they mainly comprise fees paid to sponsors, legal advisers, accountants and other professional service providers. Listing fees charged by HKEX account for only a small portion of listing costs, while the SFC does not levy initial listing fees or annual listing fees on companies. Such fees are determined between listing applicants and professional service providers under market mechanism, depending on the circumstances of individual applications. HKEX and the SFC will review HKEX's relevant fee levels from time to time to ensure competitiveness as compared with other major markets.

- End -

[2] Data for the financial year ending 31 March 2026 covers reviews of listing applications completed by 31 December 2025.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2056)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Paragraph 110 of the Budget Speech states that the Hong Kong Monetary Authority (HKMA) launched Project Cargo[x] under the "Commercial Data Interchange" (CDI) to enhance trade finance by harnessing the power of cargo and trade data. In this regard, will the Administration inform this Committee:

(a) As of now, what are the number and amount of loans facilitated through CDI, categorised by manufacturing and import/export trade?
(b) What is the current proportion of loans approved by Hong Kong banks to small and medium enterprises solely based on trade data/orders?
(c) To complement the rollout of Project Cargo[x], will the Administration further encourage banks to directly obtain dynamic data of supply chain for risk assessment of defaulted loans?
(d) Has the HKMA set new annual Key Performance Indicators (KPIs) for the number of banks and data providers participating in CDI and for loan growth?

Asked by: Hon WONG Wing-wai, Ray (LegCo internal reference no.: 15)

Reply:

(a) and (b)

As at the end of 2025, Commercial Data Interchange (CDI) had facilitated over 82 000 loan applications and reviews, with an estimated credit approval amount exceeding HK$66.4 billion. Relevant figures were obtained through system records and data collected from banks. There is currently no detailed breakdown available.

(c) In mid-January 2026, the Expert Panel on Cargo[x] published the "Project Cargo[x] Recommendation Report", which presented 20 recommendations structured under 3

strategic pillars of "Data", "Infrastructure" and "Connectivity", and outlined a roadmap for modernising the trade finance landscape in Hong Kong.

Currently, the Hong Kong Monetary Authority (HKMA) is actively collaborating with the industry to implement the roadmap for Project Cargo[x], further optimising cargo and trade data connectivity through the CDI data infrastructure, and encouraging banks to access relevant trade documents and dynamic supply chain data, including Import and Export Declaration (TDEC) to be provided under Phase 3 services of the Trade Single Window of the Commerce and Economic Development Bureau and real-time cargo track-and-trace data from the Port Community System of the Transport and Logistics Bureau, through CDI. By utilising various types of trade documents data, trade flow and cash flow data for multi-dimensional assessments, banks can gain a more comprehensive understanding of a company's creditworthiness. This approach streamlines loan approval processes and helps reduce banks' reliance on collateral requirements, thereby enhancing small and medium-sized enterprises' (SMEs') access to trade financing.

(d) The roadmap for Project Cargo[x] is a multi-year plan which aligns with the "Fintech 2030" strategy launched by the HKMA in 2025. From now until 2030, it aims to implement certain evergreen initiatives while also achieving more near-term goals. These include targeting to complete the basic integration with major cargo and trade data platforms within 2026 and conducting a Proof-of-Concept study with banks on trade account cash flow. This will enable both banks and SMEs to systematically realise the benefits of harnessing the power of cargo and trade data.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2067)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that the Government is fully committed to developing Hong Kong as an international gold trading centre, including exploring the offering of tax concessions and establishing a central clearing system for gold in Hong Kong. Given that our competitors, such as Singapore and Dubai, already possess mature gold trading ecosystems and tax incentives, Hong Kong must catch up rapidly and accelerate the finalisation of details. In this regard, will the Government inform this Committee of the following:

(a) What is the current progress of the study on tax incentive schemes for gold trading, settlement, physical delivery, and other activities? When are the application threshold and specific tax rates for eligible institutions expected to be announced, and what is the specific timetable for introducing the relevant bill into the Legislative Council?

(b) What is the estimated expenditure for system development and hardware configuration of Hong Kong's central clearing system for gold, which is expected to commence trial operations in 2026? Regarding the implementation of mutual market access with the Shanghai Gold Exchange, what is the progress of discussions between the two parties on the alignment of settlement standards and risk management mechanisms?

(c) To support the establishment of the gold trading centre, the Government plans to classify precious metals as a qualifying investment for family offices. In formulating the policy, did the Government consult the industry to define the scope of qualifying precious metal assets? Additionally, has the Government assessed the anticipated additional capital inflow this measure will bring to Hong Kong's gold market? If so, what are the details? If not, what are the reasons?

Asked by: Hon WONG Wing-wai, Ray (LegCo internal reference no.: 26)

Reply:

(a) The Government will explore offering tax incentives for eligible institutions conducting gold trading and settlement in Hong Kong, with a view to attracting them to establish or expand their operations in the city. The Financial Services and the Treasury Bureau (FSTB) is currently working with relevant institution on this study and formulating the specific details, including making reference to the tax concession policies of other major international gold trading markets, so as to ensure the competitiveness of Hong Kong's tax arrangements and appeal to relevant institutions to choose Hong Kong as a hub for trading, storage, clearing and delivery. Specific measures will be announced in due course.

(b) The Hong Kong central clearing system for gold (the System) is scheduled to commence trial operations within this year. System development, operation and other related expenditures will be covered by market arrangements and will not involve Government funding. With regard to the Hong Kong Precious Metals Central Clearing Company Limited, which is wholly owned by the Government, its management and operation at this stage is part of the regular duties of the Financial Services Branch (FSB). The manpower and expenditure involved have been included in the overall establishment and expenditure of FSB, and hence no breakdown is available.

The FSTB signed a cooperation agreement with the Shanghai Gold Exchange in early 2026 to establish a high-level, collaborative governance structure for the System and explore new avenues for market synergy and connectivity. A dedicated taskforce has been set up by both parties to take forward relevant matters and further developments will be announced in due course.

(c) With a view to attracting more funds and family offices to set up and operate in Hong Kong, after consulting the industry (including through industry consultation from November 2024 to January 2025 and further engagement sessions in June 2025), we have formulated the proposals to enhance the preferential tax regimes for funds and single family offices. This includes expanding the scope of qualifying investments to cover precious metals, which is expected to promote investment activities related to precious metals. Since funds and single family offices take account of various factors (such as their individual investment preference and risk tolerance level) in determining the types and amount of investment, we are unable to estimate the additional capital flow that the enhancement measures may bring into the gold market of Hong Kong.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)127**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0434)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 120 of the Budget Speech, the Asian Infrastructure Investment Bank (AIIB) announced at the end of last year its plan to set up an office in Hong Kong. The Government is proactively facilitating and providing the necessary support. In this connection, would the Government inform this Committee of the following:

1. In what aspects is the Government providing support? What are the expenditures, venues and other resources involved?
2. Will the Government consider recommending suitable talent to the office?
3. How will the Government assess the quantifiable benefits brought by the setting up of the AIIB office for Hong Kong as an international financial centre?
4. What are the Government's plans for subsequent co-operation with the AIIB? Have specific projects, funding amounts and timetables been established?

Asked by: Hon WU Yingpeng (LegCo internal reference no.: 4)

Reply:

As a member of the Asian Infrastructure Investment Bank (AIIB), Hong Kong, China has been leveraging the unique advantages of connectivity with both the Mainland and the world under the "One country, Two systems", to assist AIIB in promoting the sustainable development of infrastructure in Asia.

In November 2025, the AIIB announced its plan to set up an office in Hong Kong. The Government has been actively meeting AIIB's needs and rendering support. Specifically, we have reserved office space and supporting facilities for AIIB's office in Hong Kong, and plan to provide the necessary facilitation (such as immigration facilitation) to AIIB personnel to Hong Kong and their household members. Furthermore, we will explore with the AIIB to second staff to its Hong Kong office in order to support the Bank's operations. Upon finalising the detailed specific arrangements, we will make announcement in due course.

The establishment of AIIB's office in Hong Kong will not only help consolidate and enhance Hong Kong's status as an international financial center, but also facilitate the AIIB to further leverage our vibrant capital market, world-class professional services and diversified financial products to support the Bank's operations in project financing, bond issuance, as well as investment and financial management.

In the past 5 years, the AIIB issued about 5.7 billion HKD-denominated bonds and about 10 billion RMB-denominated bonds in Hong Kong. Meanwhile, the contract value awarded by the AIIB to suppliers in Hong Kong amounted to around HK$150 million. With the establishment of AIIB's office in Hong Kong, we expect that the AIIB will continue to expand the scale of its bond issuance, project financing and procurement in Hong Kong.

Hong Kong, China will continue to play the important role of "super-connector" and "super value-adder", making full use of the opportunities brought about by the establishment of AIIB's office in Hong Kong, to further strengthen international financial exchanges and co-operation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3255)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Secretary indicated in paragraph 114 of the Budget Speech that, "the Central Moneymarkets Units (CMU) OmniClear will establish a digital asset platform this year. It will support the issuance and settlement of digital bonds. The platform will also be gradually extended to other digital assets and linked with other tokenisation platforms in the region". In this connection, would the Government inform this Committee of the following:

(1) What are the specific launching timeline, mode of operation and regulatory arrangements for the CMU OmniClear's digital asset platform?
(2) What are the total investment budget for the establishment of the platform, as well as the amount and sources of government funding or subsidies?
(3) Regarding the initial stage of the platform, which supports digital bond issuance and settlement, whether quantitative targets have been set, for instance, the projected transaction volume and the number of participating organisations?
(4) How many regional tokenisation platforms does the platform plan to connect with? What are the relevant technical standards for such connections?
(5) How will the Government assess the platform's effectiveness in consolidating Hong Kong's position as a digital asset hub, and what quantitative indicators will be established to monitor its effectiveness?

Asked by: Hon WU Yingpeng (LegCo internal reference no.: 42)

Reply:

(1) The CMU OmniClear Digital Asset Platform (the Platform) is planned to be launched by the end of 2026 to support digital bond issuance and settlement. The oversight arrangements are expected to follow the existing practice for Central Moneymarkets Unit (CMU), i.e. under the Hong Kong Monetary Authority's (HKMA) oversight pursuant to the Payment Systems and Stored Value Facilities Ordinance (Cap. 584).

(2) CMU OmniClear will be responsible for developing the Platform and will bear all related development costs using its own resources.

(3) The digital bond market is still in an initial stage of development. As such, the transaction volume of and the number of institutions participating in the Platform will depend on various external factors, including the receptiveness of financial institutions and investors to digital bonds. CMU OmniClear is optimistic about the growth potential of the digital bond market.

(4) CMU OmniClear is in discussion with different platforms of tokenised assets on potential collaboration. Any integration will be based on the prevailing industry standards.

(5) The Government issued the Policy Statement 2.0 on the Development of Digital Assets in Hong Kong (Policy Statement 2.0) in June 2025, setting out key directions including regularising the issuance of tokenised Government bonds and supporting tokenisation projects. The Platform will support digital bond issuance and other tokenisation initiatives by the Government, thereby facilitating Hong Kong to establish itself as a global hub for innovation in the digital asset field along the direction of Policy Statement 2.0.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0131)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Hong Kong Investment Corporation (HKIC) will collaborate with regional and international long-term capital to channel funds into high-quality commercial property projects that align with Hong Kong's industrial positioning and match them with enterprises from target industries. Please inform this Committee of the following:

1. Which regions or countries do the regional and international capital that the HKIC plans to collaborate with come from?
2. Which types of industries and commercial property projects will be given priority consideration when the HKIC channels funds into investment?
3. What specific measures will the HKIC adopt to match these projects with local enterprises?

Asked by: Hon YAO Cho-fai, Andrew (LegCo internal reference no.: 26)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

The 2026-27 Budget proposes that the HKIC will partner with regional and international capital and channel the capital into commercial property that aligns with Hong Kong's industrial positioning. By channeling international long-term capital into high-quality commercial property projects, the HKIC will forge a pioneering and deep synergy between "Industry and Space", enabling promising enterprises to make good use of these high-quality assets in Hong Kong, while providing international capital with room for medium-to-long-term capital appreciation, thereby bringing benefits to all parties involved.

The HKIC has consistently maintained an open and flexible approach to establish suitable frameworks for leveraging capital from different parts of the world for collaboration. We will identify suitable partners based on the project nature and quality, as well as the principle of collaborative success.

Promoting the development of strategic industries is one of the HKIC's core missions. Therefore, our investment in commercial property projects is premised on focusing on spaces that can serve these strategic industries, thereby connecting investment projects with target enterprises. Examples include laboratories required for the life and health technology sector, data centres and production spaces for new industrialisation. This type of commercial property investment, which is closely aligned with the actual needs of enterprises, will effectively optimise resource allocation, facilitate enterprises in establishing a foothold in Hong Kong, and continuously inject momentum into Hong Kong's economy.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)130**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3033)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned under the Matters Requiring Special Attention in 2026-27 that the Government will promote the development of the financial market of commodities, as well as that of the bond market. In this connection, will the Government inform this Committee of the following:

(1) What are the details of the manpower and expenditure in 2026-27 in respect of the development of gold storage facilities and the establishment of a central clearing system for gold?
(2) For the purpose of attracting high-quality issuers to increase Renminbi (RMB) bond issuance in Hong Kong and tapping into emerging markets to bring more cross-boundary RMB transactions to Hong Kong, what target markets does the Government plan to reach this year? In particular, which countries in the Association of Southeast Asian Nations (ASEAN), the Middle East, and the Belt and Road region will be covered? What are the details of the manpower and expenditure involved?

Asked by: Hon YAO Cho-fai, Andrew (LegCo internal reference no.: 7)

Reply:

(1) The Government has proposed expediting the establishment of an international gold trading market, including supporting the Airport Authority Hong Kong (AAHK) and financial institutions to expand gold storage capacity in Hong Kong, with a target of achieving over 2 000 tonnes within 3 years to propel Hong Kong into a regional gold reserve hub. Relevant expenditure is borne by AAHK and relevant financial institutions, and no Government funding is involved.

The Hong Kong central clearing system for gold (the System) is scheduled to commence trial operations within this year. System development, operation and other related expenditures will be covered by market arrangements and will not involve Government

funding. With regard to the Hong Kong Precious Metals Central Clearing Company Limited, which is wholly owned by the Government, its management and operation at this stage is part of the regular duties of the Financial Services Branch (FSB). The manpower and expenditure involved have been included in the overall establishment and expenditure of FSB, and hence no breakdown is available.

(2) The 2026-27 Budget has proposed attracting high-quality issuers to increase Renminbi (RMB) bond issuance in Hong Kong, tapping into emerging markets to bring more cross-boundary RMB transactions to Hong Kong. The initiative enables high-quality issuers to leverage the deep and broad investor base of Hong Kong's financial market to support their development projects, enhancing the mutual promotion of the fundraising market and RMB internationalisation. Some sovereign and quasi-sovereign entities, such as the Government of Indonesia and the Development Bank of Kazakhstan, issued offshore RMB bonds in Hong Kong for the first time in 2025. In February 2026, the Indonesian Government issued bonds (including offshore RMB bonds) in Hong Kong again. Multilateral development banks such as the Asian Infrastructure Investment Bank and the Asian Development Bank also issued offshore RMB bonds repeatedly in Hong Kong. These developments underscored Hong Kong's growing appeal as a leading hub for offshore RMB bond issuance.

Over the past few years, the Government and Hong Kong's financial regulators have been actively promoting the strengths of Hong Kong's financial system and market to Belt and Road countries, including ASEAN and Middle East countries, with a view to further strengthening cooperation with the Middle East market. The Government and financial regulators will continue to enhance collaboration through official exchange as well as the Government's Economic and Trade Offices, Invest Hong Kong and the local office of the Hong Kong Exchanges and Clearing Limited. By establishing one-stop platforms tailored for specific regions, they will leverage complementary strengths to jointly promote Hong Kong's financial services overseas, including attracting high-quality issuers to increase RMB bonds issuance in Hong Kong. We will strengthen our promotional efforts through delegation visits, conferences, roadshows, etc., to actively highlight the advantages of Hong Kong's offshore RMB services to the international market, including working with the banking industry to actively cultivate high-potential countries and regions such as ASEAN, and explore other emerging markets such as the Middle East and Belt and Road countries, thereby attracting more cross-boundary RMB transactions to be conducted through Hong Kong. The manpower and expenditure involved in the relevant work are covered in the overall expenditure of relevant government bureaux, departments, and related institutions. No breakdown figures are available.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3034)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the development of Hong Kong into an asset and wealth management centre, please inform this Committee of the following:

(1) It is mentioned under Matters Requiring Special Attention in 2026-27 that the Financial Services Development Council (FSDC) will offer ongoing training, knowledge exchange and networking opportunities for family office practitioners and next-generation asset owners through the Hong Kong Academy for Wealth Legacy established under the FSDC. How many training and exchange activities are expected to be held in 2026-27? What are the expenditures involved?

(2) How many family offices and ultra-high-net-worth individuals interested in pursuing development in Hong Kong does the Government plan to reach out in 2026-27? Upon enhancement of the tax regime, how many family offices are expected to be attracted to establish a presence in Hong Kong in 2026-27?

Asked by: Hon YAO Cho-fai, Andrew (LegCo internal reference no.: 8)

Reply:

(1) Since its establishment, the Hong Kong Academy for Wealth Legacy (HKAWL) continuously provides a wide range of training programmes, knowledge exchange and networking opportunities for next-generation asset owners and family office (FO) practitioners. These events focus on the 6 "Legacy Development Goals" set by the HKAWL, namely intergenerational integration, family governance, philanthropy, impact investing, arts and culture, and wealth management. The HKAWL plans to organise at least 9 training programmes and exchange activities in 2026-27 with an estimated expenditure of $1.5 million.

(2) The dedicated FamilyOfficeHK team (the dedicated team) of Invest Hong Kong organised and participated in around 200 investment promotion events in 2025,

collaborated closely with more than 160 enterprises and related organisations, and reached over 20 000 attendees through face-to-face interactions to promote Hong Kong's competitiveness and unique advantages as a FO hub. The dedicated team will continue to conduct FO-themed roundtable forums in major cities to highlight Hong Kong's role as a leading hub for asset and wealth management.

To attract more funds and FOs to set up and operate in Hong Kong, we will 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, etc. Our target is to introduce the legislative proposal into the Legislative Council in the first half of 2026. If approved, the relevant measures will take effect from the year of assessment 2025/26.

We will strive to achieve the new target of facilitating at least 220 FOs to set up operations or expand their business in Hong Kong from 2026 to 2028, as set out in the Chief Executive's 2025 Policy Address.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)132**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0195)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that as the initial capital of $62 billion of the Hong Kong Investment Corporation Limited (HKIC) has been largely allocated, capital injection will be arranged in a timely manner. In this connection, please inform this Committee of:

(1) the proposed amount of capital injection for 2026-27;
(2) the HKIC's official rate of return on the investments in the previous year; and
(3) of the 190 investment projects currently made by the HKIC, the approximate percentage of projects that can achieve positive returns.

Asked by: Hon YIM Kong, Erik (LegCo internal reference no.: 6)

Reply:

As the expenses of the Hong Kong Investment Corporation Limited (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

Since coming into full operation, the HKIC has adopted a prudent yet proactive investment strategy, steadily building its investment portfolio and ecosystem in key technology areas and priority strategic industries. To date, the HKIC has invested in over 200 projects across hard and core technology, biotechnology, new energy and green technology, as well as the adjacent sectors and applications. Among these, 10 companies have been listed in Hong Kong, and over 20 have already filed or are preparing to file for listing in Hong Kong this year. For every HK$1 invested by the HKIC, it has successfully attracted over HK$8 from long-term capital, demonstrating its strong abilities in curating and leveraging capital.

According to the first Annual Report published by the HKIC, as of the end of 2024, the HKIC recorded over HK$2.3 billion in investment income, with total assets of approximately HK$64 billion. Operating expenses amounted to around HK$93 million, covering staff and

related costs, legal and professional fees, and other operating expenses. Further updates on the company's operational and investment progress in 2025 will be disclosed in the new annual report to be published later this year.

Regarding the timing and amount of capital injection, the HKIC is maintaining close communication with the Hong Kong Special Administrative Region Government. The HKIC will dynamically evaluate market opportunities, project readiness and funding needs, ensuring that every investment delivers unique value to Hong Kong's economy and achieves optimal strategic benefits.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0204)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the following information: (1) the estimated expenditure for the Green and Sustainable Finance Grant Scheme under this Head in 2026-27, and the annual total funding granted under the Scheme as compared to that in the preceding 2 years; (2) the amount of funding provided for eligible bond issuers/loan borrowers to cover their expenses on bond issuance/external review services, the particulars of issuers/borrowers for whom funding was provided (such as locations and types of organisations), and the scale of bond issuance/loan size over the past 2 years.

Asked by: Hon YIM Kong, Erik (LegCo internal reference no.: 26)

Reply:

To encourage more borrowers in the region to make use of Hong Kong's financing platform to raise sustainable funds, the Government launched the Green and Sustainable Finance Grant Scheme (GSFGS) in 2021 to provide subsidy for eligible bond issuers and loan borrowers to cover part of their expenses on bond issuance and external review services. The Scheme has been extended by 3 years from 10 May 2024 to 2027, with an expanded scope of subsidies to cover transition bonds and loans, with a view to further encouraging relevant industries in the region to make use of Hong Kong's transition financing platform towards decarbonisation. At the same time, the relevant expenses have been transferred to be borne by the Hong Kong Monetary Authority (HKMA).

Having consulted the HKMA, the number of approved applications, amount of subsidy approved, issuance volume, types of debt instruments covered, and information of subsidised issuers and borrowers since the launch of the GSFGS are set out below.

	Pre-extended scheme (from 10 May 2021 to 9 May 2024)	**First year of extended scheme (from 10 May 2024 to 9 May 2025)**	**Second year of extended scheme (from 10 May 2025 to end-February 2026, non-full-year figures)**	**Total**
Number of approved applications	440	135	95	670
Total amount of subsidy approved	Around HK$260 million	Around HK$80 million	Around HK$80 million	Around HK$420 million
Issuance volume	Around US$120 billion	Around US$40 billion	Around US$30 billion	Around US$190 billion
Types of debt instruments covered	Loans and bonds accounted for approximately 60% and 40 % respectively, covering a diverse range of green and sustainable debt instruments such as green, social, sustainability and sustainability-linked loans and bonds.			
Subsidised issuers and borrowers	Including both local and non-local enterprises, mainly from the financial institutions, real estate, construction, manufacturing and energy sectors.			

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **FSTB(FS)134**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3699)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Acting Permanent Secretary for Financial Services and the Treasury (Financial Services) (Francis HO)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Achieving the dual carbon targets has been highlighted in the Budget. In this connection, please inform this Committee of the total expenditure on green finance for the 2026-27 financial year, and whether the increase in expenditure compared with the 2025-26 financial year is sufficient to meet the "green city" objectives?

Asked by: Hon YIM Kong, Erik (LegCo internal reference no.: 7)

Reply:

As a leading sustainable finance centre in the world, Hong Kong has been providing diversified investment and financing channels, facilitate matching between international capital and quality green projects, and promote green transformation of the economy in the region. To consolidate and enhance Hong Kong's status as an international green finance centre, the Government will continue issuing sustainable bonds, establishing an enabling regulatory environment and strengthening cross-sectoral collaboration, including taking forward the implementation of the Hong Kong Sustainability Disclosure Standards, refining the Hong Kong Taxonomy for Sustainable Finance to more effectively address the financing needs of relevant projects, and striving to develop green transition planning guidance for banks within this year. At the same time, we promote the development of the green finance market and talent through a wide range of funding schemes, including:

(1) The Green and Sustainable Finance Grant Scheme (Scheme) provides funding support for eligible bond issuers and loan borrowers to cover part of their expenses on bond issuance and external review services. As of end-February 2026, 670 applications were approved under the Scheme, involving a total subsidy amount of around $420 million. The Scheme was extended for 3 years in 2024 and the relevant expenses have since then been borne by the Hong Kong Monetary Authority.

(2) The Pilot Green and Sustainable Finance Capacity Building Support Scheme (Pilot Scheme) provides funding support for local eligible market practitioners and related professionals as well as students and graduates of relevant disciplines to participate in training related to green and sustainable finance in response to the new trend of developing low-carbon and sustainable economy. As of end-March 2026, over 9 700 applications were approved, involving a total reimbursement amount of over $55 million. Based on experience obtained in past years, we expect that approximately 3 000 applications would be approved annually involving an expenditure of around $19 million. Our 2026-27 estimation is that the number of applications to be approved and the expenditure involved under the Pilot Scheme will remain similar to past figures.

(3) The Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme (Funding Support Scheme) provides early-stage funding support to technology companies or research institutes conducting green fintech activities to collaborate with local enterprises to co-develop new projects in the market which can address industry pain points, with a view to facilitating the commercialisation of the solutions and the completion of the proof-of-concept stage, enabling wider adoption of green and sustainable fintech solutions with potential in the business landscape of Hong Kong. The Funding Support Scheme has approved grants to 60 green Fintech solutions which have completed proof-of-concept and are expected to be launched in the market. The total funding of $10 million has been fully disbursed to the scheme administrator (i.e. Cyberport) in 2024-25, and therefore it is not necessary to allocate funding in and after 2025-26.

Besides funding schemes, promoting the development of green finance involves extensive policy guidance and coordination work. The Financial Services Branch handles the work with existing manpower and resources. There is no itemised breakdown and comparison of expenditure.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2826)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The provision under this programme represents an increase of $9.5 million (21.3%) over the revised estimate for 2025-26, mainly due to an increase in operating expenses to support the expansion of data science consulting and analysis services to various bureaux and departments. In this regard, please inform the Council:

1. What are the details of the proposed expansion of data science consulting and analysis services? How will the additional $9.5 million provision be distributed?

2. Will the proposed expansion of services involve the collection of data required for the adoption of AI technologies? How will the Census and Statistics Department coordinate with the work of the "AI Efficacy Enhancement Team?

3. Will any performance indicators be set (for example, the expected number of data science consulting and analysis services to be provided each year)?

4. The establishment of the Census and Statistics Department is expected to see a net reduction of 27 posts in 2026-27. Does the Census and Statistics Department have sufficient manpower to expand the data science consulting and analysis services?

Asked by: Hon CHAN Siu-hung (LegCo internal reference no.: 36)

Reply:

(1) The data science advisory and analysis services provided by the Census and Statistics Department (C&SD) aim to assist bureaux and departments in leveraging data to gain a deeper understanding of their operational pain points. Specific tasks include data pre-processing, integration, mining, model development and analysis, etc. In order to expand the services to more bureaux and departments, C&SD will set aside $10 million in 2026-27 to engage contract staff (about $5.7 million) and procure necessary information technology equipment and related services (about $4.3 million), with a view to strengthening its capacity to support data analysis.

(2) Whether the services would involve data collection by artificial intelligence (AI) technologies is dependent on such relevant factors as specific content and requirements of individual projects, mechanism of data collection, etc.

The AI Efficacy Enhancement Team (AIEET) is a high-level setup led by the Deputy Chief Secretary for Administration to review, from a macro and policy perspective, the application of artificial intelligence (AI) technology and business processes across various bureaux and departments while fostering cross-departmental data sharing, so as to enhance the efficiency of government operations and services as a whole. The Commissioner for Census and Statistics is a member of AIEET, providing data science support, assisting AIEET in co-ordinating and steering government departments to apply AI, re-engineering workflow and enhancing efficiency. C&SD's data science services focus more on applying data analysis methods to solve business problems, and the outcomes do not necessarily involve the deployment of AI solutions. The two streams of work are complementary in nature.

(3) It is expected that in 2026-27, C&SD will be able to simultaneously handle approximately 5 projects with in-depth participation (i.e. performing specific technical work for client departments) and provide advisory services for around 10 departments (i.e. offering recommendations or feasibility assessments). However, the actual number of projects that can be completed will vary depending on various factors, such as the service needs of bureaux and departments, the specific requirements and complexity of individual projects, etc.

(4) The posts to be deleted by C&SD in 2026-27 do not involve data science advisory and analysis services, hence the relevant services will not be affected, not to mention the availability of additional resources.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1385)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the new online platform for interactive data dissemination service to be launched next month (i.e. in March) by the Census and Statistics Department, please inform the Council:

1. What types of statistical data will the platform integrate? Will all the data be provided by various government departments and public sector? If not, what percentage of the statistical data comes from private sector, and which industries and categories are involved?

2. Among the statistical data from private sector, over the past three financial years, what were the respective percentages of data obtained each year through data exchange with private sector, free acquisition, and purchase. Please also specify the involved industries, categories, number of enterprises, and expenses incurred.

3. For the 2026/27 financial year, what are the projected percentages, expenditures, involved industries, and categories of data obtained through data exchange with private sector, free acquisition, and purchase? How will these compare with the 2025/26 financial year?

4. As the platform involves a large volume of data flows, data security is of critical importance. At the initial stage of operation, how many staff members will be involved in operating the platform, and what proportion of them will be responsible for data and network security? Is an increase in staffing expected in the 2026/27 financial year? If yes, which areas will require additional staff, how many additional staff will be required in each area, and what will be the related expenditure?

5. Is the existing legal framework sufficient to meet the needs for the large volume of data flows and security requirements of the platform? Has any resource been reserved in the 2026/27 financial year for a comprehensive review of the relevant legislation and for drawing up a timetable for amendments?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 11)

Reply:

(1) The online platform for interactive data dissemination service covers the aggregate socio-economic statistics of Hong Kong released by the Census and Statistics Department (C&SD). These data are currently disseminated in the form of statistical tables and reports of different themes on C&SD's Website. The new platform provides an additional channel that further integrates cross-theme statistical data to enable users to conduct analyses more flexibly and efficiently.

(2) and (3)

The aggregate statistics on the platform are solely compiled by using raw data from statistical surveys by C&SD and information provided by other government departments and public sector. They do not involve data exchanges with private organisations.

(4) and (5)

The platform only contains aggregate statistics that have already been released, but not any raw data of individual persons or organisations, or any other confidential information. Therefore, the operation of the platform poses no risk of leakage of confidential information. The design of the platform complies with government information security requirements and the platform has already passed an independent third-party security risk assessment and audit. The platform is hosted on the government cloud services and managed by staff of C&SD, and its security is continuously monitored by the cybersecurity professionals of the Digital Policy Office. C&SD will continue to absorb the costs related to the operations and security of the platform with its existing manpower and resources.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3129)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (1) Trade Statistics

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding "Head 26 – Census and Statistics Department, Programme (1): Trade Statistics", the aim is to process import/export declarations and cargo manifests, to safeguard the Government's revenue from import/export declaration charges. However, the 2026 budget will be reduced by 6.9%. Please inform the Council of the reasons for the reduction in the budget.

Asked by: Hon CHUNG Ki-fung, Tommy (LegCo internal reference no.: 6)

Reply:

In recent years, the Census and Statistics Department (C&SD) has been actively exploring the application of big data analytics and artificial intelligence (AI) to optimise its workflows with a view to enhancing efficiency and quality in processing trade documents. In 2026-27, C&SD will further leverage AI to assist in handling public enquiries about commodity codes and analysing the risks of suspected cases of non-lodgement of trade declaration, thereby enhancing efficiency of human resource utilisation. The decrease in 2026-27 estimate is mainly due to the decrease in operating expenses and deletion of 21 posts.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3301)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With regard to the import and export of fresh produce and agricultural and fishery products, please advise on the following:

(a) the total value of fresh produce and agricultural and fishery products supplied by the Mainland to Hong Kong in the past 3 years;

(b) the total value of fresh produce and agricultural and fishery products supplied to Hong Kong by regions and countries other than the Mainland and Hong Kong in the past 3 years;

(c) the total value of local fresh produce and agricultural and fishery products exported from Hong Kong to the Mainland in the past 3 years; and

(d) the total value of local fresh produce and agricultural and fishery products exported from Hong Kong to regions and countries other than the Mainland and Hong Kong in the past 3 years.

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 40)

Reply:

(a) The value of imports of fresh produce and agricultural and fishery products of Chinese Mainland (the Mainland) origin in the past 3 calendar years, i.e. 2023, 2024 and 2025, was about $12.872 billion, $12.352 billion and $11.709 billion respectively.

(b) The value of imports of fresh produce and agricultural and fishery products originated from regions and countries other than the Mainland and Hong Kong in the past 3 calendar years, i.e. 2023, 2024 and 2025, was about $20.926 billion, $23.491 billion and $21.024 billion respectively.

(c) No domestic exports of fresh produce and agricultural and fishery products from Hong Kong to the Mainland were registered in the past 3 calendar years, i.e. 2023, 2024 and

2025.

(d) The value of domestic exports of fresh produce and agricultural and fishery products from Hong Kong to regions and countries other than the Mainland and Hong Kong in the past 3 calendar years, i.e. 2023, 2024 and 2025, was about $1.42 million, $960,000 and $130,000 respectively.

Note: Fresh produce and agricultural and fishery products refer to live pigs, live cattle, live goats, live poultry, live fish, vegetables and fruits.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1083)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Budget shows that the Census and Statistics Department will conduct a population census throughout the whole year of 2026. This project requires a provision of $151,300,000 in 2026-27, and the provision for 2026-27 represents an increase of $50.8 million (21.2%) over the revised estimate for 2025-26. This is mainly to cover the additional provision required for conducting the 2026 Population Census, as well as other operating expenses, etc. In this regard, please inform the Council:

(1) How many contract staff will be hired for the population census? What are the related recruitment and training expenses?

(2) The 2026 Population Census will be conducted from January to December 2026. Households selected by sampling will receive notification letters and may provide information through online questionnaires, the census hotline, or face-to-face interviews. What are the Government's estimated expenditures on the aforementioned online questionnaire system, census hotline, and face-to-face interviews?

(3) What was the response rate for the online questionnaire in the previous 2021 Population Census? How many households does the Census and Statistics Department expect to choose the online questionnaire method to submit information in the 2026 Population Census, and how much estimated expenditure is expected to be saved as a result?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 31)

Reply:

The Census and Statistics Department (C&SD) has hired 246 non-civil service contract (NCSC) staff for data collection and statistics compilation work for the 2026 Population Census (26C). The costs related to recruitment and training of these staff are absorbed by the existing manpower and resources of C&SD with no itemised breakdown.

Among the provision of $151.3 million in 2026-27, about $54 million is for hiring of NCSC survey interviewers to collect data through Census Hotline and face-to-face interviews. The total expenses on information technology equipment and services related to Online Questionnaire (OQ) in 2026-27 is about $10 million, which had been separately acquired under Head 710 – Computerisation (approved in the meeting of the Legislative Council Finance Committee on 19 January 2024).

About 40% of households submitted their information through OQ in the 2021 Population Census, and a similar figure is expected for the 26C. In planning for the 26C, C&SD has already incorporated the expected usage level of OQ as one of the preconditions for the overall resource planning, and hence there is no separate assessment on the saving.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1084)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (5) Price/Industry/Service Statistics

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the Estimates, under Programme (5): Prices/Industry/Services Statistics, the statistical reports/publications compiled in the provision for 2026-27 include the "Report on the Survey on Information Technology Usage and Penetration in the Business Sector" and "2024-25 Household Expenditure Survey". The "Statistical Digest of the Services Sector" and the "Hong Kong Energy Statistics Quarterly Report" are discontinued as from 2026. In this regard, please inform the Council:

(1) Why are the above two statistical reports/publications discontinued?
(2) Will the discontinuation of these publications have any impact on relevant data users? How will the authorities ensure that the relevant data can still be obtained from other channels?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 32)

Reply:

The Census and Statistics Department (C&SD) has been actively strengthening the release of statistics by enhancing the functions of C&SD's website, including publishing Web Tables with customisation features and multiple formats for data download (e.g., CSV, XML or API), as well as providing an interactive interface for users to build statistical tables and charts according to their own needs. These new functions are gradually replacing the traditional spreadsheets and reports.

Statistics contained in the "Statistical Digest of the Services Sector" and the "Hong Kong Energy Statistics Quarterly Report" can be obtained through C&SD's website. As statistics become more accessible online, to ensure effective use of resources, C&SD has discontinued the compilation of the 2 reports from 2026 onwards.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3053)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding Head 26 (Census and Statistics Department), Programme (4) General Statistical Services, the expenditure represents an increase of $9.5 million (21.3%) over the revised estimate for 2025-26. In this regard, please inform the Council: The Census and Statistics Department will expand its data science consulting and analysis services to support various bureaux and departments to identify business pain points through data and develop corresponding solutions. What are the specific contents and details of the relevant projects? What is the detailed breakdown of the allocation of the additional $9.5 million expenditure?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 33)

Reply:

The data science advisory and analysis services provided by the Census and Statistics Department (C&SD) aim to assist bureaux and departments in leveraging data to gain a deeper understanding of their operational pain points. Specific tasks include data pre-processing, integration, mining, model development and analysis, etc.

In order to expand the services to more bureaux and departments, C&SD will set aside $10 million in 2026-27 to engage contract staff (about $5.7 million) and procure necessary information technology equipment and related services (about $4.3 million), with a view to strengthening its capacity to support data analysis.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0059)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In paragraph 48 of the Budget Speech, it is mentioned: "The C&SD will launch a new online platform for interactive data dissemination service next month (i.e. in March). Through integrating different types of statistical data, this platform enables enterprises and the public to conduct cross-subject analysis. A natural language data query feature will be introduced into the platform in the third quarter." Please inform the Council:

(1) Are these data limited only to the original data of the Census and Statistics Department? Or will it be connected with the existing "Common Spatial Data Infrastructure" or databases of other bureaux?

(2) In advancing the "Northern Metropolis" and various large-scale urban planning projects, enterprises and the academic sector have a strong need to combine demographic statistics, economic activities, and geospatial data for analysis. When building this platform, has the Government formulated relevant open data standards and an integration timetable specifically targeting such macro urban planning needs?

(3) Regarding the "natural language data query feature" to be introduced in the third quarter, given that large language models generally suffer from the "AI hallucination" problem at present, what specific technical mechanisms or review processes will the authorities adopt to ensure that the official statistical data provided by the system is absolutely accurate and authoritative, so as to avoid misleading the public or business decision-making?

(4) Is the foundation AI model for this feature trained internally by the Government, or is it procured from a third-party cloud service provider? When handling specific business queries from the public and enterprises, how will sensitive commercial query intentions and personal data be prevented from leaking, in order to safeguard local information security?

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 27)

Reply:

(1) and (2)

The online platform for interactive data dissemination service covers the aggregate socio-economic statistics of Hong Kong released by the Census and Statistics Department (C&SD). These data are currently disseminated in the form of statistical tables and reports of different themes on C&SD's Website. The new platform provides an additional channel that further integrates cross-theme statistical data to enable users to conduct analyses more flexibly and efficiently. The platform is not connected to the systems of other bureaux or departments.

Besides, C&SD has been sharing and updating statistics having geospatial features through the Common Spatial Data Infrastructure (CSDI) portal (portal.csdi.gov.hk) of the Spatial Data Office under the Development Bureau. The CSDI portal uses locational information as the common infrastructure, enabling government departments and organisations to spatialise and standardise their data, and then freely share it through this one-stop portal with the community, government departments, and both public and private organisations. It also provides application programming interface (API) services to support various spatial data analytics, policy planning and smart city applications.

(3) The "natural language data query feature" uses a large language model (LLM) to analyse unstructured textual question input by a user, and creates the required statistical tables using the platform's functions. Since the query feature can only find answers from the aggregate statistics in the platform's database and display the results in the form of the statistical tables set by the platform, there is no risk of fabricating statistics in the process.

(4) The core workflow of the "natural language data query feature" is designed by staff of C&SD, while the underlying LLM is provided by a third-party cloud service. During the LLM operation, only the aggregate statistics in the platform's database can be accessed, and the platform does not store any raw data of individual persons or organisations, or any other confidential information. Therefore, the entire operation poses no risk of leakage of confidential information. The design of the platform complies with government information security requirements, and the platform has already passed an independent third-party security risk assessment and audit. In addition, before launching the new feature, C&SD will engage an independent third party to conduct the security risk assessment and audit, and privacy impact assessment, to ensure that the feature complies with government information security requirements.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0060)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (5) Price/Industry/Service Statistics

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the section "Matters Requiring Special Attention in 2026–27", it is mentioned that the Census and Statistics Department will review the compilation framework of statistics relating to digital economy. Upon checking the records, this review work has been listed as a matter requiring special attention in both the 2024-25 and 2025-26 Budgets. Please inform the Council:

(1) As this review work has been ongoing for three consecutive years, what is the specific progress of the review work currently and what are the phased achievements?
(2) During the review process over the past two years, what specific measurement indicators have been added or improved by the Department in the digital economy statistical framework?
(3) Will a comprehensive statistical report specifically targeting the current state of development of Hong Kong's digital economy be published in the coming year?

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 28)

Reply:

To measure the digital economy and allow its international comparability, the Organisation for Economic Co-operation and Development (OECD) has developed a flexible framework for measuring the digital economy for reference across economies, anchoring the information and communication technology (ICT) sector as the core basis with further consideration on industries with higher level of digitalisation. This framework does not provide a clear-cut coverage and measurement approach of digital economy, and offers flexible boundaries for economic activities, allowing individual economies to develop their own indicators based on policy needs, analytical objectives, and data availability. Based on this framework, the Census and Statistics Department (C&SD) has continued to review the coverage and approaches of measuring digital economy, and consider compiling relevant figures and indicators based on local circumstances.

To gauge Hong Kong's development in promoting the digital economy and as an information society, C&SD has compiled and published various relevant statistical indicators, including the contribution of ICT sector to Gross Domestic Product, ICT supply, ICT products, ICT infrastructure, and the use of ICT by business firms, households/individuals, and the Government, etc., in the annual digest "Hong Kong as an Information Society" (https://www.censtatd.gov.hk/en/EIndexbySubject.html?scode=590&pcode=B1110006), which has been made available on C&SD's website for perusal by the public.

C&SD will continue to keep abreast of the latest international guidelines and market development, maintain communication and collaboration with various stakeholders, and continuously review the approaches in measuring the digital economy and refine the content of "Hong Kong as an Information Society" with a view to providing more comprehensive, reliable and relevant statistical data that meet the needs of users.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2760)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the section on "Matters Requiring Special Attention in 2026-27", it is mentioned that the Census and Statistics Department will expand its data science consulting and analysis services. At the same time, the provision under this programme represents an increase of $9.5 million (21.3%) over the previous year to support the expansion of such services to various bureaux and departments. Please inform the Council:

(1) What specific expenditure items are covered by the additional $9.5 million provision? Will it include the establishment of a data platform to enable mutual access of data among government departments? Or will it merely involve a "one-way" provision of information and services by the Census and Statistics Department to other departments?

(2) Which bureaux and departments does the Department expect to provide data science consulting and analysis services to in the first phase during the 2026-27 financial year? Has any expected service indicator been set, or has a projected number of completed data analysis projects been established?

(3) The Department has stated that it will support departments to "identify business pain points through data and develop corresponding solutions". Could you provide details of the application scenarios and pilot projects that are proposed for development or currently under testing?

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 26)

Reply:

(1) The data science advisory and analysis services provided by the Census and Statistics Department (C&SD) aim to assist bureaux and departments in leveraging data to gain a deeper understanding of their operational pain points. Specific tasks include data pre-processing, integration, mining, model development and analysis, etc. The service scope does not involve establishing a data platform. In order to expand the services to more bureaux and departments, C&SD will set aside $10 million in 2026-27 to engage

contract staff (around $5.7 million) and procure necessary information technology equipment and related services (around $4.3 million), with a view to strengthening its capacity to support data analysis.

(2) It is expected that, in 2026-27, C&SD will be able to simultaneously handle approximately 5 projects with in-depth participation (i.e. performing specific technical work for client departments) and provide advisory services for around 10 departments (i.e. offering recommendations or feasibility assessments). However, the actual number of projects that can be completed will vary depending on various factors, such as the service needs of bureaux and departments, the specific requirements and complexity of individual projects, etc.

(3) Based on C&SD's experiences of collaborating with other departments, some common application scenarios include risk monitoring, data analysis and predictive analytics, such as supporting the Customs and Excise Department in utilizing artificial intelligence and big data analytics technologies to perform risk assessment on import and export cargoes, assisting Customs Officers in targeting high-risk consignments for further examination, thereby enhancing custom clearance efficiency.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0575)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Paragraph 47 of the Budget Speech mentions additional resources will be allocated to the Census and Statistics Department (C&SD) to expand its consulting and analysis services on data science for bureaux and departments. In this regard, please inform the Council:

a. Under which Head and Subhead in the 2026-27 Budget is this "additional allocation of resources" specifically listed? Please provide details of the estimated amount of this provision, its main purposes (for example: for recruiting additional staff in the C&SD, outsourcing consulting services, purchasing analytical software, or enhancing computing capacity), as well as the specific mechanisms and criteria for the application and allocation of these resources among different government departments.

b. While strengthening the use of data, in order to safeguard data security and ensure compliance with relevant laws and regulations, has any dedicated portion of this provision been set aside for related security audits, technical safeguard measures, or staff training? If yes, please specify the estimated amount and the specific scope of work. How will the Government ensure that all data analysis projects conducted using this provision fully comply with the established standards for data security and privacy protection?

Asked by: Hon NG Kam-wah, Webster (LegCo internal reference no.: 22)

Reply:

(a) The Government proposes to allocate additional resources to the Census and Statistics Department (C&SD) to expand its consulting and analysis services on data science for bureaux and departments. The additional resources will be put under subhead 000 Operational Expenses of Head 26 —C&SD of the 2026-27 Budget. C&SD will set aside $10 million in 2026-27 to engage contract staff (about $5.7 million) and procure necessary information technology equipment and related services (about $4.3 million), in order to strengthen its capacity to support data analysis. C&SD will determine

service priorities as appropriate taking into account the service needs and priorities of the relevant policy of individual bureaux and departments.

(b) The said services aim to assist bureaux and departments in leveraging data to gain a deeper understanding of their operational pain points. Specific tasks include data pre-processing, integration, mining, model development and analysis, etc. C&SD will carry out these tasks within the Government's internal networks, and will comply with the requirements on information security and privacy protection for the storage, transfer as well as access of relevant data as promulgated by the Digital Policy Office and Office of the Privacy Commissioner for Personal Data, including conducting security risk assessment and audit and privacy impact assessment as necessary.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0257)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to Programme (4), the work of the Census and Statistics Department (C&SD) includes providing professional assistance to bureaux and departments in statistical work. In collaboration with the C&SD, the Innovation, Technology and Industry Bureau has devised a domain of economic activities comprising Manufacturing and New Industrialisation-related Industries in Hong Kong and released statistics on the economic performance of relevant activities. What are the establishment and expenditure involved in the statistical work for this year?

The Government has stated that it will review the relevant statistical framework in a timely manner. Will the Government consider including offshore industrial sector in the domain of economic activities for the Manufacturing and New Industrialisation-related Industries, and commission the C&SD to conduct a comprehensive survey on these external manufacturing enterprises owned by Hong Kong by making reference to the statistical methodology used for the statistics on offshore trade and merchanting activities, with a view to developing regular statistical indicators on the offshore industrial sector for Hong Kong? If yes, what are the details, including the establishment and expenditure involved? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 526)

Reply:

The Census and Statistics Department (C&SD) regularly conducts the Annual Survey of Economic Activities covering various economic sectors of Hong Kong, and based on the data collected compiles various statistics, including the statistics on economic performance of the Manufacturing and New Industrialisation-related Industries. We do not maintain itemised breakdown on the establishment and expenditure involved in the compilation of statistics of a specific sector.

Compiling statistics on economic performance of the Manufacturing and New Industrialisation-related Industries aims to reflect the economic performance of manufacturing and new industries within Hong Kong's territory. It should therefore not

include the offshore industrial economic activities. In addition, apart from compiling statistics on offshore trade and merchanting activities, C&SD also complies statistics, such as number of companies, number of persons engaged, industry value added and sales revenue, relating to the sub-contracting of manufacturing processes by Hong Kong import/export trading companies to the Mainland and other regions. Although these companies are classified as import/export trading, the relevant statistics can still bring reference value to the offshore industrial economic activities. C&SD will review the relevant statistical framework and indicators as appropriate to ensure that they can effectively reflect the relevant economic activities.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3381)

Head: (26) Census and Statistics Department

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Paragraph 47 of the Budget Speech mentions that additional resources will be allocated to enable the Census and Statistics Department to provide more data science consulting and analysis services to other departments, with a view to identifying pain points in operations and proposing corresponding solutions. In this regard, please inform the Council: What are the expenditures and establishment involved in implementing this policy initiative; and how will the Department coordinate with the AI Efficacy Enhancement Team?

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 44)

Reply:

The data science advisory and analysis services provided by the Census and Statistics Department (C&SD) aim to assist bureaux and departments in leveraging data to gain a deeper understanding of their operational pain points. Specific tasks include data pre-processing, integration, mining, model development and analysis, etc.

In order to expand the services to more bureaux and departments, C&SD will set aside $10 million in 2026-27 to engage contract staff (about $5.7 million) and procure necessary information technology equipment and related services (about $4.3 million), with a view to strengthening its capacity to support data analysis. C&SD does not maintain itemised figures on the expenditure and establishment involved in the delivery of related services.

The AI Efficacy Enhancement Team (AIEET) is a high-level setup led by the Deputy Chief Secretary for Administration to review, from a macro and policy perspective, the application of artificial intelligence (AI) technology and business processes across various bureaux and departments, while fostering cross-departmental data sharing, so as to enhance the efficiency of government operations and services as a whole. The Commissioner for Census and Statistics is a member of AIEET, providing data science support, assisting AIEET in co-ordinating and steering government departments to apply AI, re-engineering workflow and enhancing efficiency. C&SD's data science services focus more on applying data analysis

methods to solve business problems, and the outcomes do not necessarily involve the deployment of AI solutions. The 2 streams of work are complementary in nature.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1053)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) Not Specified

Programme: (1) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Alpha LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government establish any long-term mechanisms (such as a regular interfacing platform between financial mega events and the tourism industry and a feedback collection mechanism for business visitors) to maximise the tourism flow-on effects of financial mega events? Regarding the shortfalls in tourism-support measures (such as high-end receiving capability and multilingual services) exposed by previous financial mega events, what improvement measures will be introduced in 2026-27 and what is the estimated provision involved? Based on the past data, what are the expected number of such business visitors to be received this year and the estimated revenue to be generated for the tourism industry?

Asked by: Hon KONG Man-wai, Vivian (LegCo internal reference no.: 32)

Reply:

Financial mega events provide a key platform for telling good stories of Hong Kong to the world. By hosting international events, Hong Kong showcases to the world its leading position in connecting markets across the globe, creating value and spearheading innovation. By bringing financial leaders and investment experts from across the globe to the city, these events presented to the world Hong Kong's unique edges and enormous strengths, with the aim of attracting talent and capital worldwide to seek business opportunities here while focusing global attention on Hong Kong's financial sector and enhancing Hong Kong's reputation as an international financial centre.

Organising thematic conferences can help reinforce the Hong Kong brand, attracting elites of different sectors and tourists from around the world to personally experience Hong Kong's charm and vibrancy as an international metropolis, and deepening their understanding of Hong Kong. In January 2026, the 19th Asian Financial Forum (AFF) co-organised by the HKSAR Government and the Hong Kong Trade Development Council successfully attracted over 4 000 officials, representatives of multilateral organisations, and financial and business leaders from more than 60 countries and regions to discuss global economic and financial issues, facilitating exchanges and collaborations.

In addition, in March 2026, the fourth edition of the Wealth for Good in Hong Kong Summit co-organised by the Financial Services and the Treasury Bureau (FSTB) and Invest Hong Kong (InvestHK) successfully brought together over 400 participants, top influential global family offices, asset owners and wealth inheritors from around the world, among which approximately 80% of these participants were business travellers from outside Hong Kong, highlighting Hong Kong's status as a leading international financial centre and a vibrant global family office hub.

Looking ahead to the second half of 2026, Hong Kong will hold for the first time the Asia-Pacific Economic Cooperation (APEC) Finance Ministers' Meeting (FMM) in October 2026. The FMM will bring together finance ministers and senior finance officials of the 21 APEC member economies, as well as representatives of observing international organisations. We expect that around 500 visitors (including accompanying persons of delegates and visiting international journalists) will come to Hong Kong. The HKSAR Government will leverage on this invaluable opportunity to showcase Hong Kong's comprehensive development in the economic, financial and social dimensions to participating economies and the international community. This will help deepen international exchanges and collaboration and fully demonstrate Hong Kong's role as a "super connector" and "super value-adder".

The FSTB, the Commerce and Economic Development Bureau, and the InvestHK will also jointly organise the Hong Kong FinTech Week x StartmeupHK Festival 2026 from 2 to 6 November 2026, bringing together government officials, regulators, innovators, and industry leaders from around the world to further consolidate Hong Kong's leading position as international fintech centre and thriving start-up hub. The 2025 event successfully attracted over 45 000 visitors, over 1 000 distinguished speakers, over 800 exhibitors, and more than 30 Chinese Mainland and international delegations.

Meanwhile, the Hong Kong Tourism Board (HKTB) has been striving to promote Hong Kong as a premier destination for Meetings, Incentive travels, Conventions and Exhibitions (MICE) tourism, and has been actively securing and supporting the staging of international MICE events of different scales and types in Hong Kong. In 2025, there were a total of 2.5 million MICE visitors last year, representing a 7% increase from 2024. Among them, 1.43 million were overnight visitors. The HKTB will continue to proactively promote MICE tourism, including bidding for or assisting in bidding for major international conferences to be held in Hong Kong through various funding schemes, targeting, in particular, sectors such as financial services, medical science, information technology and aviation logistics (e.g. the World Cancer Congress and Consensus Hong Kong, etc.). Integrating mega events in culture, sports and tourism with MICE tourism, the HKTB will also introduce event organisers of MICE in advance to mega events and seasonal themed activities in different months, with a view to facilitating their preparation and promotion work, thereby boosting business visitor spending.

Overall speaking, the mega events in Hong Kong have been well received by participants. We will continue to strive for excellence and improve each event through the established feedback mechanisms in place. The financial mega events boost the overall economic

activities in Hong Kong's accommodation, catering, retail, and entertainment sectors, etc.. The Government does not compile records of revenue generated for the tourism industry by these activities. As for the budget related to organising these activities, the involved expenditure has been subsumed under the overall estimate, the Government does not compile the records of the detailed expenditure.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1054)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) Not Specified

Programme: (1) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Alpha LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The hosting of series of financial mega events provides Hong Kong's tourism with opportunities for continued visibility. Will "exclusive travel benefits for participants of financial mega events" be introduced jointly with the Hong Kong Tourism Board? What are the specific measures and the mechanism for assessing the expected outcomes?

Asked by: Hon KONG Man-wai, Vivian (LegCo internal reference no.: 33)

Reply:

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To allow participants from outside Hong Kong to have the chance to fully immerse themselves in the vibrancy and diverse attractions of Hong Kong, various financial mega events would generally provide special travel and cultural experience and even dining discounts for the participants, encouraging them to explore Hong Kong's unique charm beyond the financial mega events. Cultural activities organised included night tour with Hong Kong Big Bus Tours, a traditional sailing trip on the Aqua Luna, visits to the Hong Kong Palace Museum and M+ Museum, and Happy Wednesday hosted by the Hong Kong Jockey Club. Guided tours to key sites had also been offered, including the Hong Kong Stock Exchange, the Hong Kong Monetary Authority, the Court of Final Appeal and the Cyberport, allowing participants to gain valuable insights into Hong Kong's financial and innovation landscape.

Meanwhile, the Hong Kong Tourism Board (HKTB) has been striving to promote Meetings, Incentive travels, Conventions and Exhibitions (MICE) tourism, including bidding for or assisting in bidding for major international conferences to be held in Hong Kong through various funding schemes, targeting, in particular, sectors such as financial services, medical science, information technology and aviation logistics (e.g. the World Cancer Congress and Consensus Hong Kong, etc.). Integrating mega events in culture, sports and tourism with MICE tourism, the HKTB will also introduce event organisers of MICE in advance to mega events and seasonal themed activities in different months, with a view to facilitating their preparation and promotion work, thereby boosting business visitor spending.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

FSTB(FS)150

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0389)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) Not Specified

Programme: (1) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Alpha LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the Programme, during 2026–27, Invest Hong Kong will continue to implement the Financial Services and the Treasury Bureau's New Capital Investment Entrant Scheme (New CIES) jointly with the Immigration Department with a view to attracting more new capital to Hong Kong, strengthening the development of our asset and wealth management business, financial services and related professional services and further enriching the talent pool. In this connection, will the Government inform this Committee of the total number of individuals with substantial assets who applied to settle and invest in Hong Kong under the New CIES in the past year? As the Government will continue to implement this scheme in the coming year, what is the expected target for attracting new capital to Hong Kong?

Asked by: Hon LAMPORT, Jonathan Stuart (LegCo internal reference no.: 32)

Reply:

From the launch of the New Capital Investment Entrant Scheme (New CIES) in March 2024 up to end-February 2026, Invest Hong Kong has received 3 166 applications (amongst which 2 051 were received in 2025), potentially bringing an investment amount of about HK$95 billion into Hong Kong. The Government does not have performance target for the application number for the New CIES. The Government will evaluate the effectiveness of the New CIES in a timely manner to ensure that it can attract target asset owners to deploy and manage wealth in Hong Kong, and fully realise the diversified investment opportunities here.

- End -