Index Page

Replies to initial written questions raised by Legislative Council Members in examining the Estimates of Expenditure 2025-26

Director of Bureau : Secretary for Financial Services and the Treasury
Session No. : 5
Consolidated e-file name : FSTB(FS)-1-e2.docx

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
FSTB(FS)001	3049	CHAN Chun-ying	148	(1) Financial Services
FSTB(FS)002	3126	CHAN Chun-ying	148	(2) Subvention: Financial Services Development Council
FSTB(FS)003	3134	CHAN Chun-ying	148	(1) Financial Services
FSTB(FS)004	3135	CHAN Chun-ying	148	
FSTB(FS)005	3137	CHAN Chun-ying	148	
FSTB(FS)006	3141	CHAN Chun-ying	148	(1) Financial Services
FSTB(FS)007	3145	CHAN Chun-ying	148	(1) Financial Services
FSTB(FS)008	3146	CHAN Chun-ying	148	(2) Subvention: Financial Services Development Council
FSTB(FS)009	3147	CHAN Chun-ying	148	(1) Financial Services
FSTB(FS)010	3148	CHAN Chun-ying	148	(1) Financial Services
FSTB(FS)011	3149	CHAN Chun-ying	148	(1) Financial Services
FSTB(FS)012	3960	CHAN Han-pan	148	
FSTB(FS)013	0649	CHAN Kin-por	148	(1) Financial Services
FSTB(FS)014	0650	CHAN Kin-por	148	(1) Financial Services
FSTB(FS)015	0651	CHAN Kin-por	148	(1) Financial Services
FSTB(FS)016	0652	CHAN Kin-por	148	(1) Financial Services
FSTB(FS)017	0653	CHAN Kin-por	148	(1) Financial Services
FSTB(FS)018	0654	CHAN Kin-por	148	(1) Financial Services
FSTB(FS)019	0655	CHAN Kin-por	148	(1) Financial Services
FSTB(FS)020	0656	CHAN Kin-por	148	(1) Financial Services
FSTB(FS)021	0657	CHAN Kin-por	148	(1) Financial Services
FSTB(FS)022	2840	CHAN Man-ki, Maggie	148	
FSTB(FS)023	2849	CHAN Man-ki, Maggie	148	(1) Financial Services
FSTB(FS)024	0542	CHAN Pui-leung	148	(1) Financial Services
FSTB(FS)025	0559	CHAN Pui-leung	148	
FSTB(FS)026	0635	CHAN Pui-leung	148	(1) Financial Services
FSTB(FS)027	0636	CHAN Pui-leung	148	(1) Financial Services
FSTB(FS)028	0840	CHEN Chung-nin, Rock	148	(2) Subvention: Financial Services Development Council
FSTB(FS)029	0991	CHEN Chung-nin, Rock	148	(1) Financial Services
FSTB(FS)030	0992	CHEN Chung-nin, Rock	148	
FSTB(FS)031	0995	CHEN Chung-nin, Rock	148	
FSTB(FS)032	0996	CHEN Chung-nin, Rock	148	
FSTB(FS)033	0997	CHEN Chung-nin, Rock	148	
FSTB(FS)034	3075	CHEN Chung-nin, Rock	148	

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
FSTB(FS)035	3076	CHEN Chung-nin, Rock	148	
FSTB(FS)036	3159	CHEN Chung-nin, Rock	148	
FSTB(FS)037	0569	CHIU Duncan	148	
FSTB(FS)038	0575	CHIU Duncan	148	
FSTB(FS)039	0591	CHIU Duncan	148	
FSTB(FS)040	0744	CHIU Duncan	148	
FSTB(FS)041	0757	CHIU Duncan	148	
FSTB(FS)042	0758	CHIU Duncan	148	
FSTB(FS)043	0759	CHIU Duncan	148	
FSTB(FS)044	0760	CHIU Duncan	148	
FSTB(FS)045	0762	CHIU Duncan	148	
FSTB(FS)046	0769	CHIU Duncan	148	
FSTB(FS)047	1070	CHIU Duncan	148	
FSTB(FS)048	3369	CHOW Man-kong	148	
FSTB(FS)049	1881	FOK Kai-kong, Kenneth	148	
FSTB(FS)050	1446	HO King-hong, Adrian Pedro	148	(1) Financial Services
FSTB(FS)051	1450	HO King-hong, Adrian Pedro	148	(1) Financial Services
FSTB(FS)052	1162	HO Kwan-yiu, Junius	148	
FSTB(FS)053	2933	KAN Wai-mun, Carmen	148	
FSTB(FS)054	2935	KAN Wai-mun, Carmen	148	(1) Financial Services
FSTB(FS)055	2936	KAN Wai-mun, Carmen	148	(1) Financial Services
FSTB(FS)056	2938	KAN Wai-mun, Carmen	148	(1) Financial Services
FSTB(FS)057	2939	KAN Wai-mun, Carmen	148	(1) Financial Services
FSTB(FS)058	2940	KAN Wai-mun, Carmen	148	(1) Financial Services
FSTB(FS)059	3832	KAN Wai-mun, Carmen	148	(1) Financial Services
FSTB(FS)060	1251	KONG Yuk-foon, Doreen	148	
FSTB(FS)061	3347	KWOK Ling-lai, Lillian	148	(1) Financial Services
FSTB(FS)062	0617	LAI Tung-kwok	148	(1) Financial Services
FSTB(FS)063	0619	LAI Tung-kwok	148	(1) Financial Services
FSTB(FS)064	1006	LAM Kin-fung, Jeffrey	148	
FSTB(FS)065	1018	LAM Kin-fung, Jeffrey	148	(1) Financial Services
FSTB(FS)066	1031	LAM Kin-fung, Jeffrey	148	
FSTB(FS)067	1033	LAM Kin-fung, Jeffrey	148	(2) Subvention: Financial Services Development Council
FSTB(FS)068	1036	LAM Kin-fung, Jeffrey	148	

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
FSTB(FS)069	1570	LAM San-keung	148	(1) Financial Services
FSTB(FS)070	1575	LAM San-keung	148	(1) Financial Services
FSTB(FS)071	3101	LAM San-keung	148	
FSTB(FS)072	0296	LAM Shun-chiu, Dennis	148	(1) Financial Services
FSTB(FS)073	0298	LAM Shun-chiu, Dennis	148	(1) Financial Services
FSTB(FS)074	0368	LAM Siu-lo, Andrew	148	
FSTB(FS)075	0499	LAM Siu-lo, Andrew	148	(1) Financial Services
FSTB(FS)076	0500	LAM Siu-lo, Andrew	148	(1) Financial Services
FSTB(FS)077	2392	LAM So-wai	148	
FSTB(FS)078	2395	LAM So-wai	148	
FSTB(FS)079	2408	LAM So-wai	148	
FSTB(FS)080	1847	LAU Chi-pang	148	
FSTB(FS)081	1862	LAU Chi-pang	148	
FSTB(FS)082	0893	LEE Tsz-king, Dominic	148	(1) Financial Services
FSTB(FS)083	0696	LEE Wai-king, Starry	148	(1) Financial Services
FSTB(FS)084	0699	LEE Wai-king, Starry	148	(1) Financial Services
FSTB(FS)085	1803	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)086	1804	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)087	1805	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)088	1806	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)089	1807	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)090	1808	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)091	1809	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)092	1810	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)093	1811	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)094	1812	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)095	1813	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)096	1814	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)097	1815	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)098	1816	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)099	1817	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)100	1818	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)101	1819	LEE Wai-wang, Robert	148	(1) Financial Services

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
FSTB(FS)102	1821	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)103	1822	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)104	1823	LEE Wai-wang, Robert	148	
FSTB(FS)105	1834	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)106	1835	LEE Wai-wang, Robert	148	(1) Financial Services
FSTB(FS)107	3509	LEUNG Hei, Edward	148	(1) Financial Services
FSTB(FS)108	3510	LEUNG Hei, Edward	148	(1) Financial Services
FSTB(FS)109	3511	LEUNG Hei, Edward	148	(1) Financial Services
FSTB(FS)110	3013	LEUNG Mei-fun, Priscilla	148	
FSTB(FS)111	3014	LEUNG Mei-fun, Priscilla	148	
FSTB(FS)112	3015	LEUNG Mei-fun, Priscilla	148	
FSTB(FS)113	3020	LEUNG Mei-fun, Priscilla	148	
FSTB(FS)114	1046	LIAO Cheung-kong, Martin	148	(1) Financial Services
FSTB(FS)115	1048	LIAO Cheung-kong, Martin	148	(1) Financial Services
FSTB(FS)116	2006	LUK Hon-man, Benson	148	(1) Financial Services
FSTB(FS)117	0902	NG Kit-chong, Johnny	148	
FSTB(FS)118	0933	NG Kit-chong, Johnny	148	(1) Financial Services
FSTB(FS)119	3154	NG Wing-ka, Jimmy	148	(1) Financial Services
FSTB(FS)120	3302	NG Wing-ka, Jimmy	148	
FSTB(FS)121	0966	NGAN Man-yu	148	(1) Financial Services
FSTB(FS)122	2488	SHANG Hailong	148	(1) Financial Services
FSTB(FS)123	2502	SHANG Hailong	148	(1) Financial Services
FSTB(FS)124	2503	SHANG Hailong	148	(1) Financial Services
FSTB(FS)125	2507	SHANG Hailong	148	(1) Financial Services
FSTB(FS)126	0766	SHIU Ka-fai	148	
FSTB(FS)127	1619	SO Cheung-wing	148	(1) Financial Services
FSTB(FS)128	1623	SO Cheung-wing	148	(1) Financial Services
FSTB(FS)129	1624	SO Cheung-wing	148	(1) Financial Services
FSTB(FS)130	1625	SO Cheung-wing	148	(1) Financial Services
FSTB(FS)131	1626	SO Cheung-wing	148	(1) Financial Services
FSTB(FS)132	1627	SO Cheung-wing	148	(1) Financial Services
FSTB(FS)133	1641	SO Cheung-wing	148	(1) Financial Services
FSTB(FS)134	1642	SO Cheung-wing	148	(1) Financial Services
FSTB(FS)135	1047	TAN Sunny	148	(1) Financial Services
FSTB(FS)136	2606	TAN Yueheng	148	(1) Financial Services
FSTB(FS)137	2607	TAN Yueheng	148	(1) Financial Services
FSTB(FS)138	2608	TAN Yueheng	148	(1) Financial Services
FSTB(FS)139	2613	TAN Yueheng	148	(2) Subvention: Financial Services Development Council
FSTB(FS)140	2614	TAN Yueheng	148	(1) Financial Services
FSTB(FS)141	2615	TAN Yueheng	148	(1) Financial Services
FSTB(FS)142	2616	TAN Yueheng	148	(1) Financial Services

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
FSTB(FS)143	0869	TANG Fei	148	
FSTB(FS)144	2192	TANG Ka-piu	148	(1) Financial Services
FSTB(FS)145	2193	TANG Ka-piu	148	(1) Financial Services
FSTB(FS)146	2196	TANG Ka-piu	148	(1) Financial Services
FSTB(FS)147	2677	WONG Chun-sek, Edmund	148	(1) Financial Services
FSTB(FS)148	2680	WONG Chun-sek, Edmund	148	
FSTB(FS)149	2681	WONG Chun-sek, Edmund	148	(1) Financial Services
FSTB(FS)150	2682	WONG Chun-sek, Edmund	148	(1) Financial Services
FSTB(FS)151	3722	WONG Chun-sek, Edmund	148	(1) Financial Services
FSTB(FS)152	3723	WONG Chun-sek, Edmund	148	(1) Financial Services
FSTB(FS)153	1322	WONG Kam-fai, William	148	
FSTB(FS)154	1185	WONG Kwok, Kingsley	148	(1) Financial Services
FSTB(FS)155	0099	WONG Ying-ho, Kennedy	148	(1) Financial Services
FSTB(FS)156	0100	WONG Ying-ho, Kennedy	148	
FSTB(FS)157	0101	WONG Ying-ho, Kennedy	148	(1) Financial Services
FSTB(FS)158	0102	WONG Ying-ho, Kennedy	148	(2) Subvention: Financial Services Development Council
FSTB(FS)159	1325	YANG Wing-kit	148	
FSTB(FS)160	0495	YIM Kong	148	
FSTB(FS)161	0529	YIM Kong	148	(1) Financial Services
FSTB(FS)162	0531	YIM Kong	148	(1) Financial Services
FSTB(FS)163	0554	YIM Kong	148	(1) Financial Services
FSTB(FS)164	3265	ZHANG Xinyu, Gary	148	(1) Financial Services
FSTB(FS)165	3128	CHAN Chun-ying	26	(2) Social Statistics
FSTB(FS)166	2853	CHAU Siu-chung	26	(2) Social Statistics (6) Labour Statistics
FSTB(FS)167	3776	HO Chun-yin, Steven	26	
FSTB(FS)168	3340	HO Kwan-yiu, Junius	26	
FSTB(FS)169	3236	NG Chau-pei, Stanley	26	(6) Labour Statistics
FSTB(FS)170	0266	NG Wing-ka, Jimmy	26	(1) Trade Statistics
FSTB(FS)171	2678	WONG Chun-sek, Edmund	26	(5) Price/Industry/Service Statistics
FSTB(FS)172	0222	WONG Kam-fai, William	26	(6) Labour Statistics
FSTB(FS)173	1730	LEUNG Tsz-wing, Dennis	31	(1) Control and Enforcement
FSTB(FS)174	0987	MA Fung-kwok	79	(1) Investment Promotion
FSTB(FS)175	2679	WONG Chun-sek, Edmund	79	(1) Investment Promotion
FSTB(FS)176	1953	TSE Wai-chun, Paul	116	
FSTB(FS)177	3725	WONG Chun-sek, Edmund	116	(1) Official Receiver’s Office

Reply Serial No.

FSTB(FS)001

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3049)

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Financial Services and the Treasury Bureau, together with the Office for Attracting Strategic Enterprises and the Hong Kong Trade Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit this year, pooling together global enterprises, funds and technologies through financial empowerment to elevate the level of international cooperation of industries. Please provide the estimated manpower and expenditure required for hosting the summit.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 2)

Reply:

The Financial Services and the Treasury Bureau (FSTB), together with the Office for Attracting Strategic Enterprises and the Hong Kong Trade Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit (Summit) this year, which will pool together global enterprises, funds and technologies through financial empowerment, thereby elevating the level of international cooperation of industries. It will also attract more leading companies in advanced industries, domestic as well as overseas enterprises and investors to establish a foothold in Hong Kong.

Under the global trends of industrial digitisation, intelligentisation, and green development, the Summit will focus on exploring international cooperation opportunities between traditional and emerging industries, as well as Hong Kong's crucial role in this context. The Summit is expected to attract over a thousand participants from around the world, including internationally renowned industry pioneers, leaders from the finance, technology, and business sectors, academic experts, and dignitaries, etc.

During the Summit, we will showcase Hong Kong's excellent business environment and our roles and advantages as a "super-connector" and "super value-adder" through various sessions. This includes inviting leading enterprises already established in Hong Kong to share their success stories of setting up and expanding their businesses here, so as to attract more Mainland and overseas companies to establish their presence in Hong Kong, particularly those in industries of strategic importance to Hong Kong, including innovative technology enterprises from sectors such as life and health sciences, artificial intelligence and data science, fintech, advanced manufacturing and new energy technologies, as well as cultural and creative industries.

The preparatory work for the summit is currently underway, including discussions with various parties on collaboration and confirming guest arrangements. FSTB is handling the related preparatory work with our existing manpower and resources. There is no related itemised breakdown of expenditure estimates.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

FSTB(FS)002

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3126)

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned under Matters Requiring Special Attention in 2025-26 that the Financial Services Development Council (FSDC) will promote Hong Kong's financial services industry locally, in the Mainland and overseas through organising and participating in a wide range of marketing campaigns, including organising outreach programmes for students and practitioners and offering ongoing training, knowledge exchange and networking opportunities for family office practitioners and next-generation asset owners through the Hong Kong Academy for Wealth Legacy (HKAWL) established under the FSDC. Please inform this Committee of the estimated expenditure for the outreach programmes to be organised and the training and exchange activities to be provided under the HKAWL.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 14)

Reply:

In 2025-26, the Financial Services Development Council (FSDC) will continue to organise, co-organise and participate in initiatives conducive to the development of the younger generation such as the FSDC Career Festival, thematic career talks organised by universities and symposiums organised by universities and professional associations etc. In view of the growth potential of various sectors of the industry and the current talent demand, the FSDC will establish a resilient talent framework through conducting policy research for sectors to explore, for example, how the industry can address talent challenges, aiming at supporting the sustained growth of the financial services industry. The FSDC's estimated expenditure for the above activities is about $2 million.

Furthermore, as a subsidiary of the FSDC, the Hong Kong Academy for Wealth Legacy (HKAWL) is committed to providing relevant training for the family office (FO) sector, asset owners and wealth inheritors, with a view to strengthening the talent pool for FOs. In 2024-25, the HKAWL co-hosted the "Family Legacy Summit" with Invest Hong Kong, and organised, co-organised, and participated in over 20 events such as forums, seminars, roundtables, etc. during the year, enabling asset owners and FO practitioners to engage in in-depth and professional discussions and exchanges on relevant topics. In 2025-26, the HKAWL will continue to organise the "Family Legacy Summit" and 8 to 10 events such as forums, seminars, roundtables, etc., on the major goals of legacy development such as family governance, philanthropy, impact investing, arts and culture and wealth management to provide opportunities for knowledge exchange and networking for FO principals, asset owners, family business owners and next generations, with an estimated attendance of over 400 participants. Furthermore, the HKAWL will strengthen its connection with international partner organisations, serving as a hub for knowledge exchange on family legacy and experience sharing on FO development between Hong Kong and the global community. The estimated event expenditure for the HKAWL in 2025-26 is about $1 million.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)003

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3134)

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

As stated under Matters Requiring Special Attention in 2025-26, the Branch will enhance Hong Kong's regulatory regime for combatting money laundering and terrorist financing by, inter alia, overseeing the implementation of a licensing regime on virtual asset service providers and the relevant measures, extending the regulatory scope to cover over-the-counter trading of virtual assets and stablecoin issuers, stepping up efforts in investor education and participating actively in inter-governmental organisations, such as the Financial Action Task Force.

In respect of overseeing the implementation of a licensing regime on virtual asset service providers and the relevant measures, extending the regulatory scope to cover over-the-counter trading and stablecoin issuers and stepping up efforts in investor education, please provide an estimate of the manpower and expenditure involved.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 22)

Reply:

To address the risks of money laundering and terrorist financing associated with virtual asset (VA) exchanges, and to protect investors, we have introduced a licensing system for virtual asset service providers. Since the implementation of the licensing system in June 2023, the Securities and Futures Commission (SFC) has granted licenses to 10 companies from both local and overseas markets. The government and the SFC will continue to closely monitor market developments and enhance the licensing system in a timely manner to promote the sustainable development and innovation of the VA market of Hong Kong.

To further improve the regulatory framework for VA services in Hong Kong, the Government proposes to amend the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) to establish a licensing system for VA over-the-counter service providers, and is also formulating a licensing system for VA custodial service providers. We will conduct public consultations on the aforementioned licensing systems in 2025. Additionally, the government has submitted a bill to the Legislative Council regarding the regulatory framework for fiat-referenced stablecoin issuers. Subject to the passage of the Bill, the Hong Kong Monetary Authority (HKMA) will process license applications as soon as practicable.

The Government has been working with the SFC and its subsidiary, the Investor and Financial Education Council (IFEC), to carry out investor education to enhance the financial literacy of the general public. The SFC and IFEC make proactive efforts in respect of investor education related to VA, including disseminating information about VA trading platforms and reminding the public not to trade on unlicensed platforms. Through short video clips, topical seminars, community outreach activities, social media platforms, media interviews, etc., the SFC and the IFEC seek to 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. The SFC also works closely with the Police to actively promote anti-fraud messages in the community as well as publish anti-fraud and VA-related posts and advertisements on social media and search engines.

The Financial Services Branch and the Customs and Excise Department handle the aforementioned tasks using existing manpower and resources. The HKMA, the SFC and IFEC will allocate resources as appropriate based on actual circumstances to take forward the relevant work, and the associated expenditures and manpower are incorporated into the overall budgets with no itemised breakdown.

- End -

Reply Serial No.

FSTB(FS)004

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3135)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

To bring together top talents in the industry to study the development and application of Artificial Intelligence (AI), the Hong Kong Investment Corporation Limited will be hosting the first International Young Scientist Forum on Artificial Intelligence to promote research of AI technology and its development as an industry. Please provide an estimate of the manpower and expenditure involved in hosting the aforementioned forum.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 23)

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 HKIC is pressing ahead with the organisation of the inaugural "International Young Scientist Forum on Artificial Intelligence (AI)", which will not only pool together top industry talents to facilitate the technological exchange and industrial development of AI, but also nurture technology talents and facilitate interactive exchanges between investee companies and collaboration partners from different sectors, and local primary and secondary school students, thereby further promoting deeper science enlightenment and the establishment of a mindset of innovation and technology, venture capital investment and entrepreneurship in the local community.

In line with the objectives of the event, the HKIC will collaborate with different stakeholders in the market and society, promoting broad participation from local universities, primary and secondary schools in Hong Kong and facilitating interactive exchanges. Preparatory work is underway. The HKIC will announce the details of the event in due course. The event is expected to take place in the second half of this year.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)005

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:	(-) Not Specified
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Hong Kong Investment Corporation Limited will host the first International Conference on Embodied AI Robot to showcase the latest research and development outcomes and application scenarios, thereby boosting Hong Kong's global influence on technology areas. Please provide an estimate of the manpower and expenditure involved in hosting the aforementioned event.

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

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 HKIC is pressing ahead with the organisation of the inaugural "International Conference on Embodied Artificial Intelligence (AI) Robot", which will pool together leading technology companies to showcase research outcomes and application scenarios of embodied AI, and at the same time mobilise the industry, academic institutions and investors to conduct cross-sectoral discussions and exchanges regarding this key area of AI application, thereby further enhancing Hong Kong's global influence on the relevant areas and facilitating traditional industries to explore ways to leverage technology more extensively to enhance productivity and launch new services.

In line with the objectives of the event, the HKIC will collaborate with different stakeholders in the market and society to promote their broad participation as well as interactive exchanges. The HKIC is pressing ahead with the preparatory work and will announce the details of the event in due course.

\- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)006

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3141)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned under Matters Requiring Special Attention in 2025-26 that the 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 and the Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme. Please inform this Committee of:

1. the estimated expenditure for the Pilot Green and Sustainable Finance Capacity Building Support Scheme and the Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme in 2025-26;

2. the expenditure and manpower involved since the Government's implementation of the Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme in June 2024, as well as the total number of projects funded.

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

Reply:

To nurture talent for further promoting the development of green and sustainable finance, the Government launched in 2022 the Pilot Green and Sustainable Finance Capacity Building Support Scheme (Pilot Scheme) to encourage local eligible practitioners and persons interested in work related to green and sustainable finance to participate in relevant training. Local eligible market practitioners and related professionals as well as students and graduates of relevant disciplines can also apply. 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, we will extend the Pilot Scheme to 2028. Our initial estimation is that the number of applications to be approved and the amount of funding support involved after the extension of the Pilot Scheme will remain similar to past figures, i.e. around 2 900 applications to be approved, involving funding support of around $16 million per year.

The Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme was launched in June 2024 to provide 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 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. The total funding of $10 million has been fully disbursed to the Scheme Administrator (i.e. Cyberport) in 2024-25. The Funding Support Scheme has approved grants to 60 green Fintech solutions. Cyberport will disburse funding to applicants by installments based on the development progress of the solutions. It is expected that these solutions will go through proof-of-concept gradually starting from the third quarter of this year. The Financial Services and the Treasury Bureau handles the above work with existing manpower and resources. There is no itemised breakdown of expenditure.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)007

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3145)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Under Programme (1), the estimate for other items for 2025-26 is 31.9% lower than the original estimate for 2024-25, and there is a decrease in funding requirement for various funding schemes/initiatives under the item "Funding for promoting and facilitating the development of the financial services sector" in 2025-26. Please provide:

1. a breakdown of the expenditure on various funding schemes/initiatives under the item in 2024-25;

2. the estimated expenditure on various funding schemes/initiatives under the item in 2025-26.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 33)

Reply:

The estimated financial provision in 2025-26 for "other items" under "Programme 1: Financial Services" of the Financial Services Branch decreases by around $150 million (- 31.9%) as compared with the 2024-25 original estimates, mainly due to the lower funding requirement for various funding schemes/ initiatives under the "Funding for promoting and facilitating the development of the financial services sector" (the Funding) in 2025–26 than that of 2024-25, from around $230 million in 2024-25 original estimates, decreases by around $160 million to around $70 million in 2025-26 estimates.

The revised estimated expenditure of the Funding stood at around $210 million, the breakdown of which and the estimated expenditure in 2025-26 of the Funding is tabulated below –

	Item	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
1.	Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts	$93.5 million	$39.65 million (The subsidy amount under the Grant Scheme will be adjusted to benefit more market participants. The estimated expenditure for 2025-26 has also been adjusted accordingly.)
2.	Green and Sustainable Finance Grant Scheme (From 2021-22 to 2024-25) (Up to 9 May 2024)	$45.2 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 Hong Kong Monetary Authority. Thus, there are no related expenditure estimates under the Funding in 2025-26.)
3.	Pilot Insurance-linked Securities Grant Scheme	$24 million	Nil (In previous financial years, we have provided a total funding of $60 million (including $24 million in 2024-25) to the scheme administrator (i.e. Insurance Authority). As there is surplus funding in the Grant Scheme, it is not necessary to allocate funding in 2025-26.)
4.	Pilot Green and Sustainable Finance Capacity Building Scheme	$21.55 million	$23.02 million
5.	Asian Financial Forum	$6.1 million	$6.5 million
6.	Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme	$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 administrator (i.e. Cyberport) in 2024-25, and therefore it is not necessary to allocate funding in 2025-26.)

	Item	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
7.	Wealth for Good in Hong Kong Summit	$6.7 million	To be confirmed
8.	Pilot Scheme on Training Subsidy for Fintech Practitioners	$0.78 million	Nil (The Subsidy Scheme has been implemented since September 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 (i.e. Hong Kong Institute of Bankers). 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 2025-26 | Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)008

(Question Serial No. 3146)

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: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The matters requiring special attention in 2025-26 under Programme (2) include offering ongoing training, knowledge exchange and networking opportunities for family office practitioners and next-generation asset owners through the Hong Kong Academy for Wealth Legacy (HKAWL) established under the Financial Services Development Council. Please provide:

1. the number of family offices which successfully set up their operations in Hong Kong last year;

2. the number/estimated number of family office practitioners and next-generation asset owners for which training services were provided/are to be provided in 2024-25 and 2025-26 respectively, and the manpower and estimated expenditure involved.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 34)

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 2025, the dedicated team has assisted over 160 FOs to set up or expand their business in Hong Kong, including 95 FOs set up or expanded their business in Hong Kong in 2024. Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong.

(2) Established under the Financial Services Development Council (FSDC) in November 2023, the Hong Kong Academy for Wealth Legacy (HKAWL) aims to empower families and shape the future of the FO industry by establishing a trusted and private

platform to facilitate peer sharing among local and global FOs and their managers, next generation wealth owners, and industry practitioners worldwide.

In 2024-25, the HKAWL has enabled asset owners and FO practitioners to engage in in-depth and professional discussions and exchanges on relevant topics under wealth management through the co-hosting of the "Family Legacy Summit" with InvestHK and on its own organising, co-organising, and participating in over 20 events such as forums, seminars, roundtables, etc. These events brought together over 3 100 participants. The actual expenditure was about $1.3 million.

In 2025-26, the HKAWL will continue to organise the "Family Legacy Summit" and 8 to 10 forums, seminars, roundtables, etc. Together with the events participated by the HKAWL, the estimated number of participants should be similar to that in 2024-25. The estimated expenditure of the events is about $1 million.

Among the $47.5 million Government subvention provided to the FSDC, $3 million is allocated to the HKAWL, including staff cost of around $2.5 million, and event expenditure of around $1.3 million (including $800,000 covered by sponsorships received). Furthermore, the FSDC also absorbed the costs of the HKAWL's daily operation and administration with its available resources.

Currently, the HKAWL employs 1 Executive Director and 1 manager, and will recruit 1 more manager in 2025-26 to enhance the implementation of various activities. The expenditure for the staff cost in 2024-25 and 2025-26 is $2.5 million and $3.2 million respectively.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)009

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3147)

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Working Group on Promoting Gold Market Development will formulate a plan this year, covering measures to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion. The measures will be implemented gradually. Please provide the estimated manpower and expenditure involved for the Working Group on Promoting Gold Market Development, including enhancing storage facilities and market promotion.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 35)

Reply:

It is the Government's goal to promote the development of world-class gold storage facilities, thereby attracting more investors and users from different economies, including the Middle East and Southeast Asia, to store gold in Hong Kong. On the basis of increased storage, we expect increased demand for associated support services in insurance, testing and certification, logistics, etc., while in parallel expanding related transactions including collateral, loan and hedging, hence creating a comprehensive ecosystem in a progressive manner. This will drive all-round multi-currency trading, clearing and delivery, as well as the development of the regulatory system, covering transactions using offshore Renminbi, thereby establishing a holistic gold trading centre with an industry chain. In terms of market promotion, we will promote the vision and specific measures for the development of Hong Kong's gold market through various activities and visits, with a view to attracting Mainland and international investors and users to store gold and conduct trading, clearing and delivery in Hong Kong.

To support the development of Hong Kong into an international gold trading centre, the Financial Services and the Treasury Bureau established the Working Group on Promoting Gold Market Development (Working Group) in December 2024, comprising leaders of the financial industry, representatives of regulatory bodies and market participants, to comprehensively review all aspects relating to financial transactions relating to gold. The Working Group will formulate a plan this year to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion. Supporting the Working Group 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 the FSB. A breakdown is not available.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)010

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3148)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

One of the Matters Requiring Special Attention in 2025-26 is to promote the development of Fintech in Hong Kong, including overseeing the Pilot Scheme on Training Subsidies for Fintech Practitioners, and implementing the GBA Fintech Two-way Internship Scheme for Post-secondary Students. Please provide:

1. details of the projects launched in the past year to promote the development of Fintech in Hong Kong; and the estimated manpower and expenditure involved;

2. the number of participants and the costs involved in the Pilot Scheme on Training Subsidies for Fintech Practitioners and the GBA Fintech Two-way Internship Scheme for Post-secondary Students in 2024-25.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 36)

Reply:

(1) The fintech ecosystem in Hong Kong is vibrant. At present, there are over 1 100 fintech companies. The scope of business covers mobile payment, cross-boundary wealth management, artificial intelligence (AI) financial consultancy, wealth and investment management, regtech, etc., including 8 digital banks, 4 virtual insurers and 10 licensed virtual assets trading platforms. According to the latest "Global Financial Centres Index Report", Hong Kong has further leapt by 5 positions to the 4th in the world on fintech offering.

The Government attaches great importance to promoting fintech development, and has been working closely with the financial regulators and industry players to promote fintech development through multi-pronged measures, including enhancing financial infrastructure, building a more active fintech ecosystem, nurturing fintech talents, as well as strengthening cooperation with the Mainland and overseas. Relevant measures to promote fintech development in the past year are as follows.

Enhancing Financial Infrastructure

The People's Bank of China (PBoC) and the Hong Kong Monetary Authority (HKMA) are working closely to implement the linkage of the Internet Banking Payment System in the Mainland and the Faster Payment System (FPS) in Hong Kong, with a view to providing round-the-clock services to residents to make real-time, small-value and cross-boundary remittances via entering the recipient's mobile number or account number. The PBoC and the HKMA are actively discussing and examining the details. Some services are expected to be launched in mid-2025 at the soonest, with details to be announced in due course, thus helping to promote market connection.

The HKMA has launched Commercial Data Interchange (CDI) to facilitate enterprises (particularly small and medium enterprises) to share with banks their commercial data at different data sources, with a view to facilitating the borrowing of small and medium enterprises and driving the digital economy forward. In August 2024, the CDI formally connected with the Consented Data Exchange Gateway (CDEG) developed by the Government, and the Companies Registry has become the first government data source of the CDI via the CDEG. To further expand the CDI's scope, the HKMA is exploring connection with the Land Registry in phases from 2025, in order to enhance the mortgage and loan assessment process for individuals and companies.

In September 2024, the HKMA commenced Phase 2 of the e-HKD Pilot Programme to explore innovative use cases with the industry under three major themes, namely settlement of tokenised assets, programmability and offline payments. The HKMA plans to share with the public the key achievements of Phase 2 by the end of 2025.

Regarding e-payment, to encourage more local retail and catering merchants to adopt e-payment, the Government has liaised with the relevant industry organisations to facilitate the active connection between e-payment operators and industry organisations, with a view to providing retail and catering merchants (particularly small and medium enterprises) with the most suitable and cost-effective payment solutions.

Building a More Active Fintech Ecosystem

In October 2024, the Government issued a policy statement on responsible application of AI in the financial market. The Government works hand in hand with the financial regulators and industry players to foster a healthy and sustainable market environment, thereby facilitating financial institutions to seize the opportunities and adopt AI in a responsible manner for accelerating the development of new quality productive forces.

The HKMA and Cyberport have launched the Generative AI Sandbox to assist banks in testing their innovating generative AI use cases within a risk-managed framework, supported by essential technical assistance and targeted supervisory feedback. In December 2024, the HKMA announced the first cohort of the Generative AI Sandbox. Through the Sandbox, participating banks and technology partners will delve deeper into generative AI's capabilities in enhancing risk management, anti-fraud measures and customer experience.

In June 2024, the Government launched the Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme, with a view to expanding the green fintech ecosystem and developing Hong Kong into a green fintech hub through providing early-stage funding for pre-commercialised green fintech and promoting the development of technological solutions. The scheme has approved a total of 60 projects.

In January 2025, the HKMA launched the Supervisory Incubator (Incubator) for distributed ledger technology (DLT) to help banks maximise the potential of DLT and effectively manage the associated risks. The Incubator offers a one-stop supervisory platform enabling banks to obtain supervisory suggestions before introducing new products and services, and to implement the risk management measures after conducting live trials.

Nurturing Fintech Talents

The Government is implementing the Pilot Scheme on Training Subsidy for Fintech Practitioners to provide practitioners having attained professional qualifications with funding support for training. The Enhanced Competency Framework on Fintech for banking practitioners is the first set of fintech professional qualifications recognised under the Government's Qualifications Framework. 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. As at February 2025, over 560 practitioners have enrolled the relevant courses.

In addition, the Government is implementing the GBA Fintech Two-way Internship Scheme for Post-secondary Students to subsidise students from the Mainland and Hong Kong to participate in short-term internship in fintech companies. The internship scheme enables students to gain first-hand understanding of the operation of fintech companies and fintech ecosystem of the Mainland and Hong Kong, and equip them early with knowledge in pursuing a career in fintech, with a view to enhancing talent exchange and enlarging the fintech talent pool. The internship Scheme has successfully matched over 80 students with fintech companies since its launch.

Strengthening Connection and Cooperation with the Mainland and Overseas

In May 2024, the PBoC and the HKMA expanded the scope of e-CNY pilot in Hong Kong to facilitate setting up and using e-CNY wallets by Hong Kong residents, as well as the top-up of e-CNY wallets via FPS, providing a convenient cross-boundary payment means for residents.

The HKMA is jointly conducting the Project mBridge with other central banks, researching on the application and innovative use cases of Central Bank Digital Currency (CBDC), with a view to addressing the current pain points of cross-boundary transactions, such as low efficiency, high cost and operational complexity. In June 2024, the project reached the Minimum Viable Product stage.

The HKMA is taking forward Project Ensemble, a wholesale CBDC project, to support the development of tokenisation market in Hong Kong. In August 2024, the HKMA completed the establishment of the Project Ensemble Sandbox to jointly explore tokenisation use cases with industry players. The initial round of experimentation focuses on 4 major themes, including fixed income and investment fund, liquidity management, green and sustainable finance, as well as trade and supply chain finance.

In 2024, InvestHK assisted 539 Mainland and overseas companies to establish or expand their businesses in Hong Kong, of which 67 companies are high-potential fintech companies. These companies involved a total investment of over HK$20 billion and created over 800 new jobs. In October 2024, the Government organised the ninth Hong Kong FinTech Week, attracting 37 000 attendees from more than 100 economies, and featuring over 800 distinguished speakers, 700 sponsors and exhibitors, and more than 30 Mainland and international delegations.

(2) The relevant work on promoting fintech development in Hong Kong is jointly undertaken by the Government and the financial regulators on an ongoing basis. In the Financial Services Branch, the staff establishment and expenditure involved are absorbed by the existing manpower and resources. Apart from the non-recurrent expenditure estimates for the Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme, the Pilot Scheme on Training Subsidy for Fintech Practitioners and the GBA Fintech Two-way Internship Scheme for Post-secondary Students, we do not have a separate breakdown on other expenditure.

Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme

The overall estimate of the support scheme is $10 million for supporting the early-stage funding of approved projects and the scheme administrative expenditure. In 2024-25, the Government provided all the funding to the scheme administrator (i.e. Cyberport).

Pilot Scheme on Training Subsidy for Fintech Practitioners

The overall estimate of the subsidy scheme is $38 million for supporting the training subsidy of financial practitioners and the scheme administrative expenditure. In previous financial years, the Government has provided a total funding of about $20 million (including $0.78 million in 2024-25) to the scheme administrator (i.e. Cyberport).

GBA Fintech Two-way Internship Scheme for Post-secondary Students

The overall estimate of the internship scheme is $12 million for supporting the internship subsidy of students and the scheme administrative expenditure. In previous financial years, the Government has provided a funding of $7 million to the scheme administrator (i.e. Cyberport). As there is surplus funding in the internship scheme, it is not necessary to allocate funding in 2024-25.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)011

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3149)

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Regarding the Government's work on fostering the development of sustainability disclosure ecosystem in 2025-26, including the roadmap launched on sustainability disclosure in Hong Kong, please advise on the following:

1. Following the launch of the roadmap, what measures has the Government introduced to support the implementation of the Hong Kong Sustainability Disclosure Standards? What are the estimated manpower and expenditure involved?
2. What measures will be introduced to foster the development of sustainability disclosure ecosystem in 2025-26? What are the expenses involved?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 37)

Reply:

The Financial Services and the Treasury Bureau (FSTB) launched in December 2024 the Roadmap on Sustainability Disclosure in Hong Kong (Roadmap), which sets out Hong Kong's approach to require publicly accountable entities (PAEs) to adopt the International Financial Reporting Standards - Sustainability Disclosure Standards (ISSB Standards). It provides a well-defined pathway for large PAEs to fully adopt the ISSB Standards no later than 2028, leading Hong Kong to be among the first jurisdictions to align its local requirements with the ISSB Standards. The Roadmap also elaborates on Hong Kong's blueprint to develop a comprehensive ecosystem to support sustainability disclosures, which encompasses sustainability assurance, data and technology, as well as skills and competencies. The future work plan and key milestones in each area are set out below.

(1) ISSB Standards

As aforementioned, the Roadmap sets out the requirement for large PAEs to fully adopt the ISSB Standards no later than 2028. As the sustainability reporting standard setter in Hong

Kong, the Hong Kong Institute of Certified Public Accountants (HKICPA) published in December 2024 the Hong Kong Sustainability Disclosure Standards (Hong Kong Standards) fully aligned with the ISSB Standards, with an effective date of 1 August 2025.

Large PAEs include large listed issuers and non-listed financial institutions carrying a significant weight. For listed issuers, Hong Kong Exchanges and Clearing Limited (HKEX) has introduced new climate-related disclosures requirements (New Climate Requirements), which are developed based on International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures, with proportionality and scaling-in measures. The New Climate Requirements came into effect starting from 1 January 2025, preparing companies to start climate reporting early in accordance with provisions of the ISSB Standards. HKEX will consult the market in 2027 on mandating sustainability reporting against the Hong Kong Standards for listed PAEs, with an expected effective date of January 2028 under a proportionate approach. For financial industry, the Hong Kong Monetary Authority, the Securities and Futures Commission, the Insurance Authority and the Mandatory Provident Fund Schemes Authority will conduct sector-specific engagements to determine the approach and timing of adopting the Hong Kong Standards for different financial sectors. Subject to stakeholders' comments and feedback, relevant financial regulators will require non-listed financial institutions carrying a significant weight (i.e. being non-listed PAEs) to apply the Hong Kong Standards no later than 2028.

(2) Sustainability assurance

The HKICPA will develop local assurance and ethics standards on a full convergence basis with the International Standard on Sustainability Assurance 5000 (published in November 2024 by the International Auditing and Assurance Standards Board) and the International Ethics Standards for Sustainability Assurance (expected to be published in early 2025 by the International Ethics Standards Board for Accountants). The Accounting and Financial Reporting Council is working with relevant financial regulators and stakeholders with a view to releasing a proposed local regulatory framework for sustainability assurance for public consultation in 2025.

(3) Data and technology

The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group), formed by relevant Government Bureaux, financial regulators and HKEX, will continue efforts in facilitating sustainability disclosures and enhancing quality of data through a multi-pronged approach. To support sustainability disclosure and improve data availability, the Steering Group will continue to enhance the free-for-all public utility data tools on its website, including 2 greenhouse gas emissions calculation and estimation tools and the Climate and Environmental Risk Questionnaire for Non-listed Companies/Small and Medium-sized Enterprises. In addition, the Steering Group is developing the official Hong Kong Green Fintech Map with the industry, which provides one-stop information on the current status of Green Fintech companies in Hong Kong and related services with a view to raising the companies' profile. The Map will be published in the first half of 2025. The Steering Group is also engaging with the industry to expand the Hong Kong Taxonomy for Sustainable Finance, which includes incorporating transition elements and adding new sustainable activities.

(4) Skills and competencies

The Steering Group and the HKICPA will continue to promote alignment with the ISSB Standards and support capacity building efforts locally, regionally and internationally through organising seminars, webinars and other engagement activities as well as publishing articles and newsletters on sustainability-related topics; providing training and certification programmes; facilitating discussions at relevant technical and/or advisory committees; and working with industry practitioners, stakeholders and relevant regulators to establish good practices for sustainability reporting. The Government will continue to support capacity building through the Pilot Green and Sustainable Finance Capacity Building Support Scheme, which will be extended to 2028.

The Financial Services Branch handles the policy coordination work concerned with existing manpower and resources. There is no related itemised breakdown of expenditure estimates.

- End -

Reply Serial No.

FSTB(FS)012

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3960)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Will the Government promote the establishment of accredited warehouses by international commodity exchanges in Hong Kong? If so, what is the progress?

Asked by: Hon CHAN Han-pan (LegCo internal reference no.: 51)

Reply:

Our country is the world's largest consumer of industrial metals. Developing relevant commodity exchanges will drive the development of a financial, shipping and trade centre. The Chief Executive's 2024 Policy Address proposes the creation of a commodity trading ecosystem which can be a starting point for attracting relevant enterprises to establish a presence in Hong Kong, turning our city into an operation centre for international commodity trading, storage and delivery, shipping and logistics, risk management, and more.

The London Metal Exchange (LME), a subsidiary of the Hong Kong Exchanges and Clearing Limited, included Hong Kong as an approved delivery point within its global warehousing network in January this year, and will accept applications from warehouse operators to become approved storage of LME-registered brands of metals. The establishment of LME-accredited warehouses in Hong Kong will provide the convenient, cost-effective and safe delivery channels for related metals trading in the region. It will also increase the demand for Hong Kong's trade, shipping, warehousing and transportation industries, strengthen Hong Kong's commodities ecosystem, and lay a foundation for future expansion of related financial transactions such as futures.

The 2025-26 Budget mentioned that local warehouse operators have expressed interest in becoming LME's accredited warehouses. At present, a number of LME-accredited warehouse operators are in discussion with local warehouse operators on cooperation in establishing LME-approved warehouses. The Financial Services and the Treasury Bureau in collaboration with relevant bureaux and departments has been maintaining communication with relevant industry players and has held several meetings to provide assistance on technical matters.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)013

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0649)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Financial Services Branch will work with the Mandatory Provident Fund Schemes Authority and the eMPF Platform Company Limited to develop the eMPF Platform to facilitate standardisation, streamlining and automation of administration processes of Mandatory Provident Fund (MPF) registered schemes. In this connection, please inform this Committee of the following:

1. What is the latest timetable for MPF trustees to migrate MPF account data to the eMPF Platform?

2. What issues have been encountered in relation to handling contributions and administrative processes since the launch of eMPF?

3. The forthcoming phase two eMPF onboarding will include MPF schemes with larger asset sizes and more scheme members and employers. What measures will the Government put in place to meet the greater challenges and to ensure operational fluency?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 11)

Reply:

Having consulted the Mandatory Provident Fund Schemes Authority (MPFA), reply to the three-part question is as follows.

(1) As at end-March 2025, 6 Mandatory Provident Fund (MPF) schemes have onboarded the eMPF Platform, with details as follows –

MPF scheme	Onboarding date
MASS Mandatory Provident Fund Scheme	26 June 2024
China Life MPF Master Trust Scheme	29 July 2024
BCOM Joyful Retirement MPF Scheme	3 September 2024
SHKP MPF Employer Sponsored Scheme	2 October 2024
BEA (MPF) Value Scheme	29 October 2024
BEA (MPF) Master Trust Scheme	5 March 2025

The latest tentative onboarding schedule of the remaining trustees/schemes (excluding the 2 Industry Schemes (IS))[Note] is set out below –

MPF trustee/scheme	Onboarding date
Principal Trust Company (Asia) Limited	7 May 2025
BOCI-Prudential Trustee Limited	5 June 2025
AMTD MPF Scheme, BCT (MPF) Pro Choice, BCT Strategic MPF Scheme, and Manulife RetireChoice (MPF) Scheme	July 2025
AIA Company (Trustee) Limited	September 2025
Sun Life Trustee Company Limited	October 2025
Manulife Provident Funds Trust Company Limited	November 2025
HSBC Provident Fund Trustee (Hong Kong) Limited	December 2025

Note: IS are specially designed for casual employees of the catering and construction industry.

(2) MPFA's wholly-owned eMPF Platform Company Limited (eMPF Company) noticed that at the initial stage of using the eMPF Platform, a few employers and scheme members had encountered difficulties in adapting to and using the Platform, including

problems experienced during account registration using facial recognition technology, unclear payment instructions causing multiple payments being made for those using direct debit, longer lead time required to tag contribution payments and recognise voluntary contributions, etc.. The contractor has, at eMPF Company's request, implemented measures to improve service quality and user experience, including providing clearer guidelines on contributions on the Platform, shortening the default recordings of the customer service hotline, as well as refining the facial recognition software to simplify the eMPF Platform registration process under the premise of ensuring the safety of users' personal data.

(3) To ensure the smooth onboarding of the remaining MPF trustees of larger assets-under-management size to the eMPF Platform by end-2025, eMPF Company has requested the contractor to implement measures with key points as follows –

(a) Strengthening the contractor's Project Team both in terms of the total number of headcounts (at least doubled to over 2 000 by end-2025) and competencies;
(b) Conducting comprehensive root cause analysis and impact assessment on identified system operation issues to avoid escalation/recurrence of the issues;
(c) Scaling up and increasing the number of workshops/training sessions for scheme members, employers and MPF intermediaries to ensure their thorough familiarisation with the Platform's functionalities prior to onboarding;
(d) Arranging more outreach services to provide one-on-one, hand-holding on-site support to employers in registering and using the Platform;
(e) Continuously enhancing the security and data protection measures based on the latest requirements promulgated by the Digital Policy Office and the Office of the Privacy Commissioner for Personal Data, and the industry's best practices;
(f) Convening regular meetings with representatives from onboarded trustees and the contractor to review the ongoing operations of the eMPF Platform, identify service improvement opportunities, plan for digital uptake strategies and review the needs for future system enhancements, etc.; and
(g) Engaging an independent auditor to assess system and operational controls of the eMPF Platform and to raise improvement suggestions.

The eMPF Platform is a critical public financial infrastructure closely tied to the retirement protection of all Hong Kong people. The Financial Services and the Treasury Bureau (FSTB) has been keeping a close eye on the Project progress and system quality, and has been monitoring the contractor's performance and tendering advice on an ongoing basis through actively participating in the Board meetings of MPFA and eMPF Company to ensure proper use of taxpayers' money. FSTB will continue to work closely with MPFA and eMPF Company to oversee the contractor's performance and Platform operation to ensure the robustness, reliability, security and user-friendliness of the eMPF Platform.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)014

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0650)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 253 of the Budget Speech that a total of about $150 billion to $195 billion worth of bonds will be issued under the Government Sustainable Bond Programme and the Infrastructure Bond Programme every year in the coming 5 years. The ratio of government debt to Gross Domestic Product will be 12% to 16.5%, which is a prudent and manageable level. In this connection, will the Government inform this Committee:

1. of the amount of bonds it issued in the past 3 years and the interest payments involved;
2. whether it will, taking into account the insurance sector's strong demand for long-term bonds, consider introducing bonds with tenors of 10 years or more for conducting risk-matching by the insurance sector and developing the bond market; and
3. whether it will promote the retail bond market through publicity campaigns which can also enhance a sense of participation among the public?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 12)

Reply:

(1) The issuance size and interest expenses under the Government Bond Programme (GBP), Government Sustainable Bond Programme (GSBP) and Infrastructure Bond Programme (IBP) over the past 3 financial years (2022-23 to 2024-25) are as follows –

GBP

Financial Year	Issuance size (HK$ billion)	Interest expense (HK$ million)
2022-23	70.5	4,536
2023-24	82.0	6,977
2024-25 (up to end-February 2025)	3.0	5,840

GSBP

Financial Year	Issuance size (HK$ billion)	Interest expense (HK$ million)
2022-23	66.1	1,041
2023-24	72.6	3,767
2024-25 (up to end-February 2025)	24.9	6,123

IBP

Financial Year	Issuance size (HK$ billion)	Interest expense (HK$ million)
2022-23	-	-
2023-24	-	-
2024-25 (up to end-February 2025)	99.4	17

(2) Since 2021, the Government has issued bonds of a tenor of 10 years or above under the GSBP and IBP, covering HKD, RMB, USD and EUR, with some issuances having a tenor of up to 30 years. These issuances of bonds of a longer tenor have facilitated the establishment of more comprehensive yields curves, while further broadening the investor base of Government bonds. Past issuances of Government bonds have attracted participation from a wide spectrum of global investors, including insurance companies. Looking ahead, in implementing the GSBP and IBP, the Government will actively explore the room for issuing more bonds of a longer tenor having regard to market factors (such as the formation of yield curves, market demand and cost), to better align bond tenors with the longer time horizon of infrastructure projects, while also providing additional investment options for long-term investors.

(3) The Government has issued 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 safe and reliable investment options with steady returns, while also promoting the further development of the retail bond market. In particular, the funds raised from the issuances of retail green bonds and retail infrastructure bonds are invested in local green and infrastructure projects in accordance with the relevant bond issuance frameworks, enabling members of the public to participate in local green and infrastructure development through bond investment. Since 2011, the Government has issued retail bonds totaling $364.7 billion, with the highest oversubscription rate reaching 4 times. In issuing retail bonds, the Government provides information pertaining to the relevant retail bonds through a number of channels, including press conference and press release, placing institutions, and various media (such as newspaper, radio, the Hong Kong Government Bonds website, and social media), with a view to raising the awareness of retail bond issuances among members of the public. The Government will keep in view the market situation, and devise suitable publicity arrangements for future bond issuances.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

CONTROLLING OFFICER'S REPLY | **FSTB(FS)015**

(Question Serial No. 0651)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 101 of the Budget Speech that the Working Group on Promoting Gold Market Development will formulate a plan this year, covering measures to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion. The measures will be implemented gradually. In this connection, please inform this Committee of the following:

1. Regarding enhancing storage facilities, how to ensure that the facility scale, technical standards, and geographical locations, etc. are best suited for the Hong Kong market;
2. Regarding optimising the trading and regulatory mechanisms of the gold market, what are the specific optimisation directions and strategies, as well as the expected outcomes; and
3. Regarding market promotion, what specific strategies will be adopted to enhance the international visibility and attractiveness of the gold market?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 13)

Reply:

To support the development of Hong Kong into an international gold trading centre, the Financial Services and the Treasury Bureau established the Working Group on Promoting Gold Market Development (Working Group) in December 2024, comprising leaders of the financial industry, representatives of regulatory bodies and market participants, to comprehensively review all aspects relating to financial transactions relating to gold. The Working Group will formulate a plan this year to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion.

It is the Government's goal to promote the development of world-class gold storage facilities, thereby attracting more investors and users from different economies, including the Middle East and Southeast Asia, to store gold in Hong Kong. On the basis of increased storage, we expect increased demand for associated support services in insurance, testing and certification, logistics, etc., while in parallel expanding related transactions including collateral, loan and hedging, hence creating a comprehensive ecosystem in a progressive manner. This will drive all-round multi-currency trading, clearing and delivery, as well as the development of the regulatory system, covering transactions using offshore Renminbi, thereby establishing a holistic gold trading centre with an industry chain. In terms of market promotion, we will promote the vision and specific measures for the development of Hong Kong's gold market through various activities and visits, with a view to attracting Mainland and international investors and users to store gold and conduct trading, clearing and delivery in Hong Kong.

At the same time, the Government has been communicating with relevant Mainland institutions, including those in the Greater Bay Area, on the development of gold trading. The working group will study the promotion of offshore Renminbi-denominated gold products and expansion of mutual access with the relevant market in the Mainland.

- End -

FSTB(FS)016

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0652)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 94 of the Budget Speech that the Financial Services and the Treasury Bureau, together with the Office for Attracting Strategic Enterprises and the Hong Kong Trade Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit (the Summit) this year, which will pool together global enterprises, funds and technologies through financial empowerment, thereby elevating the level of international co-operation of industries, while at the same time attracting more leading companies in advanced industries, domestic as well as overseas enterprises and investors to establish a foothold in Hong Kong. In this connection, will the Government inform this Committee of:

1. the progress of the preparatory work for the Summit, the estimated expenditure involved and its allocation;

2. how to assess the actual effectiveness of the Summit in elevating the level of international co-operation of industries and ensure that it can effectively attract leading companies in advanced industries, domestic as well as overseas enterprises and investors to establish a foothold in Hong Kong; and

3. how to establish an effective follow-up mechanism to ensure continued transformation and application of the outcomes of the Summit, and how to assess the Summit's long-term effectiveness and adjust relevant policies and measures according to the results of the assessment in the long run?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 14)

Reply:

The Financial Services and the Treasury Bureau (FSTB), together with the Office for Attracting Strategic Enterprises and the Hong Kong Trade Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit (Summit) this year, which will pool together global enterprises, funds and technologies through financial empowerment, thereby elevating the level of international cooperation of industries. It will also attract more leading companies in advanced industries, domestic as well as overseas enterprises and investors to establish a foothold in Hong Kong.

Under the global trends of industrial digitisation, intelligentisation, and green development, the Summit will focus on exploring international cooperation opportunities between traditional and emerging industries, as well as Hong Kong's crucial role in this context. The Summit is expected to attract over a thousand participants from around the world, including internationally renowned industry pioneers, leaders from the finance, technology, and business sectors, academic experts, and dignitaries, etc.

During the Summit, we will showcase Hong Kong's excellent business environment and our roles and advantages as a "super-connector" and "super value-adder" through various sessions. This includes inviting leading enterprises already established in Hong Kong to share their success stories of setting up and expanding their businesses here, so as to attract more Mainland and overseas companies to establish their presence in Hong Kong, particularly those in industries of strategic importance to Hong Kong, including innovative technology enterprises from sectors such as life and health sciences, artificial intelligence and data science, fintech, advanced manufacturing and new energy technologies, as well as cultural and creative industries.

Furthermore, we will continue to actively engage with key enterprises after the Summit, encouraging international and Mainland companies to establish and expand their businesses in Hong Kong, with a view to opening up more business opportunities and collaboration prospects.

The preparatory work for the summit is currently underway, including discussions with various parties on collaboration and confirming guest arrangements. FSTB is handling the related preparatory work with our existing manpower and resources. There is no related itemised breakdown of expenditure estimates.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)017

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0653)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 154 of the Budget Speech, more than 880 applications have been received cumulatively under the New Capital Investment Entrant Scheme (New CIES), with an expected investment of over $26 billion. The Government will launch a series of enhancement measures shortly to provide greater flexibility under the Scheme. In this connection, would the Government inform this Committee of the following:

1. What are the specific expenditure and the key performance indicators for the implementation of the New CIES?
2. Starting from 16 October last year, investment in residential properties is allowed under the New CIES provided that the transaction price of the single residential property invested in is no less than HK$50 million, with the amount of real estate investment to be counted towards the total capital investment under the New CIES capped at HK$10 million. What is the response of investors to the new policy?
3. Has a detailed analysis of the capital flows of the $26 billion investment been conducted to learn about which areas the capital mainly flows to? Has an evaluation mechanism on the long-term benefits of the investment been established to evaluate how the investment boosts the local economy?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 15)

Reply:

Since the launch of the New Capital Investment Entrant Scheme (New CIES) to end-February 2025, Invest Hong Kong (InvestHK) has received 918 applications, approved 868 applications for Net Asset Assessment and 386 applications for Assessment on Investment Requirements. The Immigration Department (ImmD) granted "approval-in-principle" for 756 applications, enabling the applicants to enter Hong Kong as visitors to make the committed investment, and granted "formal approval" for 341 applications. If all applications received are approved, it is estimated that they will bring more than

HK$27 billion to Hong Kong, enhancing the developmental strengths of Hong Kong's asset and wealth management industry.

With effect from 16 October 2024, applicants under the New CIES are allowed to invest in residential properties, provided that the transaction price of a single property is HK$50 million or above. The total investment amount in real estate (the aggregate of all residential and non-residential properties) which is counted toward fulfilling the minimum investment threshold is subject to an aggregate cap of HK$10 million. The Government also announced a series of enhancement measures to the New CIES in January 2025. Effective on 1 March 2025, the measures include –

(a) **relaxing the requirements on the fulfillment of net asset requirement (NAR):** 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. Net assets or net equity jointly owned with the applicant's family member(s) can also be taken into consideration for the calculation of the NAR for the respective portion which is absolutely beneficially entitled to the applicant; and

(b) **allowing the holding of permissible investment assets through a family-owned investment holding vehicle (FIHV) or a family-owned special purpose entity (FSPE) under an FIHV:** Investments made through an eligible private company wholly owned by an applicant can be counted towards the applicant's eligible investment in the New CIES. An eligible private company refers to a holding company incorporated or registered in Hong Kong which is wholly owned by an applicant in the form of an FIHV or an FSPE under an FIHV managed by an eligible single family office as defined in Section 2 of Schedule 16E to the Inland Revenue Ordinance (Cap. 112). The enhancement will create synergy between the New CIES and establishment of family offices in Hong Kong.

Among the 386 approved applications for Assessment on Investment Requirements as of end-February 2025, no applicant has made investment in residential real estate under the New CIES. Excluding the sum for investing in the CIES Investment Portfolio, the approved investment distribution is as follows –

	Investment amount (HK$ million)
Eligible collective investment schemes	5,171
Equities	3,570
Debt securities	1,773
Non-residential real estate	18
Certificates of deposits	9
Ownership interest in limited partnership funds	7
Total	**10,548**

Since the enhancement measures under the New CIES have only been implemented for a short period of time, the Government will continuously review the applicants' investment arrangement and suitably evaluate its effectiveness.

The New Capital Investment Entrant Scheme Office (NCIESO) under InvestHK is responsible for assessing whether the applications under the New CIES fulfil the financial requirements concerned. ImmD is responsible for assessing the applications for visa/entry permit and extension of stay, etc., under the New CIES. The estimated expenditure is tabulated below -

Department	Estimated expenditure in 2025-26 ($ million)
InvestHK / NCIESO	22.8
ImmD	4.1

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)018

(Question Serial No. 0654)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In recent years, the Government has actively introduced the risk-based capital regime for Hong Kong's insurance industry to enhance the stability of the financial system, with a view to deploying capital more effectively and building a prudent risk culture. As mentioned in Programme (1), the Financial Services and the Treasury Bureau will continue to promote the development of the insurance industry, including monitoring the implementation of the risk-based capital regime. In this connection, will the Government inform this Committee of the following?

Since the implementation of the risk-based capital regime, what measures has the Government taken to monitor the execution of the regime? Has the Government set up a specific mechanism to evaluate its effectiveness? For example, after the implementation of the new regime, the industry has, based on the actual implementation results, called for optimisation of the regime so as to maintain its global competitiveness. What is the timetable for the Insurance Authority to propose legislative amendments in response to the demands from the industry?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 16)

Reply:

To strengthen the financial soundness of insurance companies and provide closer alignment with international standards, Hong Kong implemented the Risk-based Capital (RBC) regime on 1 July 2024, replacing the rule-based capital adequacy regime. The RBC regime takes a modular approach for an assessment more sensitive to each insurer's risk profile consisting of market risk, life and general insurance risks, operational risk, etc., while maintaining consistency with a standardised methodology across the insurance industry. Adopting the RBC regime incentivises insurers to strengthen their risk management culture, as insurers with solid risk management measures as well as better asset and liability management will shoulder lower capital requirements under the regime. Insurers exposed to high risks, on the other hand, will have to possess more capital to protect policy holders, thereby instilling market stability. The regime has taken into consideration the landscape and competitiveness of our insurance industry, with a view to promoting a healthy and sustainable development of the industry and Hong Kong as an international risk management centre.

After the implementation of the RBC regime, the Insurance Authority (IA) has received from insurance companies quarterly returns prepared based on the RBC standards. Having examined the information and data submitted by insurance companies, IA notes that insurance companies have met the relevant statutory capital requirements, and their assets and liability matching as well as risk management and mitigation controls are generally effective. IA will continue to closely monitor the implementation of the regime and maintain close communication with insurance companies.

Hong Kong has the highest concentration of insurance companies and the highest insurance density in Asia. To further strengthen Hong Kong's position as a global risk management centre, IA has initiated a review of the regime, including examining the capital requirements for infrastructure investment, enriching insurance companies' asset allocation for risk diversification and driving investment in infrastructure. We will focus on enhancing the competitiveness of our industry in the international arena. The Government will consider the need to amend the relevant legislation based on IA's review results.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)019

(Question Serial No. 0655)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The insurance industry is one of the major pillars of Hong Kong's financial services sector, and the Government has indicated that it will continue to promote the development of the industry. The Government launched the Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector in 2016. The programme, which has been in place for more than 8 years, has been extended until 2025-26. In this connection, would the Government inform this Committee of:

1. whether it has reviewed the effectiveness of the programme and the actual number of enrolments in various training schemes; and
2. whether it will enhance the programme and formulate long-term strategies and objectives, with a view to attracting more local talent to join the insurance industry to boost its competitiveness; and if so, the details; if not, the reasons.

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 17)

Reply:

To support the sustainable and long-term development of the financial services industry, the Government launched the Pilot Programme to Enhance Talent Training for the Insurance Sector (the Programme) in August 2016. The Programme includes various initiatives, such as enhancing public awareness (especially among young people) of the diverse career opportunities and development prospects in the insurance industry, providing internship opportunities for tertiary graduates and university students to attract new talent to the industry, and offering professional training funding support for in-service practitioners to enhance their professional skills.

The Programme provides summer internship places in insurance companies and insurance broker companies to university students. It allows university students to gain a better understanding of the operation of the insurance sector which would facilitate their consideration in deciding their future career. Since its inception, the Programme has provided internship positions for approximately 580 tertiary students. Feedback from participants has been very positive, with most reporting a deeper understanding of the industry and many planning to join the sector upon graduation.

Besides, the Programme provides funding support for organisations to organise high-quality training courses focusing on the functional or topical areas in insurance, aiming to provide high-end courses at an affordable cost for insurance practitioners who wish to enhance their professional knowledge. These courses include marine insurance, technology and innovation in insurance industry and typhoon and catastrophic insurance. To date, over 19 200 insurance practitioners have attended the subsidised professional training courses.

We have kept under review the effectiveness and operation of the initiative, and implemented enhancements where appropriate. Since its launch in 2016, the Programme has funded the industry to organise a variety of professional training courses and offer more internship opportunities for students. This has effectively promoted the industry and enhanced the professional capabilities of practitioners. It has laid a solid foundation for talent cultivation and development in the insurance industry. The Programme will conclude in March 2026.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)020

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0656)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

To align with the global trends of digitalisation and green transformation, the Government has indicated that it will implement new arrangements for promoting paperless corporate communication for Hong Kong companies, thereby enhancing their cost-effectiveness and operational efficiency. In this connection, will the Government inform this Committee of:

1. whether it has received any feedback from small and medium enterprises during the public consultation reflecting the difficulties they encountered in terms of technology and resources before the promotion of paperless communication; and how targeted support will be offered to the enterprises;
2. how to ensure that the paperless communication platforms used by enterprises and the public are in compliance with the standards on data privacy and cybersecurity in Hong Kong; and
3. whether a dedicated monitoring mechanism will be established to regularly review the compliance of the relevant platforms?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 18)

Reply:

(1)

The Government is committed to providing a business-friendly environment for companies and enhancing Hong Kong's status as an international business and financial centre. Since 2010, relevant stipulations have been introduced in the Companies Ordinance (Cap. 622) to facilitate electronic communication by companies with their shareholders.

On 17 April this year, the Government will implement new arrangements to allow companies to adopt implied consent mechanism for disseminating corporate communication by means of website, in order to promote paperless corporate communication for both listed and unlisted

Hong Kong companies. Under the new arrangements, companies may adopt implied consent mechanism, i.e. if their articles of association contain a provision that they may disseminate corporate communication by means of website, they may do so without having to seek prior consent from each shareholder or debenture holder. The new arrangements will benefit listed and unlisted companies in communicating with shareholders electronically, thereby improving efficiency and cost-effectiveness of companies.

Before the implementation of the new arrangements, the Government conducted a public consultation regarding the proposals to promote paperless corporate communication from November 2023 to January 2024. The community generally supported the proposals in helping to enhance the cost-effectiveness and operational efficiency of companies, thereby achieving the objectives of streamlining procedures and promoting a green business environment. Although we did not receive any feedback from small and medium enterprises regarding technical and resource difficulties related to the proposals during the public consultation, to help companies implement the new arrangements, the Companies Registry has updated its "Guide on Communications to and by Companies" and promulgated a guidance note on good practice, to provide relevant information and guidance on the new arrangements. The Companies Registry will also communicate with the industry associations through various channels, including meeting representatives from The Hong Kong Chartered Governance Institute, The Hong Kong Association of Banks, The Law Society of Hong Kong, The Hong Kong Institute of Certified Public Accountants and The Society of Chinese Accountants & Auditors, to encourage companies to provide training to the staff concerned before implementation of the new arrangements.

(2) and (3)

The Government attaches great importance to data privacy and network security. When disseminating communication on websites, companies need to strictly comply with the regulations on the collection and use of personal data under the Personal Data (Privacy) Ordinance (Cap. 486). Furthermore, the Companies Registry has provided the relevant links of the Anti-Deception Coordination Centre and "CyberDefender" of the Hong Kong Police Force on its website for easy reference by companies. Companies are also reminded to take appropriate anti-deception measures when disseminating corporate communication on their websites. We will pay attention to the latest market developments after implementation of the new arrangements, and maintain close liaison with financial regulators and law enforcement agencies for publicity and issuing reminders as appropriate.

We currently have no plan to set up a dedicated monitoring mechanism to review the paperless corporate communication platforms of the relevant companies. The Government will continue to work closely with the information technology industry to provide support on cybersecurity to the public, including issuing security recommendations to the business sector, providing free website checking services for small and medium enterprises, setting up cybersecurity staff training platforms, promoting information security good practices, and organising seminars, etc., so as to enhance the awareness and capability of different sectors in harnessing information safety and cybersecurity.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)021

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0657)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 104 of the Budget Speech that "Full Portability" of Mandatory Provident Fund (MPF) benefits is sought to be launched soon after full implementation of the eMPF Platform, and that the public will be consulted on specific proposals. In this connection, will the Government inform this Committee of the following:

1. In drawing up specific proposals, whether the Government has assessed the challenges that may be encountered in the course of implementing MPF "Full Portability", such as administrative complexities and employees' difficulties in making their choices; if so, how these challenges will be addressed; and

2. Whether it will step up publicity and educational efforts targeting employees to help them better understand the operation of MPF "Full Portability", and provide them with appropriate assistance and support in choosing a suitable MPF scheme?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 19)

Reply:

Having consulted the Mandatory Provident Fund Schemes Authority (MPFA), reply to the two-part question is as follows.

(1) In formulating the detailed proposal of the Mandatory Provident Fund (MPF) "Full Portability", the Government has requested MPFA to avoid imposing additional administrative work on employers and increasing administrative costs for trustees. The Government has also requested MPFA to balance a myriad of factors in the detailed proposal for public consultation, including scheme members' control over their MPF investments, administrative complexity, and system efficiency.

To streamline the administrative process and make it easier for scheme members to understand the actual operation of MPF "Full Portability", MPFA's current thinking is that employees whose employment commences on or after 1 May 2025 should, based on the existing Employee Choice Arrangement (ECA) (commonly known as MPF "Semi Portability"), be allowed to transfer accrued benefits derived from their current employers' mandatory contributions from their contribution accounts to the personal accounts of an MPF scheme of the employees' own choice once a year in a lump sum. As for employees whose employment commences before 1 May 2025, a new category of account will be set up for them to transfer thereto accrued benefits derived from their current employers' mandatory contributions, with a view to meeting the potential "offsetting" requests that employers may make in the future. MPFA already issued a consultation document on 28 March 2025, setting out the detailed proposal. The Government will start with the legislative amendments within this year upon receiving consultation conclusions submitted by MPFA.

(2) MPFA has been committed to promoting MPF-related investor education and educating scheme members on how to better manage their MPF by choosing MPF investments according to their needs and risk tolerance level. Subject to the Legislative Council's support on the legislative amendments for MPF "Full Portability", MPFA will roll out publicity and education initiatives at an appropriate juncture, through media interviews, articles, online media promotions and direct communication with stakeholders, etc., so as to assist employees and employers to understand the actual operation of MPF "Full Portability". MPFA will also provide suitable training for MPF intermediaries to assist them in acquiring the relevant knowledge to explain the arrangement of MPF "Full Portability" to employees. Meanwhile, the one-stop "MPF Fund Platform" on MPFA's website provides detailed information on different funds under each MPF scheme, including fund performance, fund expense ratio, fund management fees and its various components (including administration/trustee/custodian fees, sponsor fees, investment management fees, etc.), fund risk and size, etc., thereby assisting scheme members in choosing MPF schemes and funds that suit their personal needs. The Government and MPFA will continue to monitor the evolving needs of scheme members and introduce policies and measures to improve the MPF system in a timely manner.

- End -

 Reply Serial No.

FSTB(FS)022

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2840)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 173 of the Budget Speech that to continuously support local green-finance talent training, the Government will extend the Pilot Green and Sustainable Finance Capacity Building Support Scheme to 2028. In this connection, will the Government inform this Committee of:

1. the number of approved and unsuccessful applications in each of the past 3 years;

2. the related expenditure and manpower resources for the Scheme;

3. the Government's measures to attract more trainees and employers to join this Scheme? If yes, what are the details?

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 28)

Reply:

To nurture talent for further promoting the development of green and sustainable finance, the Government launched in 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, we will extend the Pilot Scheme to 2028.

(1) The number of applications received, approved and rejected since the launch of the Pilot Scheme are set out below. The rest are applications pending processing or are being processed.

	December 2022 to end-March 2023	April 2023 to end-March 2024	April 2024 to mid-March 2025	Total
Number of applications received Note[1]	137	3 868	4 568	8 573
Number of applications approved	-	2 195	4 227	6 422
Number of applications rejected Note[2]	-	333	204	537

Note 1: The figures also include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by applicants afterwards. 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 processed in the same financial year when it was received.

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; that the applicant has obtained the maximum reimbursement amount under the Pilot Scheme, etc.

(2) The Pilot Scheme has been well received by the industry since its launch. As of mid-March 2025, over 6 400 applications were approved, involving a total expenditure of around $40 million (including the fees of around $3.8 million paid to the processing agent of the Pilot Scheme). The Pilot Scheme is administered by the Centre for Green and Sustainable Finance, a public-private collaboration platform launched under the Green and Sustainable Finance Cross-Agency Steering Group (formed by relevant Government Bureaux, financial regulators and the Hong Kong Exchanges and Clearing Limited). The Financial Services Branch handles the policy coordination work concerned with existing manpower and resources. There is no related itemised breakdown of expenditure estimates.

(3) We have been actively promoting the Pilot Scheme through various channels including establishing a dedicated webpage to provide one-stop information for applicants and training institutes, as well as conducting publicity through social media, and sustainable finance-themed events, with a view to encouraging more practitioners as well as prospective practitioners interested in green and sustainable finance related work to participate in training. Looking forward, we will continue to strengthen publicity of the Pilot Scheme including working closely with universities and the industry on promotional efforts, review its scope and operation, and collect feedback and comments from the industry, training institutes as well as participants from time to time, so as to meet the needs of the industry in knowledge and skills related to green and sustainable finance.

- End -

Reply Serial No.

FSTB(FS)023

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2849)

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 172 of the Budget Speech, the Government launched the Sustainable Finance Action Agenda last year, setting out goals for the banking industry to achieve net zero. We also launched the Roadmap on Sustainability Disclosure in Hong Kong. It provides a well-defined pathway for large publicly accountable entities to adopt the International Financial Reporting Standards – Sustainability Disclosure Standards (ISSB Standards) no later than 2028. This will make Hong Kong one of the first jurisdictions to align its local requirements with the ISSB Standards.

In this connection, would the Government advise this Committee whether it has developed any work plan, expenditure estimates and key performance indicators for the next 3 years; if yes, of the details; if not, of the reasons?

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 29)

Reply:

We have been taking a multi-pronged strategy to promote green and sustainable finance in Hong Kong. Details on the implementation of the Sustainable Finance Action Agenda and the Roadmap on Sustainability Disclosure in Hong Kong are set out below.

Sustainable Finance Action Agenda

The Hong Kong Monetary Authority (HKMA) launched the Sustainable Finance Action Agenda (Action Agenda) last year, setting out 8 goals in 4 areas, namely banking for net zero, investing in a sustainable future, financing net zero, and making sustainability more inclusive. Regarding banking for net zero, all banks should, in accordance with science-based pathways, strive to achieve net zero in their own operations by 2030 and in their financed emissions by 2050 with a view to supporting their clients and wider economy in the net zero transition. In addition, tentatively from 2030, banks should start making available their transition plans to the HKMA regularly on a “comply or explain” basis. The transition plans should consist of decarbonisation and financing targets, and clear action plans for achieving 2050 net zero ambition, including a plan for managed phase-out of financing for carbon-intensive assets. The transition plans should be Paris-aligned, robust, actionable and up-to-date. To support banks’ efforts in the preparation of transition plans, the HKMA will provide further guidance, support and tools. The expenditure estimates for implementing the measure will be absorbed by the HKMA.

Roadmap on Sustainability Disclosure in Hong Kong

The Financial Services and the Treasury Bureau (FSTB) launched in December 2024 the Roadmap on Sustainability Disclosure in Hong Kong (Roadmap), which sets out Hong Kong’s approach to require publicly accountable entities (PAEs) to adopt the International Financial Reporting Standards - Sustainability Disclosure Standards (ISSB Standards). It provides a well-defined pathway for large PAEs to fully adopt the ISSB Standards no later than 2028, leading Hong Kong to be among the first jurisdictions to align its local requirements with the ISSB Standards. The Roadmap also elaborates on Hong Kong’s blueprint to develop a comprehensive ecosystem to support sustainability disclosures, which encompasses sustainability assurance, data and technology, as well as skills and competencies. The future work plans and key milestones in each area are set out below.

(1) ISSB Standards

As aforementioned, the Roadmap sets out the requirement for large PAEs to fully adopt the ISSB Standards no later than 2028. As the sustainability reporting standard setter in Hong Kong, the Hong Kong Institute of Certified Public Accountants (HKICPA) published in December 2024 the Hong Kong Sustainability Disclosure Standards (Hong Kong Standards) fully aligned with the ISSB Standards, with an effective date of 1 August 2025.

Large PAEs include large listed issuers and non-listed financial institutions carrying a significant weight. For listed issuers, Hong Kong Exchanges and Clearing Limited (HKEX) has introduced new climate-related disclosures requirements (New Climate Requirements), which are developed based on International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures, with proportionality and scaling-in measures. The New Climate Requirements came into effect starting from 1 January 2025, preparing companies to start climate reporting early in accordance with provisions of the ISSB Standards. HKEX will consult the market in 2027 on mandating sustainability reporting against the Hong Kong Standards for listed PAEs, with an expected effective date of January 2028 under a proportionate approach. For financial industry, the HKMA, the Securities and Futures Commission, the Insurance Authority and the Mandatory Provident Fund Schemes Authority will conduct sector-specific engagements to determine the approach and timing of adopting the Hong Kong Standards for different financial sectors. Subject to stakeholders’ comments and feedback, relevant financial regulators will require non-listed financial institutions carrying a significant weight (i.e. being non-listed PAEs) to apply the Hong Kong Standards no later than 2028.

(2) Sustainability assurance

The HKICPA will develop local assurance and ethics standards on a full convergence basis with the International Standard on Sustainability Assurance 5000 (published in November 2024 by the International Auditing and Assurance Standards Board) and the International Ethics Standards for Sustainability Assurance (expected to be published in early 2025 by the International Ethics Standards Board for Accountants). The Accounting and Financial Reporting Council is working with relevant financial regulators and stakeholders with a view to releasing a proposed local regulatory framework for sustainability assurance for public consultation in 2025.

(3) Data and technology

The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group), formed by relevant Government Bureaux, financial regulators and HKEX, will continue efforts in facilitating sustainability disclosures and enhancing quality of data through a multi-pronged approach. To support sustainability disclosure and improve data availability, the Steering Group will continue to enhance the free-for-all public utility data tools on its website, including 2 greenhouse gas emissions calculation and estimation tools and the Climate and Environmental Risk Questionnaire for Non-listed Companies/Small and Medium-sized Enterprises. In addition, the Steering Group is developing the official Hong Kong Green Fintech Map with the industry, which provides one-stop information on the current status of Green Fintech companies in Hong Kong and related services with a view to raising the companies' profile. The Map will be published in the first half of 2025. The Steering Group is also engaging with the industry to expand the Hong Kong Taxonomy for Sustainable Finance, which includes incorporating transition elements and adding new sustainable activities.

(4) Skills and competencies

The Steering Group and the HKICPA will continue to promote alignment with the ISSB Standards and support capacity building efforts locally, regionally and internationally through organising seminars, webinars and other engagement activities as well as publishing articles and newsletters on sustainability-related topics; providing training and certification programmes; facilitating discussions at relevant technical and/or advisory committees; and working with industry practitioners, stakeholders and relevant regulators to establish good practices for sustainability reporting. The Government will continue to support capacity building through the Pilot Green and Sustainable Finance Capacity Building Support Scheme, which will be extended to 2028.

The Financial Services Branch handles the policy coordination work concerned with existing manpower and resources. There is no related itemised breakdown of expenditure estimates.

- End -

Reply Serial No.

FSTB(FS)024

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0542)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Government has implemented tax deduction arrangements for qualifying annuity premiums, Mandatory Provident Fund (MPF) voluntary contributions and qualifying premiums paid under the Voluntary Health Insurance Scheme Policy (VHIS) since 2019. In this connection, would the Government inform this Committee of the following:

1. Please tabulate the numbers of persons benefited from tax deduction and the amounts of tax deducted under the three tax deduction arrangements mentioned above in each of the years since 2019.
2. Please tabulate the numbers of annuity policies, MPF voluntary contribution accounts and VHIS policies, as well as the amounts involved, in each of the years since 2019.
3. Has the Government evaluated the effectiveness of the relevant tax deduction arrangements? Have they achieved the expected results? What are the future targets?
4. Will the Government review and enhance the relevant tax deduction arrangements, including the proposal to increase the respective maximum deductible limits?

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

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 MPF tax-deductible voluntary contributions (MPF 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 2023-24, as at early March 2025, deduction of around $65.6 billion was allowed to around 1 431 000 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

For the years of assessment 2019-20 to 2023-24, the insurance industry sold around 290 000 QDAPs, involving premiums of around $19.9 billion. During the same period, the number of MPF TVC accounts increased to 76 000, involving contributions amounting to $10.5 billion. A breakdown of the figures by year is provided below:

Year	QDAP		MPF TVC	
	Number of new policies	Annualised premiums of new policies (HK$ million)	Number of accounts as at the end of period	Contributions in the year (HK$ million)
2019-20	133 000	9,462	38 000	1,706
2020-21	52 000	3,595	53 000	2,214
2021-22	35 000	2,738	62 000	2,507
2022-23	32 000	2,125	68 000	2,159
2023-24	35 000	2,012	76 000	1,928

Note: Figures in the table exclude policies terminated during the cooling-off period.

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 2025, 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. The Government will monitor the situation and review the arrangement when necessary.

- End -

Reply Serial No.

FSTB(FS)025

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0559)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 154 of the Budget Speech that under the New Capital Investment Entrant Scheme (the Scheme), more than 880 applications have been received cumulatively, with an expected investment of over $26 billion, and a series of enhancement measures will be launched to provide greater flexibility under the Scheme. In this connection, please inform this Committee of the following:

1. the detailed information of the Scheme since its implementation, including 1) the number of applications received; 2) the places of origin of the applicants; 3) the number of applications approved; and 4) the reasons for rejecting the applications;

2. the details of the series of enhancement measures on the Scheme to be implemented by the Government; and

3. the establishment and expenditure on emoluments involved in handling the Scheme; and whether the relevant establishment and expenditure on emoluments will be changed due to the enhancement of the Scheme; if yes, the details; if not, the reasons.

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 14)

Reply:

(1) The New Capital Investment Entrant Scheme (New CIES) opened for application in March 2024 with a view to further enriching the talent pool and attracting more new capital to Hong Kong. As of end-February 2025, the New CIES has received 918 applications. Details of the applications are set out in the table below –

Table 1: Assessment of applications under the New CIES

	Foreign nationals or persons with permanent residence overseas	Macao Special Administrative Region Residents and Chinese residents of Taiwan	**Total**
Applications for Net Asset Assessment received by Invest Hong Kong (InvestHK)	889	29	918
Applications for Net Asset Assessment approved by InvestHK	841	27	868
Entry applications received by Immigration Department (ImmD)	828 (See Table 2)	27	855
Applications with "Approval-in-principle" granted by ImmD	730	26	756
Applications fulfilling Investment Requirements as approved by InvestHK	371	15	386
Applications with "Formal Approval" granted by ImmD	326	15	341

Table 2: Foreign nationals or persons with permanent residence overseas

	Entry applications received by ImmD
Guinea-Bissau	410
Vanuatu	250
Canada	26
Australia	25
Hungary	14
New Zealand	13
Singapore	12
South Korea	10
Saint Kitts and Nevis	9
United States	9
Greece	7
Malta	5
Philippines	5
Dominica	4
Malaysia	3
Turkey	3

	Entry applications received by ImmD
United Kingdom	3
Antigua and Barbuda	2
Cambodia	2
France	2
Japan	2
Netherlands	2
Republic of Cyprus	2
Brazil	1
Gambia	1
Germany	1
Ireland	1
Italy	1
Mexico	1
Panama	1
Venezuela	1
Total:	**828**

As of end-February 2025, no entry application received by ImmD has been rejected.

(2) Having reviewed the operation of the New CIES and considered views received from relevant sectors, the Government implemented a series of enhancement measures to the New CIES with effect from 1 March 2025, including –

(a) **relaxing the requirements on the fulfillment of net asset requirement (NAR):** 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. Net assets or net equity jointly owned with the applicant's family member(s) can also be taken into consideration for the calculation of the NAR for the respective portion which is absolutely beneficially entitled to the applicant; and

(b) **allowing the holding of permissible investment assets through a family-owned investment holding vehicle (FIHV) or a family-owned special purpose entity (FSPE) under an FIHV:** Investments made through an eligible private company wholly owned by an applicant can be counted towards the applicant's eligible investment in the New CIES. An eligible private company refers to a holding company incorporated or registered in Hong Kong which is wholly owned by an applicant in the form of an FIHV or an FSPE under an FIHV managed by an eligible single family office as defined in Section 2 of Schedule 16E to the Inland Revenue Ordinance (Cap. 112). The enhancement will create synergy between the New CIES and establishment of family offices in Hong Kong.

(3) The New Capital Investment Entrant Scheme Office (NCIESO) under InvestHK is responsible for assessing whether the applications under the New CIES fulfil the financial requirements concerned. The NCIESO team consists of 3 civil servants

(including 1 Chief Executive Officer and 2 Senior Executive Officers) and 24 non-civil service contract staff. ImmD is responsible for assessing the applications for visa/entry permit and extension of stay, etc. under the New CIES. The manpower involves 4 civil service posts (including 3 Immigration Officers and 1 Chief Immigration Assistant).

The estimated expenditure of NCIESO and ImmD for implementing the New CIES is tabulated below–

Department	Estimated expenditure in 2025-26 ($ million)
InvestHK / NCIESO	22.8
ImmD	4.1

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)026

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0635)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 103 of the Budget Speech that the Pilot Insurance-linked Securities Grant Scheme (Pilot Scheme) will be extended for 3 years. In this connection, would the Government inform this Committee of the following:

1. Please set out in table form the names of companies that have been offered grants for the issuance of insurance-linked securities since the launch of the Pilot Scheme, as well as the respective issuance sizes and amounts of grants offered; and

2. Following the extension of the Pilot Scheme, how will the Government step up external promotion efforts to introduce Hong Kong's potential and strengths as an insurance-linked securities centre to institutional investors, thereby encouraging more issuance of catastrophe bonds in Hong Kong?

Asked by: Hon CHAN Pui-leung (LegCo internal reference no.: 38)

Reply:

Since the launch of Pilot Insurance-linked Securities (ILS) Grant Scheme in 2021, 4 issuances have received subsidies under the scheme. Details are set out below:

Issuer	Issuance Size (HK$)	Grant Amount (HK$)
Peak Reinsurance Company Limited	1.18 billion	12 million
PICC Property and Casualty Company Limited	253 million	4.23 million

Issuer	Issuance Size (HK$)	Grant Amount (HK$)
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
Total	5.35 billion	37.38 million

We expect to receive another application in the first half of 2025.

To promote the development of Hong Kong as a diversified global risk management centre, the Government will continue to attract more organisations to issue ILS products of different types and structures in Hong Kong to propel the development of an ILS ecosystem. The Insurance Authority has maintained close liaison with potential partners, and is strengthening external promotion efforts, including hosting the second international conference this year to promote Hong Kong's advantages to institutional investors and family offices.

- End -

CONTROLLING OFFICER'S REPLY

Reply Serial No.

FSTB(FS)027

(Question Serial No. 0636)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 88 of the Budget Speech that the Government will continue to attract global capital to Hong Kong and develop a vibrant ecosystem for family offices. In this connection, will the Government inform this Committee of:

1. the number of family offices operating in Hong Kong to date and the asset size involved;

2. the total number of family offices that the dedicated family office team of Invest Hong Kong has, since its establishment in June 2021, assisted in setting up or expanding business in Hong Kong, the major origins of these family offices and the asset size involved; and

3. the estimated number of additional family offices that can be attracted to Hong Kong in the current financial year and the asset size to be involved?

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

Reply:

According to the research findings of the consultant commissioned by Invest Hong Kong (InvestHK) and publicised in March 2024, there were around 2 700 single family offices (FOs) operating in Hong Kong as of end-2023, with over half of them set up by ultra-high-net-worth individuals having a wealth of US$50 million or above.

The dedicated FamilyOfficeHK team (the dedicated team) of 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 2025, the dedicated team has assisted over 160 FOs to set up or expand their business in Hong Kong, including 98 single FOs and 63 multi-FOs. Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong.

The number of FOs set up or expanded business in Hong Kong as assisted by the dedicated team, and the number of FOs having indicated that they are preparing or have decided to set up or expand in Hong Kong are tabulated below by geographical region –

Region	FOs assisted by the dedicated team to set up or expand business in Hong Kong	FOs preparing or having decided to set up or expand business in Hong Kong
Mainland and Taiwan, China	128	82
Europe and Americas	20	34
Asia Pacific and Oceania	13	22
Middle East	-	9
Total	**161**	**147**

As FOs in Hong Kong are not required to disclose their assets under management to the Government, we do not maintain relevant figures. Meanwhile, family-owned investment holding vehicles managed by single FOs in Hong Kong fulfilling the minimum asset threshold of HK$240 million and substantial activities requirement can enjoy profits tax exemption for qualifying transactions in accordance with the Inland Revenue Ordinance.

- End -

Reply Serial No.

FSTB(FS)028

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0840)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(2) Subvention: Financial Services Development Council
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Government offers ongoing training, knowledge exchange and networking opportunities for family office practitioners and next-generation asset owners through the Hong Kong Academy for Wealth Legacy (HKAWL) established under the Financial Services Development Council. Please provide, based on the Estimates of Expenditure, the operational expenses and the total expenditure of the HKAWL, broken down by type of work, since its establishment in November 2023.

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 29)

Reply:

The Hong Kong Academy for Wealth Legacy (HKAWL) was established in November 2023 with the aim of developing Hong Kong as a leading global family office hub. Through fostering global collaboration, networking, knowledge sharing and talent development, guiding, the HKAWL is committed to invigorating a vibrant ecosystem for family offices for global family office principals, next-generation wealth owners and professionals in private wealth management.

In 2024-25, the HKAWL co-hosted the "Family Legacy Summit" with Invest Hong Kong view a view to fostering interaction and exchange within the industry. The HKAWL also organised, co-organised, or participated in over 20 events such as forums, seminars, roundtables, etc. during the year, enabling asset owners and family office practitioners to engage in in-depth and professional discussions and exchanges on relevant topics. These events brought together over 3 100 participants.

In 2023-24 and 2024-25, the expenses by work item category and total expenses of the HKAWL are as follows –

Item	2023-24 Actual Expenditure ($ million)	2024-25 Actual Expenditure ($ million)
Event expenditure	0.3 (Note 1)	1.3 (Note 2)
Staff, operating and administrative costs	0.3	2.5
Total expenditure	**0.6**	**3.8**

Note 1: expenditure for the inauguration event for the HKAWL
Note 2: including $800,000 covered by sponsorships received

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)029

(Question Serial No. 0991)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 42 of the Budget Speech that to further assist specialist technology and biotechnology companies in raising funds and expanding business, the Hong Kong Exchanges and Clearing Limited is actively taking forward the establishment of a dedicated "technology enterprises channel" (TECH) to facilitate the relevant companies in preparing for listing applications.

1. How will the TECH, to be established by the Government, create synergy with specialist technology companies listed under Chapter 18C of the Listing Rules to form policy support measures?

2. Will the TECH have a dedicated team to proactively identify suitable companies for listing?

3. So far, the Hong Kong Investment Corporation Limited (HKIC) has invested in over 90 technology enterprises, mainly covering such fields as hard and core technology, life technology, new energy and green technology. Have the technology enterprises the HKIC invested in met the conditions for commercialisation and the TECH's requirements for listing?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 31)

Reply:

With the thriving development of emerging industries in the Mainland, there is a strong demand for overseas listing by relevant enterprises. Hong Kong Exchanges and Clearing Limited (HKEX) provides innovative companies including biotechnology and specialist technology companies with tailored listing mechanisms (including Chapters 18A and 18C of the Listing Rules), so as to facilitate their financing for research and development and product commercialisation. On this basis, to further assist specialist technology and biotechnology companies in raising funds and developing their businesses, HKEX is actively taking forward the establishment of a dedicated "technology enterprises channel" (TECH). Under the relevant mechanism, HKEX will arrange a dedicated team to communicate with potential applicants as early as possible and provide assistance to relevant companies to prepare for listing applications, so as to enhance the understanding of companies and sponsors about the applicability and assessment criteria of relevant rules in relation to specific businesses and facilitate early communication on different important issues. The Securities and Futures Commission will also work closely with HKEX and provide support during the process. By assisting relevant companies to better prepare for listing applications, we hope to enable a smoother application process and facilitate more enterprises from different advanced technology industries to list in Hong Kong.

Since its establishment, the Hong Kong Investment Corporation Limited (HKIC) has invested in over 90 projects, currently mainly focusing on hard and core technology, life technology, new energy and green technology, as well as related applications. The support of the HKIC has accelerated the incubation and commercialisation process of relevant enterprises. It also helped them open up local and overseas markets more quickly, facilitating their fundraising and connecting application scenarios. A number of invested companies are expediting their plans for listing in Hong Kong. The HKIC will continue to actively cultivate, support and attract high-quality innovation and technology companies to develop and raise funds in Hong Kong.

- End -

Reply Serial No.

FSTB(FS)030

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0992)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The New Capital Investment Entrant Scheme of the Hong Kong Investment Corporation Limited (HKIC) is expected to bring more than $26 billion in investment. In this connection, please inform this Committee of the operational details of the scheme and its impact on investors:

1. How will the HKIC assess the returns and the level of fees charged in respect of the selected investments in the CIES Investment Portfolio, as well as their contribution to Hong Kong's economy? Will a set of standardised assessment indicators be formulated?

2. How does the HKIC ensure transparency in the use of funds within the CIES Investment Portfolio and enable investors to understand the investment progress as well as the allocation, flow and utilisation of funds? What specific new applications will be proposed in respect of the investments to bring new developments to the technological or commercial transformation in Hong Kong?

3. In selecting fund managers, what specific performance indicators or successful investment cases in the past will the HKIC consider to ensure that the chosen fund managers can effectively manage the CIES Investment Portfolio?

Asked by: Hon CHEN Chung-nin, Rock (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.

The New Capital Investment Entrant Scheme (New CIES) was launched on 1 March 2024. An eligible applicant under the New CIES must make investment of a minimum of HK$30 million in the permissible investment, including placing HK$3 million into the Investment Portfolio under the New CIES (CIES IP).

With a view to allowing the CIES IP to support the long-term economic and social development of Hong Kong, the HKIC will join hands with multi-disciplinary stakeholders to accelerate in tapping into and strategising the planning for the cutting-edge impetus for growth. As regards the first batch of capital allocation of the CIES IP, the HKIC has appointed four fund managers, namely Betatron Venture Group, Inno Angel Fund, MindWorks Capital and Radiant Tech Ventures Limited. Fund managers participated in the selection process were required to propose at least 2 new applications or new themes that could bring innovative advancements to Hong Kong's technology or commercial transformation, and focus on the exploration and incubation with Hong Kong market as a basis. The relevant proposals also had to align with Hong Kong's strengths, positioning and needs, with the promotion of cross-jurisdictional development of technological applications as the long-term direction. The themes proposed by the 4 selected fund managers included low-altitude economy, gerontechnology, smart living, technology-driven cultural and entertainment experience, etc.

Independent accounting firm and law firm were involved in the relevant Invitation for Proposals and selection processes. During the selection process for the CIES IP fund managers, apart from considerations regarding new applications or new themes, scope of selection included organisation profile, team, investment strategy, track record, development plan in Hong Kong, risk management measures, and fees and terms of the relevant company are also included in the scope of assessment. In addition, the fees and terms have to be in line with market standards.

Currently, the size of the first batch of capital under the CIES IP is around HK$860 million, which will be evenly allocated to the aforesaid appointed fund managers.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)031

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0995)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

1. The Working Group on Promoting Gold Market Development will formulate a plan this year. What are the specific measures to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion? What is the Government's plan to support the development of Hong Kong as an international gold trading centre?

2. Will the Government consider introducing offshore Renminbi-denominated gold trading? Will the Government study the related arrangements jointly with the National Financial Regulatory Administration and other relevant Central ministries? What specific actions does the Government intend to take to enhance China's pricing power in the international gold market?

3. What is the Government's view on the potential for collaboration between Hong Kong and Qianhai in Shenzhen regarding gold trading? Is there any specific plan to explore the introduction of Commodity Connect?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 35)

Reply:

To support the development of Hong Kong into an international gold trading centre, the Financial Services and the Treasury Bureau established the Working Group on Promoting Gold Market Development (Working Group) in December 2024, comprising leaders of the financial industry, representatives of regulatory bodies and market participants, to comprehensively review all aspects relating to financial transactions relating to gold. The Working Group will formulate a plan this year to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion.

It is the Government's goal to promote the development of world-class gold storage facilities, thereby attracting more investors and users from different economies, including the Middle East and Southeast Asia, to store gold in Hong Kong. On the basis of increased storage, we expect increased demand for associated support services in insurance, testing and certification, logistics, etc., while in parallel expanding related transactions including collateral, loan and hedging, hence creating a comprehensive ecosystem in a progressive manner. This will drive all-round multi-currency trading, clearing and delivery, as well as the development of the regulatory system, covering transactions using offshore Renminbi, thereby establishing a holistic gold trading centre with an industry chain. In terms of market promotion, we will promote the vision and specific measures for the development of Hong Kong's gold market through various activities and visits, with a view to attracting Mainland and international investors and users to store gold and conduct trading, clearing and delivery in Hong Kong.

At the same time, the Government has been communicating with relevant Mainland institutions, including those in the Greater Bay Area, on the development of gold trading. The working group will study the promotion of offshore Renminbi-denominated gold products and expansion of mutual access with the relevant market in the Mainland.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)032

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0996)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. London Metal Exchange, a subsidiary of the Hong Kong Exchanges and Clearing Limited, has included Hong Kong as its approved delivery point. Currently, how many local warehouse operators have expressed interest in becoming its accredited warehouses? Will the Government plan to promote an industry collaboration mechanism to enhance Hong Kong's competitiveness in the international gold market?

2. How will the Government promote Hong Kong's gold trading market, particularly in attracting international and Mainland investors? Are there any plans to organise international conferences or exhibitions to strengthen ties with suppliers in the Middle East and Southeast Asia?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 36)

Reply:

(1) Our country is the world's largest consumer of industrial metals. Developing relevant commodity exchanges will drive the development of a financial, shipping and trade centre. The Chief Executive's 2024 Policy Address proposes the creation of a commodity trading ecosystem which can be a starting point for attracting relevant enterprises to establish a presence in Hong Kong, turning our city into an operation centre for international commodity trading, storage and delivery, shipping and logistics, risk management, and more.

The London Metal Exchange (LME), a subsidiary of the Hong Kong Exchanges and Clearing Limited, included Hong Kong as an approved delivery point within its global warehousing network in January this year, and will accept applications from warehouse operators to become approved storage of LME-registered brands of metals. The establishment of LME-accredited warehouses in Hong Kong will provide convenient, cost-effective and safe delivery channels for related metals trading in the region. It will also increase the demand for Hong Kong's trade, shipping, warehousing and transportation industries, strengthen Hong Kong's commodities ecosystem, and lay a foundation for future expansion of related financial transactions such as futures.

The 2025-26 Budget mentioned that local warehouse operators have expressed interest in becoming LME's accredited warehouses. At present, a number of LME-accredited warehouse operators are in discussion with local warehouse operators on cooperation in establishing LME-approved warehouses. The Financial Services and the Treasury Bureau in collaboration with relevant bureaux and departments has been maintaining communication with relevant industry players and has held several meetings to provide assistance on technical matters.

(2) The Financial Services and the Treasury Bureau established the Working Group on Promoting Gold Market Development (Working Group) in December 2024, comprising leaders of the financial industry, representatives of regulatory bodies and market participants, to comprehensively review all aspects relating to financial transactions relating to gold. The Working Group will formulate a plan this year to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion. In terms of market promotion, we will promote the vision and specific measures for the development of Hong Kong's gold market through various activities and visits, with a view to attracting Mainland and international investors and users to store gold and conduct trading, clearing and delivery in Hong Kong.

\- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)033

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0997)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 82 of the Budget Speech that the Government will review listing requirements and post-listing ongoing obligations, and explore the establishment of a post-delisting over-the-counter trading mechanism.

1. In the past 3 years, what is the number of companies delisted from the Hong Kong stock market or privatised, and what is the amount involved? In general, what are the main reasons for the wave of delistings of these companies?
2. Is the Government planning to enhance the delisting mechanism to provide delisted companies with more time and flexibility in handling the delisting process? What are the specific measures and timetable?
3. How will the Government advance the establishment of the post-delisting over-the-counter trading platform? What are the specific timetable, mode of operation, and management mechanism of the platform?
4. Will the Government consider providing listing channels similar to the over-the-counter markets in the United States and the Alternative Investment Market in the United Kingdom for small and medium enterprises? What are the specific implementation plans and requirements?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 37)

Reply:

(1)

The number of companies whose listing was cancelled pursuant to the delisting procedures under the Listing Rules and delisted through privatisation in the last 3 years, as well as the market capitalisation of relevant companies[1], are set out in the table below.

[1] The last market capitalisation of relevant companies before they were suspended or privatised.

		2022	2023	2024
Listing being cancelled pursuant to the delisting procedures under the Listing Rules	Number of companies	47	44	32
	Market capitalisation of relevant companies ($ billion)	28.3	30.4	17.7
Delisting through privatisation	Number of companies	17	14	16
	Market capitalisation of relevant companies ($ billion)	95.8	93.6	122.6

The reasons of privatisation of companies vary. For example, a company's major shareholders or management may, through privatisation, prevent a takeover, maintain control over the company, and avoid outside influence on the company. As an internationally-aligned securities market, the Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited (HKEX) will continue to provide a fair and transparent acquisition and privatisation mechanism in accordance with the relevant provisions of the Code on Takeovers and Mergers and Share Buy-backs and the Listing Rules, in order to facilitate listed companies to choose different paths for corporate development based on their own operational needs. HKEX does not maintain statistics on the amount involved in repurchasing listed shares for completion of privatisation.

(2) to (4)

As regards the delisting mechanism, 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 three 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.

As regards financing for small and medium enterprises, HKEX reformed GEM in 2024 to enhance its competitiveness, including introducing a new listing avenue for high growth enterprises that are heavily engaged in research and development activities; introducing a new "streamlined transfer mechanism" to enable eligible issuers to transfer to the Main Board without the need to appoint a sponsor to carry out due diligence or produce a "prospectus-standard" listing document; reducing the post-initial public offering lock-up period imposed on controlling shareholders; and removing the mandatory quarterly reporting requirements and aligning other continuing obligations of GEM with those of the Main Board. Since the implementation of the reform, 3 GEM issuers have been newly listed. HKEX is evaluating the effectiveness of the relevant measures.

As mentioned by the Financial Secretary in the 2025-26 Budget, the SFC and HKEX will take forward a comprehensive review of the listing regime in reviewing listing requirements and post-listing ongoing obligations, evaluating listing-related regulations and arrangements to improve the vetting process, optimising the thresholds for dual primary listing and secondary listing, and reviewing the market structure, including exploring the establishment of an over-the-counter trading market in Hong Kong. Through the reform, we hope to better align with the latest economic trends and corporate needs, enhance the competitiveness of Hong Kong's listing platform and further attract different companies to raise funds in Hong Kong. At the same time, the review aims to attract more investors, especially patient capital and overseas long-term investors, to participate and increase their allocation of Hong Kong stocks.

During the review process, we will maintain close communication with the industry to fully understand the needs of different market participants, and also make reference to experiences of other markets. HKEX and the SFC target to put forward enhancement proposals in different areas by batches when they are ready within this year for market consultation.

- End -

Reply Serial No.

FSTB(FS)034

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3075)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Hong Kong Exchanges and Clearing Limited (HKEX) will step up its promotion in the Association of Southeast Asian Nations (ASEAN) and the Middle East, and explore areas of co-operation, including the listing of exchange-traded funds (ETFs).

1. How does the Government assess the potential impact of the two ETF listings in the Middle East on Hong Kong's capital market? Is there any specific data supporting the assessment? What are the sizes of assets under management (AUM) of the two ETFs? How will the Government support HKEX in expanding its business in the Middle East markets? Are there any specific policies and resources allocated to facilitate such expansion?

2. It is mentioned in the Budget Speech that ASEAN is an important economic region that continues to grow. A number of enterprises from ASEAN are seeking to apply for listing in Hong Kong, covering businesses in areas such as biotechnology, integrated logistics, mining, etc. How many applications from ASEAN enterprises for listing in Hong Kong are currently under process? What is the number of countries involved? What is the estimated amount of funds to be raised?

3. To attract more ASEAN enterprises to list in Hong Kong, will the Government introduce measures to increase incentives, such as tax concessions or facilitating entry of relevant talent into Hong Kong? What are HKEX's specific promotion strategies for strengthening its co-operation with ASEAN and the Middle East? Will forums or exhibitions be organised to attract enterprises from these markets?

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

Reply:

The Government proactively attracts overseas capital through a variety of channels, including reinforcing Hong Kong's appeal to traditional origins of capital and striving to open up new capital sources. Following the listing of Asia's first exchange-traded fund (ETF) tracking the Saudi Arabia market in Hong Kong in 2023, 2 ETFs tracking Hong Kong stocks were listed on the Saudi Exchange by way of feeder fund in October last year. It marks a milestone for the two-way capital flow between the two places, and is conducive to attracting allocation of local capital to Hong Kong stocks. As of the end of February 2025, the total market capitalisation of the relevant Saudi feeder funds exceeded $14 billion.

In addition, the Government, regulators and Hong Kong Exchanges and Clearing Limited (HKEX) are committed to seizing the huge opportunities brought by the continued growth of the Association of Southeast Asian Nations (ASEAN) and attracting companies from the region to list in Hong Kong. As of February this year, HKEX is processing listing applications submitted by 3 ASEAN companies, including 2 from Singapore and one from Indonesia, coming from different industry sectors such as biotechnology, logistics and transport, metal manufacturing, etc. The amount of funds to be raised would be announced to the market by individual companies after the approval of listing application.

To dovetail with the latest economic trends and corporate needs and attract more companies from different regions to list in Hong Kong, the Securities and Futures Commission and HKEX are taking forward a comprehensive review on reforming the listing regime, including reviewing listing requirements and post-listing ongoing obligations, evaluating listing-related regulations and arrangements to improve the vetting process, optimising the thresholds for dual primary listing and secondary listing, and reviewing the market structure. The review will further facilitate listing of enterprises from emerging industries, fundraising and development of Mainland enterprises overseas, and listing of overseas enterprises in Hong Kong as well as return of "China Concept Stocks". HKEX will also continue to increase the number of overseas recognised exchanges to facilitate more overseas companies (including ASEAN enterprises) to secondary list in Hong Kong. Further to the inclusion of the Saudi Exchange, the Indonesia Stock Exchange, the Abu Dhabi Securities Exchange and the Dubai Financial Market onto its list of recognised stock exchanges in 2023 and 2024 respectively, HKEX just added the Stock Exchange of Thailand in March 2025, allowing companies primary listed on its main market to apply for secondary listing in Hong Kong.

The Government will continue to strengthen external promotion to target markets, including the Middle East and ASEAN, in the coming year to publicise the latest developments and opportunities of the various financial services sectors in Hong Kong through organising international financial mega events, duty visits and the overseas Economic and Trade Offices. To support the work of the Government, HKEX will continue to attract more enterprises from the target markets to list in Hong Kong through its overseas offices as well as various key promotion and outreach activities. HKEX will also step up its promotion in the ASEAN and the Middle East, and actively explore areas of cooperation with countries in the region, including the listing of ETFs, to enrich the investment product choices in mutual markets and promote two-way capital flows. HKEX has announced its plan to open an office in Riyadh, fostering stronger ties with the Middle East region.

- End -

FSTB(FS)035

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3076)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that the Hong Kong Exchanges and Clearing Limited will gradually introduce new functions to its post-trade system from the middle of this year and conduct system upgrades to ensure technical compatibility with the T+1 settlement cycle by the end of this year, and complete advance preparations for shortening the settlement cycle. Will the scope of this policy be extended to the banking industry for services, such as local inter-bank cheque deposit, to enhance transaction efficiency and shorten the cheque clearing time?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 39)

Reply:

Currently, cheques deposited at the banks before respective cut off times will be cleared in the same evening, with funds credited in the afternoon of the next business day (Day T+1) after settlement. Furthermore, with the provision of banking services through electronic channels becoming prevalent, most banks and securities brokers are already using electronic channels, such as Faster Payment System and Clearing House Automated Transfer System), to offer securities trading services and conduct fund transfers. In view of the technological advancement and market development, the Hong Kong Monetary Authority will review relevant arrangements from time to time, and collaborate with the industry to explore and introduce different electronic payment and transfer means to fulfil customers' needs in different scenarios, with a view to further enhancing the efficiency and digital transformation of payment services.

- End -

FSTB(FS)036

CONTROLLING OFFICER’S REPLY

(Question Serial No. 3159)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that to promote the connection of e-payment between the Mainland and Hong Kong, the People’s Bank of China and the Hong Kong Monetary Authority are working closely to implement the linkage of faster payment systems of both places, with a view to providing round-the-clock real-time, small-value cross-boundary remittance service for residents in both places. The service is expected to be launched in the middle of this year at the soonest. What are the specific details of the above policy area, such as the daily remittance limit and the electronic payment tools involved?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 40)

Reply:

Following the integrated development of the Guangdong-Hong Kong-Macao Greater Bay Area, it has become a new trend for Hong Kong residents to work, live and travel across the boundary, raising the demand for cross-boundary financial services. We notice the community’s expectation for further enhancement of the cross-boundary remittance arrangements, thereby facilitating Hong Kong residents living in the Mainland to make cross-boundary transactions related to daily life, such as medical services and retirement and elderly care. The People’s Bank of China (PBoC) and the Hong Kong Monetary Authority (HKMA) are actively exploring additional facilitation measures under different scenarios, with a view to further facilitating economic activities and people flow.

The PBoC and the HKMA are working closely to implement the linkage of the Internet Banking Payment System in the Mainland and the Faster Payment System (FPS) in Hong Kong, with a view to providing round-the-clock services to residents to make real-time, small-value and cross-boundary remittances via entering the recipient's mobile number or account number.

In December 2024, the PBoC and the HKMA completed the technical integration of the faster payment systems, and are actively discussing and examining the details, and have invited the participation of banks and stored value facility licensees. Some services are expected to be launched in mid-2025 at the soonest, with details including the daily remittance limit, application scenarios and applicable e-payment tools to be announced in due course, providing residents of the two places with safer, more efficient and convenient cross-boundary remittance services, thus help to promote market connection. Taking into account the experience gained upon implementation, the PBoC and the HKMA will gradually expand and enhance the services in an orderly manner, with a view to further promoting broader economic cooperation and exchange.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)037

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0569)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that the Hong Kong Investment Corporation Limited will be hosting the first International Young Scientist Forum on Artificial Intelligence ("the Forum") to promote research of artificial intelligence (AI) technology and its development as an industry. In this connection:

1. What are the specific objectives of hosting the Forum (including the estimated numbers of Mainland and overseas individuals, academic institutions, technology enterprises, etc. to be drawn to Hong Kong for participation, as well as the target number of young scientists to be invited to Hong Kong)? Has a specific invitation list been drawn up? Will it include global young leaders in AI? In addition, how many local technology enterprises and industry practitioners are expected to participate in the Forum? Will the Forum be held annually?

2. What are the estimated manpower and expenditure involved in hosting the Forum? What is the earliest time for holding it?

3. Will local primary, secondary and tertiary schools be invited to participate on-site or online? If so, what are the details (including the numbers of schools and students to be invited)? Will arrangements be made for young scientists to have exchanges with local young people?

4. Will the Government arrange activities or invite the business sector to organise activities for the visiting young scientists as well as Mainland and overseas participants before, during, and after the Forum? If so, what are the specific plans, objectives and details of the relevant activities?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 3)

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 HKIC is pressing ahead with the organisation of the inaugural "International Young Scientist Forum on Artificial Intelligence (AI)", which will not only pool together top industry talents to faciliate the technological exchange and industrial development of AI, but also nuture technology talents and facilitate interaction between investee companies and collaboration partners from different sectors, and local primary and secondary school students, thereby further promoting deeper science enlightenment and the establishment of a mindset of innovation and technology, venture capital investment and entrepreneurship in the local community.

In line with the objectives of the event, the HKIC will collaborate with different stakeholders in the market and society, promoting broad participation from local universities, primary and secondary schools in Hong Kong and facilitating interactive exchanges. Preparatory work is underway.

The HKIC will announce the details of the event in due course. The event is expected to take place in the second half of this year.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

FSTB(FS)038

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0575)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In respect of further assisting specialist technology and biotechnology companies in raising funds and expanding business:

1. how many specialist technology and biotechnology companies established their presence in Hong Kong or raised funds and expanded business with the assistance of the Government in each of the past 3 years, and what are the amounts of funds involved?
2. has the Government reviewed the effectiveness of its various support measures implemented in the past; if yes, what are the outcomes and which measures need to be adjusted suitably in future?
3. what are the new support measures to be implemented by the Government in 2025-26, the details of such measures and the expenditure involved?
4. as regards the establishment of a dedicated "technology enterprises channel" which the Hong Kong Exchanges and Clearing Limited is actively pursuing, what is the latest progress and what is the earliest time of its implementation, and how this measure, upon its implementation, can facilitate technology enterprises in making listing applications? Can quantitative data be provided for illustration?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 4)

Reply:

(1) and (2)

To cultivate new quality productive forces and promote high-quality development, the Government strives to unleash the innovative and economic potential through institutional reform. On the financial market, we actively promote effective allocation of funds through the capital market, supporting the development of advance technology industries and the real economy.

Hong Kong Exchanges and Clearing Limited (HKEX) introduced the new listing regime in 2018, facilitating new economy companies (including pre-revenue/pre-profit biotechnology companies) to list in Hong Kong. In the past 3 years, the number of biotechnology companies listed through Chapter 18A of the new listing regime and the initial public offering (IPO) funds raised are tabulated below:

Biotechnology companies listed through the new listing regime	**2022**	**2023**	**2024**
Number of newly listed companies	8	7	4
IPO funds raised ($ billion)	3.60	3.96	1.51

Considering the fact that there are some large-scale advanced technology enterprises which require substantial capital for their research and development work, HKEX further introduced the listing regime for specialist technology companies in March 2023, facilitating relevant companies to list and raise funds through the new eligibility test. The regime currently covers 5 key specialist technology industries including next-generation information technology, advanced hardware and software, advance materials, new energy and environmental protection, and new food and agriculture technologies. Since the implementation of the arrangement, 3 specialist technology companies were listed through the channel with about $2.82 billion of IPO funds raised.

To respond to market feedback and needs, the Securities and Futures Commission (SFC) and HKEX have lowered the market capitalisation threshold for listing of specialist technology companies, reducing the minimum market capitalisation for commercialised companies and pre-commercialised companies from $6 billion and $10 billion to $4 billion and $8 billion respectively, so as to further enhance the flexibility and dynamism of relevant listing framework. The adjustment took effect from September 2024 for 3 years. During the period, HKEX will review the relevant regulations and conduct public consultation as necessary.

To facilitate more enterprises including specialist technology and biotechnology enterprises to raise funds in Hong Kong, the SFC and HKEX also announced specific measures for further optimising relevant procedures to provide greater certainty regarding the time required for vetting of listing applications. Under the enhanced application process, the SFC and the Stock Exchange of Hong Kong Limited (SEHK) will continue to commence regulatory assessments in parallel upon receiving new listing applications. The two parties will indicate any material regulatory concerns on the new listing applications after a maximum of two rounds of regulatory comments in no more than 40 business days[1]. If an A-share company meets relevant criteria when submitting a 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 time by a quarter when compared with general new listing applications.

1 Excluding the response time of the listing applicants.
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 application.
3 Excluding the response time of the listing applicants.

(3) and (4)

The 2025-26 Budget announced the plan to take forward reforms to the listing regime, including reviewing listing requirements and post-listing ongoing obligations, evaluating listing-related regulations and arrangements to improve the vetting process, optimising the thresholds for dual primary listing and secondary listing, and reviewing the market structure. The review aims to comprehensively evaluate all aspects of the listing regime to align with the latest economic trends and corporate needs, enhance the competitiveness of Hong Kong's listing platform and further attract technology companies to raise funds in Hong Kong. At the same time, the review may attract more investors, especially patient capital and overseas long-term investors, to participate and increase their allocation of Hong Kong stocks.

In addition, to further assist specialist technology and biotechnology companies in raising funds and developing their businesses, HKEX is actively taking forward the establishment of a dedicated "technology enterprises channel" (TECH). Under the relevant mechanism, HKEX will arrange a dedicated team to communicate with potential applicants as early as possible and provide assistance to relevant companies to prepare for listing applications, so as to enhance the understanding of companies and sponsors about the applicability and assessment criteria of relevant rules in relation to specific businesses and facilitate early communication on different important issues. The SFC will also work closely with HKEX and provide support during the process. By assisting relevant companies to better prepare for listing applications, we hope to enable a smoother application process and facilitate more enterprises from different advanced technology industries to list in Hong Kong. HKEX will soon announce the specific arrangements and effective date.

The above work is taken forward by the SFC and HKEX under the coordination of the Financial Services and the Treasury Bureau. The work involved will be absorbed by existing resources and manpower, and there is no itemised breakdown of the expenditures.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)039

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0591)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the first International Conference on Embodied AI Robot ("the Conference") to be hosted by the HKIC:

1. What are the specific targets of hosting the Conference, including the estimated number of top-notch technology enterprises, academic institutions and investors to be attracted to Hong Kong? Besides, how many local technology enterprises, academic institutions, and industry practitioners are expected to participate in the Conference? What are the estimated manpower and expenditure to be involved in organising the Conference, and what is the earliest time for holding the Conference?

2. Will the Government adopt a more proactive intermediary role by taking the opportunity of hosting the Conference, which is expected to attract many investors from Mainland and overseas to Hong Kong, so as to give local technology enterprises more opportunities to communicate with these investors, and meanwhile enable the investors to better understand local scientific achievements and products, thereby assisting local technology enterprises in pursuing financing opportunities and facilitating capital flow into Hong Kong? If so, what are the specific details?

3. Will the Government arrange activities or invite the business sector to organise activities for the visiting technology enterprises, academic institutions and investors before, during and after the Conference? If so, what are the specific plans, objectives and details of such activities?

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.

The HKIC is pressing ahead with the organisation of the inaugural "International Conference on Embodied Artificial Intelligence (AI) Robot", which will pool together leading technology companies to showcase research outcomes and application scenarios of embodied AI, and at the same time mobilise the industry, academic institutions and investors to conduct cross-sectoral discussions and exchanges regarding this key area of AI application, thereby further enhancing Hong Kong's global influence on the relevant areas and facilitating traditional industries to explore ways to leverage technology more extensively to enhance productivity and launch new services.

In line with the objectives of the event, the HKIC will collaborate with different stakeholders in the market and society to promote their broad participation as well as interactive exchanges. The HKIC is pressing ahead with the preparatory work and will announce the details of the event in due course.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)040

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0744)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the research into the legal and regulatory regime related to the issuance and transactions of digital bonds:

1. What is the implementation timetable for the related work, including the research, industry consultation and public consultation?

2. Regarding the long-term objective of adopting tokenisation in Hong Kong's bond market, has the Government formulated any specific plans and arrangements, such as assessing if the relevant industries have sufficient supporting capabilities and if the intermediaries are adequately prepared in such aspects as technological infrastructure, manpower and regime? What specific support measures will the Government provide for the relevant industries, and how will it step up the publicity and education for investors?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 11)

Reply:

(1) Having regard to the industry's feedback and the Hong Kong Monetary Authority (HKMA)'s issuance experience, we will conduct research into the current legal and regulatory regime related to the issuance and transactions of digital bonds and explore enhancement measures to promote the wider adoption of tokenisation in Hong Kong's bond market. Among others, the research will cover the applicability of current legislation on transactions based on Distributed Ledger Technology (DLT) and smart contracts, as well as potential room for enhancement and clarification under the current regulatory regime. The preparatory work for the exercise is underway and the Government will announce relevant details in due course. We will suitably consult the industry in the process of the exercise.

(2) The 2 successful government tokenised issuances have demonstrated that digital bonds have moved beyond proof-of-concept. To promote broader adoption of tokenisation technology in capital market transactions, the HKMA launched the Digital Bond Grant Scheme last year, offering a maximum grant of HK$2.5 million to each eligible digital bond issuance, with a view to encouraging digital bond issuance in Hong Kong and nurturing local digital asset ecosystem. In addition, the HKMA has consolidated the experience and related materials on tokenised bond issuance and shared them at "EvergreenHub", a one-stop knowledge repository on digital bond transactions, for the market's reference. The HKMA is also actively exploring tokenising traditional bonds issued to expand the collateral pool for secondary market use cases (e.g. repo financing), with a view to promoting the tokenised bond market in Hong Kong.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)041

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0757)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Regarding the regularisation of tokenised bond issuance, please advise on the following:

1. Has any review been made in areas such as market response, investor participation, issuance costs, process and efficiency, and secondary market liquidity to assess the overall performance and achievements of the two tranches of tokenised bonds issued? If yes, what are the results?
2. What measures will the Government take to address the difficulties and challenges expected to arise from the regularisation with reference to the experience in past issuances?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 12)

Reply:

The 2 batches of tokenised government green bonds issued by the Government in 2023 and 2024 represented the world's first tokenised green bond and the world's first multi-currency digital bond offering. Both issuances included multiple innovations, including shortening the settlement cycle to T+1. The second issuance also broadened investor access, supported interoperability, and improved transparency and efficiency.

The second tokenised issuance was 7 times of the first issuance, attracting more institutional investors, and in turn, enhancing liquidity in the secondary market. The 2 successful issuances have proven the versatility of Hong Kong's legal and regulatory environment in enabling innovative forms of bond issuances, creating a demonstrative effect that paves the way for private sector adoption, and demonstrating that digital bonds have moved beyond proof-of-concept in Hong Kong.

To promote broader adoption of tokenisation technology in capital market transactions, the Hong Kong Monetary Authority (HKMA) launched the Digital Bond Grant Scheme last year, offering a maximum grant of HK$2.5 million to each eligible digital bond issuance, with a view to encouraging digital bond issuance in Hong Kong and nurturing local digital asset ecosystem. In addition, the HKMA has consolidated the experience and related materials on tokenised bond issuance and shared them at “EvergreenHub”, a one-stop knowledge repository on digital bond transactions, for the market’s reference. In 2025, the Government will conduct research into the current legal and regulatory regime related to the issuance and transactions of digital bonds, having regard to the industry’s feedback and the HKMA’s issuance experience. Among others, the research will cover the applicability of current legislations on transactions based on Distributed Ledger Technology (DLT) and smart contracts, as well as potential room for enhancement and clarification under the current regulatory regime.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)042

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0758)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the issuance of the third tranche of tokenised bonds, please advise on the following:

1. What are the earliest time expected for announcing the issuance details and the official issue date? Has the issuance details, including the issuance size, type of currency, tenor and use of proceeds, been worked out initially? If yes, what are the details?

2. Since the launch of the "Digital Bond Grant Scheme" (DBGS) by the Hong Kong Monetary Authority on 28 November 2024, what are the numbers of applications received and approved, the respective amount of subsidy granted for each application, the average time taken to process each application, and the number of applications rejected and the corresponding reasons?

3. What are the market-wide response to the DBGS and the number of traditional bonds issued tokenised under the DBGS?

4. What are the estimated number of applications to be received and the amount of subsidy to be granted under the DBGS upon the issuance of the third tranche of tokenised bonds?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 13)

Reply:

The Financial Secretary announced in the 2025-26 Budget that, on the basis of 2 successful tokenised bond issuances, the Government will regularise the issuance of tokenised bonds. The Hong Kong Monetary Authority (HKMA) is preparing for issuing the third tranche of tokenised bonds. The bond issuance parameters (including issuance size, interest rate, tenor and currency type) and the individual projects supported by the bond proceeds will be determined taking account of the actual market conditions closer to the time of the bond issuance. We expect the Government's issuance of tokenised bonds will continue to provide a reference for market participants as they consider the adoption of tokenisation technology.

To promote broader adoption of tokenisation technology in capital market transactions, the HKMA launched the Digital Bond Grant Scheme last year, offering a maximum grant of HK$2.5 million to each eligible digital bond issuance, with a view to encouraging digital bond issuance in Hong Kong and nurturing local digital asset ecosystem. The Industry generally welcomes the Digital Bond Grant Scheme and has shown interest in the scheme, with around 30 enquiries received since its launch in November last year. At present, the HKMA has yet to grant a subsidy under the scheme, but some issuers have already indicated interest in making formal applications.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)043

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0759)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that the Financial Services and the Treasury Bureau, together with the Office for Attracting Strategic Enterprises and the Hong Kong Trade Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit ("the Summit") this year. In this connection:

1. What are the specific objectives of hosting the Summit (including the numbers of Mainland and overseas enterprises and investors to be invited, as well as the industries involved)? Besides, what are the estimated manpower and expenditure involved in organising the Summit, and what is the earliest time for holding it?

2. What arrangements and measures will the Government implement to dovetail with the Summit? Have specific objectives been set in respect of the numbers and types of leading companies in advanced industries, as well as Mainland and overseas enterprises and investors to be attracted to establish a foothold in Hong Kong? Besides, how much Mainland and overseas capital is expected to flow into Hong Kong to promote industrial development and enhance global competitiveness?

3. Will the Government arrange activities or invite the business sector to organise activities for the visiting enterprises and investors before, during and after the Summit? If so, what are the details of such activities?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 14)

Reply:

The Financial Services and the Treasury Bureau (FSTB), together with the Office for Attracting Strategic Enterprises (OASES) and the Hong Kong Trade Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit (Summit) this year, which will pool together global enterprises, funds and technologies through financial empowerment, thereby elevating the level of international cooperation of industries. It will also attract more leading companies in advanced industries, domestic as well as overseas enterprises and investors to establish a foothold in Hong Kong.

Under the global trends of industrial digitisation, intelligentisation, and green development, the Summit will focus on exploring international cooperation opportunities between traditional and emerging industries, as well as Hong Kong's crucial role in this context. The Summit is expected to attract over a thousand participants from around the world, including internationally renowned industry pioneers, leaders from the finance, technology, and business sectors, academic experts, and dignitaries, etc.

During the Summit, we will showcase Hong Kong's excellent business environment and our roles and advantages as a "super-connector" and "super value-adder" through various sessions. This includes inviting leading enterprises already established in Hong Kong to share their success stories of setting up and expanding their businesses here, so as to attract more Mainland and overseas companies to establish their presence in Hong Kong, particularly those in industries of strategic importance to Hong Kong, including innovative technology enterprises from sectors such as life and health sciences, artificial intelligence and data science, fintech, advanced manufacturing and new energy technologies, as well as cultural and creative industries.

The OASES targets to reach out to no less than 350 strategic enterprises within 2025 to negotiate for establishing their foothold or expanding their operations in Hong Kong. The Summit is expected to greatly assist the Government in connecting with leaders in advanced industries, local and international enterprises as well as investors. However, since the relevant work of attracting investment and enterprises is conducted on a continuous basis through various activities, it is not feasible to set specific targets for a single event to directly quantify the number of enterprises or the amount of capital inflows attracted by the event.

We are exploring with the Summit's partners to organise various supporting activities (e.g. site visits, cultural activities) before, during, and after the event, so as to enrich the experience of the visiting enterprises and investors in Hong Kong. Furthermore, we will continue to actively engage with key enterprises after the Summit, encouraging international and Mainland companies to establish and expand their businesses in Hong Kong, with a view to opening up more business opportunities and collaboration prospects.

The preparatory work for the summit is currently underway, including discussions with various parties on collaboration and confirming guest arrangements. FSTB is handling the related preparatory work with our existing manpower and resources. There is no related itemised breakdown of expenditure estimates.

- End -

FSTB(FS)044

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0760)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is stated in the Budget that the Government will soon promulgate a second policy statement on the development of virtual assets. In this connection, please advise on the following:

1. when the policy statement is expected to be promulgated at the earliest;

2. prior to the promulgation of the policy statement, what the Government has done to maintain adequate communication and liaison with relevant local and overseas industry sectors, including the number of meetings and consultations conducted with the industry as well as the areas and topics covered; and

3. the follow-up work to be done after the promulgation of the second policy statement, in particular, where the legal framework is concerned, legislation that is expected to require enhancement and optimisation as well as the specific timetables for the work involved.

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 15)

Reply:

(1) The Financial Secretary announced in the 2025-26 Budget that the Government will promulgate a second policy statement on the development of virtual assets to explore how to leverage the advantages of traditional financial services and innovative technologies in the area of virtual assets, enhance security and flexibility of real economy activities, and encourage local and international companies to explore the innovation and application of virtual asset technologies. The Government will issue the second policy statement in a timely manner after reviewing the latest developments in the local and global virtual asset markets and discussing with industry stakeholders and outline the next step's policy vision and direction.

(2) The Government will maintain communication and contact with relevant industries locally and internationally to ensure that the vision and direction of the second policy statement can align with and promote the next step in the development of Hong Kong's virtual asset market. In 2023, the Government established a Task Force on Promoting Web3 Development, which is chaired by the Financial Secretary, with non-official members from relevant market sectors as well as participation of government officials and financial regulators concerned. In drafting the second policy statement, the Government will consult and take into account the views of the Task Force members and other relevant industry representatives.

(3) The second policy statement will build upon the robust regulatory framework established by the first statement, further explore how to leverage the advantages of traditional financial services and innovative technologies in the area of virtual assets, and enhance security and flexibility of real economy activities. As regards regulatory framework, we have introduced into the Legislative Council a bill to put in place a regulatory regime for issuers of fiat-referenced stablecoins. Upon the passage of the Bill, the HKMA will expedite the vetting of licence applications. The Government will also conduct consultation on the licensing regimes of virtual asset over-the-counter trading services and custodian services this year. Moreover, we will conduct research into the current legal and regulatory regime related to the issuance and transactions of digital bonds and explore enhancement measures to promote the wider adoption of tokenisation in Hong Kong's bond market.

- End -

Reply Serial No.

FSTB(FS)045

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0762)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is stated in the Budget that the Government will conduct consultation on the licensing regimes of virtual asset (VA) over-the-counter trading services and custodian services this year. In this connection, please advise on the following:

1. When will the consultation be conducted at the earliest? What are the details of the consultation, including scope, content, consultation period as well as the manpower and estimated expenditure involved?

2. Will the Government provide more comprehensive training and education for the industry and the public, especially retail investors, at an early stage in response to developments in the VA market in Hong Kong including the planned establishment of licensing regimes of VA over-the-counter trading services and custodian services? If so, has funding been earmarked for the purpose, and what are the overall plan, related measures and implementation timetable?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 16)

Reply:

(1) To further improve the regulatory framework for virtual asset (VA) services in Hong Kong, the Government has proposed to amend the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) to establish a licensing system for VA over-the-counter service providers, and is also formulating a licensing system for VA custodial service providers. We are actively taking forward the preparatory work so as to conduct public consultations on the aforementioned licensing systems as soon as possible in 2025, and will announce the details in a timely manner. The Financial Services Branch will handle the tasks using existing manpower and resources.

(2) The Government has been working with the Securities and Futures Commission (SFC) and its subsidiary, the Investor and Financial Education Council (IFEC), to carry out investor education to enhance the financial literacy of the general public. The SFC and IFEC have been making proactive efforts in respect of investor education related to VA, including disseminating information about VA trading platforms and reminding the public not to trade on unlicensed platforms. Through 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. For example, in May to June 2024, the SFC launched an advertising campaign drawing the public's attention not to invest through unlicensed VA trading platforms. Recently in March 2025, the IFEC co-hosted with the CFA Society Hong Kong an online seminar where an SFC representative and industry professionals explained the nature, operation and risks associated with VA, and discussed how to guard against related scams.

The SFC also works closely with the Police to actively promote anti-fraud messages in the community. During 2024, the SFC participated in community outreach events organised by the "Anti-Scam Alliance" in various districts, sharing with the public tips on ways to avoid falling victim to investment scams. Additionally, the SFC publishes anti-fraud and VA-related posts and advertisements on social media and search engines. The SFC and the IFEC also plan to hold outreach activities in 2025 targeting tertiary students about key considerations when investing in VA and how to mitigate related risks.

The SFC and IFEC will continue to utilise their existing resources to strengthen the relevant education work targeting retail investors in the light of the developments of the VA market.

- End -

Reply Serial No.

FSTB(FS)046

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0769)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Regarding the New Capital Investment Entrant Scheme ("the Scheme"):

1. Since the launch of the Scheme on 1 March 2024, what are the respective total numbers of enquiries received, applications received, applications verified as having fulfilled the net asset requirement and applications verified as having fulfilled the investment requirements, and what is the expected investment amount to be brought into Hong Kong? What is the average time taken for vetting and approving each application?

2. How many individuals have been admitted through the Scheme and arrived in Hong Kong so far? Which countries and regions are primarily involved? What industry sectors are the individuals engaged in? How many of the individuals and enterprises involved are related to innovation and technology?

3. What are the expected number of applications to be received in 2025-26 and the expected investment amount to be brought into Hong Kong?

4. It has been over 1 year since the launch of the Scheme. Will the Government examine how to further improve and streamline the vetting and approving procedures?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 20)

Reply:

The New Capital Investment Entrant Scheme (New CIES) opened for application in March 2024 with a view to further enriching the talent pool and attracting more new capital to Hong Kong. As of end-February 2025, the New CIES has received 918 applications, and it is estimated that they will bring more than HK$27 billion to Hong Kong if all applications received are approved. Details of the applications are set out in the table below –

Table 1: Assessment of applications under the New CIES

	Foreign nationals or persons with permanent residence overseas	Macao Special Administrative Region Residents and Chinese residents of Taiwan	**Total**
Applications for Net Asset Assessment received by Invest Hong Kong (InvestHK)	889	29	918
Applications for Net Asset Assessment approved by InvestHK	841	27	868
Entry applications received by Immigration Department (ImmD)	828 (See Table 2)	27	855
Applications with "Approval-in-principle" granted by ImmD	730	26	756
Applications fulfilling Investment Requirements as approved by InvestHK	371	15	386
Applications with "Formal Approval" granted by ImmD	326	15	341

Table 2: Foreign nationals or persons with permanent residence overseas

	Entry applications received by ImmD
Guinea-Bissau	410
Vanuatu	250
Canada	26
Australia	25
Hungary	14
New Zealand	13
Singapore	12
South Korea	10
Saint Kitts and Nevis	9
United States	9
Greece	7
Malta	5
Philippines	5
Dominica	4
Malaysia	3
Turkey	3
United Kingdom	3
Antigua and Barbuda	2
Cambodia	2

	Entry applications received by ImmD
France	2
Japan	2
Netherlands	2
Republic of Cyprus	2
Brazil	1
Gambia	1
Germany	1
Ireland	1
Italy	1
Mexico	1
Panama	1
Venezuela	1
Total:	**828**

Among the 341 applicants with Formal Approval granted by ImmD, more than 280 entrants have arrived in Hong Kong. However, since the New CIES does not impose local employment requirement on applicants, the Government does not collect information on the applicants' employment background.

InvestHK and the ImmD will process applications expeditiously. The time needed for processing individual applications varies, depending on the information on the asset types as provided by applicants therein and the adequacy of supporting documents, etc. For applications for Net Asset Assessment and Assessment on Investment Requirements, subject to sufficient information and supporting documents provided by applicants, InvestHK will generally complete the assessment in around 3 weeks. As regards applications for visa/ entry permit, the ImmD will generally complete the assessments of "approval-in-principle" and "formal approval" in around 3 weeks and 1 week respectively, upon receipt of all needed documents.

With effect from 16 October 2024, applicants under the New CIES are allowed to invest in residential properties, provided that the transaction price of a single property is HK$50 million or above. The total investment amount in real estate (the aggregate of all residential and non-residential properties) which is counted toward fulfilling the minimum investment threshold is subject to an aggregate cap of HK$10 million. The Government also announced a series of enhancement measures to the New CIES in January 2025. Effective on 1 March 2025, the measures include –

(a) **relaxing the requirements on the fulfillment of net asset requirement (NAR):** 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. Net assets or net equity jointly owned with the applicant's family member(s) can also be taken into consideration for the calculation of the NAR for the respective portion which is absolutely beneficially entitled to the applicant; and

(b) **allowing the holding of permissible investment assets through a family-owned investment holding vehicle (FIHV) or a family-owned special purpose entity (FSPE) under an FIHV:** Investments made through an eligible private company wholly owned by an applicant can be counted towards the applicant's eligible investment in the New CIES. An eligible private company refers to a holding company incorporated or registered in Hong Kong which is wholly owned by an applicant in the form of an FIHV or an FSPE under an FIHV managed by an eligible single family office as defined in Section 2 of Schedule 16E to the Inland Revenue Ordinance (Cap. 112). The enhancement will create synergy between the New CIES and establishment of family offices in Hong Kong.

The above enhancement measures are expected to increase the attractiveness of the New CIES and attract more applications. The Government will continuously review the application and approval processes and suitably evaluate its effectiveness.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)047

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that the Securities and Futures Commission and the Hong Kong Monetary Authority have set up a task force to formulate a roadmap, covering the development of primary and secondary bond markets and foreign exchange markets, as well as infrastructural enhancement. In this connection, will the Government inform this Committee of:

1. the latest progress of the work of the task force, whether the roadmap will cover digitalisation of the market, and the earliest expected time of completion and promulgation of the roadmap;

2. whether the Government will conduct consultation with various stakeholders, including the banking and securities sectors, the innovation and technology sector, members of the public, as well as relevant local and overseas trades and investors; if so, of the details and timetable of the consultation; and

3. whether a comprehensive review will be conducted on the areas for enhancement in the existing infrastructure of the local bond and foreign exchange markets when formulating the roadmap, in particular whether the relevant facilities can meet the needs of market digitalisation; if so, of the manpower and expenditures involved and the expected time of commencement and completion.

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 35)

Reply:

The Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) have set up a task force to explore ways to facilitate primary and secondary bond market activities, to further develop the foreign exchange market, and to assess the feasibility of developing the requisite financial market infrastructure. The task force is underpinned by working groups, comprising seasoned professionals and experts from the regulators and the financial industry, so as to take into account views from relevant stakeholders. The findings from the engagement will be used to draw up a roadmap, with a view to developing Hong Kong to be a major fixed income and currency hub.

The SFC and the HKMA will organise a flagship forum on fixed income and currency market in the second half of this year to promote Hong Kong's advantages as an international financial centre, and to provide a platform for multilateral exchange and collaboration that connects market participants within and outside Asia. The SFC and the HKMA estimate that the aforementioned roadmap will be published prior to the flagship forum, and will work closely to implement the recommendations in the roadmap.

At the same time, the Government and the HKMA will conduct research into the current legal and regulatory regime related to the issuance and transactions of digital bonds and explore enhancement measures to promote the wider adoption of tokenisation in Hong Kong's bond market. Among others, the research will cover the applicability of existing legislation on transactions based on Distributed Ledger Technology (DLT) and smart contracts, as well as potential room for enhancement and clarification under the current regulatory regime. The preparation for the research is underway, and the Government will announce relevant details in due course. The Government will handle the work with existing manpower and resources. The HKMA will allocate resources as appropriate based on actual circumstances to take forward the relevant work, and the associated expenditures and manpower are incorporated into the overall budgets, with no itemised breakdown.

- End -

FSTB(FS)048

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3369)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that the Hong Kong Investment Corporation Limited (HKIC), as patient capital, while seeking investment return in the medium and long terms, strives to bring in more frontier technology enterprises and patient capital to Hong Kong, so as to accelerate the establishment of Hong Kong's innovation and technology ecosystem and development of upstream, midstream and downstream sectors of the industry chains. Since its establishment, the HKIC has invested in over 90 technology enterprises engaging mainly in hard and core technology, life technology, new energy, green technology, etc. In this connection, will the Government inform this Committee of the following:

1. Among the over 90 technology enterprises that the HKIC has invested in, what are the respective numbers of enterprises which involve direct investment and co-investment? Please provide the numbers of the direct investment and co-investment projects, the names of the enterprises involved and the amounts of investment made, broken down by technology area.

2. Among the technology enterprises which involve direct investment, how many of them have set up research and development departments in Hong Kong? How many of them have already or are planning to set up production lines in Hong Kong? Please provide the names of relevant enterprises and the amounts of investment expected to be made locally in the future.

Asked by: Hon CHOW Man-kong (LegCo internal reference no.: 46)

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 its establishment, the HKIC has invested in over 90 projects, including enterprises with cutting-edge technologies or in key industries. These projects are medium-to-long-term investments. Key themes include Hard and Core Technology, Biotechnology and New Energy and Green Technology with the proportions being 56%, 16% and 11% respectively based on the invested amount. In terms of the place of incorporation of the investee companies, over 30% of the companies are from Hong Kong, with the rest from the Mainland and overseas. In summary, these investments contribute to the development of Hong Kong's innovation and technology industry, and help local start-ups explore diversified markets and application scenarios. On the other hand, they attract high quality projects and companies from the Mainland and overseas to set up and develop their business in Hong Kong through the channeling force of capital.

The HKIC has clear requirements for investee companies to contribute to Hong Kong's development in a sustainable manner, such as requiring the companies to establish offices in Hong Kong, nurture and attract talents, establish research and development (R&D) departments and/or corporate venture capital (corporate VC) departments in Hong Kong, and prioritise Hong Kong for their listing. Quite some investee companies have made good progress in attracting capital and talents and in exploring new markets, which has accelerated their planning for using Hong Kong as their business development platform. Certain investee companies have submitted their listing applications to the Hong Kong Exchanges and Clearing Limited. With the support and encouragement of the HKIC, over 50% of the investee companies have established R&D departments in Hong Kong. Some pharmaceutical R&D companies have either established or are planning to establish production lines in Hong Kong, or intend to use Hong Kong as an R&D centre with the Greater Bay Area as their production base.

To let the public have a more comprehensive understanding of the HKIC's operation and business outcomes, the HKIC plans to publish its inaugural annual report in the second half of this year to disclose the progress of its operation and investment.

- End -

FSTB(FS)049

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1881)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 103 of the Budget Speech that the Government is proactively promoting the development of insurance-linked securities by establishing a dedicated regulatory regime and launching a pilot grant scheme; the Government has to date facilitated the issuance of 6 catastrophe bonds in Hong Kong, with issuance amount totalling over $5.8 billion; and the pilot scheme will be extended for 3 years. Please advise this Committee on the following:

1. Please set out the respective issuance amounts of the above 6 catastrophe bonds.
2. Given the 16 new policy measures benefitting Hong Kong, in which the Central Government clearly stated its support for Mainland insurers to issue catastrophe bonds in Hong Kong and Macao, has the Government of the Hong Kong Special Administrative Region (HKSAR Government) proactively reached out to Mainland insurers to explore the possibilities of issuing catastrophe bonds?
3. What strategies does the HKSAR Government have to promote further issuance of catastrophe bonds in Hong Kong over the next 3 years?

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 6)

Reply:

The 6 issuances of catastrophe bonds in Hong Kong since the rollout of a dedicated regulatory regime for the Insurance-linked Securities (ILS) and the launch of the Pilot ILS Grant Scheme in 2021 are detailed below:

Issuer	Perils covered	Issuance Size (HK$)
China Reinsurance (Group) Corporation and the China Property & Casualty Reinsurance Company Ltd	Typhoon risks in Mainland China	234 million

Issuer	Perils covered	Issuance Size (HK$)
Peak Reinsurance Company Limited	Typhoon risks in Japan	1.18 billion
PICC Property and Casualty Company Limited	Earthquake risks in Mainland China	253 million
World Bank (International Bank for Reconstruction and Development)	Earthquake risks in Chile	2.75 billion
World Bank (International Bank for Reconstruction and Development)	Storm risks in Jamaica	1.17 billion
Taiping Reinsurance Company Limited	Named storms in the United States and earthquake risks in Mainland China	272 million
Total		5.86 billion

The Insurance Authority (IA) has been proactively reaching out to Mainland direct insurance and reinsurance companies to introduce the relevant dedicated policies in Hong Kong, and to explore with them the possibility of issuing ILS in Hong Kong. We note that IA has engaged individual companies in active discussion.

To promote the development of Hong Kong as a diversified global risk management centre, the Government will continue to attract more organisations to issue ILS products of different types and structures in Hong Kong to propel ILS development. We will also continue to forge a holistic ecosystem that embraces data harvesting, catastrophe modelling, product design, investor education and talent nurturing as well as to narrow the protection gap caused by the rising frequency and intensity of natural catastrophes. The IA has maintained close liaison with potential partners, and is strengthening external promotion efforts, including hosting the second international conference this year to promote Hong Kong's advantages to institutional investors and family offices.

- End -

Reply Serial No.

FSTB(FS)050

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1446)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

To attract more family offices to Hong Kong, the Government has announced that it would allocate $100 million to Invest Hong Kong (InvestHK) over 3 years. In this connection, will the Government inform this Committee of:

1. the details of InvestHK's expenditure on the team for introducing family offices and its staffing establishment as at February 2025;

2. the progress as at February 2025 of the efforts being undertaken to achieve the target set by the Government earlier to facilitate no fewer than 200 family offices to set up operations or expand their businesses in Hong Kong by the end of 2025, and whether the said target can be achieved in view of the current progress;

3. the respective numbers of seminars, international conferences, forums, media interviews and duty visits took place in the past 12 months for the promotion of Hong Kong's competitiveness as a family office hub; and

4. the current progress of the preparation work for the training programme announced by the Government targeting senior executives from the Association of Southeast Asian Nations countries to be piloted early this year, and details of its operation.

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 5)

Reply:

(1) to (3)

The Government has been actively promoting the development of family office (FO) business in Hong Kong to help the industry seize new business opportunities. With funding support of the Financial Services and the Treasury Bureau (FSTB), Invest Hong Kong (InvestHK) set up a dedicated FamilyOfficeHK team (the dedicated team) in 2021 to provide one-stop support services to 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, 6 senior vice presidents, 2 vice presidents, 1 senior executive manager, and 6 Mainland or overseas regional heads. The estimated expenditure in 2024-25 is about $47.8 million. As of end-February 2025, the dedicated team has assisted more than 160 FOs to set up or expand their business in Hong Kong. Separately, around 150 FOs indicated that they are preparing or have decided to set up or expand their business in Hong Kong. The performance indicator to attract no less than 200 FOs to establish or expand their operations in Hong Kong from 2022 to 2025 as set out in the 2022 Policy Address is likely to be achieved.

In 2024, the dedicated team conducted over 260 diversified investment promotion activities (e.g. roundtables, seminars, conferences, media interviews and external visits) in Hong Kong, the Mainland and overseas (including South East Asia, the Middle East, Europe, the Americas and Australia) to promote Hong Kong's competitiveness and unique advantages as a FO hub through diversified and face-to-face interactions.

Furthermore, riding on the success in the past 2 years, FSTB and InvestHK conducted the third edition of Wealth for Good in Hong Kong Summit on 26 March 2025. Themed "Hong Kong of the World, for the World", the Summit gathered FOs from around the world, underscoring Hong Kong's status not only as a leading international financial centre, but also a vibrant global FO hub.

(4)

The Financial Services Development Council (FSDC) is working closely with strategic partners on the preparation on a pilot training programme designated for senior executives from the ASEAN region. The training programme aims to provide a high-level platform for facilitating knowledge exchange, insight sharing and professional networking between Hong Kong and the ASEAN region, thereby driving cross-border financial collaboration and innovation. According to the current plan, the FSDC will invite around 10-20 executives from Vietnam and/or Indonesia to participate in the pilot programme, and targets to launch the programme in Q2 2025. The FSDC will collect feedback from participants to better understand the needs and expectations of the ASEAN partners and refine the programme content. Separately, the FSDC continues to deepen its engagement with local financial stakeholders across the ASEAN region, laying a solid foundation for closer collaboration in the future.

- End -

FSTB(FS)051

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1450)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The New Capital Investment Entrant Scheme has been launched for application starting from 1 March 2024. Since then, a number of adjustments and enhancements have been made. In this connection, would the Government inform this Committee of:

1. the total number of applications received and the number of applications which met the requirements under the Scheme in the past 12 months;

2. the expected incentive effect on the Scheme by relaxing the applicant's holding period of $30 million net assets to 6 months as from 1 March 2025; and

3. any measures and audit checks that the Government will undertake to ensure effective supervision of the applicants and the funds under the Scheme with a view to avoiding such conduct as falsified capital injection and tax evasion.

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 9)

Reply:

(1) Since the launch of the New Capital Investment Entrant Scheme (New CIES) to end-February 2025, Invest Hong Kong (InvestHK) has received 918 applications, approved 868 applications for Net Asset Assessment and 386 applications for Assessment on Investment Requirements. The Immigration Department (ImmD) granted "approval-in-principle" for 756 applications, enabling the applicants to enter Hong Kong as visitors to make the committed investment, and granted "formal approval" for 341 applications. If all applications received are approved, it is estimated that they will bring more than HK$27 billion to Hong Kong, enhancing the developmental strengths of Hong Kong's asset and wealth management industry.

(2) Effective from 1 March 2025, we have implemented enhancement measures to the New CIES including relaxing the requirements on Net Asset Assessment and calculation so that a New CIES applicant 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. We believe that such measures will provide more flexibility to the New CIES, thereby attracting more investors to participate in the New CIES.

(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 2025-26

Reply Serial No.

FSTB(FS)052

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1162)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Regarding the expansion of the scope of e-CNY pilot testing in Hong Kong, this Committee would like to raise the following questions:

1) What technical support is required for the implementation of e-CNY? Is the Government collaborating with relevant technology companies?

2) What impact will this policy have on existing cross-border payment systems (such as PayPal, Western Union, etc.)?

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 33)

Reply:

In May 2024, the People's Bank of China (PBoC) and the Hong Kong Monetary Authority (HKMA) expanded the scope of e-CNY pilot in Hong Kong to facilitate setting up and using e-CNY wallets by Hong Kong residents using their Hong Kong mobile phone numbers only, as well as topping-up of e-CNY wallets via the Faster Payment System through 17 local retail banks. The e-CNY wallets can be used for cross-boundary payments, but not for person-to-person transfers. e-CNY provides an additional safe, convenient and innovative payment option to residents of the two places, and complements the existing cross-boundary payment systems in the market, with a view to better satisfying the different cross-boundary retail payment needs of residents, thereby further promoting the interconnectivity and the development of digital finance.

The expansion of the cross-boundary e-CNY pilot in Hong Kong is one of the 6 measures under the "three connection, three facilitation" initiative announced by the PBoC in early 2024. e-CNY is a legal tender in digital form issued by the PBoC and is currently under a nationwide pilot. Hong Kong is the first place in conducting cross-boundary e-CNY pilot, and has also become the first place outside the Mainland that enables its residents to set up e-

CNY wallets locally. As the specific design and the required technical support of e-CNY are managed by the PBoC, the HKMA is not in a position to provide the relevant information.

Hong Kong has a well-developed e-payment ecosystem with a number of non-cash payment options available to the public. At present, major QR code e-wallets in the market could support the cross-boundary payment needs of both Mainland and Hong Kong users. Regarding payment by Mainland users in Hong Kong, the two common e-wallet operators (Alipay and WeChat Pay) each have more than 150 000 Hong Kong retail merchants accepting its Mainland version of the e-wallet. Retail shops and restaurants located in large shopping malls and tourist areas are covered. As for payment by Hong Kong people in the Mainland, major e-wallets and retail payment operators in Hong Kong have provided cross-boundary retail payment services to Hong Kong users.

The PBoC and the HKMA will continue to work closely to gradually expand the application scope of e-CNY, enrich the range of functionalities of the e-CNY wallet available to Hong Kong residents, and promote the acceptance of e-CNY by more retail merchants, thereby providing a convenient cross-boundary payment means for residents and supporting broader economic co-operation and exchange.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)053

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2933)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the Hong Kong Investment Corporation Limited (HKIC), please inform this Committee of the following:

1) the number of projects for which investment or investment commitment has been made by deploying the capital of $62 billion currently managed by the HKIC, the percentage share of the investment in the $62 billion capital, as well as the locations of these projects (by industry/project type);
2) further to the above question, please provide a tabulated breakdown by forms of investment adopted by the HKIC, such as sole investment, co-investment and convertible bond investment;
3) whether target returns and performance indicators have been set for projects for which investment or investment commitment has been made; if so, the details; if not, the reasons;
4) the staff establishment (both management and non-management staff) and estimated expenditure for 2025-26;
5) regarding the Capital Investment Entrant Scheme Investment Portfolio currently managed by the HKIC, please advise on its size, the amount of capital allocated to each of the appointed fund managers and their proposed allocation strategy, as well as the criteria for assessing investment projects;
6) the preparatory work, implementation schedules and estimated expenditures for the International Young Scientist Forum on Artificial Intelligence and the International Conference on Embodied AI Robot; and
7) if any information on the above items is currently unavailable, whether it will be included in the reports to be released later; if not, the reasons.

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 17)

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 its establishment, the HKIC has invested in over 90 projects, including enterprises with cutting-edge technologies or in key industries. These projects are medium-to-long-term investments. Key themes include Hard and Core Technology, Biotechnology and New Energy and Green Technology with the proportions being 56%, 16% and 11% respectively based on the invested amount. In terms of the place of incorporation of the investee companies, over 30% of the companies are from Hong Kong, with the rest from the Mainland and overseas. In summary, these investments contribute to the development of Hong Kong's innovation and technology industry, and help local start-ups explore diversified markets and application scenarios. On the other hand, they attract high quality projects and companies from the Mainland and overseas to set up and develop their business in Hong Kong through the channeling force of capital.

The HKIC has clear requirements for investee companies to contribute to Hong Kong's development in a sustainable manner, such as requiring the companies to establish offices in Hong Kong, nurture and attract talents, establish research and development departments and/or corporate venture capital (corporate VC) departments in Hong Kong, and prioritise Hong Kong for their listing. Quite some investee companies have made good progress in attracting capital and talents and in exploring new markets, which has accelerated their planning for using Hong Kong as their business development platform. Certain investee companies have submitted their listing applications to the Hong Kong Exchanges and Clearing Limited.

To let the public have a more comprehensive understanding of the HKIC's operation and business outcomes, the HKIC plans to publish its inaugural annual report in the second half of this year to disclose the progress of its operation and investment.

Organisational Structure and Operational Arrangements

The HKIC's organisational structure and operational arrangements (including budget) were approved by the Board of Directors. Currently, the HKIC has four major departments, namely the Investment Department, Risk and Compliance Department, Legal Department and Corporate Affairs Department, with a total headcount of 53. In the set-up stage of the HKIC, the Hong Kong Monetary Authority has assisted in providing the related logistical support. As the HKIC's team has now fully commenced its work, it is expected that the establishment of the company will further strengthen in the future, particularly on post-investment monitoring and legal areas.

"Investment Portfolio under the New Capital Investment Entrant Scheme (New CIES)" (CIES IP)

The New CIES was launched on 1 March 2024. An eligible applicant under the New CIES must make investment of a minimum of HK$30 million in the permissible investment, including placing HK$3 million into the CIES IP.

With a view to allowing the CIES IP to support the long-term economic and social development of Hong Kong, the HKIC will join hands with multi-disciplinary stakeholders to accelerate in tapping into and strategising the planning for the cutting-edge impetus for growth. As regards the first batch of capital allocation of the CIES IP, the HKIC has appointed 4 fund managers, namely Betatron Venture Group, Inno Angel Fund, MindWorks Capital and Radiant Tech Ventures Limited. Fund managers participated in the selection process were required to propose at least 2 new applications or new themes that could bring innovative advancements to Hong Kong's technology or commercial transformation, and focus on the exploration and incubation with Hong Kong market as a basis. The relevant proposals also had to align with Hong Kong's strengths, positioning and needs, with the promotion of cross-jurisdictional development of technological applications as the long-term direction. The themes proposed by the four selected fund managers included low-altitude economy, gerontechnology, smart living, technology-driven cultural and entertainment experience, etc.

Independent accounting firm and law firm were involved in the relevant Invitation for Proposals and selection processes. During the selection process for the CIES IP fund managers, apart from considerations regarding new applications or new themes, scope of selection included organisation profile, team, investment strategy, track record, development plan in Hong Kong, risk management measures, and fees and terms of the relevant company are also included in the scope of assessment. In addition, the fees and terms have to be in line with market standards.

Currently, the size of the first batch of capital under the CIES IP is around HK$860 million, which will be evenly allocated to the aforesaid appointed fund managers.

"International Young Scientist Forum on Artificial Intelligence (AI)" and "International Conference on Embodied AI Robot"

In promoting international exchange and collaboration, the HKIC is pressing ahead with the organisation of the inaugural "International Young Scientist Forum on AI" and the inaugural "International Conference on Embodied AI Robot", with a view to pooling together leading technology companies, academic institutions, investors and industry talents to facilitate the exchange, research, and industrial development of AI technology, thereby further enhancing Hong Kong's global influence on technology areas. The HKIC will announce details of the 2 events in due course.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)054

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2935)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding family offices, please inform this Committee of:

1) the total number of single family offices successfully set up in Hong Kong with the assistance of the Government since the implementation of the tax concession measures for qualifying transactions of single family offices. If no relevant figures are maintained, what are the reasons and how the Government assesses the economic effectiveness of this policy.

2) the capital sizes, numbers of persons in the industry and places of origin of the existing family offices in Hong Kong;

3) the Government's strategy for promoting the setting up of family offices in Hong Kong over the past year, as well as its details and effectiveness; and how it complements the New Capital Investment Entrant Scheme to create synergy;

4) the current progress of the Government in formulating proposals on the preferential tax regimes for funds, single family offices and carried interest within this year, as stated in paragraph 87 of the Budget Speech; and whether legislation will be involved;

5) other measures, apart from tax concessions, to be taken by the Government to attract more family offices to Hong Kong; the estimated expenditure and manpower involved; and the implementation timetable;

6) the details of the promotional work carried out by the overseas offices of the Government and the Hong Kong Trade Development Council. Please set out the effectiveness of these promotional efforts by overseas office in tabular form.

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 19)

Reply:

(1) and (2)

Family office (FO) business is an important segment of the asset and wealth management sector. According to the Asset and Wealth Management Activities Survey 2023 published by the Securities and Futures Commission, the size of private banking and private wealth management business attributed to FOs and private trusts clients reached $1,452 billion as of end-2023, providing huge business opportunities for the asset and wealth management sector and other related professional services (such as legal and accounting services). Also, according to the research findings of the consultant commissioned by Invest Hong Kong (InvestHK) and publicised in March 2024, there were around 2 700 single FOs operating in Hong Kong as of end-2023, with over half of them set up by ultra-high-net-worth individuals having a wealth of US$50 million or above.

The dedicated FamilyOfficeHK team (the dedicated team) of InvestHK provides one-stop support services to FOs and ultra-high-net-worth individuals interested in pursuing development in Hong Kong. Since its establishment in June 2021 up to end-Feb 2025, the dedicated team has assisted over 160 FOs to set up or expand their business in Hong Kong, among which 135 FOs have set up or expanded their business in Hong Kong after the profits tax exemption regime for single FOs has taken effect, including 89 single FOs and 46 multi-FOs. Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong.

The number of FOs set up or expanded business in Hong Kong as assisted by the dedicated team, and the number of FOs having indicated that they are preparing or have decided to set up or expand in Hong Kong are tabulated below by geographical region –

Region	FOs assisted by the dedicated team to set up or expand business in Hong Kong	FOs preparing or having decided to set up or expand business in Hong Kong
Mainland and Taiwan, China	128	82
Europe and Americas	20	34
Asia Pacific and Oceania	13	22
Middle East	-	9
Total	**161**	**147**

As FOs in Hong Kong are not required to disclose their assets under management and the number of employees to the Government, we do not maintain relevant figures. Meanwhile, family-owned investment holding vehicles managed by single FOs in Hong Kong fulfilling the minimum asset threshold of HK$240 million and substantial activities requirement (including having at least two full-time employees in Hong Kong who have the qualifications necessary) can enjoy profits tax exemption for qualifying transactions in accordance with the Inland Revenue Ordinance.

(3) to (6)

The Government has been actively promoting the development of FO business and strengthening the development of asset and wealth management industry and related professional service sectors in Hong Kong. The Financial Services and the Treasury Bureau (FSTB) 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. A number of measures have already been implemented, including -

(a) InvestHK's dedicated team launched the Network of Family Office Service Providers in June 2023 to bring together the global networks of the relevant professional services providers and promote Hong Kong's advantages and opportunities to global FOs, and provide one-stop services for FOs interested in establishing a presence in Hong Kong;

(b) in July 2023, regulators published a circular to the industry on streamlining the suitability assessment when dealing with sophisticated professional investors (SPIs) with a view to enhancing customer experience. Intermediaries may provide product characteristics, nature and extent of risks to an SPI upfront instead of before each transaction. Intermediaries are not required at a transaction level to match the SPI's risk tolerance level, investment objectives and investment horizon, or to assess the SPI's knowledge, experience and concentration risk;

(c) the Hong Kong Academy for Wealth Legacy was established in November 2023 to provide a platform for collaboration, networking, knowledge sharing, and relevant training for the FO sector, asset owners and wealth inheritors, thereby promoting positive financial management values and strengthening the talent pool for FOs;

(d) the Government launched the New Capital Investment Entrant Scheme (New CIES) in March 2024 and has received 918 applications as of end-February 2025, with the investment amount to be brought into Hong Kong expected to exceed $27 billion. Effective from 1 March 2025, we have implemented enhancement measures to the New CIES including relaxing the requirements on Net Asset Assessment and calculation and allowing investments made through an eligible private company wholly owned by the applicant to be counted towards the applicant's eligible investment under the New CIES. These enhancement measures can attract more investors to participate in the New CIES, and create synergy with the tax concession regime for FOs, thereby promoting the development of FO businesses in Hong Kong; and

(e) the Government will enhance the preferential tax regimes for funds, single FOs and carried interest, including expanding the scope of "fund" under the tax exemption regime, increasing the types of qualifying transactions eligible for tax concessions for funds and single FOs, enhancing the tax concession arrangement on the distribution of carried interest by private equity funds, etc. We have completed the industry consultation on the enhancement measures on the preferential tax regimes. We are formulating the relevant enhancement measures with financial regulators based on the feedback received. We target to work out the details of the proposals by this year and submit the legislative proposals to the Legislative Council for consideration in 2026. If approved, the relevant measures will take effect from the year of assessment 2025/26.

On investment promotion, in 2024, the dedicated team conducted over 260 diversified investment promotion activities (e.g. roundtables, seminars, conferences, media interviews and external visits) in Hong Kong, the Mainland and overseas (including South East Asia, the Middle East, Europe, the Americas and Australia) to promote Hong Kong's competitiveness and unique advantages as a FO hub through diversified and face-to-face interactions. The dedicated team will continue to strengthen collaboration with the Economic and Trade Offices around the world and the Belt and Road Office, conducting FO-themed roundtable forums in major cities to highlight Hong Kong's role as a leading hub for asset and wealth management.

Riding on the success in the past 2 years, FSTB and InvestHK conducted the third edition of Wealth for Good in Hong Kong Summit on 26 March 2025. Themed "Hong Kong of the World, for the World", the Summit gathered FOs from around the world, underscoring Hong Kong's status not only as a leading international financial centre, but also a vibrant global FO hub.

The dedicated team of InvestHK comprises 17 posts, including 1 global head, 1 deputy global head, 6 senior vice presidents, 2 vice presidents, 1 senior executive manager, and 6 Mainland or overseas regional heads, with offices established in Beijing, Shanghai, Brussels, Dubai and Singapore, further enhancing the investment promotion effectiveness. The estimated expenditure in 2024-25 is about $47.8 million

In addition, the Hong Kong Trade Development Council (HKTDC) has established over 50 offices and consultant offices globally - spanning Africa and the Middle East, the Americas, Europe, Asia and the Pacific, with 13 of these offices located in the Mainland, to support the HKTDC's business promotion activities. They also promote Hong Kong's advantages as a two-way investment hub and international business centre, including the advantages of setting up FOs in Hong Kong.

In January 2025, the Asian Financial Forum (AFF), co-organised by the Government and the HKTDC, featured a thematic workshop on family business succession, promoting to global financial and business leaders the opportunities to tap global markets through the Hong Kong platform. The Family Office Symposium, co-organised by AFF and the Private Wealth Management Association, attracted representatives from FOs in the region. Through sharing and discussion sessions, the symposium highlighted Hong Kong's advantages as a premier FO destination, while exploring the current investment trends. We will continue to actively promote Hong Kong's strengths to the global market and tell the good stories of Hong Kong.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)055

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2936)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Regarding the Mandatory Provident Fund (MPF) schemes, please inform this Committee of:

1) the total value of MPF assets and average rate of return in each of the past 5 years (from 2020-21 to 2024-25), with a breakdown by asset class in tabular form;

2) the number of MPF withdrawal claims, the amount involved, and the year-on-year rates of change in each of the past 5 years (from 2020-21 to 2024-25), with a breakdown by application reason in tabular form;

3) the number of persons arrested and prosecuted, the amount involved, and the year-on-year rates of change related to false declarations of "permanent departure from Hong Kong" when applying for early withdrawal of MPF benefits in each of the past 5 years (2020-21 to 2024-25); and whether the Government will enhance the referral mechanism; if yes, the details; if not, the reasons; and

4) with the oncoming launch of MPF "Full Portability" after full implementation of the eMPF Platform by the end of this year, whether the Government will review the eligibility criteria for withdrawing MPF benefits (such as allowing individuals aged 60 or above to withdraw MPF benefits early on the grounds of purchasing properties or other special reasons); if yes, the details; if not, the reasons?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 20)

Reply:

Having consulted the Labour Department and the Mandatory Provident Fund Schemes Authority (MPFA), reply to the four-part question is as follows:

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

	Financial Year				
	2020-21	2021-22	2022-23	2023-24	2024-25#
Total Net Asset Value (HK$ million)	1,169,289	1,120,868	1,109,031	1,183,038	1,291,179

\# As of December 2024

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

Fund Type	Percentage of Total Net Asset Value of All Funds#	Average Net Rate of Return Financial Year				
		2020-21	2021-22	2022-23	2023-24	2024-25#
Equity Fund	45%	43.3%	-12.9%	-7.9%	-0.6%	11.3%
Mixed Assets Fund	34%	32.8%	-5.7%	-7.0%	4.9%	4.3%
Bond Fund	4%	2.7%	-4.9%	-5.9%	0.2%	0.4%
Guaranteed Fund	6%	3.8%	-3.0%	-1.7%	0.6%	2.1%
MPF Conservative Fund	11%	0.3%	§	1.2%	3.7%	2.6%
Money Market Fund^	<0.5%	2.8%	1.1%	-1.0%	1.1%	1.9%
Default Investment Strategy Constituent Funds						
Core Accumulation Fund	8%	30.2%	3.2%	-6.5%	13.3%	4.4%
Age 65 Plus Fund	3%	8.8%	-2.3%	-6.5%	4.6%	2.1%

Percentages may not sum up to 100% due to rounding.
\# As of December 2024
§ Average net rate of return is less than 0.05%.
^ Excluding MPF Conservative Fund

(2) The number of claims of MPF benefits by the grounds of withdrawal and its year-on-year changes over the past 5 financial years are tabulated below:

Ground of Withdrawal	Financial Year				
	2020-21	2021-22	2022-23	2023-24	2024-25*#
Retirement	99 700 (5.3%)	106 300 (6.6%)	113 200 (6.5%)	141 900 (25.4%)	118 100 (11.1%)
Early Retirement	24 600 (12.8%)	25 100 (1.8%)	19 900 (-20.7%)	24 800 (24.7%)	20 500 (7.6%)
Permanent Departure from Hong Kong	30 300 (-2.7%)	33 600 (11.0%)	30 900 (-8.0%)	29 600 (-4.3%)	21 600 (-6.5%)
Total Incapacity	1 900 (0.3%)	2 000 (5.7%)	1 600 (-22.7%)	1 400 (-9.8%)	1 600 (42.3%)
Terminal Illness	900 (0.3%)	900 (1.3%)	800 (-15.5%)	900 (14.8%)	800 (10.7%)

Ground of Withdrawal	Financial Year				
	2020-21	2021-22	2022-23	2023-24	2024-25*#
Small Balance Account	200 (41.5%)	200 (-15.8%)	100 (-8.4%)	100 (-31.7%)	100 (5.1%)
Death	6 600 (-6.4%)	7 200 (9.0%)	7 600 (4.5%)	7 700 (2.2%)	7 100 (18.9%)
Offsetting Severance Payment	45 900 (28.2%)	34 800 (-24.2%)	23 300 (-33.1%)	26 100 (12.2%)	24 200 (25.7%)
Offsetting Long Service Payment	23 100 (14.3%)	21 300 (-8.0%)	20 700 (-2.9%)	22 100 (7.0%)	18 200 (12.0%)

The number of claims is rounded up to the nearest hundred.
Figures in brackets indicate year-on-year changes.
* The year-on-year change figures for 2024-25 refer to the change between April to December 2023 and April to December 2024.
\# As of December 2024

The amount of MPF benefits by the grounds of withdrawal (HK$ million) and its year-on-year changes over the past 5 financial years are tabulated below:

Ground of Withdrawal	Financial Year				
	2020-21	2021-22	2022-23	2023-24	2024-25*#
Retirement	10,796 (17.7%)	12,127 (12.3%)	11,534 (-4.9%)	16,676 (44.6%)	15,213 (23.4%)
Early Retirement	4,406 (38.9%)	4,883 (10.8%)	3,819 (-21.8%)	5,375 (40.7%)	4,774 (18.2%)
Permanent Departure from Hong Kong	6,567 (27.3%)	9,096 (38.5%)	7,580 (-16.7%)	7,196 (-5.1%)	5,088 (-10.5%)
Total Incapacity	255 (13.6%)	345 (35.6%)	250 (-27.7%)	221 (-11.4%)	236 (38.9%)
Terminal Illness	147 (15.3%)	182 (24.3%)	123 (-32.3%)	158 (28.4%)	155 (26.1%)
Small Balance Account	§ (51.2%)	§ (-11.5%)	§ (-12.4%)	§ (-37.5%)	§ (13.9%)
Death	823 (11.9%)	911 (10.6%)	861 (-5.5%)	961 (11.7%)	932 (27.6%)
Offsetting Severance Payment	3,334 (35.6%)	2,713 (-18.6%)	1,689 (-37.8%)	2,051 (21.5%)	1,977 (32.4%)
Offsetting Long Service Payment	3,050 (18.0%)	2,977 (-2.4%)	2,797 (-6.0%)	3,108 (11.1%)	2,566 (13.5%)

Figures in brackets indicate year-on-year changes.
* The year-on-year change figures for 2024-25 refer to the change between April to December 2023 and April to December 2024.
\# As of December 2024
§ Amount is less than HK$0.5 million.

(3) 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 the Mandatory Provident Fund Schemes Ordinance (Cap. 485) ("MPFSO"), the amounts involved, the number of

other suspected cases referred to other law enforcement agencies, and the year-on-year changes over the past 5 financial years are tabulated below:

	Financial Year				
	2020-21	2021-22	2022-23^	2023-24	2024-25*#
Number of Summonses Laid Against Scheme Members for Suspected Breach of Section 43E of MPFSO	156@	121 (-22%)	16 (-87%)	7 (-56%)	11 (57%)
Amounts Involved in Relevant Summonses (HK$ thousand)	10,770@	8,245 (-23%)	1,026 (-88%)	548 (-47%)	2,565 (368%)
Number of Other Suspected Cases Referred to Other Law Enforcement Agencies	9@	2 (-78%)	26 (1 200%)	35 (35%)	36 (44%)

Figures in brackets indicate year-on-year changes.

^ The variation in the figures can be attributed to a number of factors: (i) prosecution figures fluctuate from time to time, subject to sufficiency of evidence which varies from case to case; (ii) in recent years, MPF trustees have put in place more measures to enhance the vetting of applications for early withdrawal of MPF benefits on the ground of "permanent departure from Hong Kong" to see whether the application is supported by sufficient evidence, and will continuously improve the vetting procedures; (iii) MPFA continues to conduct public education to enhance scheme members' awareness of fraudulent practices by crime syndicates and remind scheme members not to make false statements; (iv) MPFA continues to work closely with the Police to combat criminals.

* The year-on-year change figures for 2024-25 refer to the change between April to December 2023 and April to December 2024.

\# As of December 2024

@ No relevant figures for the year-on-year changes.

The Government and MPFA have earlier noted an increasing trend in cases involving MPF scheme members suspected of making false declarations for early withdrawal of MPF benefits. To this end, MPFA has been collaborating with law enforcement agencies to investigate and combat such crimes. Currently, MPFA would conduct random checks on applications for early withdrawal of MPF, and would refer them to the Immigration Department for further verification as to whether the scheme members have permanently departed Hong Kong. If a scheme member is suspected of making false or misleading statements in violation of the MPFSO, MPFA will initiate prosecution against the scheme member. MPFA would also, through a notification mechanism established with law enforcement agencies, refer cases and exchange intelligence, to strengthen the fight against crime syndicates abetting scheme members to withdraw MPF through fraudulent means. MPFA would educate scheme members through various channels to prevent them from being misled or exploited and risking violating the law.

(4) Any proposals allowing early withdrawal of accrued benefits from MPF System must take into consideration the corresponding reduction of scheme members' accrued benefits meant for their retirement. MPF is a long-term investment with compounding effect. Its design is to allow MPF benefits to accumulate steadily and keep in the accounts for value growth during the working life of scheme members. Therefore,

accrued benefits should be preserved in the system as far as possible and should only be withdrawn upon retirement of the employed persons. The MPF legislation only allows scheme members to make early withdrawal of accrued benefits before reaching the retirement age under certain exceptional circumstances. If we were to relax the preservation requirement on accrued benefits and allow scheme members to make early withdrawal to meet short-term financial needs or contingency, the accrued benefits would be leaked from the system from time to time and fail to accumulate for value growth, thereby undermining the integrity of the MPF system and rendering it difficult to achieve the purpose of assisting the working population to save for their retirement. Due to the above considerations, we have no plan to review the eligibility for early withdrawal of MPF.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)056

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2938)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 93 of the Budget Speech, the Government will actively explore opportunities to introduce further expansion initiatives, extend the Cross-boundary Wealth Management Connect (WMC) Scheme in the Great Bay Area (GBA), improve market liquidity, and enrich the risk management toolbox. In this connection, would the Government inform this Committee of the following information about the WMC Scheme since its launch in September 2021 and the enhanced WMC 2.0 since its introduction:

1) a monthly breakdown of the number of individual investors by type (i.e. Hong Kong and Macao investors as well as Mainland investors) from 2021 to 2024;
2) a monthly breakdown of the market value of investment products held by individual investors (i.e. the market value of Mainland investment products held by individual investors in Hong Kong and Macao, as well as the market value of Hong Kong and Macao investment products held by individual investors in the Mainland) by product type from 2021 to 2024;
3) the amount of cross-boundary remittance under closed-loop funds management each year from 2021 to 2024;
4) the respective usage of aggregate quota under the Southbound Scheme and the Northbound Scheme each year from 2021 to 2024; whether the Government will explore expanding the scope of market connectivity in light of the usage; if yes, the details; if not, the reasons;
5) since the official launch of WMC 2.0 in February 2024, additional securities firms have been included as pilot participants. Please advise on the number of participating securities firms so far, as well as the number of customers engaged by banks and brokers; and
6) what plans does the Government have to continuously enhance the initiatives for expanding the WMC Scheme in the GBA and improving market liquidity?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 22)

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, and further enhancing the promotion and sales arrangements.

(1) Monthly classification numbers of individual investors under WMC from 2021 to 2024 are tabulated as follows:

Year	Month	Number of New Individual Investors		
		Total	Hong Kong and Macao Investors	Mainland Investors
2021	10	7 600	5 022	2 578
2021	11	7 517	5 100	2 417
2021	12	7 058	3 949	3 109
2022	1	1 888	1 371	517
2022	2	855	591	264
2022	3	1 386	808	578
2022	4	1 461	1 266	195
2022	5	1 892	1 611	281
2022	6	1 662	1 303	359
2022	7	1 691	1 316	375
2022	8	2 517	1 894	623
2022	9	2 149	1 784	365
2022	10	1 198	1 036	162
2022	11	1 391	1 115	276
2022	12	931	814	117
2023	1	858	778	80
2023	2	2 021	1 817	204
2023	3	3 594	3 122	472
2023	4	3 347	3 082	265
2023	5	2 430	1 874	556
2023	6	2 528	1 837	691
2023	7	1 715	1 201	514
2023	8	1 809	945	864
2023	9	1 607	600	1 007

<table>
<tr><th rowspan="2">Year</th><th rowspan="2">Month</th><th colspan="3">Number of New Individual Investors</th></tr>
<tr><th>Total</th><th>Hong Kong and Macao Investors</th><th>Mainland Investors</th></tr>
<tr><td>2023</td><td>10</td><td>2 217</td><td>464</td><td>1 753</td></tr>
<tr><td>2023</td><td>11</td><td>4 245</td><td>386</td><td>3 859</td></tr>
<tr><td>2023</td><td>12</td><td>2 072</td><td>381</td><td>1 691</td></tr>
<tr><td>2024</td><td>1</td><td>1 877</td><td>416</td><td>1 461</td></tr>
<tr><td>2024</td><td>2</td><td>2 391</td><td>573</td><td>1 818</td></tr>
<tr><td>2024</td><td>3</td><td>24 288</td><td>1 051</td><td>23 237</td></tr>
<tr><td>2024</td><td>4</td><td>Around 13 000</td><td>785</td><td>Around 12 000</td></tr>
<tr><td>2024</td><td>5</td><td>4 779</td><td>1 084</td><td>3 695</td></tr>
<tr><td>2024</td><td>6</td><td>2 436</td><td colspan="2" rowspan="7">Since June 2024, the People's Bank of China (PBOC) has suspended the publication of monthly classification data for new individual investors.</td></tr>
<tr><td>2024</td><td>7</td><td>2 979</td></tr>
<tr><td>2024</td><td>8</td><td>1 898</td></tr>
<tr><td>2024</td><td>9</td><td>1 556</td></tr>
<tr><td>2024</td><td>10</td><td>879</td></tr>
<tr><td>2024</td><td>11</td><td>950</td></tr>
<tr><td>2024</td><td>12</td><td>13 737</td></tr>
</table>

(2) As of March 2024, the market value balance of investment products held by Mainland and Hong Kong/Macao individual investors under WMC is tabulated as follows (since April 2024, PBOC has suspended the publication of the monthly market value balance of investment products held by individual investors):

	Market Value (RMB Million)
Investment products of Hong Kong and Macao held by Mainland investors	16,240
• Funds	224
• Bonds	25
• Deposits	15,991
Mainland investment products held by Hong Kong and Macao investors	201
• Wealth management products	122
• Funds	79
Total	16,441

(3) The total annual cross-boundary fund remittance under closed-loop management for WMC from 2021 to 2024 is tabulated as follows:

	Total Cross-boundary Fund Remittance (RMB Million)
2021	479.49
2022	1,741.92
2023	10,588
2024	86,665

(5) 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-February 2025, 25 eligible Hong Kong banks, together with their Mainland partner banks, have provided WMC services (including 21 offering both Southbound and Northbound services, 3 offering only Southbound services, and 1 offering only Northbound services). Additionally, the first batch of 14 brokers participating in WMC have commenced relevant services from end-2024. As of end-January 2025, these brokers had opened approximately 16 000 investment accounts.

Overall, as of end-January 2025, the number of individual investors participating in WMC reached 141 400, more than doubling the number as of end-2023.

(4) and (6)

The total quota usage (in RMB million) under WMC as of the end of each year from 2021 to 2024 is tabulated below:

	Northbound	Percentage	Southbound	Percentage
2021	175.58	0.12%	106.35	0.07%
2022	287.96	0.19%	395.77	0.27%
2023	238.23	0.16%	4,845.12	3.23%
2024	259.30	0.17%	10,537.20	7.02%

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, collaborate with the Mainland authorities to jointly foster the smooth implementation of "WMC 2.0" 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.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)057

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2939)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the stock market, will the Government inform this Committee of the following:

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, secondary listing companies in Hong Kong and companies which transferred their listing from GEM to the Main Board in the past 5 years (2020-21 to 2024-25);
2) the amounts of funds raised by incoming listed companies through initial public offerings 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 the past 5 years (2020-21 to 2024-25);
3) According to paragraph 42 of the Budget Speech, to further assist specialist technology and biotechnology companies, especially those listed in the Mainland, in raising funds and expanding business, the Hong Kong Exchanges and Clearing Limited is actively taking forward the establishment of a dedicated "technology enterprises channel" (TECH) to facilitate the relevant companies in preparing for listing applications. What are the main differences between TECH and the existing listing mechanism? What is the progress of relevant work and co-ordination work with Mainland authorities, as well as the estimated implementation time of TECH; and
4) At present, secondary listing companies in Hong Kong are not included in the Stock Connect, and there are views that this is not conducive to attracting more overseas companies to seek secondary listing in Hong Kong. Will the Government explore feasible solutions to include secondary listing stocks in Stock Connect to further expand the mutual market access mechanism? If yes, what are the details; if no, what are the reasons?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 23)

Reply:

(1) The number of newly listed companies (including listings in accordance with different chapters of the Listing Rules and transfer of listings from GEM to Main Board) on the Main Board and GEM in the past 5 years are set out in the table below:

Year	**2020**	**2021**	**2022**	**2023**	**2024**
Total number of newly listed companies in the Main Board	146	97	90	73	68
- Companies with weighted voting rights structures listed in accordance with Chapter 8A[1]	4	9	6	2	1
- Biotechnology companies listed in accordance with Chapter 18A[2]	14	20	8	7	4
- Special purpose acquisition companies listed in accordance with Chapter 18B[3]	-	-	5	-	-
- Specialist technology companies listed in accordance with Chapter 18C[4]	-	-	-	-	3
- Overseas issuers secondary listed in accordance with Chapter 19C[1,2]	9	5	4	-	-
- Transfer of listings from GEM to Main Board	8	2	1	3	-
Total number of newly listed companies in GEM	8	1	-	-	3

[1] Including 4 companies, 3 companies and 2 companies which were listed in accordance with both Chapter 8A and Chapter 19C of the Listing Rules in 2020, 2021 and 2022 respectively.
[2] Including 1 company which was listed in accordance with both Chapter 18A and Chapter 19C of the Listing Rules in 2020.
[3] The listing regime for special purpose acquisition companies (Chapter 18B of the Listing Rules) was implemented in January 2022.
[4] The listing regime for specialist technology companies (Chapter 18C of the Listing Rules) was implemented in March 2023.

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) The statistics of funds raised through initial public offering (IPO) by company jurisdiction in the past 5 years are set out in the table below:

[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).

Year	2020	2021	2022	2023	2024
Mainland enterprises					
IPO funds raised (billion dollars)	391.9	324.2	96.3	41.6	84.4
Percentage of total funds raised	98.8%	97.8%	92.1%	89.8%	95.9%
Hong Kong enterprises					
IPO funds raised (billion dollars)	2.8	5.4	5.8	0.5	0.9
Percentage of total funds raised	0.7%	1.6%	5.5%	1.1%	1.0%
Enterprises from other jurisdictions					
IPO funds raised (billion dollars)	1.8	1.8	2.5	4.2	2.7
Percentage of total funds raised	0.5%	0.6%	2.4%	9.1%	3.1%

(3) With the thriving development of emerging industries in the Mainland, there is a strong demand for overseas listing by relevant enterprises. HKEX provides innovative companies including biotechnology and specialist technology companies with tailored listing mechanisms (including Chapters 18A and 18C of the Listing Rules), so as to facilitate their financing for research and development and product commercialisation.

To further assist specialist technology and biotechnology companies in raising funds and developing their businesses, HKEX is actively taking forward the establishment of a dedicated "technology enterprises channel" (TECH). Under this mechanism, HKEX will arrange a dedicated team to communicate with potential applicants as early as possible and provide assistance to relevant companies to prepare for listing applications, so as to enhance the understanding of companies and sponsors about the applicability and assessment criteria of relevant rules in relation to specific businesses and facilitate early communication on different important issues. The Securities and Futures Commission will also work closely with HKEX to provide support during the process. By assisting relevant companies to better prepare for listing applications, we hope to enable a smoother application process and facilitate more enterprises from different advanced technology industries to list in Hong Kong. The mechanism mainly involves the internal preparatory work of HKEX. HKEX will soon announce the specific arrangements and effective date.

(4) The Government is committed to deepening and expanding mutual access between the Mainland and Hong Kong financial markets. We have been proactively discussing with the Mainland authorities various expansion measures for Stock Connect, with a view to widening the product suite and coverage under the mechanism gradually. With the strong support of the Central People's Government, Stock Connect saw numerous new breakthroughs over the past few years, including 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. On this basis, we will continue to explore with the Mainland enhancement arrangements for Stock Connect, including further widening the eligible scope of products in a risk controlled manner. Specific measures will be announced in due course once they are ready for implementation.

- End -

Reply Serial No.

FSTB(FS)058

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2940)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards electronic payment, please inform this Committee:

1) whether pilot cities will be planned for initial implementation in respect of the linkage of fast payment systems in the two places, i.e. the Internet Banking Payment System (IBPS) in the Mainland and the Faster Payment System (FPS) in Hong Kong, now being driven by the Hong Kong Monetary Authority and the People's Bank of China as reported, and of the current progress and preliminary proposals;

2) of the respective numbers of e-CNY wallets set up and used in Hong Kong at present;

3) of the respective numbers of registered FPS users and merchants in each of the years since the launch of FPS in 2018 and the year-on-year rates of change;

4) of the respective numbers of FPS transactions involving cross-boundary/non-cross-boundary payments in each of the years since the launch of FPS in 2018 and the year-on-year rates of change;

5) of the respective numbers of FPS transactions settled in Hong Kong dollars/Renminbi in each of the years since the launch of FPS in 2018 and the year-on-year rates of change; and

6) whether the handling fees currently charged by financial institutions on registered FPS merchants are subject to monitoring; if so, how the Government will enhance the arrangements so as to expedite the transformation towards electronic consumption in Hong Kong, given that such fees are considered a hindrance to merchants in providing FPS electronic payment services to members of the public.

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 24)

Reply:

(1) The People's Bank of China (PBoC) and the Hong Kong Monetary Authority (HKMA) are working closely to implement the linkage of the Internet Banking Payment System in the Mainland and the Faster Payment System (FPS) in Hong Kong, with a view to providing round-the-clock services for residents to make real-time, small-value and cross-boundary remittances via entering the recipient's mobile number or account number, providing residents of the two places with an additional safe, convenient and innovative cross-boundary remittance option, thus helping to promote market connection. The PBoC and the HKMA are actively discussing and examining the relevant details. Some services are expected to be launched in mid-2025 at the soonest, with details to be announced in due course.

(2) In May 2024, the PBoC and the HKMA expanded the scope of e-CNY pilot in Hong Kong to facilitate setting up and using e-CNY wallets by Hong Kong residents, as well as the top-up of e-CNY wallets through FPS, thereby providing a convenient cross-boundary payment means for residents.

e-CNY is a legal tender in digital form issued by the PBoC and is currently under a nationwide pilot. The HKMA does not have the statistics on set up and use of e-CNY wallets in Hong Kong.

(3) to (5)

The number of FPS account registrations, as well as the statistics of real-time payment transactions in Hong Kong dollar and Renminbi conducted in Hong Kong are at **Annex**. As FPS is primarily used for local payment, the HKMA does not maintain the statistics on cross-boundary payment.

(6) The HKMA is very concerned about the issue of administrative fee for small and medium merchants to use FPS e-payment service. To promote financial inclusion, the HKMA has been maintaining close liaison with banks and stored value facility operators, and encourages the industry to provide small and medium merchants with low-cost, highly effective and user-friendly FPS payment solutions. This helps merchants embrace the era of e-payment and enhance their competitiveness. To better satisfy the needs of small and medium merchants, we understand that financial institutions in the market have already introduced affordable and user-friendly e-payment solutions where the administrative fees for transactions have been lowered or fully waived, thereby further facilitating small and medium merchants to receive payments via FPS QR code.

<u>Annex</u>

Statistics on Faster Payment System (FPS)

Year	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025 (as at February)**
No. of account registrations (Year-on-year % change)	2 032 531 (-)	4 020 697 (-)	6 878 392 (+71%)	9 620 271 (+40%)	11 476 665 (+19%)	13 603 644 (+19%)	15 798 881 (+16%)	16 216 659 (-)
No. of Hong Kong dollar real-time payment transactions (Year-on-year % change)	4 744 035 (-)	38 907 523 (-)	129 648 250 (+233%)	245 557 634 (+89%)	343 192 668 (+40%)	455 361 335 (+33%)	604 965 546 (+33%)	114 230 620 (-)
No. of Renminbi real-time payment transactions (Year-on-year % change)	66 904 (-)	302 195 (-)	206 274 (-32%)	266 177 (+29%)	342 453 (+29%)	665 603 (+94%)	1 135 000 (+71%)	220 312 (-)

<u>Note</u>: From the launch of FPS in September 2018 to December in the same year

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

FSTB(FS)059

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3832)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the implementation of the Protection of Critical Infrastructures (Computer Systems) Bill (the Bill), will the Government inform this Committee of the following:

As one of the designated authorities under the Bill, the Hong Kong Monetary Authority is required to discuss codes of practice with the banking and financial services sector. Has the Government earmarked any resources to take forward the implementation of the Bill? If so, what are the manpower establishment and estimated expenditure? If not, what are the reasons?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 51)

Reply:

Currently, the Hong Kong Monetary Authority (HKMA) has already been imposing comprehensive regulation for the banking and certain financial services sectors, including supervising the cyber defence capabilities of banks and other financial institutions via the Cyber Resilience Assessment Framework (C-RAF). Apart from leveraging the existing supervisory framework to assist it in discharging its functions as a "Designated Authority" under the Protection of Critical Infrastructures (Computer Systems) Bill (the Bill), upon the passage of the Bill, the HKMA will work with the Commissioner's Office (which will be established under the Security Bureau for implementing the related statutory regime) to explore and formulate the collaboration model, and consult the industry so as to formulate the Code of Practice applicable to the Critical Infrastructure Operators in the banking and relevant financial services sectors with reference to the specified requirements under the Bill. The HKMA will use it resources to take forward the relevant work.

\- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)060

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1251)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Regarding the innovation and technology (I&T) industry, while the Hong Kong Investment Corporation Limited (HKIC) has invested in over 90 technology enterprises, how can it ensure that the investment can genuinely promote the long-term sustainable development of Hong Kong's I&T enterprises, thereby forming an internationally competitive I&T cluster? What are the specific timetables and quantitative targets in the future in respect of guiding these investee technology enterprises to leverage Hong Kong as a platform for business expansion and establish venture business departments? For instance, if it plans to encourage at least 20 investee technology enterprises to successfully list in the HKEX, or drive 30 enterprises to capture a certain share in the international market in the next 3 years, what are the relevant interim plans and specific facilitating measures?

Asked by: Hon KONG Yuk-foon, Doreen (LegCo internal reference no.: 13)

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 positioning of the HKIC is to capitalise the power of "Patient Capital" to attract innovation and technology enterprises to set up their operations in Hong Kong, and channel market capital and leverage market resources to accelerate the construction of a more vibrant strategic industry ecosystem, while seeking reasonable financial return over the medium to long term.

The HKIC also actively collaborates with various investment institutions and joins hands in investing with them, promoting the continuous development and application of cutting-edge technologies in Hong Kong. As of March 2025, every Hong Kong dollar invested by the

HKIC has attracted over 4 Hong Kong dollars from long-term capital in the market for investment.

The HKIC has clear requirements for investee companies to contribute to Hong Kong's development in a sustainable manner, such as requiring the companies to establish offices in Hong Kong, nurture and attract talents, establish research and development departments and/or corporate venture capital (corporate VC) departments in Hong Kong, and prioritise Hong Kong for their listing. Quite some investee companies have made good progress in attracting capital and talents and in exploring new markets, which has accelerated their planning for using Hong Kong as their business development platform. Certain investee companies have submitted their listing applications to the Hong Kong Exchanges and Clearing Limited.

To let the public have a more comprehensive understanding of the HKIC's operation and business outcomes, the HKIC plans to publish its inaugural annual report in the second half of this year to disclose the progress of its operation and investment.

- End -

FSTB(FS)061

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3347)

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned under the Programme that the Branch will "review the existing regulation of licensed money lenders and public education, and conduct public consultation in the first half of 2025, with a view to stepping up efforts in addressing the issue of excessive borrowing." In this connection, will the Government inform this Committee of the following:

1) As illegal loan sharking remains rampant, will the Government step up its enforcement efforts and deploy additional resources? If so, what is the estimated expenditure? If not, what are the reasons?
2) Will the Government explore the use of artificial intelligence for tracking suspicious money lending activities online? If so, what is the amount of resources expected to be committed? If not, what are the reasons?

Asked by: Hon KWOK Ling-lai, Lillian (LegCo internal reference no.: 50)

Reply:

Having consulted the Companies Registry (CR) and Hong Kong Police Force, our reply is as follows:

(1) The money lending business is regulated by the Money Lenders Ordinance (Cap. 163) and the licensing conditions in the money lenders licence imposed by the licensing court. The scope of regulation covers requirements for money lenders licence application and renewal, interest rate cap, restrictions on fees and charges, privacy protection, information disclosure and advertisement contents, etc. Regarding licensing conditions, the CR has been monitoring the licensed money lenders' compliance through conducting site inspections and reviewing money lending advertisements; and the Police is committed to combating the relevant crimes, such as carrying on business as money lender without a licence,

illegal or improper debt collection activities and lending money at an interest rate exceeding the statutory limit, etc.

The Police has been closely monitoring crime trends related to illegal money lending, including online illegal money lending activities, and will refer them to the criminal investigation team for follow up, and take appropriate law enforcement actions including intelligence-led operations. To strengthen the efforts in combating illegal money lending, the Police will investigate and prosecute anyone who sells bank accounts to loan shark groups, for committing crimes of "money laundering", and apply to the court for increased penalties under the Organized and Serious Crimes Ordinance (Cap. 455). Furthermore, the Police will step up intelligence collection and maintain close liaison with relevant law enforcement agencies, and regularly provide suitable training to frontline staff to enhance their ability to handle relevant cases.

In the past 5 years, the CR conducted 2 231 onsite inspection, and issued a total of 601 rectification orders and 28 warning letters to money lenders for irregularities found during inspections. In addition, the Police made 192 prosecutions for contravention of the Money Lenders Ordinance (including lending or offering to lend money at excessive interest rates, operating a money lending business without a licence and not operating the business in accordance with the licensing conditions etc.), involving 149 people in total.

The Government has been closely monitoring the market situation in the money lending sector to continuously review and enhance the prevailing regulatory measures. In 2021, we enhanced the licensing conditions of money lenders, including requiring money lenders, before entering into a loan agreement for an unsecured personal loan, to undertake an assessment of the borrower's repayment ability and have due regard to the assessment outcome, and requiring money lenders to immediately cease to use a referee's information after they are informed or aware that the written consent was in fact not signed by the referee. In 2022, we lowered the statutory interest rate cap and the threshold of extortionate rate from 60% to 48% and from 48% to 36% respectively.

The Government will commence a public consultation regarding enhancing regulation of unsecured personal loans and enhancing protection for loan referees in the first half of this year. We will collate and summarise the views received after the consultation period to finalise relevant measures and formulate relevant legislative proposals.

The regulatory work of licensed money lenders is a regular duty of the Financial Services Branch, the CR and the Police, which is handled by the relevant bureau and departments under existing resources and manpower. We do not maintain the expenditure breakdown.

(2) The Police actively researches into the use of technology to prevent and combat crime, and from time to time reviews global technology development trends (including artificial intelligence) and the application of technology by law enforcement agencies in various places. Also, the Police will, based on actual operational needs, introduce suitable equipment and apparatus when appropriate to further enhance the Police's operational effectiveness.

Expenditure related to combating illegal money lending is part of the total expenditure of the Police's Programme (2): Prevention and Detection of Crime. The Police does not maintain the expenditure breakdown.

- End -

FSTB(FS)062

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0617)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

As co-operation among Guangdong, Hong Kong and Macao continues to deepen, the demand for cross-boundary insurance facilitation services among consumers in the Greater Bay Area (GBA) is increasing. In this connection, would the Government inform this Committee of:

(1) the current progress and timetable for the establishment of insurance after-sales service centres in the GBA; and
(2) further policy measures the Government plans to implement to promote the facilitation of insurance services in the GBA?

Asked by: Hon LAI Tung-kwok (LegCo internal reference no.: 26)

Reply:

The Guangdong-Hong Kong-Macao Greater Bay Area (GBA) is a vast and highly promising market, with a population of over 86 million and a total economic output of RMB 14 trillion. As this region continues to develop rapidly, the demand for insurance is expected to grow steadily, encompassing areas such as life insurance and healthcare. Therefore, GBA is an ideal entry point for the Hong Kong insurance industry to participate in the national "Dual Circulation" strategy. All along, the Government, together with the Insurance Authority (IA), has been actively pursuing measures to promote mutual access of insurance markets in the GBA, aiming to provide convenience and facilitate exchange for residents across GBA cities, while supporting the insurance industry to seize opportunities arising from the GBA development.

To further enhance insurance support services within the GBA, the Government and IA have been maintaining communication with relevant Mainland authorities to explore policy measures to facilitate insurance services in the GBA. We are actively exploring with the relevant Mainland authorities ways to provide comprehensive support services for citizens who frequently shuttle between GBA cities, through one-stop services such as consultation, claims processing, and policy renewal for GBA citizens holding Hong Kong insurance policies. These efforts aim to further enhance the customer experience and promote the integration and development of the insurance market within the region. We are currently considering various options. Once the relevant details are finalised and approved by the relevant Mainland authorities, we will announce the details and implement them as soon as possible.

Given the rapid expansion of the silver market, there is growing demand for products and services catering to the elderly. Developing new products and services to meet the needs of the elderly will help enhance their quality of life, and also generate business opportunities. In this regard, IA encourages insurance companies to introduce more innovative products and promote the development of high-quality elderly care services in the GBA, unlocking the social value of insurance. At the same time, IA is engaging with large Mainland groups experienced in integrating insurance and elderly care services, encouraging them to establish a presence in Hong Kong.

The Government will continue to promote cooperation between the Mainland and Hong Kong on the insurance front. We will maintain close communication with the industry, and will carefully consider views relating to various cross-boundary cooperation measures, with a view to promoting the long-term development of the insurance market in the GBA.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)063

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0619)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In regard to the Northbound Travel for Hong Kong Vehicles scheme (the Scheme) implemented since July 2023, applicants may, within the validity period of the statutory motor insurance policy taken out for their vehicles in Hong Kong, purchase various top-up insurance options under the "unilateral recognition" arrangement. In this connection, would the Government inform this Committee of the following:

(1) Since the implementation of the Scheme, what have been the monthly numbers of applications and approvals, and the number of "unilateral recognition" insurance policies for cross-boundary vehicles issued by Hong Kong insurance companies;

(2) Whether the Government has, through the Insurance Authority, identified any related difficulties faced by the insurance sector? If yes, what are the details and how are the difficulties being addressed? If not, what are the reasons; and

(3) What are the Government's future plans for enhancing the application regime for the Scheme, in order to facilitate the purchase of "unilateral recognition" insurance policies by applicants?

Asked by: Hon LAI Tung-kwok (LegCo internal reference no.: 28)

Reply:

Having consulted the Transport and Logistics Bureau, the reply to the question is as follows.

(1) Northbound Travel for Hong Kong Vehicles (the Scheme) was officially launched in July 2023, allowing eligible Hong Kong private cars to travel between Guangdong and Hong Kong via the Hong Kong-Zhuhai-Macao Bridge (HZMB) without the need to obtain regular quotas. The Scheme would facilitate Hong Kong residents to drive to Guangdong for business, visiting families or sight-seeing on a short-term basis which

could make good use of the HZMB and promoting development of the Guangdong-Hong Kong-Macao Greater Bay Area. Applicants are required to submit applications, together with relevant supporting documents, to the theme page of the Scheme and the applications will be jointly assessed by the governments of Guangdong and Hong Kong. As of end-2024, a total of about 133 000 applications (including new applications and renewal applications) have been received, representing monthly average of about 7 000 applications, of which about 118 000 applications have completed the approval process and been issued a permit.

(2) and (3)

The Government has maintained close liaison with relevant Mainland authorities, closely monitoring the implementation of the Scheme, and continuously refining the various arrangements. Regarding the processing of applications, the number of applications accepted per working day gradually increased from 200 during the initial period when the Scheme was implemented to currently 500 (including new applications and renewal applications). Moreover, the arrangements for renewal applications have been refined since May 2024, whereby eligible renewal applicants may submit their renewal applications online during the designated period assigned by the Transport Department without having to participate in a computer ballot.

To complement the Scheme, the Insurance Authority (IA) coordinated with Hong Kong insurers to implement the Unilateral Recognition policy (URP) for cross-boundary motor insurance in Guangdong and Hong Kong. Under this arrangement, owners of Hong Kong private vehicles entering Guangdong Province via the Scheme may, within the validity period of the statutory motor insurance policy taken out for their vehicles in Hong Kong, procure top-up cover of qualified Traffic Accident Liability Insurance for Motor Vehicles of the Mainland and to select further coverage of the Mainland Commercial Insurance for Motor Vehicles depending on their needs. This obviates the need for car owners to purchase a separate policy from a Mainland insurer, making travel between the two places more convenient and providing Hong Kong residents driving into Guangdong via HZMB with comprehensive and convenient insurance protection.

Since the announcement of the URP, the industry has demonstrated proactive engagement by promptly introducing motor insurance products that adhere to the required specifications. A total of 22 local insurers (collectively accounting for around 90% of the relevant market segment) are currently offering URP products. Since the launch of the Scheme until end-2024, there were about 11 000 cross-boundary motor insurance policies issued by Hong Kong insurance companies under the “unilateral recognition” arrangement.

The Government has maintained communication with the insurance industry through IA, and encouraged the industry to enhance URP products with a view to increasing their utilisation. For example, through discussions between IA and the Hong Kong insurance companies, enhancements were made to the coverage of the Mainland Commercial Insurance for Motor Vehicles in 2024. After purchasing insurance under the URP arrangement, Hong Kong car owners can add additional coverage and services to their Mainland Commercial Insurance for Motor Vehicles. This will provide more options and strengthen protection for Hong Kong car owners.

IA will continue to closely monitor the usage of the cross-boundary motor insurance policies under the "unilateral recognition" arrangement, and coordinate with the insurance industry to actively look into how the current product structure as well as sales and promotion arrangements may be enhanced, with a view to providing car owners who procure coverage from Hong Kong insurance companies with more options and greater convenience.

- End -

Reply Serial No.

FSTB(FS)064

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1006)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Government stated that under the New Capital Investment Entrant Scheme (the Scheme), more than 880 applications had been received, and a series of enhancement measures would be launched to provide greater flexibility under the Scheme. Would the Government inform this Committee of:

1. the number of cases approved among the applications received, and the average time taken from application to approval for each case;
2. the enhancement measures on the Scheme to be implemented by the Government with details and the implementation timetable; and
3. whether the Government will consider relaxing the restrictions on property investment under the Scheme, including lowering the requirement of HK$50 million or above for the transaction price of a single property and raising the aggregate cap of HK$10 million for the total investment amount in real estate?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 29)

Reply:

Since the launch of the New Capital Investment Entrant Scheme (New CIES) to end-February 2025, Invest Hong Kong (InvestHK) has received 918 applications, approved 868 applications for Net Asset Assessment and 386 applications for Assessment on Investment Requirements. The Immigration Department (ImmD) granted "approval-in-principle" for 756 applications, enabling the applicants to enter Hong Kong as visitors to make the committed investment, and granted "formal approval" for 341 applications. If all applications received are approved, it is estimated that they will bring more than HK$27 billion to Hong Kong, enhancing the developmental strengths of Hong Kong's asset and wealth management industry.

InvestHK and the ImmD will process applications expeditiously. The time needed for processing individual applications varies, depending on the information on the asset types as provided by applicants therein and the adequacy of supporting documents, etc. For applications for Net Asset Assessment and Assessment on Investment Requirements, subject to sufficient information and supporting documents provided by applicants, InvestHK will generally complete the assessment in around 3 weeks. As regards applications for visa/ entry permit, the ImmD will generally complete the assessments of "approval-in-principle" and "formal approval" in around 3 weeks and 1 week respectively, upon receipt of all needed documents.

With effect from 16 October 2024, applicants under the New CIES are allowed to invest in residential properties, provided that the transaction price of a single property is HK$50 million or above. The total investment amount in real estate (the aggregate of all residential and non-residential properties) which is counted toward fulfilling the minimum investment threshold is subject to an aggregate cap of HK$10 million. The Government also announced a series of enhancement measures to the New CIES in January 2025. Effective on 1 March 2025, the measures include –

(a) **relaxing the requirements on the fulfillment of net asset requirement (NAR):** 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. Net assets or net equity jointly owned with the applicant's family member(s) can also be taken into consideration for the calculation of the NAR for the respective portion which is absolutely beneficially entitled to the applicant; and

(b) **allowing the holding of permissible investment assets through a family-owned investment holding vehicle (FIHV) or a family-owned special purpose entity (FSPE) under an FIHV:** Investments made through an eligible private company wholly owned by an applicant can be counted towards the applicant's eligible investment in the New CIES. An eligible private company refers to a holding company incorporated or registered in Hong Kong which is wholly owned by an applicant in the form of an FIHV or an FSPE under an FIHV managed by an eligible single family office as defined in Section 2 of Schedule 16E to the Inland Revenue Ordinance (Cap. 112). The enhancement will create synergy between the New CIES and establishment of family offices in Hong Kong.

Since the enhancement measures under the New CIES have only been implemented for a short period of time, the Government will continuously review the applicants' investment arrangement and suitably evaluate its effectiveness.

- End -

Reply Serial No.

FSTB(FS)065

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1018)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Pilot Green and Sustainable Finance Capacity Building Support Scheme (the Scheme), launched by the Government in 2022, will be extended to 2028. In this connection, will the Government inform this Committee:

1. of the number of applications received, approved and the amount of reimbursement involved each year since the launch of the Scheme;

2. whether the Government has maintained any statistics on the courses applied by the applicants under the Scheme; if so, of the number of applicants for each course under the Scheme; and

3. given that the Scheme will be extended to 2028, of the estimated number of beneficiaries and the expenditure involved per year?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 30)

Reply:

To nurture talent for further promoting green and sustainable finance, the Government launched in 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, we will extend the Pilot Scheme to 2028.

(1) The number of applications received, approved and rejected, as well as the amount of funding support involved since the launch of the Pilot Scheme are set out below. The rest are applications pending processing or are being processed.

	December 2022 to end-March 2023	April 2023 to end-March 2024	April 2024 to mid-March 2025	Total
Number of applications received [Note 1]	137	3 868	4 568	8 573
Number of applications approved	-	2 195	4 227	6 422
Number of applications rejected [Note 2]	-	333	204	537
Total amount of funding support involved	-	Around $12.3 million	Around $23.5 million	Around $35.8 million

Note 1: The figures also include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by applicants afterwards. 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 processed in the same financial year when it was received.

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; that the applicant has obtained the maximum reimbursement amount under the Pilot Scheme, etc.

(2) As of mid-March 2025, there were 87 eligible programmes and qualifications, which are provided by the professional and continuing education schools of local universities, professional institutions, international training providers, etc., and the list will continue to be updated. Most programmes cover multiple areas, such as sustainability reporting, climate and environmental risk management and scenario analysis, and Environmental, Social and Governance (ESG) investing, etc. Besides, these programmes are related to various sectors (including banking services, asset management, insurance industry, etc.), among which some involve a single sector while the majority cover multiple sectors, with details as follows:

Sector	Number of eligible programmes and qualifications	Number of applications approved
Banking services sector related	1	775
Asset management sector related	3	2 022
Banking services and asset management sectors related	2	479
Covering multiple sectors	81	3 146
Total	87	6 422

(3) Our initial estimation is that the number of applications to be approved and the amount of funding support involved after the extension of the Pilot Scheme will remain similar to past figures, i.e. around 2 900 applications to be approved, involving funding support of around $16 million per year. 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 -

Reply Serial No.

FSTB(FS)066

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1031)

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The latest balance of the "funding for promoting and facilitating the development of the financial services sector" under general non-recurrent of the Financial Services and the Treasury Bureau amounts to $344,274,000.

In this connection, please advise:

1) on the schemes for which the said funding was used in 2024-25, the details and duration of relevant events, and their respective costs involved; and

2) whether the relevant funding is sufficient to support the completion of funded events within their remaining duration?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 33)

Reply:

Details, duration and costs involved by the items subsidised by the "Funding for promoting and facilitating the development of the financial services sector" (the Funding) in 2024-25 are set out in **Annex**.

After deducting the 2024-25 revised estimated expenditure of around $210 million, the balance of the Funding is around $340 million, which is sufficient to complete all items in progress.

Details, durations and costs involved in 2024-25 of items subsidised by the Funding **Annex**

	Item (Duration)	Objectives	Total Amount of Funding Granted	Number of application(s)/ participant(s) in 2024-25	2024-25 Revised 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 450 OFC and 1 REIT applications as of end-March 2025, and a total of $220 million has been granted.	239 OFC applications had been approved.	$93.5 million
2.	Green and Sustainable Finance Grant Scheme (From 2021-22 to 2024-25) (Up 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.	In 2024-25, 55 green and sustainable debt instruments issued in Hong Kong on or before 9 May 2024 were approved.* *Excluding the number of applications and related expenditure under the extended Grant Scheme since 10 May 2024. The related funding	$45.2 million

	Item (Duration)	Objectives	Total Amount of Funding Granted	Number of application(s)/ participant(s) in 2024-25	2024-25 Revised Estimated Expenditure
				requirement is absorbed by the Hong Kong Monetary Authority.	
3.	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 more ILS issuers and nurture talent, propelling the development of an ecosystem for non-traditional risk transfer market.	Since the launch of the Grant Scheme in May 2021, about $37 million of grants have been approved so far.	1 approved application as at mid-March 2025	$24 million
4.	Pilot Green and Sustainable Finance Capacity Building Support Scheme (From 2021-22 to 2028-29)	The 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 mid-March 2025, over 6 400 reimbursement applications were approved, involving a total reimbursement amount of around $35.8 million.	4 227 reimbursement applications approved as at mid-March 2025.	$21.55 million
5.	Asian Financial Forum (Held annually)	The Forum is a Hong Kong's annual flagship event and a key event for the region's financial community, with the aim of gathering top representatives of both public and private sectors from around the	As at mid-March 2025, a total of $31.27 million has been disbursed by the Funding to subsidise the costs of the Forum.	Over 3 600 participants in the 18th Asian Financial Forum.	$6.1 million

	Item (Duration)	Objectives	Total Amount of Funding Granted	Number of application(s)/ participant(s) in 2024-25	2024-25 Revised Estimated Expenditure
		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.			
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 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.	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.	60 applications were approved	$10 million (including the fees of $1 million paid to the scheme administrator (i.e. Cyberport))
7.	Wealth for Good in Hong Kong Summit (2024-25)	The third edition of Wealth for Good in Hong Kong Summit, a top-level exclusive event for global family offices, was held on 26 March 2025. Themed "Hong Kong of the world, for the world", the Summit showcased Hong Kong's strengths as a global hub for family offices.	A maximum commitment of $6.7 million has been earmarked under the Funding to support the operating costs of the Summit.	Around 360 attendees	$6.7 million

	Item (Duration)	Objectives	Total Amount of Funding Granted	Number of application(s)/ participant(s) in 2024-25	2024-25 Revised Estimated Expenditure
8.	Pilot Scheme on Training Subsidy for Fintech Practitioners (From 2022-23 to 2028-29)	The Subsidy Scheme provides practitioners having successfully attained fintech professional qualifications with training subsidy, with a view to promoting the professional development of fintech talents and enlarging the fintech talent pool in Hong Kong.	As at March 2025, a total of about $20 million has been allocated to the scheme administrator (i.e. Hong Kong Institute of Bankers).	Around 210 practitioners participated in the Subsidy Scheme as at end-March 2025	$0.78 million
				Total:	**around $210 million**

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)067

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1033)

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:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

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 (HKAWL) established under the FSDC. Would the Government inform this Committee of:

a) the number of family offices which set up their operations successfully in Hong Kong last year; and
b) the number of talents who received training provided by the HKAWL last year, as well as the scheduled activities to be conducted by the HKAWL for the coming year and the specific estimated expenditure?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 35)

Reply:

(a) 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 2025, the dedicated team has assisted over 160 FOs to set up or expand their business in Hong Kong, including 95 FOs set up or expanded their business in Hong Kong in 2024. Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong.

(b) The Hong Kong Academy for Wealth Legacy (HKAWL) is committed to providing relevant training for the FO sector, asset owners and wealth inheritors, with a view to strengthening the talent pool for FOs. In 2024-25, the HKAWL co-hosted the "Family Legacy Summit" with InvestHK, which featured forums, seminars, and workshops on wealth management with a view to fostering interaction and exchanges within the industry. The HKAWL also organised, co-organised, and participated in over 20 events such as forums, seminars, roundtables, etc. during the year, enabling asset owners and FO practitioners to engage in in-depth and professional discussions and exchanges on relevant topics. These events brought together over 3 100 participants. The actual expenditure was about $1.3 million (including $800,000 covered by sponsorships received).

In 2025-26, the HKAWL will continue to organise events on the major goals of legacy development such as family governance, philanthropy, impact investing, arts and culture and wealth management to provide opportunities for knowledge exchange and networking for FO principals, asset owners, family business owners and next generations. Furthermore, the HKAWL will strengthen its connections with international partner organisations, serving as a hub for knowledge exchange on family legacy and experience sharing on FO development between Hong Kong and the global community. The estimated event expenditure for the HKAWL in 2025-26 is about $1 million.

- End -

Reply Serial No.

FSTB(FS)068

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1036)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

As mentioned in the Budget, the Hong Kong Investment Corporation Limited (HKIC) has so far invested in over 90 technology enterprises engaging mainly in hard and core technology, life technology, new energy, green technology, etc. In this connection, will the Government inform this Committee of:

a) the full list of enterprises that the HKIC has invested in so far, and the respective number of those enterprises engaging in the four main categories, namely hard and core technology, life technology, new energy, and green technology; and
b) the specific details and expected results of the International Young Scientist Forum on Artificial Intelligence and the International Conference on Embodied AI Robot to be hosted by the HKIC?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 38)

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 its establishment, the HKIC has invested in over 90 projects, including enterprises with cutting-edge technologies or in key industries. These projects are medium-to-long-term investments. Key themes include Hard and Core Technology, Biotechnology and New Energy and Green Technology, with the proportions being 56%, 16% and 11% respectively based on the invested amount. In terms of the place of incorporation of the investee companies, over 30% of the companies are from Hong Kong, with the rest from the Mainland and overseas. In summary, these investments contribute to the development of Hong Kong's innovation and technology industry, and help local start-ups explore diversified markets and application scenarios. At the same time, they attract high quality projects and companies from the Mainland and overseas to set up and develop their business in Hong Kong through the channeling force of capital.

As "Patient Capital" for nurturing New Quality Productive Forces, the HKIC has clear requirements for investee companies to contribute to Hong Kong's development in a sustainable manner, such as requiring the companies to establish offices in Hong Kong, nurture and attract talents, establish corporate venture capital (corporate VC) departments in Hong Kong and prioritise Hong Kong for their listing. Quite some investee companies have made good progress in attracting capital and talents and in exploring new markets, which has accelerated their planning for using Hong Kong as their business development platform. Certain investee companies have submitted their listing applications to the Hong Kong Exchanges and Clearing Limited.

In promoting international exchanges and collaboration, the HKIC is pressing ahead with the organisation of the inaugural "International Young Scientist Forum on Artificial Intelligence (AI)" and the inaugural "International Conference on Embodied AI Robot", with a view to pooling together top-notch technology enterprises, academic institutions, investors and industry talents to faciliate the exchange, research, and industrial development of AI technology, thereby further enhancing Hong Kong's global influence on technology areas. The HKIC will announce details of the 2 events in due course.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)069

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1570)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

To nurture more green finance talents, the Pilot Green and Sustainable Finance Capacity Building Support Scheme will be extended to 2028. In this connection, will the Government inform this Committee of the following:

1. How many legal practitioners have participated in this Scheme in the past two years?
2. What are the results of the review of the Scheme's effectiveness? Are there any specific indicators to assess its effectiveness? If yes, what are the details? If no, what are the reasons?
3. Is there any plan to provide a similar subsidy scheme for local legal practitioners so as to nurture more green legal talents?

Asked by: Hon LAM San-keung (LegCo internal reference no.: 32)

Reply:

To nurture talent for further promoting the development of green and sustainable finance, the Government launched in 2022 the Pilot Green and Sustainable Finance Capacity Building Support Scheme (Pilot Scheme) for application by local eligible market practitioners and related professionals (including legal practitioners with responsibilities involving green and sustainable finance considerations) 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. As of mid-March 2025, there were 87 eligible programmes and qualifications, including green and sustainable finance programmes and qualifications related to banking services, asset management, insurance industry, etc. These are provided by the professional and continuing education schools of local universities, professional institutions, international training providers, etc., and the list will continue to be updated. To continuously support local green-finance talent training, we will extend the Pilot Scheme to 2028.

The Pilot Scheme has been well received by the industry since its launch. As of mid-March 2025, over 6 400 reimbursement applications were approved, involving a total reimbursement amount of around $35.8 million. Among the approved applications, close to 70% 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. We do not maintain statistics on the number of applicants categorised by their professions.

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. Its objective is to encourage local eligible practitioners and persons interested in work related to green and sustainable finance to participate in relevant training. The application number and subsidy amount granted depend on the actual market demand. We will continue to promote the Pilot Scheme, review its scope and operation, and collect feedback and comments from the industry, training institutes as well as participants from time to time.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)070

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1575)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is pointed out in the Budget Speech that the Government will step up its promotion in ASEAN and the Middle East to encourage overseas companies' secondary listing in Hong Kong. In this connection, would the Government inform this Committee:

1. of the provision for overseas promotion work; and whether any specific indicators are in place to assess effectiveness; and
2. whether it will subsidise the issue fees incurred by companies coming to Hong Kong for secondary listing, and if yes, of the details?

Asked by: Hon LAM San-keung (LegCo internal reference no.: 37)

Reply:

The Government is committed to strengthening external promotion to target markets, including the Middle East and the ASEAN region, to publicise the latest developments and opportunities of the various financial services and other sectors in Hong Kong through duty visits by the Chief Executive, Financial Secretary and different policy bureaux as well as the overseas Economic and Trade Offices. The relevant work is carried out with existing resources. To support the work of the Government, Hong Kong Exchanges and Clearing Limited (HKEX) will continue to attract more enterprises from the target markets, including the Middle East and the ASEAN region, to list in Hong Kong through its overseas offices as well as various key promotion and outreach activities. The relevant expenses are borne by HKEX and do not involve Government funding.

As regards attracting overseas companies to have dual primary or secondary listings in Hong Kong, market liquidity and a fair and transparent regulatory regime are important considerations. In terms of liquidity, the Hong Kong stock market sentiment and trading improved in 2024. Since the beginning of this year, trading has been even more active, with the average daily turnover until the end of February exceeding $220 billion, an increase of close to 70% over that of 2024. In terms of regulatory regime, HKEX has implemented a series of enhancement reforms, including formulating a set of core shareholder protection standards applicable to companies from different places so as to allow issuers from any overseas jurisdiction that is able to fulfil the standards to apply for dual primary listing or secondary listing in Hong Kong, providing greater convenience for overseas issuers to list in Hong Kong and ensuring that a consistent standard is applied to different overseas jurisdictions. Secondary listed companies are primarily regulated by the rules and regulators of the jurisdiction of their primary listing venue, and may be exempted by HKEX from complying with certain provisions of the Listing Rules. In addition, companies eligible for secondary listing in Hong Kong are companies primarily listed on a recognised or qualifying exchange[1] of HKEX in other economies. They have a certain level of market capitalisation and business scale and should have sufficient resources to cover the relevant expenses for listing application. 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 –

[1] "Recognized stock exchanges" refer to 20 overseas exchanges in major European economies, Australia, Brazil, Middle East, the ASEAN region, etc. "Qualifying exchanges" refer to the New York Stock Exchange, Nasdaq Stock Market and the Main Market of the London Stock Exchange.

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)071

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3101)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is stated in the Budget Speech that the Government will continue to attract global capital to Hong Kong and develop a vibrant ecosystem for family offices. In this connection, will the Government inform this Committee of the following:

1. What are the estimates for the promotional activities involved, such as holding a summit?
2. What are the performance indicators for reviewing such activities?

Asked by: Hon LAM San-keung (LegCo internal reference no.: 38)

Reply:

The Government has been actively promoting the development of family office (FO) business in Hong Kong to help the industry seize new business opportunities. With funding support of the Financial Services and the Treasury Bureau (FSTB), Invest Hong Kong (InvestHK) set up a dedicated FamilyOfficeHK team (the dedicated team) in 2021 to provide one-stop support services to FOs and ultra-high-net-worth individuals interested in pursuing development in Hong Kong.

In 2024, the dedicated team conducted over 260 diversified investment promotion activities (e.g., roundtables, seminars, conferences, media interviews and external visits) in Hong Kong, the Mainland and overseas (including South East Asia, the Middle East, Europe, the Americas and Australia) which reached over 26 000 attendees to promote Hong Kong's competitiveness and unique advantages as a FO hub through diversified and face-to-face interactions. Furthermore, riding on the success in the past 2 years, FSTB and InvestHK conducted the third edition of Wealth for Good in Hong Kong Summit on 26 March 2025. Themed "Hong Kong of the World, for the World", the Summit gathered FOs from around the world, underscoring Hong Kong's status not only as a leading international financial centre, but also a vibrant global FO hub. InvestHK's overall estimated expenditure for promoting the development of FO business in 2024-25 is about $47.8 million, including $11.7 million estimated expenditure for the Wealth for Good in Hong Kong Summit.

As of end-February 2025, the dedicated team has assisted more than 160 FOs to set up or expand their business in Hong Kong. Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong. The performance indicator to attract no less than 200 FOs to establish or expand their operations in Hong Kong from 2022 to 2025 as set out in the 2022 Policy Address is likely to be achieved.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)072

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0296)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 88 of the Budget Speech that the Government will continue to attract global family offices and asset owners to Hong Kong, which will help bring in more capital and drive ancillary economic activities. In this connection, would the Government inform this Committee of:

(1) the number of enterprises which came to Hong Kong and set up family offices in the past year; and
(2) the estimated amount of capital to be brought into Hong Kong by family offices this year and the economic activities so generated?

Asked by: Hon LAM Shun-chiu, Dennis (LegCo internal reference no.: 13)

Reply:

The dedicated FamilyOfficeHK team (the dedicated team) of Invest Hong Kong 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 2025, the dedicated team has assisted over 160 FOs to set up or expand their business in Hong Kong (including 95 FOs set up or expanded their business in Hong Kong in 2024). Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong.

FO business is an important segment of the asset and wealth management sector. According to the Asset and Wealth Management Activities Survey 2023 published by the Securities and Futures Commission, the size of private banking and private wealth management business attributed to FOs and private trusts clients reached $1,452 billion as of end-2023, providing huge business opportunities for the asset and wealth management sector and other related professional services. Separately, the New Capital Investment Entrant Scheme which opened for application from 1 March 2024 has received 918 applications as of end-February

2025. The investment amount to be brought into Hong Kong is expected to exceed $27 billion.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)073

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0298)

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: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 95 of the Budget Speech that the People's Bank of China and the Hong Kong Monetary Authority are working closely to implement the linkage of faster payment systems of both places, with a view to providing round-the-clock real-time, small-value cross-boundary remittance service for residents in both places. The service is expected to be launched in the middle of this year at the soonest. In this connection, will the Government inform this Committee of the following:

1. the administrative expenditure involved for the measure;

2. the limit on the amount of small-value cross-boundary remittances; and

3. there are cases where members of the public who remitted money to the Mainland through money changers found their own Mainland bank accounts frozen as the money changers' accounts were involved in money laundering. Will such cases be reduced upon implementation of the round-the-clock real-time, small-value cross-boundary remittance service? If yes, what are the details? If not, what are the reasons?

Asked by: Hon LAM Shun-chiu, Dennis (LegCo internal reference no.: 15)

Reply:

(1) and (2)

The People's Bank of China (PBoC) and the Hong Kong Monetary Authority (HKMA) are working closely to implement the linkage of the Internet Banking Payment System in the Mainland and the Faster Payment System (FPS) in Hong Kong, with a view to providing round-the-clock services to residents to make real-time, small-value and cross-boundary remittances via entering the recipient's mobile number or account number, providing residents of the two places with an additional safe, convenient and innovative cross-boundary remittance option, thus helping to promote market connection.

The administrative expenditure of the above measure, including the cost of upgrading existing systems and conducting system connection, is borne by the PBoC, the HKMA and the relevant parties. The PBoC and the HKMA are actively discussing and examining the details. Some services are expected to be launched in mid-2025 at the soonest, with details including the remittance limit to be announced in due course.

(3)

After implementing the linkage of the Internet Banking Payment System in the Mainland and the FPS in Hong Kong, residents can make real-time, small-value and cross-boundary remittances in a safe and convenient manner. As this remittance option does not involve the third-party bank accounts of money changers, this helps reduce the risk of having the residents' Mainland bank accounts frozen, thereby better satisfying the cross-boundary remittance needs of residents.

Regarding the assistance requests from residents concerning their specified Mainland bank accounts being frozen after remittance through licensed money service operators (MSOs), the Customs and Excise Department (Customs) has been assisting affected residents through various means. In particular, with the Customs' intervention, relevant MSOs and affected residents will seek to settle the cases through negotiation, and the Customs will instigate investigation on the MSOs if needed. The Customs also collaborates with Mainland and overseas authorities for handling the cases. In addition to the above case follow-up and enforcement work, the Customs has been conducting promotion through various channels, including press releases, social media, educational seminars dedicated for different groups and publicity materials, to emphasise the importance of providing and using compliant money services and remind residents to refrain from using services of unlicensed MSOs.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)074

(Question Serial No. 0368)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Working Group on Promoting Silver Economy commenced work in November 2024 in co-ordinating efforts of relevant bureaux to implement measures for developing silver economy in 5 areas, namely boosting "silver consumption", developing "silver industry", promoting "quality assurance of silver products", enhancing "silver financial and security arrangements", and unleashing "silver productivity". In this connection, please inform this Committee of the following:

1. With respect to "silver financial and security arrangements", are there any specific measures to uncover assets that are left unused?

2. Are there any specific targets and planned timetables for different assets?

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 5)

Reply:

The Working Group on Promoting Silver Economy (Working Group) was set up in November 2024 to implement measures in 5 areas. Among others, the measures under the area of promoting "silver financial and security arrangements" assist the elderly in making suitable financial arrangements and strengthening retirement protection. These measures include promoting the retirement financial planning products offered by the Hong Kong Mortgage Corporation Limited (HKMC), and providing investor education for the elderly.

The HKMC is actively supporting the work of the Working Group. One of the missions of the HKMC is to promote the development of the retirement planning market. In mid-2021, the "HKMC Retire 3" brand was launched to collectively promote the Reverse Mortgage Programme (RMP), the Policy Reverse Mortgage Programme (PRMP) and the HKMC Annuity Plan. These 3 products share the common feature of providing retirees with immediate, stable and lifelong income.

(i) The RMP helps homeowners release the value of their residential properties, so that they can receive monthly income and stay in the properties for the rest of their lives. As at the end of February 2025, the RMP had approved over 8 000 applications since its launch in 2011, and the average monthly payout of the approved applications was around HK$16,400. In the first 2 months of 2025, the RMP approved 140 new applications.

(ii) The PRMP enables borrowers to use their life insurance policies as collaterals, so that they can receive lifelong payouts. As at the end of February 2025, the PRMP had approved over 150 applications since its launch in 2019, and the average monthly payout of the approved applications was around HK$2,700. In the first 2 months of 2025, the PRMP approved around 10 applications.

(iii) The HKMC Annuity Plan enables customers to turn their savings into lifelong monthly annuity income. As at the end of February 2025, the HKMC Annuity Plan had acquired around 25 000 customers with total premiums amounting to approximately HK$20 billion since its launch in 2018, and the average monthly payout of each customer was around HK$5,000. In the first two months of 2025, the HKMC Annuity Plan issued around 4 700 policies, representing a year-on-year increase of 12 times, with total premiums exceeding HK$1.8 billion, marking a year-on-year growth of nearly 6 times.

The HKMC is committed to helping the elderly make sound financial arrangements and enhancing the financial literacy of the public. For instance, the HKMC collaborates with other organisations to strengthen the public's understanding of the "HKMC Retire 3" products and to explain the concepts of longevity risk and retirement financial planning, through educational videos, seminars and exhibitions and a loyalty programme, etc.

Separately, the Insurance Authority (IA) is actively encouraging the industry to launch innovative products that leverage high-quality elderly care services in the Greater Bay Area. The IA is also engaging large Mainland corporates with relevant experience and capability to set up office in Hong Kong. We will continue to maintain communication with relevant organisations and stakeholders, and endeavour to enhance the elderly's understanding of proper financial arrangements through various activities and provision of information.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)075

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0499)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The total financial provision is reduced from $1,080 million to $388 million. It is mentioned that there is a lower funding requirement for various funding schemes or initiatives under the "Funding for promoting and facilitating the development of the financial services sector" in 2025-26 as compared with 2024-25. Please inform this Committee of:

1. all the funding schemes and initiatives to promote and facilitate the development of the financial services sector;

2. the amount of funding for and effectiveness evaluation of each funding scheme and initiative; and

3. the schemes or initiatives which are expected to have a lower funding requirement in the next financial year and the reasons for the reduction in requirement.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 16)

Reply:

The total financial provision under "Programme (1): Financial Services" of the Financial Services Branch (FSB) decreases from $1.08 billion in 2024-25 revised estimates to $389 million in 2025-26 estimates, mainly due to –

(a) FSB provided a one-off provision of $200 million to the Accounting and Financial Reporting Council in 2024-25. There are no related expenditure estimates in 2025-26;

(b) the decreased cash flow requirement of around $370 million for the eMPF Platform in 2025-26 as most of the system development costs have been settled in previous financial years, and the eMPF Platform Company Limited has to repay a one-off cash advance to the Government; and

(c) lower funding requirement for various funding schemes/ initiatives under the “Funding for promoting and facilitating the development of the financial services sector” (the Funding) in 2025-26 than that of 2024-25, from around $210 million in 2024-25 revised estimates, decreases by around $140 million to around $70 million in 2025-26 estimates. Details, total amount of funding granted, effectiveness evaluation and changes in the estimated expenditure of items subsidised by the Funding are set out in **Annex**.

Details, total amount of funding granted, effectiveness evaluation and changes in the estimated expenditure of items subsidised by the Funding in 2024-25 and 2025-26

Annex

	Item (Duration)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
9.	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 450 OFC and 1 REIT applications as of end-March 2025, and a total of $220 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 increasing by over 70% from 302 as of end-March 2024 to 520 as of end-March 2025.	$93.5 million	$39.65 million (The subsidy amount under the Grant Scheme will be adjusted to benefit more market participants. The estimated expenditure for 2025-26 has also been adjusted accordingly.)
10	Green and Sustainable Finance Grant Scheme (From 2021-22 to 2024-25) (Up 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	$45.2 million	Not Applicable (The Grant Scheme has been extended by 3 years from 10 May 2024 to 2027, with the related funding

	Item (Duration)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
				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).		requirement being absorbed by the HKMA.)
11	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 more ILS issuers and nurture talent, propelling the	Since the launch of the Grant Scheme in May 2021, about $37 million of grants have been approved so far.	Since the launch of the Grant Scheme in 2021, 6 catastrophe bonds have been issued in Hong Kong.	$24 million	Nil (In previous financial years, we have provided a total funding of $60 million

	Item (Duration)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
		development of an ecosystem for non-traditional risk transfer market.				(including $24 million in 2024-25) to the scheme administrator (i.e. Insurance Authority). As there is surplus funding in the Grant Scheme, it is not necessary to allocation funding in 2025-26.)
12	Pilot Green and Sustainable Finance Capacity Building Support Scheme (From 2021-22 to 2028-29)	The 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 mid-March 2025, over 6 400 reimbursement applications were approved, involving a total reimbursement amount of around $35.8 million.	As of mid-March 2025, over 6 400 reimbursement applications were approved, among which close to 70% of the applicants were practitioners in the financial services industry or non-financial services industries with responsibilities	$21.55 million	$23.02 million

	Item (Duration)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
				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.		
13	Asian Financial Forum (Held annually)	The Forum is a Hong Kong's annual flagship event and a key event for	As at mid-March 2025, a total of $31.27 million has been disbursed by	Every year, the Forum attracts officials,	$6.1 million	$6.5 million

	Item (Duration)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
		the region's financial 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.	the Funding to subsidise the costs of the Forum.	representatives of multilateral organisations, 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 18th Asian Financial Forum held in January 2025, which attracted over 3 600 policymakers and business leaders from more than 50 countries and regions to		

	Item (Duration)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
				participate, discussed ways to achieve breakthroughs in a challenging global landscape, and showcased Hong Kong's resolution to power the next growth engine and contribute to the overall development of the region and the world.		
14	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 points. It facilitates the commercialisation of the	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. It is expected that these solutions will go through proof-of-concept gradually starting from the third quarter of this year.	$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 administrator

	Item (Duration)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
		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.				(i.e. Cyberport) in 2024-25, and therefore it is not necessary to allocate funding in 2025-26.)
15	Wealth for Good in Hong Kong Summit (2024-25)	The third edition of Wealth for Good in Hong Kong Summit, a top-level exclusive event for global family offices, was held on 26 March 2025. Themed "Hong Kong of the world, for the world", the Summit showcased Hong Kong's strengths as a global hub for family offices.	A maximum commitment of $6.7 million has been earmarked under the Funding to support the operating costs of the Summit.	Around 360 attendees	$6.7 million	To be confirmed
16	Pilot Scheme on Training Subsidy for Fintech Practitioners (From 2022-23 to 2028-29)	The Subsidy Scheme provides practitioners having successfully attained fintech professional qualifications with training subsidy, with a view to promoting the	As at March 2025, a total of about $20 million has been allocated to the scheme administrator (i.e. Hong Kong Institute of Bankers).	As at March 2025, over 560 practitioners have enrolled the relevant courses.	$0.78 million	Nil (The Subsidy Scheme has been implemented since September 2022. In

	Item (Duration)	Objectives	Total Amount of Funding Granted	Effectiveness Evaluation	2024-25 Revised Estimated Expenditure	2025-26 Estimated Expenditure
		professional development of fintech talents and enlarging the fintech talent pool in Hong Kong.				previous financial years, we have provided a total funding of about $20 million (including $0.78 million in 2024-25) to the scheme administrator (i.e. Hong Kong Institute of Bankers). 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 -

FSTB(FS)076

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0500)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned under "Matters Requiring Special Attention in 2025-26" that the Branch will: 1. promote the issuance and trading of Renminbi (RMB) securities in Hong Kong; and 2. promote the development of the bond market. Please inform this Committee of:

whether the Branch has set any specific targets for the trading of RMB securities in Hong Kong and the development of the bond market, as well as the growth expected in these two areas in the next 10 years; and whether it has set any specific growth targets particularly in terms of the number of transactions, number of financial products and volume of trading. If so, please set out the various targets and numbers; if not, please state the reasons.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 17)

Reply:

To meet the increasing demand from global investors for allocating RMB assets, the Government, regulators and Hong Kong Exchanges and Clearing Limited (HKEX) actively promote the issuance and trading of RMB securities in Hong Kong. To this end, HKEX launched the "Hong Kong Dollar (HKD)-RMB Dual Counter Model" (dual-counter model) in 2023 to provide investors with more diversified trading options and flexibility to trade securities in HKD or RMB according to their needs. HKEX also introduced the "Dual Counter Market Maker" (DCMM) regime, under which buy and sell quotes are offered through the RMB counter to promote liquidity of RMB-denominated stocks. To create favorable 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.

Since implementation, the dual-counter model and the DCMM regime have been operating smoothly. The Government will continue to proactively promote offshore RMB business, including facilitating institutions of the two places to conduct technical preparations for implementing the inclusion of RMB stock trading counter under Southbound trading of Stock Connect, so as to enable Mainland investors to trade Hong Kong stocks in RMB. In addition, HKEX is taking forward the single tranche multiple counter arrangement, including adopting the same International Securities Identification Number for dual-counter stocks, so as to enhance settlement efficiency. We have also been conducting preparatory work to allow the stamp duty payable on the transfer of stocks at RMB counters to be paid in RMB, with a view to putting forward a detailed legislative proposal in 2026. The Government and HKEX will continue to expand and deepen the coverage of listed and potential issuers through various channels such as key promotional activities, roadshow events, thematic speeches and forum exchanges to introduce in detail the advantages of the dual-counter model in Hong Kong, thereby gradually attracting more listed companies to adopt it.

With the sustained growth of RMB cross-boundary payment and its share in global payment, we believe that the number of offshore investors holding RMB will gradually increase. As securities trading is affected by various external factors such as macroeconomic conditions, we have not set a quantitative target for the trading volume.

On bond market, the Government is committed to developing the local bond market, so that it may complement the equity market and the banking sector as an effective channel of financial intermediation. It will thereby promote financial stability, strengthening Hong Kong's status as an international financial centre.

The Government adopts a three-pronged approach to develop the bond market, that includes (1) stimulating growth and providing market benchmarks through Government issuances (including institutional, retail, green, and infrastructure bonds); (2) continuing to enhance market infrastructure (e.g. Central Moneymarkets Unit and Bond Connect) to ensure a safe and efficient environment for trading and settlement; and (3) launching an array of support measures including subsidies schemes (e.g. the Green and Sustainable Finance Grant Scheme, Digital Bond Grant Scheme) and tax incentive schemes (e.g. the Qualifying Debt Instrument Scheme).

Through the active promotion of the Government, Hong Kong has been a major international bond issuance hub in Asia. According to the International Capital Market Association, in terms of bonds issued internationally by Asia-based entities, the volume arranged by Hong Kong ranked first for nine times over the last decade, amounting to over US$130 billion and accounting for around 30% of the market in 2024. Among these issuances, Hong Kong has captured around 70% of debut issuances, and 45% green and sustainable bond issuances, demonstrating our leading position in different segments. Meanwhile, offshore RMB bond market in Hong Kong recorded solid development over the past few years, with offshore RMB bond issuance reaching RMB1.07 trillion in 2024, having increased by 37% year-on-year and expanded for 7 years in a row since 2017.

To further promote the development of fixed income and currency markets, the Securities and Futures Commission and the Hong Kong Monetary Authority have set up a task force to formulate a roadmap, covering the development of primary and secondary bond markets and foreign exchange markets, as well as infrastructural enhancement. We will also organise a flagship forum in the second half of this year to promote Hong Kong's strengths in this regard. As mentioned in the 2025-26 Budget, the Government will conduct research into the current legal and regulatory regime related to the issuance and transactions of digital bonds and explore enhancement measures to promote the wider adoption of tokenisation in Hong Kong's bond market.

As the bond issuance and trading activities are subject to external market conditions, we have not set quantitative targets in these areas.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)077

(Question Serial No. 2392)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 99 of the Budget Speech, the Government will promulgate a second policy statement on the development of virtual assets and commence work on related licensing regimes. In this connection, will the Government inform this Committee of the following:

1. What is the specific timetable for the consultation on the licensing regimes of virtual asset over-the-counter trading services and custodian services? How will the Government strike a balance between development and risk regulation?

2. What criteria will the Hong Kong Monetary Authority adopt when vetting stablecoin issuer licence applications, and when will the first batch of the licences be issued at the earliest?

3. Has the Government assessed the impact of developing the virtual asset industry on the demand for Fintech talent in Hong Kong, and has it formulated corresponding plan for nurturing talent?

Asked by: Hon LAM So-wai (LegCo internal reference no.: 21)

Reply:

(1) The Government issued the Policy Statement on Development of Virtual Assets in Hong Kong (Policy Statement) in October 2022, setting out the Government's vision to provide a comprehensive and balanced regulatory framework of virtual assets under the "same activity, same risks, same regulation" principle, with a view to promoting the sustainable development of the sector in Hong Kong. The Government has already amended the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (AMLO) to introduce a licensing regime for virtual assets (VA) trading platforms, which offers sufficient protections to investors (such as proper segregation of

clients' assets), while benefiting the healthy development of the industry. As of the end of March 2025, the Securities and Futures Commission (SFC) has officially licensed 10 VA trading platforms. Besides, to further enhance the regulatory framework for VA services in Hong Kong, the Government proposes to amend the AMLO to establish a licensing regime for VA over-the-counter service providers, and is also formulating a licensing regime for VA custodial service providers. We will conduct public consultations on the aforementioned licensing regimes in 2025. With reference to the views to be collected from the public consultations, we will formulate the details of the licensing regimes.

(2) In December 2024, the Government introduced into the Legislative Council a Bill to establish a regulatory regime for fiat-referenced stablecoin issuers. Subject to the passage of the Bill, the Hong Kong Monetary Authority (HKMA) will process license applications as soon as practicable. In the vetting procedures, the HKMA will consider a host of factors in a prudent manner, including whether the applicant has a robust reserve asset management and redemption arrangement, adequate financial resources, as well as effective corporate governance and risk management measures. In addition, the HKMA will also consider whether the applicant's business model is sound and prudent, including whether the applicant is able to implement a feasible business plan compliant with regulatory requirements with a view to achieving sustainable business development.

(3) Fintech innovation and the continued development of the VA market have boosted Hong Kong's demand on fintech talents. According to the Report on 2023 Manpower Projection published in November last year, manpower requirements for the financial sector is expected to grow by approximately 1.8% annually between 2023 and 2028, with rapid development particularly anticipated in areas such as fintech innovations including cryptocurrencies. In this connection, the Government has been working closely with financial regulators, industry players as well as innovation and technology parks to adopt multi-pronged measures to nurture relevant talents and build a sustainable talent pool, thereby driving Web3 and fintech to move forward. Among others, the first edition of Talent List announced by the Government in 2018 already included fintech professionals, in order to attract fintech talents from around the world to Hong Kong. The abovementioned cross-sector collaboration has led to a list of talent nurturing projects, including internship schemes, overseas exchanges and trainings, training cost subsidy schemes, thematic trainings and seminars, etc., to continuously nurture local talents, thereby supporting the long-term development of Web3 and VA of Hong Kong.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)078

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2395)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 104 of the Budget Speech, the Mandatory Provident Fund Schemes Authority will consult the public on specific proposals of Mandatory Provident Fund (MPF) "Full Portability" this year and submit recommendations to the Government thereafter, such that MPF "Full Portability" can be launched soon after full implementation of the eMPF Platform. In this connection, will the Government inform this Committee of the following:

(i) How will the Government ensure that employees have adequate financial knowledge and the capability to manage investments to make appropriate investment decisions?

(ii) Do the Government and MPF scheme administrators currently provide sufficient financial education and investment consultation services? If so, what are the details? If not, what are the reasons?

(iii) How will the Government ensure a steady transition to "Full Portability" to avoid significant impact on employees' retirement protection?

Asked by: Hon LAM So-wai (LegCo internal reference no.: 24)

Reply:

(i) and (ii)

The Financial Services and the Treasury Bureau (FSTB) has been working closely with relevant regulators to enhance the public's financial knowledge and investment management skills. FSTB, together with the Securities and Futures Commission (SFC) and its subsidiary, the Investor and Financial Education Council (IFEC), conduct investor education through various means and channels (including public activities, community outreach, social media platforms, etc.) to enhance the public's financial literacy. 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 the Mandatory Provident Fund Schemes Authority (MPFA) to provide Mandatory

Provident Fund (MPF)-related education resources covering different topics, including consolidating and managing MPF accounts, selecting MPF funds, formulating investment portfolios and 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 newspapers articles, so as to encourage the public to make good use of the Platform to better manage their MPF portfolios.

MPFA is also committed to promoting MPF-related investor education and educating scheme members on how to better manage their MPF by choosing MPF investments according to their needs and risk tolerance level. Subject to the Legislative Council’s support on the legislative amendments for MPF “Full Portability”, MPFA will roll out publicity and education initiatives at an appropriate juncture, through media interviews, articles, online media promotions and direct communication with stakeholders, etc., so as to assist employees and employers to understand the actual operation of MPF “Full Portability”. MPFA will also provide suitable training for MPF intermediaries to assist them in acquiring the relevant knowledge to explain the arrangement of MPF “Full Portability” to employees. Meanwhile, the one-stop “MPF Fund Platform” on MPFA’s website provides detailed information on different funds under each MPF scheme, including fund performance, fund expense ratio, fund management fees and its various components (including administration/trustee/custodian fees, sponsor fees, investment management fees, etc.), fund risk and size, etc., thereby assisting scheme members in choosing MPF schemes and funds that suit their personal needs. FSTB and MPFA will continue to monitor the evolving needs of scheme members and introduce policies and measures to improve the MPF system in a timely manner.

(iii)

In formulating the detailed proposal of MPF “Full Portability”, FSTB has requested MPFA to avoid imposing additional administrative work on employers and increasing administrative costs for trustees. FSTB has also requested MPFA to balance a myriad of factors in the detailed proposal for public consultation, including scheme members’ control over their MPF investments, administrative complexity, and system efficiency.

To streamline the administrative process and make it easier for scheme members to understand the actual operation of MPF “Full Portability”, MPFA’s current thinking is that employees whose employment commences on or after 1 May 2025 should, based on the existing Employee Choice Arrangement (ECA) (commonly known as MPF “Semi Portability”), be allowed to transfer accrued benefits derived from their current employers’ mandatory contributions from their contribution accounts to the personal accounts of an MPF scheme of the employees’ own choice once a year in a lump sum. As for employees whose employment commences before 1 May 2025, a new category of account will be set up for them to transfer thereto accrued benefits derived from their current employers’ mandatory contributions, with a view to meeting the potential “offsetting” requests that employers may make in the future. MPFA already issued a consultation document on 28 March 2025, setting out the detailed proposal. The Government will start with the legislative amendments within this year upon receiving consultation conclusions submitted by MPFA.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)079

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2408)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Hong Kong Investment Corporation Limited (HKIC) has so far invested in over 90 technology enterprises engaging mainly in hard and core technology, life technology, new energy, green technology, etc. Among these investment projects, every $1 invested by the HKIC attracts $4 of long-term co-investment. In this connection, will the Government inform this Committee of the following:

1. What have been the investment performance and returns of the HKIC since its establishment?

2. Does the HKIC have comprehensive mechanisms for due diligence and risk assessment to safeguard public funds? If yes, what are the details? If not, what are the reasons?

3. Are the HKIC's investment priorities in line with the Government's industry development plans and policy objectives?

Asked by: Hon LAM So-wai (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 its establishment, the HKIC has invested in over 90 projects, including enterprises with cutting-edge technologies or in key industries. These projects are medium-to-long-term investments. Key themes include Hard and Core Technology, Biotechnology and New Energy and Green Technology with the proportions being 56%, 16% and 11% respectively based on the invested amount. In terms of the place of incorporation of the investee companies, over 30% of the companies are from Hong Kong, with the rest from the Mainland

and overseas. In summary, these investments contribute to the development of Hong Kong's innovation and technology industry, and help local start-ups explore diversified markets and application scenarios. On the other hand, they attract high quality projects and companies from the Mainland and overseas to set up and develop their business in Hong Kong through the channeling force of capital.

The HKIC also actively collaborates with various investment institutions and joins hands in investing with them, promoting the continuous development and application of cutting-edge technologies in Hong Kong. As of March 2025, every Hong Kong dollar invested by the HKIC has attracted over 4 Hong Kong dollars from long-term capital in the market for investment. Each of the above projects has on average channeled 2 to 3 investment institutions for investment participation.

The HKIC has a robust due diligence and risk assessment mechanism. Drawing reference from the approach adopted by other long-term capital and institutional investors in the market, in addition to its internal team, the HKIC will hire external experts and institutions to support its relevant work when necessary. Moreover, all investment projects are approved by the Board of Directors (Board) or the Investment Committee under the Board.

The HKIC has clear requirements for investee companies to contribute to Hong Kong's development in a sustainable manner, such as requiring the companies to establish offices in Hong Kong, nurture and attract talents, establish research and development departments and/or corporate venture capital (corporate VC) departments in Hong Kong, and prioritise Hong Kong for their listing. Quite some investee companies have made good progress in attracting capital and talents and in exploring new markets, which has accelerated their planning for using Hong Kong as their business development platform. Certain investee companies have submitted their listing applications to the Hong Kong Exchanges and Clearing Limited.

To let the public have a more comprehensive understanding of the HKIC's operation and business outcomes, the HKIC plans to publish its inaugural annual report in the second half of this year to disclose the progress of its operation and investment.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)080

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1847)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Regarding the operation of the eMPF Platform, it is learnt that there have been issues such as missing Mandatory Provident Fund contributions or the system's failure to meet the expected processing time frame. Does the Government plan to allocate funds for upgrading or expanding the eMPF Platform, including system optimisation and provision of technical support, etc., with a view to improving the Platform's operation?

Asked by: Hon LAU Chi-pang (LegCo internal reference no.: 7)

Reply:

At the initial stage of using the eMPF Platform, a few employers and scheme members had encountered difficulties in adapting to and using the Platform, including problems experienced during account registration using facial recognition technology, unclear payment instructions causing multiple payments being made for those using direct debit, longer lead time required to tag contribution payments and recognise voluntary contributions, etc.. The Financial Services and the Treasury Bureau (FSTB) is highly concerned about these incidents and has demanded Mandatory Provident Fund Schemes Authority (MPFA)'s wholly-owned eMPF Platform Company Limited (eMPF Company) to actively follow up on these cases and take additional measures, including assigning dedicated officers to help the employers concerned familiarise with the Platform's specific operation as soon as possible. In addition, eMPF Company has instructed the contractor to implement measures, including setting up a contribution enquiry hotline from 31 October 2024, allowing employers or employees to enquire about contribution information via calls, as well as strengthening staff training and enhancing the reporting mechanism for exceptional cases (e.g. incomplete information), etc., with a view to improving service quality and user experience. Moreover, the contractor has already provided clearer guidelines on contributions on the Platform, shortened the default recordings of the customer service hotline, and refined the facial recognition software to simplify the eMPF Platform registration process under the premise of ensuring the safety of users' personal data.

To ensure the smooth onboarding of the remaining MPF trustees of larger assets-under-management size to the eMPF Platform by end-2025, eMPF Company has requested the contractor to implement measures with key points as follows –

(i) Strengthening the contractor's Project Team both in terms of the total number of headcounts (at least doubled to over 2 000 by end-2025) and competencies;

(ii) Conducting comprehensive root cause analysis and impact assessment on identified system operation issues to avoid escalation/recurrence of the issues;

(iii) Scaling up and increasing the number of workshops/training sessions for scheme members, employers and MPF intermediaries to ensure their thorough familiarisation with the Platform's functionalities prior to onboarding;

(iv) Arranging more outreach services to provide one-on-one, hand-holding on-site support to employers in registering and using the Platform;

(v) Continuously enhancing the security and data protection measures based on the latest requirements promulgated by the Digital Policy Office and the Office of the Privacy Commissioner for Personal Data, and the industry's best practices;

(vi) Convening regular meetings with representatives from onboarded trustees and the contractor to review the ongoing operations of the eMPF Platform, identify service improvement opportunities, plan for digital uptake strategies and review the needs for future system enhancements, etc.; and

(vii) Engaging an independent auditor to assess system and operational controls of the eMPF Platform and to raise improvement suggestions.

The eMPF Platform is a critical public financial infrastructure closely tied to the retirement protection of all Hong Kong people. FSTB has been keeping a close watch on the Project progress and system quality, through actively participating in the Board meetings of MPFA and eMPF Company, to ensure proper use of the taxpayers' money and the robustness, reliability, security and user-friendliness of the eMPF Platform.

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 system maintenance and technical support, etc., no additional funding is required for the system enhancement measures mentioned above as confirmed with MPFA.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)081

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1862)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

1. Has the Government compiled any statistics on the $26 billion of investment to be expected from the New Capital Investment Entrant Scheme (the Scheme) by category? If so, please set out the categories and amounts of investment accordingly.
2. As regards a series of enhancement measures to the Scheme, what is the anticipated time for taking effect, thereby further increasing the number of applications and drawing in more capital?

Asked by: Hon LAU Chi-pang (LegCo internal reference no.: 22)

Reply:

Since the launch of the New Capital Investment Entrant Scheme (New CIES) to end-February 2025, Invest Hong Kong (InvestHK) has received 918 applications, approved 868 applications for Net Asset Assessment and 386 applications for Assessment on Investment Requirements. The Immigration Department granted "approval-in-principle" for 756 applications, enabling the applicants to enter Hong Kong as visitors to make the committed investment, and granted "formal approval" for 341 applications. If all applications received are approved, it is estimated that they will bring more than HK$27 billion to Hong Kong, enhancing the developmental strengths of Hong Kong's asset and wealth management industry.

With effect from 16 October 2024, applicants under the New CIES are allowed to invest in residential properties, provided that the transaction price of a single property is HK$50 million or above. The total investment amount in real estate (the aggregate of all residential and non-residential properties) which is counted toward fulfilling the minimum investment threshold is subject to an aggregate cap of HK$10 million. The Government also announced a series of enhancement measures to the New CIES in January 2025. Effective on 1 March 2025, the measures include –

(a) **relaxing the requirements on the fulfillment of net asset requirement (NAR):** 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. Net assets or net equity jointly owned with the applicant's family member(s) can also be taken into consideration for the calculation of the NAR for the respective portion which is absolutely beneficially entitled to the applicant; and

(b) **allowing the holding of permissible investment assets through a family-owned investment holding vehicle (FIHV) or a family-owned special purpose entity (FSPE) under an FIHV:** Investments made through an eligible private company wholly owned by an applicant can be counted towards the applicant's eligible investment in the New CIES. An eligible private company refers to a holding company incorporated or registered in Hong Kong which is wholly owned by an applicant in the form of an FIHV or an FSPE under an FIHV managed by an eligible single family office as defined in Section 2 of Schedule 16E to the Inland Revenue Ordinance (Cap. 112). The enhancement will create synergy between the New CIES and establishment of family offices in Hong Kong.

Among the 386 approved applications for Assessment on Investment Requirements as of end-February 2025, no applicant has made investment in residential real estate under the New CIES. Excluding the sum for investing in the CIES Investment Portfolio, the approved investment distribution is as follows –

	Investment amount (HK$ million)
Eligible collective investment schemes	5,171
Equities	3,570
Debt securities	1,773
Non-residential real estate	18
Certificates of deposits	9
Ownership interest in limited partnership funds	7
Total	**10,548**

Since the enhancement measures under the New CIES have only been implemented for a short period of time, the Government will continuously review the applicants' investment arrangement and suitably evaluate its effectiveness.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)082

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0893)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 92 of the Budget Speech that both the Mainland and Hong Kong are conducting technical preparations at full speed to implement the inclusion of Renminbi (RMB) trading counter under the Southbound trading of Stock Connect. In addition, the Hong Kong Exchanges and Clearing Limited is taking forward the single tranche multiple counter arrangement, including adopting the same International Securities Identification Number for dual-counter stocks, so as to enhance settlement efficiency. In this connection, will the Government inform this Committee of:

1. the monthly turnover of RMB transactions under the Hong Kong Dollar-RMB Dual Counter Model (the Dual Counter Model) and its percentage in the total market turnover in the past year;

2. the measures to be taken to attract more listed companies to adopt the Dual Counter Model, while implementing the inclusion of RMB trading counter under the Southbound trading of Stock Connect;

3. whether the Government will consider increasing the number of dual counter market makers; and if so, the details; if not, the reasons?

Asked by: Hon LEE Tsz-king, Dominic (LegCo internal reference no.: 30)

Reply:

To meet the increasing demand from global investors for allocating Renminbi (RMB) assets, the Government, regulators and Hong Kong Exchanges and Clearing Limited (HKEX) actively promote the issuance and trading of RMB securities in Hong Kong. Since the launch of the "Hong Kong Dollar (HKD)-RMB Dual Counter Model" (dual-counter model) by HKEX in 2023, the mechanism has been operating smoothly. Currently, a total of 24 issuers have adopted the dual-counter model to provide HKD and RMB securities trading.

The average monthly turnover of relevant securities in RMB counter was about RMB1.8 billion in 2024, accounting for about 0.07% of the average monthly turnover of the cash securities market.

The main purposes of launching the dual-counter model are to accumulate practical experience in key operational aspects such as issuing, trading, settling and converting the same stocks in both HKD and RMB, continuously improve the scalability and liquidity of the market, and facilitate market participants to prepare for the further development of the RMB securities market in Hong Kong in the future. With the sustained growth of RMB cross-boundary payment and its share in global payment, we believe that the number of offshore investors holding RMB will gradually increase.

The Government will continue to proactively promote offshore RMB business, including facilitating institutions of the two places to conduct technical preparations for implementing the inclusion of RMB stock trading counter under Southbound trading of Stock Connect, so as to enable Mainland investors to trade Hong Kong stocks in RMB. In addition, HKEX is taking forward the single tranche multiple counter arrangement, including adopting the same International Securities Identification Number for dual-counter stocks, so as to enhance settlement efficiency. We have also been conducting preparatory work to allow the stamp duty payable on the transfer of stocks at RMB counters to be paid in RMB, with a view to putting forward a detailed legislative proposal in 2026. The Government and HKEX will continue to expand and deepen the coverage of listed and potential issuers through various channels such as key promotional activities, roadshow events, thematic speeches and forum exchanges to introduce in detail the advantages of the dual-counter model in Hong Kong. We will also continue to communicate with relevant companies on adding RMB counters with a view to expanding the number of securities under the dual-counter model at an appropriate time.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)083

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0696)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Association of South East Asian Nations (ASEAN) is the second largest trading partner of Hong Kong. It is necessary for the HKSAR Government to foster ties with ASEAN proactively, particularly in the area of financial markets. In this connection, would the Government inform this Committee of the following:

1. How many ASEAN companies are currently listed in Hong Kong? Please provide a breakdown of the number and the total market capitalisation of these companies by country and industry, as well as the trend of changes in the number of ASEAN companies got listed in Hong Kong over the past 5 years;

2. What specific plans does the Government have in 2025-26 to promote Hong Kong's financial market to ASEAN companies and invite them to raise funds through listing in Hong Kong? For example, will the Government organise financial forums or roadshows, or launch promotion in collaboration with ASEAN business associations? What are the details of such plans and the estimated expenditure and manpower arrangement involved? How will the effectiveness of these plans be assessed?

3. There are concerns that Hong Kong has failed to meet the needs of ASEAN companies in the aspects of laws and regulations as well as listing requirements, resulting in listing and fundraising opportunities going to other regions. Does the Government have any plans to review and enhance the relevant laws and regulations, so as to boost Hong Kong's appeal to ASEAN companies? For example, will the Government consider streamlining the listing procedures, providing tax incentives or launching dedicated support schemes? What are the details, timetable and estimated expenditure?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 27)

Reply:

(1) As of end-February 2025, 104 companies from the member states of the Association of Southeast Asian Nations (ASEAN) were listed in Hong Kong with a total market capitalisation of about $149.2 billion. The number of listed companies and total market capitalisation by country as well as the number of ASEAN enterprises newly listed over the last 5 years are set out in **Table 1** and **Table 2** respectively. On industry distribution, apart from traditional industries including retail and industrial manufacturing, the major industries also include new economy elements such as e-commerce, logistics technology, financial technology, etc.

(2) The Government has been utilising various channels for promoting Hong Kong's good image internationally and for connecting with overseas enterprises, attracting companies from around the world (including ASEAN) to list and raise funds in Hong Kong for business expansion. Notably, the Chief Executive led a Hong Kong business delegation to visit 3 ASEAN countries (including Laos, Cambodia and Vietnam) in July and August 2024 to explore cooperation opportunities in various areas such as trade and economic cooperation, investment and technological cooperation, etc., and to expand the local network of the Government and businesses. The Financial Secretary and the Secretary for Financial Services and the Treasury also visited Indonesia in January 2025 and December 2024 respectively, promoting Hong Kong's role and advantages as a "super connector" and "super value-adder" to local leaders from the commerce and industry, financial as well as innovation and technology sectors, and how Hong Kong can help enterprises create new opportunities in our country in particular the Guangdong-Hong Kong-Macao Greater Bay Area. Such activities have deepened local companies' understanding of the Hong Kong market and made a positive impact in attracting potential listing issuers to list in Hong Kong.

The Government will continue to strengthen external promotion to target markets, including the ASEAN region, in the coming year to publicise the latest developments and opportunities of the various financial services sectors in Hong Kong through duty visits and the overseas Economic and Trade Offices. The work involved will be absorbed by existing resources. The Hong Kong Exchanges and Clearing Limited (HKEX) will also continue to attract more ASEAN enterprises to list in Hong Kong through its overseas offices and various focused promotion as well as outreach activities.

(3) Leveraging Hong Kong's status as global leading international financing centre, we strive to attract companies of different sizes and with development potential around the world to list and raise funds in Hong Kong for business expansion. To this end, HKEX has implemented a series of enhancement reforms including providing greater flexibility to dual primary listed issuers, and formulating a set of core shareholder protection standards applicable to companies from different places so as to allow an issuer from any overseas jurisdiction that is able to fulfil the standards to apply for listing in Hong Kong. This provides greater convenience to overseas issuers (including ASEAN enterprises) to list in Hong Kong and ensures that a consistent standard is applied to different overseas jurisdictions (including ASEAN countries). In addition, HKEX included the Indonesia Stock Exchange onto its list of recognised stock exchanges in November 2023 and just added the Stock Exchange of Thailand in March 2025,

allowing companies listed in the relevant main markets to apply for secondary listing in Hong Kong. On this basis, HKEX will step up its promotion in the ASEAN and actively explore areas of cooperation with countries in the region, including the listing of exchange-traded funds, to enrich the investment product choices in mutual markets and promote two-way capital flows. HKEX will also continue to work to increase the number of overseas recognised exchanges to facilitate more secondary listing of overseas companies including ASEAN enterprises in Hong Kong.

Table 1: Number of listed companies and total market capitalisation by country

Country	Number of listed companies	Total market capitalisation ($ billion)
Cambodia	2	13.9
Indonesia	5	62.8
Malaysia	30	37.2
Philippines	1	0.3
Singapore	62	31.9
Thailand	2	0.3
Vietnam	2	2.8

Table 2: Number of ASEAN enterprises newly listed over the last 5 years

Year	Newly listed ASEAN enterprises
2020	12
2021	1
2022	2
2023	1
2024	2

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)084

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0699)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

To attract more Mainland talent to settle in Hong Kong and to address the difficulties they face in the purchase of properties in Hong Kong as well as capital flow, will the Government inform this Committee of the following:

1. Does the Bureau have any plans to reflect to the Central Government in 2025-26 that by referencing the mutual market access mechanism for the financial market (such as the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect) and on the premise that foreign exchange risks are controllable, a stringent mechanism could be established to facilitate remittances to Hong Kong by Mainland talent for purchasing properties or repaying mortgage loans? If so, what are the details? If not, what measures are in place to address the difficulties faced by Mainland talent in purchasing properties in Hong Kong?

2. Has there been any consultation with the relevant Mainland departments (such as the People's Bank of China and the State Administration of Foreign Exchange) regarding the issues of property purchases by Mainland talent in Hong Kong as well as capital flow? If so, what is the progress of the consultation? If not, what are the reasons?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 30)

Reply:

After consulting the Labour and Welfare Bureau, our consolidated reply to the question is as follows.

The Government has enhanced Hong Kong's talent admission schemes since end-2022 to actively attract overseas talents to strengthen Hong Kong's impetus for growth. Since its establishment in October 2023, the Hong Kong Talent Engage (HKTE) has provided pertinent support to talents (interested in coming to or having newly arrived in Hong Kong), through online/offline activities and services, concerning their living, work, children's education, etc. HKTE also refers incoming talents' enquiries to relevant bureaux for follow-up and assistance as needed.

Also, the Government has been in contact with financial regulatory authorities in the Mainland on various cross-boundary remittance arrangements to seek to provide more facilitation arrangements for the convenience and benefit of the public and the business sector while ensuring that the risks are manageable. For example, with the support of enhanced financial infrastructure, cross-border mobile payments have become a widely used payment method in the Greater Bay Area. Also, Hong Kong and Shenzhen have successfully piloted cross-border credit referencing, addressing the pain points of cross-border financing for small and medium-sized enterprises. For cross-boundary remittance arrangements for Mainland talents entering Hong Kong, since it involves different regulatory regimes (including requirements for capital inflows and outflows), we have been, with regard to their practical needs (e.g., purchasing property, repaying mortgages, setting up companies, investment), actively exploring facilitation arrangements with the Mainland authorities concerned, with an aim to explore a gradual approach for seeking suitable policies and solutions through close collaboration between the two places within their regulatory framework and practices.

- End -

Reply Serial No.

FSTB(FS)085

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1803)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 79 of the Budget Speech, the Hong Kong Exchanges and Clearing Limited is reviewing with the Securities and Futures Commission the trading unit system, or the so-called "board lot" system, and will put forward proposed enhancements this year, so that trading arrangements can better meet liquidity characteristics of shares of different sizes and investment needs, as well as facilitating trading and improve efficiency. In this connection, will the Government inform this Committee of the following:

1. As regards the study on cancellation of the "board lot" requirement, what plans do the regulators have to consult the sectors concerned, and will the regulators make reference to the practice of other major stock markets with a view to lowering the entry threshold for investors?
2. Regarding the proposed enhancements to the "board lot" system, 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?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 1)

Reply:

To respond to market feedback and to further promote market liquidity, Hong Kong Exchanges and Clearing Limited (HKEX) and the Securities and Futures Commission (SFC) are comprehensively examining the stock trading unit arrangement and related market impact. The scope of review includes the appropriateness of the current "board lot" system, trading arrangements for odd lot shares, etc., and exploration of relevant enhancement proposals. In the process, HKEX and the SFC will make reference to the experiences of markets in different places and proactively communicate with different market participants to fully understand their needs, and conduct detailed analysis on the costs and benefits of various proposals. The target is to put forward specific enhancement proposals on relevant arrangements for public consultation later this year.

- End -

FSTB(FS)086

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1804)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 82 of the Budget Speech that the Government will review the market structure, including exploring the establishment of a post-delisting over-the-counter (OTC) trading mechanism. In this regard, please advise this Committee on the following:

1. Will the 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?

2. Regarding the establishment of a "Hong Kong version" of OTC, will the 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 lowering the qualification requirements for professional investors?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 2)

Reply:

To dovetail with the latest economic trends and corporate needs, Hong Kong Exchanges and Clearing Limited (HKEX) and the Securities and Futures Commission (SFC) are taking forward a comprehensive review of the listing regime, including exploring to establish an over-the-counter trading market in Hong Kong. During the review process, HKEX and the SFC will make reference to experiences of other markets, maintain close communication with the industry and listen to the views of different market participants on related topics. HKEX and the SFC target to put forward enhancement proposals in different areas by batches when they are ready within this year for market consultation.

On arrangements regarding delisting, the purpose of HKEX's existing delisting mechanism is to execute in a systematic manner timely delisting of issuers that no longer meet the continuing listing criteria, and to incentivise 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 three 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 2025-26

Reply Serial No.

FSTB(FS)087

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1805)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 82 of the Budget Speech, the Government will review listing requirements and post-listing ongoing obligations, as well as evaluating listing-related regulations and arrangements to improve the vetting process. In this connection, would the Government inform this Committee of the following:

1. Will regulators examine the reasons for the current low level of activities in the Growth Enterprise Market (GEM)? What specific solutions does the Government have to improve the current situation of relatively low turnover and smaller number of listed companies in GEM? For example, will it review the market positioning of GEM and the Main Board, as well as considering rebranding GEM?

2. What support measures does the Government have to help more small and medium enterprises that cannot meet the Main Board listing requirements to list in Hong Kong? How will the Government provide assistance to more small and medium financial institutions (such as dealers) to promote the development of relevant listing-related businesses, such as underwriting and investment banking?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 3)

Reply:

To provide a more effective fundraising platform for small and medium enterprises, Hong Kong Exchanges and Clearing Limited (HKEX) implemented a series of GEM reform measures in 2024. These include introducing a new financial eligibility test for high growth enterprises that are heavily engaged in research and development activities; introducing a new "streamlined transfer mechanism"; and aligning other continuing obligations of GEM issuers with those of the Main Board, etc. Since the reform, three companies were listed on GEM in 2024. The Government, regulators and HKEX have been closely monitoring the effectiveness of the new measures and continuously reviewing the relevant implementation experience and market situation.

To dovetail with the latest economic trends and corporate needs, and thereby further enhance Hong Kong's competitiveness as an all-rounded fundraising centre, HKEX and the Securities and Futures Commission (SFC) are taking forward a comprehensive review on reforming the listing regime, including reviewing listing requirements and post-listing ongoing obligations, evaluating listing-related regulations and arrangements to improve the vetting process, optimising the thresholds for dual primary listing and secondary listing, and reviewing the market structure. The reform will study the functions and positioning of different segments to better serve the financing needs of enterprises of different types and backgrounds, including small and medium enterprises and start-ups. HKEX and the SFC target to put forward enhancement proposals in different areas by batches when they are ready within this year for market consultation.

Initial public offering (IPO) activities have become more vibrant, and enterprises are increasingly confident about Hong Kong's financing prospects. In the first quarter of this year, we welcomed a total of 16 new listings with total funds raised amounting to $17.7 billion, a year-on-year increase of over two times and ranking fourth globally. Over 100 new IPO applications are being processed by HKEX. The above-mentioned comprehensive review of the listing regime is expected to better align our listing platform with the latest economic trends and corporate needs. As more companies seek to list in Hong Kong, it will drive business growth for various financial services institutions and create a conducive environment for the development of market participants.

- End -

FSTB(FS)088

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1806)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 93 of the Budget Speech, the Government will actively explore opportunities to introduce further expansion initiatives, extend the Cross-boundary Wealth Management Connect (WMC) Scheme in the Greater Bay Area (GBA) and improve market liquidity. In this connection, would the Government inform this Committee of the following:

1. Will the Government explore with Mainland regulators to enhance the diversity of investment products under the WMC Scheme, including expanding the types of funds and fixed income products, so as to cater for the needs of investors of different asset sizes; and encourage Mainland brokers to form partnership with more Hong Kong brokers, so as to increase the participation of brokers of different capital backgrounds?

2. Will the Government discuss with Mainland regulators to expedite the establishment of the mutual recognition mechanism for various financial qualifications in the GBA, and to 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.: 4)

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, and further enhancing the promotion and sales arrangements. According to the statistics published by the People's Bank of China, up to end-January 2025, over 141 000 individual investors in the GBA participated in WMC and cross-boundary fund remittances (including Guangdong, Hong Kong and Macao) amounting to over RMB109.2 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. The Government and the financial regulators will closely monitor market developments and the operation of WMC, collaborate with the Mainland authorities to jointly foster the smooth implementation of "WMC 2.0" 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.

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 practicing registration and applying for the fund or futures practicing 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 twice to improve the relevant arrangements. The CBA, the China Bankers Institute and the HKIB signed Addendum III in 2022 to ensure eligible practitioners can obtain the Associate Retail Wealth Professional (ARWP) professional qualification issued by the HKIB. Under the Agreement, financial practitioners from the Mainland and Hong Kong can obtain "dual qualifications" (Level 1 of Qualification Certificate of Banking Professional and ARWP) through the mutual recognition mechanism.

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 Kong markets.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)089

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1807)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
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 made active efforts in attracting new capital overseas and expanding new markets, thereby injecting impetus into the Hong Kong market and improved its liquidity. In this connection, will the Government inform this Committee of the following:

1. To further increase the liquidity of the Hong Kong stock market, will the Government consider further reducing the stamp duty on stock transfer, such as imposing a rate of 0.05% on only one side of transactions, with a view to enhancing the competitiveness of the Hong Kong stock market, stimulating high-frequency trading activities and attracting new capital from international markets? If not, what are the reasons?

2. How does the Government assess the change in 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?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 5)

Reply:

(1) We have been taking forward securities market reforms to enhance market competitiveness. Recently, the market conditions have been generally favourable, the market sentiment has significantly improved and market turnover 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 dynamics 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.

(2) 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.

The average daily turnover of securities market in the past 2 years is at **Annex**. The actual revenue from stamp duty on stock transfers in 2023-24 is about $36.6 billion, accounting for about 6.7% of the Government's overall revenue. The revenue of stamp duty on stock transfers for 2024-25 is about $44 billion as of February this year. The overall actual government revenue and actual revenue from stamp duty on stock transfers in 2024-25 will be released later. As it takes time to compile statistics on other government revenues, it is not feasible to make an estimate on the share of stamp duty on stock transfers in the overall actual government revenue for the time being.

<u>Annex</u>

Average daily turnover of securities market

Year	Month	Average Daily Turnover (including turnover of ETFs) (HK$ bn)
2023	**Jan**	140.0
	Feb	118.4
	Mar	126.5
	Apr	108.9
	May	101.0
	Jun	99.8
	Jul	102.3
	Aug	101.8
	Sep	90.3
	Oct	78.8
	Nov ***[Reduced stamp duty rate effective from 17 Nov]***	95.6
	Dec	98.6
2024	**Jan**	96.7
	Feb	90.0
	Mar	111.2
	Apr	112.3
	May	139.8
	Jun	111.2
	Jul	98.6
	Aug	95.5
	Sep	169.2
	Oct	255.0
	Nov	161.5
	Dec	142.0
2025	**Jan**	143.8
	Feb	297.3
	Mar	281.4

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)090

(Question Serial No. 1808)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 74 of the Budget Speech that the Government is pressing ahead with high-quality development of Hong Kong's international financial market to create more new growth areas. In this connection, will the Government inform this Committee of the following:

1. Given that a total of 62 China concept stocks were listed in the US in 2024, will the Government examine the phenomenon of a substantial number of financial institutions shifting their business focus to serving other overseas markets, and identify the reasons behind, in order to promote high-quality development of Hong Kong's financial sector?

2. What are the Government's plans to encourage more businesses to trade Hong Kong's financial products and seek a listing in Hong Kong, in a bid to facilitate the development of local, China-funded and foreign-funded financial institutions, be they small, medium or large in scale, and realise their potential?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 6)

Reply:

(1) As an international financial centre, Hong Kong brings together the world's top financial institutions and talent, provides professional financial services, and owns a deep and broad capital market. Utilising our unique advantage of having the strong support of the motherland while being closely connected to the world under "one country, two systems", the Government is committed to leveraging Hong Kong's role as a "super connector" and "super value-adder", striving to attract more enterprises, capital and investment institutions through diversified business promotion activities.

With continuous improvement in a number of economic segments, the Government's efforts to build a vibrant economy and compete for enterprises and talents have yielded considerable results. Notably, the Office for Attracting Strategic Enterprises has attracted 66 strategic enterprises since its establishment, 80% of which have established or planned to establish their global or regional headquarters in Hong Kong. Invest Hong Kong successfully attracted over 500 Mainland and overseas enterprises to set up or expand their businesses in Hong Kong last year, representing an increase of over 40%, which included over 200 enterprises from the financial services and fintech sector and family offices. It is estimated that the total investment thereby brought to Hong Kong's economy by these enterprises has reached over $67.7 billion, creating over 6 800 job opportunities in Hong Kong during their first year of operation.

On the listing platform, we welcomed a total of 16 new listings with total funds raised amounting to $17.7 billion in the first quarter of this year, a year-on-year increase of over two times and ranking fourth globally. Over 100 new listing applications are being processed by the Hong Kong Exchanges and Clearing Limited (HKEX), demonstrating that enterprises are increasingly confident about Hong Kong's financing prospects. Regarding "China Concept Stocks" as mentioned in the question, to meet the needs of Mainland enterprises for overseas listing, HKEX has introduced a series of reforms to the listing regime in recent years, which include conducting a holistic review of the relevant listing regime targeting the fundraising needs and characteristics of "China Concept Stocks" and other overseas issuers, revising the market capitalisation requirement and the "innovative company" condition for relevant issuers to secondary list in Hong Kong, with a view to facilitating "China Concept Stocks" to list in Hong Kong. Since the listing reform in 2018 and up to end-February 2025, 31 "China Concept Stocks" issuers have returned to Hong Kong, the total market capitalisation of which accounted for about 90% of all "China Concept Stocks" listed in the United States.

(2) As mentioned in the 2025-26 Budget, the key to consolidating and enhancing the strengths of Hong Kong as an international financial centre lies in institutional innovation, product innovation, a critical mass of enterprises and financial connectivity. We have put forward a number of measures to enrich the suite of trading products. Amongst others, HKEX will further step up its promotion in ASEAN and the Middle East and explore product co-operation, including actively exploring areas of co-operation with countries in the region on listing of exchange-traded funds, to enrich the investment product choices in mutual markets and promote two-way capital flows. In addition, HKEX will put forward recommendations to enhance the issuance mechanism of structured products with a view to providing greater flexibility for product listing and trading.

On expanding fixed income products, the SFC and the Hong Kong Monetary Authority have set up a task force to formulate a roadmap, covering the development of primary and secondary bond markets and foreign exchange markets, as well as infrastructural enhancement. We have also been vigorously promoting product development under the mutual market access mechanism with the Mainland. Since 2024, we have implemented enhancements to the Cross-boundary Wealth Management Connect in the Greater Bay Area and enabled participation of brokers, expanded the eligible scope of exchange-traded funds and enhanced the Mainland-Hong Kong Mutual Recognition of Funds arrangements.

In future, the Government will continue to drive the regulators and HKEX to promote institutional and product innovations, injecting new impetus into the Hong Kong market. On securities market, we will enhance our competitiveness through taking forward reforms to the listing regime, facilitating financing of overseas enterprises and specific products, improving trading and risk management efficiency, etc. Facilitating issuance of diverse products will drive business growth for various financial services business and create a conducive environment for the development of market participants of different sizes and backgrounds, thereby promoting the concerted development of different financial institutions and give full play to their potential.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)091

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1809)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraphs 77 and 78 of the Budget Speech that the Government will continue to advance reforms to the trading mechanism and that the Hong Kong Exchanges and Clearing Limited (HKEX) will provide greater flexibility for product listing and trading. In this connection, will the Government inform this Committee of the following:

1. What progress have the regulators made in reviewing the low interest rate for deposit of margin, refining the requirements on placement of margin and collateral, and so on? When are the relevant policies expected to come into full implementation so as to lower transaction costs as early as possible?
2. Will the Government consider allowing cross margining at various recognised clearing houses under the HKEX, which will help lower the capital requirements for margin of dealers, market makers, etc.?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 7)

Reply:

The Government is committed to driving the Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited (HKEX) to improve market efficiency, so as to strengthen the competitiveness of Hong Kong's securities market. In a continuous high interest rate environment, both the financial regulator and HKEX recognise that there is room for improvement in the current arrangement of cash collateral. Taking into full account factors such as the international competitiveness of the Hong Kong market and market risks, the SFC and HKEX are in active discussion on ways to optimise the margin and collateral arrangements, including enhancing the interest rate on cash collateral, lowering the accommodation charges on non-cash collateral, as well as exploring cross-margining arrangements, etc. The discussion is still ongoing. The SFC and HKEX will announce the enhancement arrangements in due course.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)092

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1810)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(2) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraphs 89 and 93 of the Budget Speech that as Hong Kong is an offshore Renminbi (RMB) business hub, the Government will continue to enhance offshore RMB liquidity, provide more investment products and risk-management tools, and issue offshore Mainland government bond futures in the city. In this connection, will the Government inform this Committee of the following:

1. What plans does the Government have to proactively provide more diversified offshore RMB products and services to the countries in the Middle East which have accumulated large amounts of RMB through mutual trade, so as to attract overseas capital to invest in Hong Kong? What progress has been made in attracting capital from the Middle East?

2. Will the Government consider issuing Islamic bonds denominated in multiple currencies, including RMB, so as to further develop Islamic finance in Hong Kong? This will not only open up development opportunities in countries in the Belt and Road region, the Middle East and ASEAN, but also help accelerate the internationalisation of RMB.

3. What plans does the Government have to enhance the financial infrastructure and expedite the launch of RMB sovereign bond futures, so as to promote Hong Kong as an offshore RMB business hub in the region?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 8)

Reply:

The 14th Five-Year Plan acknowledges the significant functions and positioning of Hong Kong in the overall development of the country, including enhancing its status as an international financial centre and strengthening its functions as a global offshore Renminbi (RMB) business hub. As a leading offshore RMB hub, Hong Kong will continue to take the lead in RMB fund management and investment in the international market, and contribute to the internationalisation of RMB.

(1) To meet the increasing demand from global investors for allocating 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. In 2023, HKEX introduced the "Hong Kong Dollar (HKD)-RMB Dual Counter Model" (dual-counter model) to gain practical experience in key operational aspects such as issuing, trading, settling, and converting the same stocks in both HKD and RMB, continuously improving the scalability and liquidity of the market. The dual-counter model has been operating smoothly so far, facilitating market participants to prepare for the further development of the RMB securities market in Hong Kong including the introduction of RMB counter under Southbound trading of Stock Connect in the future. The Government and HKEX will continue to strengthen external promotion to target markets such as those along the Belt and Road, including the Middle East and the Association of Southeast Asian Nations, to publicise the latest developments and opportunities of the various financial services sectors in Hong Kong through duty visits and the overseas Economic and Trade Offices, attracting different types of investors to participate in the Hong Kong market (including RMB stock trading) and enhancing market liquidity.

(2) The Government amended the laws in 2013 and 2014 respectively to provide a tax structure for sukuk which is comparable with that for conventional bonds, and to allow for the issuance of sukuk under the Government Bond Programme. Thereafter, the Government issued 3 sukuk under the Government Bond Programme to demonstrate the viability of Hong Kong's finance platform and that our legal, regulatory and taxation framework can readily support sukuk issuances of different structures. We believe that these market development efforts have helped enhance the attractiveness of Hong Kong's sukuk platform. An array of Islamic financial products and services have been introduced in Hong Kong, including the listing of global sukuk on the HKEX, Shariah-compliant equity indices and Islamic banking windows, etc.

We will continue to actively promote the strengths of Hong Kong's financial system and markets, and deepen cooperation between Hong Kong and the Islamic financial market. Following visits to the UAE and Saudi Arabia in 2023, the Hong Kong Monetary Authority (HKMA) hosted the second bilateral meetings with the Central Bank of the United Arab Emirates (CBUAE) and the Saudi Central Bank (SAMA) in Hong Kong in December 2024 respectively. The discussion focused on areas including financial infrastructure development, supervisory technology adoption, economic research, and investment opportunities in the Middle East, North Africa (MENA) region and Mainland China. A Memorandum of Understanding (MOU) was signed between the HKMA and the CBUAE to establish connectivity of the debt capital markets and the related financial market infrastructures between Hong Kong and the UAE, with a view to facilitating cross-border debt securities issuance and investment activities. In addition, the HKMA held bilateral meeting with the Qatar Central Bank in Doha in October 2024 to enhance collaboration between the financial services sectors of the 2 jurisdictions. In the area of investment cooperation, the HKMA signed an MOU with the Public Investment Fund of Saudi Arabia (PIF) to anchor a joint US$1 billion fund to invest in companies with nexus of Hong Kong and the Greater Bay Area expanding to Saudi Arabia, and strengthen Hong Kong's position as a global leading financial centre.

We will continue to promote connectivity between Hong Kong and Islamic financial markets and leverage the advantages of Hong Kong as an offshore RMB business hub to explore further collaboration with Islamic markets in the area of finance.

(3) The Government is committed to deepening and expanding mutual access between the Mainland and Hong Kong financial markets. We will continue to strive to enhance the mutual access mechanism with the Mainland and take forward the measures supported by regulators of the two places, including the launch of offshore Mainland government bond futures. Regulators and infrastructure institutions of both places are working closely on the technical aspects of the measures with a view to commencing their early implementation.

- End -

Reply Serial No.

FSTB(FS)093

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1811)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 92 of the Budget Speech that both the Mainland and Hong Kong are conducting technical preparations at full speed to implement the inclusion of Renminbi (RMB) trading counter under the Southbound trading of Stock Connect so as to promote trading of more stocks in RMB and improve market liquidity. In this connection, will the Government inform this Committee of the following:

1. What was the total 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?

2. Will the Government consider exempting or lowering the stamp duty payable on stock transfers at RMB counters so as to boost the turnover of transactions at RMB counters? If not, what are the reasons?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 9)

Reply:

To meet the increasing demand from global investors for allocating Renminbi (RMB) assets, the Government, regulators and Hong Kong Exchanges and Clearing Limited (HKEX) actively promote the issuance and trading of RMB securities in Hong Kong. In 2023, HKEX introduced the "Hong Kong Dollar (HKD)-RMB Dual Counter Model" (dual-counter model). The total turnover of RMB counter of relevant securities was about RMB21.5 billion in 2024. The figure includes 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 24 issuers have adopted the dual-counter model to provide HKD and RMB securities trading. Meanwhile, 12 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 2024 accounted for about 32.6% and 0.07% of the average monthly turnover of the cash securities market respectively. One of the reasons for the difference is that Mainland investors engaging in Southbound trading currently can only use HKD to trade Hong Kong stocks. Although the proportion of trading of RMB-denominated securities has not been significant in the overall market turnover, we have gained through the dual-counter model practical experience in key operational aspects such as issuing, trading, settling and converting the same stocks in both HKD and RMB, continuously improving the scalability and liquidity of the market and facilitating market participants to prepare for the further development of the RMB securities market in Hong Kong in the future.

The Government will continue to facilitate relevant 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 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. In addition, HKEX is taking forward the single tranche multiple counter arrangement, including adopting the same International Securities Identification Number for dual-counter stocks to enhance trading and settlement efficiency. The Government has also been conducting preparatory work to allow the stamp duty payable on the transfer of stocks at RMB counters to be paid in RMB. The measure involves amending the existing provisions of the Stamp Duty Ordinance and requires system changes by the relevant government department, HKEX, and the industry. HKEX will communicate with the industry within this year on the implementation of the proposal. We plan to put forward a detailed legislative proposal in 2026.

- End -

FSTB(FS)094

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1812)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 93 of the Budget Speech that the Government will enhance the mutual market access mechanism with the Mainland, including the issuance of offshore Mainland government bond futures in Hong Kong, and implementing block trading of stocks and inclusion of real estate investment trusts under the mutual access as soon as possible. In this connection, will the Government inform this Committee of the following:

1. Are there any implementation timetables for the above 3 enhancement programmes of mutual market access? Will the enhancement measures include streamlining transaction procedures and lowering transaction costs, etc.?
2. In order to further expand the mutual market access mechanism, will the Government strengthen communication with the Mainland regulatory authorities, including discussion on the introduction of Commodity Connect, Futures Connect and Initial Public Offering Connect, etc., thereby enhancing the depth, breadth and attractiveness of the market?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 10)

Reply:

The Government is committed to deepening and expanding mutual access between the Mainland and Hong Kong financial markets. We will continue to strive to enhance the mutual access mechanism with the Mainland and take forward the measures supported by regulators of the two places, including the launch of offshore Mainland government bond futures, introduction of block trading of stocks and inclusion of real estate investment trusts under the scheme. Regulators and market institutions of both places are working closely on the technical aspects of the measures with a view to commencing their early implementation. We will continue to step up follow up actions and discussions with the Mainland authorities various expansion and enhancement arrangements for the mutual access mechanism. Specific measures will be announced in due course once they are ready for implementation.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)095

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1813)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 93 of the Budget Speech that regarding the mutual market access mechanism, the Government will actively explore opportunities to introduce further expansion initiatives and improve market liquidity. In this connection, will the Government inform this Committee of the following:

1. Will the Hong Kong Exchanges and Clearing Limited (HKEX) discuss with the Mainland regulatory authorities 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 or less; and relaxing the investment threshold of RMB 500,000 for Mainland individual investors?

2. Does the HKEX have plans to explore with the Mainland regulatory authorities the reduction of dividend tax levied on the investors of Southbound trading of Stock Connect, so as to attract more southbound capital into the Hong Kong stock market?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 11)

Reply:

The Government is committed to deepening and expanding mutual access between the Mainland and Hong Kong financial markets. We have also been proactively discussing with the Mainland authorities various expansion measures for Stock Connect, with a view to widening the product suite and coverage under the mechanism gradually.

With the strong support of the Central People's Government, Stock Connect saw numerous new breakthroughs over the past few years, including 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. On this basis, we will continue to explore with the Mainland enhancement arrangements for Stock Connect, including topics relevant to the eligible scope of products, investor requirements and tax arrangements. Specific measures will be announced in due course once they are ready for implementation.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)096

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1814)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraphs 93 and 99 of the Budget Speech that the Government will enrich the risk management toolbox, and will soon promulgate a second policy statement on the development of virtual assets to explore how to leverage the advantages of traditional financial services and innovative technologies in the area of virtual assets. In this connection, will the Government inform this Committee of the following:

1. Will the Government urge the Hong Kong Futures Exchange to implement 23-hour trading as soon as possible, expand the range of futures products available for trading during holidays, and open up more derivatives of virtual asset options and futures, thereby helping strengthen Hong Kong's position as an international risk management centre?

2. In order to promote the development of the virtual asset market, will the regulatory authorities consider allowing retail investors to participate in more virtual asset transactions of different types and currencies? What improvement measures will be taken to expedite the approval process for upgrading virtual asset licences?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 12)

Reply:

(1) To provide the market with greater flexibility and facilitate investors to manage risks during the overseas market hours, the Hong Kong Exchanges & Clearing Limited (HKEX) has extended the trading hours of derivatives products in phases. Currently, the after-hours trading session begins 45 minutes after the close of the regular day trading session and concludes at 3am of the next day. In line with the continuous expansion of the market ecosystem, the HKEX launched the derivatives holiday trading service in 2022 with MSCI futures and options contracts as the first suite of products. In 2024, the service was extended to currency futures and options contracts, facilitating

investors' risk management during public holidays in Hong Kong. HKEX announced its ongoing development of the Orion Derivatives Platform in 2024, which will offer near 24-hour derivatives trading, introduce new products and enhance trading and clearing efficiency. The platform development and system migration will be carried out in phases to ensure a smooth transition, with market launch expected in 2028. The development of the platform will facilitate the addition of new products, enhancement of market microstructure and introduction of other functionalities in the future. On virtual assets (VAs), HKEX has developed the first set of VA index series in Hong Kong to provide investors with transparent and reliable benchmarks for Bitcoin and Ether pricing in the Asian time zone, supporting Hong Kong's development as Asia's leading digital assets hub. HKEX took note of the regulatory discussions on developing VA options and futures derivatives, and will continue to review its product development in view of the market needs.

(2) The Government issued the Policy Statement on Development of Virtual Assets in Hong Kong (Policy Statement) in October 2022, setting out the Government's goal to provide a comprehensive and balanced regulatory framework of VAs under the "same activity, same risks, same regulation" principle, with a view to promoting the sustainable development of the sector in Hong Kong. The Government has already amended the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (AMLO) to introduce a licensing regime for VA services providers in June 2023. The Securities and Futures Commission (SFC) has so far issued 10 VA trading platform licences

The regime provides channels for retail investors to participate in VA transactions through licensed VA trading platforms (VATPs), including purchasing, selling and storing VA. When offering any VA for trading by retail clients, a licensed VATP has to consider various factors such as client's demand for that VA, the result of the due diligence performed by the trading platform, internal controls and systems, and whether there are technology and infrastructure supporting the trading of that VA.

To facilitate the development of the VA market, the SFC announced a new roadmap on VA market in February 2025, which includes measures to facilitate further VA product offerings and services based on investor categorisation. Starting from January 2025, the SFC has allowed new applicants to make VATP licence application based on a swift licensing process. The new process strengthens the communication between the SFC and the applicants, enabling the SFC to provide constructive and timely feedback on their licence applications, and facilitating compliant trading platforms to bring their services to investors more swiftly.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)097

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1815)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 101 of the Budget Speech that the Working Group on Promoting Gold Market Development will formulate a plan this year, covering measures to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion. The measures will be implemented gradually. In this connection, please inform this Committee of the following:

1. What is the current progress of communication between the Hong Kong Special Administrative Region Government and the Central Government in respect of the top-level design for establishing Hong Kong as an international gold trading centre? Has any consensus been reached with the People's Bank of China? How will Hong Kong leverage its unique advantages to integrate into the overall development of the country?

2. What are the SAR Government's mechanisms for monitoring and supervising the progress of promoting the establishment of the gold trading centre? How will the Government fully co-operate with relevant Mainland authorities (including the Shanghai Gold Exchange), and encourage the industry to make corresponding efforts proactively?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 13)

Reply:

The Third Plenary Session of the 20th Central Committee adopted the Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernisation. The Resolution calls on Hong Kong to fully harness the institutional strengths of "one country, two systems" while consolidating and enhancing its status as an international financial, shipping and trade centre. Along this spirit, the Chief Executive has emphasised the need to explore new growth areas in the 2024 Policy Address. Building an international gold trading centre is a new growth point for Hong Kong to consolidate and enhance its status as an international financial centre. Gold serves as a crucial anchor in the precious metals category, possessing multiple attributes as a commodity, a reserve asset, and an investment product. Under increasing global political and economic uncertainties, gold is one of the key hedging tools, and many investors would like to store physical gold in different geographical locations.

It is the Government's goal to promote the development of world-class gold storage facilities, thereby attracting more investors and users from different economies, including the Middle East and Southeast Asia, to store gold in Hong Kong. On the basis of increased storage, we expect increased demand for associated support services in insurance, testing and certification, logistics, etc, while in parallel expanding related transactions including collateral, loan and hedging, hence creating a comprehensive ecosystem in a progressive manner. This will drive all-round multi-currency trading, clearing and delivery, as well as the development of the regulatory system, covering transactions using offshore Renminbi, thereby establishing a holistic gold trading centre with an industry chain. In terms of market promotion, we will promote the vision and specific measures for the development of Hong Kong's gold market through various activities and visits, with a view to attracting Mainland and international investors and users to store gold and conduct trading, clearing and delivery in Hong Kong.

To support the development of Hong Kong into an international gold trading centre, the Financial Services and the Treasury Bureau established the Working Group on Promoting Gold Market Development (Working Group) in December 2024, comprising leaders of the financial industry, representatives of regulatory bodies and market participants, to comprehensively review all aspects relating to financial transactions relating to gold. The Working Group will formulate a plan this year to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion.

At the same time, the Government has been communicating with relevant Mainland institutions, including those in the Greater Bay Area, on the development of gold trading. The working group will study the promotion of offshore Renminbi-denominated gold products and expansion of mutual access with the relevant market in the Mainland.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)098

(Question Serial No. 1816)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 102 of the Budget Speech that London Metal Exchange, a subsidiary of the Hong Kong Exchanges and Clearing Limited, has included Hong Kong as its approved delivery point in January this year. Local warehouse operators have expressed interest in becoming its accredited warehouses. Relevant discussion is actively underway. In this connection, please advise this Committee on the following:

1. The number of local warehouse operators with whom the Government has currently discussed the establishment of accredited warehouses in Hong Kong; do these warehouse operators have international experience or any competitive advantages? What is the progress of the discussion? Will there be a specific timetable for taking forward the construction of accredited warehouses?

2. Does the Government have any plans to enhance the logistics support facilities in the vicinity of the sites for accredited warehouses, so as to facilitate warehouse operators in expanding their business?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 14)

Reply:

Our country is the world's largest consumer of industrial metals. Developing relevant commodity exchanges will drive the development of a financial, shipping and trade centre. The Chief Executive's 2024 Policy Address proposes the creation of a commodity trading ecosystem which can be a starting point for attracting relevant enterprises to establish a presence in Hong Kong, turning our city into an operation centre for international commodity trading, storage and delivery, shipping and logistics, risk management, and more.

The London Metal Exchange (LME), a subsidiary of the Hong Kong Exchanges and Clearing Limited, included Hong Kong as an approved delivery point within its global warehousing network in January this year, and will accept applications from warehouse operators to become approved storage of LME-registered brands of metals. The establishment of LME-accredited warehouses in Hong Kong will provide convenient, cost-effective and safe delivery channels for related metals trading in the region. It will also increase the demand for Hong Kong's trade, shipping, warehousing and transportation industries, strengthen Hong Kong's commodities ecosystem, and lay a foundation for future expansion of related financial transactions such as futures.

The 2025-26 Budget mentioned that local warehouse operators have expressed interest in becoming LME's accredited warehouses. At present, a number of LME-accredited warehouse operators are in discussion with local warehouse operators on cooperation in establishing LME-approved warehouses. These warehouse operators have extensive experience in storing and handling delivery of base metals internationally. The Financial Services and the Treasury Bureau in collaboration with relevant bureaux and departments has been maintaining communication with relevant industry players and has held several meetings to provide assistance on technical matters. The establishment of approved warehouses will depend on the business discussions between warehouse operators and local warehouses, as well as the approval from LME.

- End -

Reply Serial No.

FSTB(FS)099

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1817)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(3) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 83 of the Budget Speech that the Securities and Futures Commission and the Hong Kong Monetary Authority have set up a task force to formulate a roadmap, covering the development of primary and secondary bond markets and foreign exchange markets. In this connection, will the Government inform this Committee of the following:

1. Will the Government consider raising funds through bond issuance by securitisation of cash flow revenues from infrastructure projects in the future, such as the development of the Northern Metropolis, the 3 road harbour crossings and the Tai Lam Tunnel, which will be taken over in May this year, so as to generate additional revenue for the Government, allow greater flexibility and alleviate the pressure of budget deficits? If not, what are the reasons?

2. Will the Government reserve a certain amount for subscription by retail investors in all bond programmes and securitisation of infrastructure projects in the future to promote the development of retail bonds and financial inclusion, as well as to meet the public demand for fixed-income products?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 15)

Reply:

The Securities and Futures Commission and the Hong Kong Monetary Authority have set up a task force to explore ways to facilitate primary and secondary bond market activities, to further develop the foreign exchange market, and to assess the feasibility of developing the requisite financial market infrastructure. The findings from the engagement will be used to draw up a roadmap, with a view to developing Hong Kong to be a premier fixed income and currency hub. Reply to the 2 parts of the question is as follows.

(1) The Government continues to keep an open mind and take into account factors such as commercial viability and project cost when considering the appropriate financial arrangements for development projects, including leveraging market resources to support the early implementation of the projects for the benefit of the economy and the people. Take the Northern Metropolis as an example, the Government adopts a diversified development approach in taking forward the project, including allowing in-situ land exchange, piloting large-scale land-disposal approach, and raising capital by issuing government bonds, etc. As for the suggestion to securitise revenue from major development projects, as it involves valuation, risk assessment and financial costs, etc., the Government needs to carefully consider relevant factors, such as the fiscal position, market condition and market development prospects, etc.

(2) 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 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 and retail infrastructure bonds are invested in local green and infrastructure projects in accordance with the relevant bond issuance frameworks, enabling members of the public to participate in local green and infrastructure development through bond investment. The Government will keep in view the market situation, and devise suitable arrangements for future bond issuances.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

FSTB(FS)100

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1818)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 76 of the Budget Speech that the Hong Kong Exchanges and Clearing Limited (HKEX) will step up its promotion in the Association of Southeast Asian Nations (ASEAN) and the Middle East and promote two-way capital flows. In this connection, will the Government inform this Committee of the following:

1. What plans does the Government have to enhance and consolidate co-operation between the 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 ASEAN to list and conduct investment and financing activities in Hong Kong?

2. 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.: 16)

Reply:

The Government, regulators and Hong Kong Exchanges and Clearing Limited (HKEX) are committed to strengthening the breadth and depth of the Hong Kong fundraising platform, so as to attract different types of enterprises as well as investors from the Mainland and overseas to participate in investment and fundraising activities in Hong Kong, exemplifying Hong Kong's function as an international fundraising and financing centre.

The Government is strengthening external promotion to target markets continuously, including the Middle East and the ASEAN region, to publicise the latest developments and opportunities of the various financial services and other sectors in Hong Kong through duty visits by the Chief Executive, Financial Secretary and those coordinated by various policy bureaux according to their respective policy areas, as well as the overseas Economic and Trade Offices. Notably, the Chief Executive led a Hong Kong business delegation to visit 3 ASEAN countries (including Laos, Cambodia and Vietnam) in July and August last year to explore cooperation opportunities in various areas such as trade and economic cooperation, investment and technological cooperation, etc., and to expand the local network of the Government and businesses. The Financial Secretary also visited Saudi Arabia and Indonesia in October and November last year and January 2025 respectively, participating in international financial events to promote Hong Kong's role and advantages as a "super connector" and "super value-adder" to local leaders from the commerce and industry, financial as well as innovation and technology sectors, as well as to showcase how Hong Kong can help enterprises create new opportunities in our country in particular the Guangdong-Hong Kong-Macao Greater Bay Area.

In order to further promote Hong Kong's securities market and fundraising platform to overseas enterprises and capital, HKEX is preparing for various major promotion activities in the coming year, including jointly organising different thematic flagship summits and events with organisations in the Middle East and Southeast Asia, with a view to strengthening bilateral financial market cooperation and attracting more issuers and funds to come to Hong Kong for fundraising and financing activities. HKEX will also continue to participate in different outreach activities, expanding the coverage of enterprises and introducing in detail the advantages of Hong Kong's financial services and listing platform through thematic speeches, forum exchanges, and roadshow events together with the local financial services industry (including small and medium-sized financial institutions). The Government will coordinate the relevant promotion work. The Government will also continue to strengthen external promotion efforts in organising international financial mega events and duty visits, and proactively assist interested enterprises through the Office for Attracting Strategic Enterprises, Invest Hong Kong, and Economic and Trade Offices in the Mainland and overseas, facilitating the local financial services industry to open up new markets.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)101

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1819)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 85 of the Budget Speech that the Government will regularise the issuance of tokenised bonds. The Hong Kong Monetary Authority is preparing for issuing the third tranche of tokenised bonds while actively exploring tokenising traditional bonds issued. In this connection, please inform this Committee of the following:

1. Does regularising the issuance of tokenised bonds imply that the Government will issue them on an annual basis? What will be the annual issuance size of such bonds? Will the Government further expand the use of central bank digital currency and other digital financial products?

2. As regards exploring tokenising traditional bonds issued, what is the initial amount of traditional bonds planned to be tokenised? Will green bonds, silver bonds, and infrastructure bonds be covered? How can the Government ensure the stability of the bond market and boost investors' confidence in bond tokenisation?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 17)

Reply:

The Financial Secretary announced in the 2025-26 Budget that, on the basis of 2 successful tokenised bond issuances, the Government will regularise the issuance of tokenised bonds. In devising the bond issuance plan each year, the Government would consider the incorporation of tokenised bond issuance, having regard to the market situation among other factors. Regular issuance of tokenised Government bonds helps provide the market with a steady supply of high quality tokenised bonds, strengthening investor confidence in tokenisation and encouraging more investors to enter the market. The Hong Kong Monetary Authority (HKMA) is preparing for issuing the third tranche of tokenised bonds. The bond issuance parameters (including issuance size, interest rate, tenor and currency type) and the individual projects supported by the bond proceeds will be determined taking account of the actual market conditions around closer to the time of the bond issuance. We expect the Government's issuance of tokenised bonds will continue to provide a reference for market participants as they consider adoption of tokenisation technology.

The two batches of tokenised governmnet green bonds issued by the Government in 2023 and 2024 included multiple innovations, representing the world's first tokenised green bond and the world's first multi-currency digital bond offering. The second tokenised issuance reached around HK$6 billion, which was 7 times of the first issuance and attracted more institutional investors. The 2 successful issuances have proven the versatility of Hong Kong's legal and regulatory environment in enabling innovative forms of bond issuances, creating a demonstrative effect that paves the way for private sector adoption. Digital bonds have moved beyond proof-of-concept in Hong Kong. To promote the industry's knowledge and awareness of digital bonds, the HKMA published the report on Bond Tokenisation in Hong Kong in 2023 outlining the key considerations and options of a tokenised issuance. This was followed by the launch of a one-stop digital bond knowledge repository, EvergreenHub, in 2024 to share materials that market participants may reference, spanning across the technological, legal and operational aspects of digital bond transactions. To promote broader adoption of tokenisation technology in capital market transactions, the HKMA will also continue to explore further innovation, and actively explore tokenising existing government bonds. Relevant details such as the amount and scope of existing government bonds to be tokenised will be subject to further review.

The HKMA has been researching Central Bank Digital Currencies (CBDCs) since 2017 to understand their benefits and potential applications. The HKMA is now strengthening its research work through a portfolio of CBDC projects (including Project mBridge, Project e-HKD+, Project Ensemble, etc.) with a view to increasing Hong Kong's readiness in issuing CBDCs that can potentially be used by individuals, corporates and financial institutions.

The HKMA remains committed to engaging with industry players and other stakeholders, as well as actively seeking international collaborations and exchanges. We will continue to monitor the local and international market development of CBDCs and other emerging forms of digital money, for considering their potential expansion of applications.

- End -

Reply Serial No.

FSTB(FS)102

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1821)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

According to Operating Account 700 under Head 148, the current balance of funding for promoting and facilitating the development of financial services sector is approximately $340 million. In this connection, would the Government inform this Committee of:

1. the details of projects funded over the past year for promoting and facilitating the development of financial services sector, as well as the respective expenditure.

2. whether the Government will further increase the funding for promoting the development of financial services sector? If yes, which areas will be focused on? If not, what are the reasons?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 19)

Reply:

Details and expenditure of items subsidised by the "Funding for promoting and facilitating the development of the financial services sector" (the Funding) in the past year (2024-25) are set out in **Annex**.

After deducting the 2024-25 revised estimated expenditure of around $210 million, the balance of the Funding is around $340 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 and expenditure of items subsidised by the Funding in 2024-25

	Item (Duration)	Objectives	Total Amount of Funding Granted	Number of application(s)/ participant(s) in 2024-25	2024-25 Revised Estimated Expenditure
17	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 450 OFC and 1 REIT applications as of end-March 2025, and a total of $220 million has been granted.	239 OFC applications had been approved.	$93.5 million
18	Green and Sustainable Finance Grant Scheme (From 2021-22 to 2024-25) (Up 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.	In 2024-25, 55 green and sustainable debt instruments issued in Hong Kong on or before 9 May 2024 were approved.* *Excluding the number of applications and related expenditure under the extended Grant Scheme	$45.2 million

	Item (Duration)	Objectives	Total Amount of Funding Granted	Number of application(s)/ participant(s) in 2024-25	2024-25 Revised Estimated Expenditure
				since 10 May 2024. The related funding requirement is absorbed by the Hong Kong Monetary Authority.	
19	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 more ILS issuers and nurture talent, propelling the development of an ecosystem for non-traditional risk transfer market.	Since the launch of the Grant Scheme in May 2021, about $37 million of grants have been approved so far.	1 approved application as at mid-March 2025	$24 million
20	Pilot Green and Sustainable Finance Capacity Building Support Scheme (From 2021-22 to 2028-29)	The 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 mid-March 2025, over 6 400 reimbursement applications were approved, involving a total reimbursement amount of around $35.8 million.	4 227 reimbursement applications approved as at mid-March 2025.	$21.55 million

	Item (Duration)	Objectives	Total Amount of Funding Granted	Number of application(s)/ participant(s) in 2024-25	2024-25 Revised Estimated Expenditure
21	Asian Financial Forum (Held annually)	The Forum is a Hong Kong's annual flagship event and a key event for the region's financial 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.	As at mid-March 2025, a total of $31.27 million has been disbursed by the Funding to subsidise the costs of the Forum.	Over 3 600 participants in the 18th Asian Financial Forum	$6.1 million
22	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 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.	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.	60 applications were approved	$10 million (including the fees of $1 million paid to the scheme administrator (i.e. Cyberport))

	Item (Duration)	Objectives	Total Amount of Funding Granted	Number of application(s)/ participant(s) in 2024-25	2024-25 Revised Estimated Expenditure
23	Wealth for Good in Hong Kong Summit (2024-25)	The third edition of Wealth for Good in Hong Kong Summit, a top-level exclusive event for global family offices, was held on 26 March 2025. Themed "Hong Kong of the world, for the world", the Summit showcased Hong Kong's strengths as a global hub for family offices.	A maximum commitment of $6.7 million has been earmarked under the Funding to support the operating costs of the Summit.	Around 360 attendees	$6.7 million
24	Pilot Scheme on Training Subsidy for Fintech Practitioners (From 2022-23 to 2028-29)	The Subsidy Scheme provides practitioners having successfully attained fintech professional qualifications with training subsidy, with a view to promoting the professional development of fintech talents and enlarging the fintech talent pool in Hong Kong.	As at March 2025, a total of about $20 million has been allocated to the scheme administrator (i.e. Hong Kong Institute of Bankers).	Around 210 practitioners participated in the Subsidy Scheme as at end-March 2025	$0.78 million
				Total:	**around $210 million**

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)103

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1822)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 88 of the Budget Speech that the Government will host the third edition of the Wealth for Good in Hong Kong Summit shortly under the theme "Hong Kong of the world, for the world", showcasing Hong Kong's strengths as a global hub for family offices. In this connection, will the Government advise this Committee on the following:

1. What is the number of thematic conferences and events, such as the Global Financial Leaders' Investment Summit, the Asian Financial Forum and the Wealth for Good in Hong Kong, held in the past 3 years, as well as the number of participants and their effectiveness?
2. The Financial Services and the Treasury Bureau, together with the Office for Attracting Strategic Enterprises and the Hong Kong Trade Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit this year. How is the preparation work going? What enterprises and financial institutions are among the target participants of the summit?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 20)

Reply:

(1) Details of the Asian Financial Forum, Global Financial Leaders' Investment Summit and Wealth for Good in Hong Kong Summit held in the recent 3 years are tabulated as follows:

Date	Activity name	Activity details	Number of participants and outcome
Asian Financial Forum			
11 to 12 Jan 2023	Asian Financial Forum 2023	The Asian Financial Forum is Hong Kong's annual flagship event and a key event for the region's financial community.	The forum attracted a total of more than 7 000 online and offline participants, including officials, representatives of

Date	Activity name	Activity details	Number of participants and outcome
		The forum was held in a hybrid format, accessible both online and physically. Under the theme "Accelerating Transformation: Impact · Inclusion · Innovation", it discussed global economic and financial issues, and explored collaboration opportunities.	multilateral organisations, and financial and business leaders, from over 70 nations and regions to join and discuss how to collaboratively promote resilient economic development through innovation and inclusion. The forum also affirmed Hong Kong's role as the unique bridge between the Mainland and the world as well as its function as a convenient hub in the Asian market.
24 to 25 Jan 2024	Asian Financial Forum 2024	Returning to a physical format under the theme "Multilateral Cooperation for a Shared Tomorrow", the forum discussed global economic and financial issues, and explored collaboration opportunities.	More than 3 600 participants, including officials, representatives of multilateral organisations, and financial and business leaders, from over 50 nations and regions, joined the forum and explored together how to rekindle multilateral cooperation and guide the world towards sustainable development. The forum also showcased Hong Kong's unique advantage as a "super-connector" and a "super value-adder".
13 to 14 Jan 2025	Asian Financial Forum 2025	Held in a physical format under the theme "Powering the Next Growth Engine", the forum discussed global economic and financial issues, and explored collaboration opportunities.	The forum brought together over 3 600 participants, including officials, representatives of multilateral organisations, and financial and business leaders, from more than 50 countries and regions to discuss ways to achieve breakthroughs in a challenging landscape, showcasing Hong Kong's resolution to power the next growth engine and contribute to the overall development of the region and the world. We

Date	Activity name	Activity details	Number of participants and outcome
			also co-hosted with the Cooperation Council for the Arab States of the Gulf (GCC) the GCC Chapter in the forum for the first time, which marked an important milestone in fostering collaboration in financial services between Hong Kong and GCC member states.
Global Financial Leaders' Investment Summit			
1 to 3 Nov 2022	1st Global Financial Leaders' Investment Summit	Under the theme of "Navigating Beyond Uncertainty", the Summit exchanged ideas and shared experience regarding the challenges and opportunities facing the global financial industry. Separately, a "Conversations with Global Investors" seminar was held to discuss global investment outlook and how investors managed risk and captured future opportunities.	More than 200 leaders from international financial institutions attended, with more than 40 of these institutions represented by their group chairmen or chief executive officers The first Summit achieved the desired result, sending a strong message to the world that Hong Kong is back. At the same time, it allowed global financial leaders to experience first-hand Hong Kong's resilience and vitality, and understand how to use Hong Kong as a platform to develop business in Asia.
6 to 8 Nov 2023	2nd Global Financial Leaders' Investment Summit	Under the theme of "Living with Complexity", the Summit discussed the trends and changes that are reshaping the global financial industry, and the evolving investment landscape. Separately, a "Conversations with Global Investors" seminar was held to share thoughts on investment strategies, asset allocation and structural issues that were shaping the investment environment in the long run, etc.	More than 350 international and regional leaders from financial institutions attended, with more than 90 of these institutions represented by their group chairmen or chief executive officers. The response from different sectors was enthusiastic. The active participation of senior executives from international financial institutions and the busy schedules of the many guests

Date	Activity name	Activity details	Number of participants and outcome
			during their stay in Hong Kong reflected the vitality and importance of Hong Kong as an international financial center.
18 to 20 Nov 2024	3rd Global Financial Leaders' Investment Summit	Under the theme of "Sailing through changes", the Summit focused on key recent developments in macroeconomic environment, geopolitics, technological innovation, and climate change, with discussions centred on the development opportunities of the global financial industry. Separately, a "Conversations with Global Investors" seminar was held to discuss the latest development in various investment markets.	More than 350 participants, including more than 100 group chairmen or CEOs from the world's top financial institutions, attended. Mr. He Lifeng, Vice Premier of the State Council, was present and delivered the opening keynote speech.
Wealth for Good in Hong Kong Summit			
24 Mar 2023	Wealth for Good in Hong Kong Summit	The Wealth for Good in Hong Kong Summit, a top-level exclusive summit organised by the Financial Services and the Treasury Bureau (FSTB) and Invest Hong Kong (InvestHK), attracted influential family offices from around the world to discuss the most pressing issues facing family offices.	The summit was attended by over 100 key decision makers from global family offices and their professional teams. It showcased Hong Kong's appeal as a world-leading international asset and wealth management hub and its long-term future.
27 Mar 2024	The Second Wealth for Good in Hong Kong Summit	Themed "Growing with Certainty Amid Growing Uncertainty", the Second Wealth for Good in Hong Kong Summit organised by the FSTB and InvestHK brought together influential family offices from around the world.	The summit drew over 400 influential decision makers from global family offices and their professional teams to explore investment opportunities and effective wealth management amid the volatile global economic climate.
26 Mar 2025	The Third Wealth for Good in	Themed "Hong Kong of the World, for the World", the Summit has gathered and connected elites from around the	The summit brought together global leaders, influential family office principals and innovators from business and

Date	Activity name	Activity details	Number of participants and outcome
	Hong Kong Summit	world, underscoring Hong Kong's status not only as a leading international financial centre, but also a hub for global family offices to pursue their dreams and seek business opportunities.	wealth management. With the aim to collaborate and create a better future, they shared insights on topics such as technology and artificial intelligence, philanthropy, and arts and culture. The summit was attended by around 360 decision makers from global family offices and their professional teams.

(2) FSTB, together with the Office for Attracting Strategic Enterprises and the Hong Kong Trade Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit (Summit) this year, which will pool together global enterprises, funds and technologies through financial empowerment, thereby elevating the level of international cooperation of industries. It will also attract more leading companies in advanced industries, domestic as well as overseas enterprises and investors to establish a foothold in Hong Kong.

Under the global trends of industrial digitisation, intelligentisation, and green development, the Summit will focus on exploring international cooperation opportunities between traditional and emerging industries, as well as Hong Kong's crucial role in this context. The Summit is expected to attract over a thousand participants from around the world, including internationally renowned industry pioneers, leaders from the finance, technology, and business sectors, academic experts, and dignitaries, etc.

During the Summit, we will showcase Hong Kong's excellent business environment and our roles and advantages as a "super-connector" and "super value-adder" through various sessions. This includes inviting leading enterprises already established in Hong Kong to share their success stories of setting up and expanding their businesses here, so as to attract more Mainland and overseas companies to establish their presence in Hong Kong, particularly those in industries of strategic importance to Hong Kong, including innovative technology enterprises from sectors such as life and health sciences, artificial intelligence and data science, fintech, advanced manufacturing and new energy technologies, as well as cultural and creative industries.

The preparatory work for the summit is currently underway, including discussions with various parties on collaboration and confirming guest arrangements.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)104

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1823)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 59 of the Budget Speech that the Hong Kong Investment Corporation Limited (HKIC) strives to bring in more frontier technology enterprises and patient capital to Hong Kong, so as to accelerate the establishment of Hong Kong's innovation and technology (I&T) ecosystem and development of upstream, midstream and downstream sectors of the industry chains. In this connection, please inform this Committee of the following:

1. How much of the patient capital brought in by the HKIC over the past year had a Hong Kong background?

2. How many investment institutions has the HKIC worked with in investing in I&T enterprises over the past year? What was the total amount of investment involved?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 21)

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 its establishment, the HKIC has invested in over 90 projects, including enterprises with cutting-edge technologies or in key industries. These projects are medium-to-long-term investments. Key themes include Hard and Core Technology, Biotechnology and New Energy and Green Technology with the proportions being 56%, 16% and 11% respectively based on the invested amount. In terms of the place of incorporation of the investee companies, over 30% of the companies are from Hong Kong, with the rest from the Mainland and overseas. In summary, these investments contribute to the development of Hong Kong's innovation and technology industry, and help local start-ups explore diversified markets and application scenarios. On the other hand, they attract high quality projects and companies from the Mainland and overseas to set up and develop their business in Hong Kong through the channeling force of capital.

The HKIC also actively collaborates with various investment institutions and joins hands in investing with them, promoting the continuous development and application of cutting-edge technologies in Hong Kong. As of March 2025, every Hong Kong dollar invested by the HKIC has attracted over 4 Hong Kong dollars from long-term capital in the market for investment. Each of the above projects has on average channeled 2 to 3 investment institutions for investment participation.

The HKIC has clear requirements for investee companies to contribute to Hong Kong's development in a sustainable manner, such as requiring the companies to establish offices in Hong Kong, nurture and attract talents, establish research and development departments and/or corporate venture capital (corporate VC) departments in Hong Kong, and prioritise Hong Kong for their listing. Quite some investee companies have made good progress in attracting capital and talents and in exploring new markets, which has accelerated their planning for using Hong Kong as their business development platform. Certain investee companies have submitted their listing applications to the Hong Kong Exchanges and Clearing Limited.

To let the public have a more comprehensive understanding of the HKIC's operation and business outcomes, the HKIC plans to publish its inaugural annual report in the second half of this year to disclose the progress of its operation and investment.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)105

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1834)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraphs 42 and 49 of the Budget Speech that the Hong Kong Exchanges and Clearing Limited (HKEX) is actively taking forward the establishment of a dedicated "technology enterprises channel" (TECH) to facilitate the relevant companies in preparing for listing applications, while the Hong Kong Monetary Authority (HKMA) and Cyberport collaborated last year to launch a new Generative Artificial Intelligence (AI) Sandbox to foster innovation in the banking industry and unleash the potential of AI. In this connection, will the Government inform this Committee of the following:

1. In preparing for TECH, will the HKEX strengthen its collaboration with the financial services sector in jointly serving as a matchmaker to provide investment and financing services as well as advisory services for technology enterprises seeking to go public?

2. As for the Generative AI Sandbox, will the HKMA strengthen its collaboration with the Securities and Futures Commission (SFC) in extending its sandbox experience to the securities industry, with a view to fostering innovation in the securities industry and promoting the upgrading and transformation of the industry?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 32)

Reply:

(1) With the thriving development of emerging industries in the Mainland, there is a strong demand for overseas listing by relevant enterprises. Hong Kong Exchanges and Clearing Limited (HKEX) provides innovative companies including biotechnology and specialist technology companies with tailored listing mechanisms (including Chapters 18A and 18C of the Listing Rules), so as to facilitate their financing for research and development and product commercialisation.

To further assist specialist technology and biotechnology companies in raising funds and developing their businesses, HKEX is actively taking forward the establishment of a dedicated "technology enterprises channel" (TECH). Under the relevant mechanism, HKEX will arrange a dedicated team to communicate with potential applicants as early as possible and provide assistance to relevant companies to prepare for listing applications, so as to enhance the understanding of companies and sponsors about the applicability and assessment criteria of relevant rules in relation to specific businesses and facilitate early communication on different important issues. The Securities and Futures Commission will also work closely with HKEX and provide support during the process. We believe that the measure will closely complement the professional services of the financial services industry, including sponsors and other intermediaries, to provide appropriate guidance and support to companies seeking to get listed, enabling a smoother listing application process and jointly facilitating more companies from different advance technology industries to list in Hong Kong.

(2) The Hong Kong Monetary Authority (HKMA) has been working closely with the Securities and Futures Commission (SFC) and other financial regulators to promote fintech application in the financial sector.

In April 2024, the HKMA collaborated with the SFC and other financial regulators to launch the FiNETech Series and organise a series of seminars and events on wealthtech, insurtech, greentech, artificial intelligence (AI) and distributed ledger technology, thereby exploring the next-level collaboration.

In August 2024, the HKMA and Cyberport launched the new Generative AI Sandbox to facilitate innovation in the banking industry and unleash the potential of AI. The HKMA will continue to collaborate with financial regulators and share experience from the Generative AI Sandbox, so as to further promote the development of AI in the financial sector.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)106

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:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 172 of the Budget Speech that a well-defined pathway will be provided no later than 2028 for large publicly accountable entities to adopt the International Financial Reporting Standards – Sustainability Disclosure Standards (ISSB Standards). In this connection, please inform this Committee of the following:

1. Will it be necessary for the Government to conduct consultations on requiring large publicly accountable entities to adopt the ISSB Standards and enact relevant legislation?

2. How will the Government promote the "Hong Kong edition" of sustainability disclosure standards to the Mainland to further expand the reach of Hong Kong's green professional financial services?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 33)

Reply:

(1) The Financial Services and the Treasury Bureau (FSTB) launched in December 2024 the Roadmap on Sustainability Disclosure in Hong Kong (Roadmap), which sets out Hong Kong's approach to require publicly accountable entities (PAEs) to adopt the International Financial Reporting Standards (IFRS) - Sustainability Disclosure Standards (ISSB Standards). It provides a well-defined pathway for large PAEs to fully adopt the ISSB Standards no later than 2028, leading Hong Kong to be among the first jurisdictions to align its local requirements with the ISSB Standards.

In developing the Roadmap, the Hong Kong Institute of Certified Public Accountants (HKICPA), as the sustainability reporting standard setter in Hong Kong, together with relevant members of the Green and Sustainable Finance Cross-Agency Steering Group met with over 80 listed companies, financial institutions, investors and industry organisations to identify Hong Kong-specific circumstances that should be taken into account when developing the Hong Kong Sustainability Disclosure Standards (Hong Kong Standards), any accompanying implementation guidance and ongoing capacity building activities for delivering an effective roll-out of the ISSB Standards in Hong Kong. In addition, the HKICPA conducted a public consultation on the draft Hong Kong Standards, which are fully aligned with the ISSB standards, from 16 September to 27 October 2024, and published the Hong Kong Standards in December 2024 afterwards, with an effective date of 1 August 2025.

Large publicly accountable entities (PAEs) include large listed issuers and non-listed financial institutions carrying a significant weight. For listed issuers, Hong Kong Exchanges and Clearing Limited (HKEX) has introduced new climate-related disclosures requirements (New Climate Requirements), which are developed based on IFRS S2 Climate-related Disclosures, with proportionality and scaling-in measures. The New Climate Requirements came into effect starting from 1 January 2025, preparing companies to start climate reporting early in accordance with provisions of the ISSB Standards. HKEX will consult the market in 2027 on mandating sustainability reporting against the Hong Kong Standards for listed PAEs, with an expected effective date of January 2028 under a proportionate approach. For financial industry, the Hong Kong Monetary Authority, the Securities and Futures Commission, the Insurance Authority and the Mandatory Provident Fund Schemes Authority will conduct sector-specific engagements to determine the approach and timing of adopting the Hong Kong Standards for different financial sectors. Subject to stakeholders' comments and feedback, relevant financial regulators will require non-listed financial institutions carrying a significant weight (i.e. being non-listed PAEs) to apply the Hong Kong Standards no later than 2028.

The requirement for large PAEs to fully adopt ISSB standards no later than 2028 will mainly be implemented through the amendment of the Listing Rules and the introduction of regulatory requirements for specific sectors. There is no need to introduce relevant legislation.

(2) According to the information from the IFRS Foundation, as of September 2024, 30 jurisdictions (including the Mainland) have already decided to use or are taking steps to introduce the ISSB Standards in their legal or regulatory framework. We will continue to maintain close liaison with relevant Mainland authorities to exchange views and explore collaboration on green and sustainable finance, including sustainability disclosure standards.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)107

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3509)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that the Pilot Green and Sustainable Finance Capacity Building Support Scheme will be extended to 2028 to continuously support local green-finance talent training. Over 5 700 applications have been approved under the scheme. In this connection, would the Government inform this Committee of:

1. the number of applications and trainees having successfully completed training in 2023 and 2024;
2. the percentage of trainees joining relevant industries in Hong Kong after completing training in 2023 and 2024;
3. the estimated operating expenses of the scheme in 2023, 2024 and 2025; and
4. whether it plans to increase the number of training places to nurture more talent for Hong Kong's green finance industry?

Asked by: Hon LEUNG Hei, Edward (LegCo internal reference no.: 157)

Reply:

To nurture talent for further promoting the development of green and sustainable finance, the Government launched in 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.

(1) The number of applications received, approved and rejected since the launch of the Pilot Scheme are set out below. The rest are applications pending processing or are being processed.

	December 2022 to end-March 2023	April 2023 to end-March 2024	April 2024 to mid-March 2025	Total
Number of applications received [Note 1]	137	3 868	4 568	8 573
Number of applications approved	-	2 195	4 227	6 422
Number of applications rejected [Note 2]	-	333	204	537

Note 1: The figures also include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by applicants afterwards. 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 processed in the same financial year when they were received.

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; that the applicant has obtained the maximum reimbursement amount under the Pilot Scheme, etc.

(2) Among the approved applications, close to 70% 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. We do not maintain statistics on the number of applicants joining the green finance business after completing the programmes.

(3) Estimated expenditures of the Pilot Scheme (including funding support involved and fees payable to the processing agent of the Pilot Scheme) in 2023-24 to 2025-26 are set out below.

	2023-24 (Actual)	2024-25 (Revised estimates)	2025-26 (Estimates)
Estimated expenditures	$15.027 million	$21.533 million	$23.02 million

(4) To continuously support local green-finance talent training, we will extend the Pilot Scheme to 2028. Our initial estimation is that the number of applications to be approved after the extension of the Pilot Scheme will remain similar to past figures, i.e. around 2 900 applications to be approved per year. 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 -

Reply Serial No.

FSTB(FS)108

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3510)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government launched the Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector (Pilot Programme) in August 2016 to promote public awareness of the wide range of career opportunities and the career paths of functional jobs in the insurance sector. In this connection, will the Government inform this Committee of:

1. the respective numbers of participants trained in the insurance sector and the asset and wealth management sector in the past 3 years (2024, 2023 and 2022);

2. the respective proportions of participants joining Hong Kong's insurance sector and asset and wealth management sector after completing the intership programme in the past 3 years (2024, 2023 and 2022);

3. the actual/estimated operating expenditure of the Pilot Programme in the past 3 years (2024, 2023 and 2022) and this year; and

4. whether there are plans to increase the number of training places to nurture more talents for Hong Kong's insurance sector and asset and wealth management sector?

Asked by: Hon LEUNG Hei, Edward (LegCo internal reference no.: 158)

Reply:

(1) to (3)

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 number of trainees and operating expenditure for the Programme since 2022-23 are as summarised in the following table –

Financial year	Insurance sector		Asset and wealth management sector	
	No. of trainees (Note)	Operating expenditure ($ million)	No. of trainees (Note)	Operating expenditure ($ million)
2022-23	2 200 practitioners have taken part in subsidised training courses 83 students have completed internship placements	1.2	514 practitioners have received subsidies for attending professional training programmes 152 students have completed internship placements	3.0
2023-24	1 019 practitioners have taken part in subsidised training courses 59 students have completed internship placements	5.0	275 practitioners have received subsidies for attending professional training programmes 171 students have completed internship placements	7.8
2024-25 (as of February 2025)	3 513 practitioners have taken part in subsidised training courses 74 students have completed internship placements	7.1	382 practitioners have received subsidies for professional training programmes 173 students have completed internship placements	8.5

Note: subsidies for professional training for the insurance sector are provided to course providers offering relevant courses. The actual subsidised amount of each application depends on various factors such as the scale, topic, duration of course, expected number of participants and expenditures, etc. Subsidies for professional training for the asset and wealth management sector are provided to participants 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. For student internships, eligible financial institutions offering internships to tertiary students under the Programme will be subsidised for the honorarium paid to the interns.

The budgeted operating expenditures of the Programme in 2025-26 for insurance sector and asset and wealth management sector are $7.82 million and $15.1 million respectively. Trainees subsidised for professional training are eligible practitioners of the financial services industry, while the Government does not maintain the employment status of tertiary student interns after completion of the internship programme.

(4) Since its launch in 2016, the Programme has funded the insurance and asset and wealth management sectors to organise a variety of professional training courses and offer more internship opportunities for students. This has effectively promoted the sectors and enhanced the professional capabilities of practitioners, and laid a solid foundation for talent cultivation and development in the insurance and asset and wealth management sectors. The Programme will conclude in March 2026.

- End -

Reply Serial No.

FSTB(FS)109

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3511)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

To encourage the setting up of open-ended fund companies (OFCs) and real estate investment trusts (REITs) in Hong Kong, the Financial Services and the Treasury Bureau has engaged the Securities and Futures Commission to launch the Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts, under which subsidies are provided for the setting up of qualified OFCs and REITs in Hong Kong. In this connection, would the Government inform this Committee of:

1. the respective numbers of OFCs and REITs subsidised in the past 3 years (2024, 2023, and 2022)?

2. the estimated operating expenses of the grant scheme in the past 3 years (2024, 2023, and 2022) and this year?

3. whether there is any plan to increase the subsidy quota to encourage the setting up of more OFCs and REITS in Hong Kong?

Asked by: Hon LEUNG Hei, Edward (LegCo internal reference no.: 159)

Reply:

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 for Open-ended Fund Companies and Real Estate Investment Trusts (the Grant Scheme) in May 2021 to provide funding support for OFCs set up or re-domiciled to Hong Kong and REITs listed in Hong Kong. Details of OFCs subsidised under the Grant Scheme over the past three financial years are as follows –

	2022-23	2023-24	2024-25
Approved OFC applications (subsidies granted)	67 ($35.6 million)	115 ($61.5 million)	239 ($102.15 million)

The Grant Scheme has separately subsidised the listing of a REIT in Hong Kong in 2021-22. Since the second half of 2021, listing plans have been impacted and delayed due to the pandemic, interest rate hikes, and economic and geopolitical uncertainties. With the implementation of the stamp duty waiver on transfer of REIT units from 21 December 2024 and the upcoming inclusion of REITs under Stock Connect, we expect that the above measures will reduce the transaction costs of REITs and enhance the liquidity and attractiveness of the REIT market.

As the industry is familiar with the arrangement for setting up OFCs, the subsidy amount under the Grant Scheme will be adjusted to benefit more market participants. In 2025-26, the Government will reserve $39.65 million for the SFC's implementation of the Grant Scheme. The Grant Scheme operates on a first-come-first-served basis, with a cap on both the grant amount and the number of OFCs applied by each investment manager. We welcome all eligible OFCs and REITs to apply for the Grant Scheme.

- End -

FSTB(FS)110

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3013)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that the Hong Kong Investment Corporation Limited (HKIC), as patient capital, while seeking investment return in the medium and long terms, strives to attract more enterprises to Hong Kong. At present, the HKIC manages funds with a total value of $62 billion, focusing its investments on three key sectors, namely hard and core technology, life technology as well as new energy and green technology. In this connection, will the Government inform this Committee of the following:

1. The HKIC is currently investing in 90 technology enterprises. How does it ensure the transparent and effective use of funds when promoting innovation and technology (I&T) projects? Does the Government conduct regular audits on the capital flows of these projects?

2. For every $1 invested by the HKIC, $4 of co-investment is attracted. How is the rate of return on these investments assessed? Are there any specific indicators to measure the contribution of these investments to Hong Kong's economy?

3. The HKIC strives to drive technology enterprises to expand their business in Hong Kong. How are the actual impacts of these investments on Hong Kong's economy and I&T ecosystem assessed?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 28)

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 its establishment, the HKIC has invested in over 90 projects, including enterprises with cutting-edge technologies or in key industries. These projects are medium-to-long-term investments. Key themes include Hard and Core Technology, Biotechnology, and New Energy and Green Technology, with the proportions being 56%, 16% and 11% respectively based on the invested amount. In terms of the place of incorporation of the investee companies, over 30% of the companies are from Hong Kong, with the rest from the Mainland and overseas. In summary, these investments contribute to the development of Hong Kong's innovation and technology industry, and help local start-ups explore diversified markets and application scenarios. On the other hand, they attract high quality projects and companies from the Mainland and overseas to set up and develop their business in Hong Kong through the channeling force of capital.

The HKIC also actively collaborates with various investment institutions and joins hands in investing with them, promoting the continuous development and application of cutting-edge technologies in Hong Kong. As of March 2025, every Hong Kong dollar invested by the HKIC has attracted over 4 Hong Kong dollars from long-term capital in the market for investment. Each of the above projects has on average channeled 2 to 3 investment institutions for investment participation.

The HKIC has clear requirements for investee companies to contribute to Hong Kong's development in a sustainable manner, such as requiring the companies to establish offices in Hong Kong, nurture and attract talents, establish research and development departments and/or corporate venture capital (corporate VC) departments in Hong Kong, and prioritise Hong Kong for their listing. Quite some investee companies have made good progress in attracting capital and talents and in exploring new markets, which has accelerated their planning for using Hong Kong as their business development platform. Certain investee companies have submitted their listing applications to the Hong Kong Exchanges and Clearing Limited.

To let the public have a more comprehensive understanding of the HKIC's operation and business outcomes, the HKIC plans to publish its inaugural annual report in the second half of this year to disclose the progress of its operation and investment.

- End -

FSTB(FS)111

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3014)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

This year, the Government is proactive in developing the virtual asset market, and will soon promulgate a second Policy Statement on Development of Virtual Assets in Hong Kong to further explore ways to leverage the advantages of traditional financial services and innovative technologies in the area of virtual assets. However, there remain doubts about its regulatory efforts and actions against crimes. In this connection, will the Government inform this Committee of the following:

1. Within the existing regulatory framework, how will the Government ensure the effective implementation of client asset segregation and investor protection measures by licensed virtual asset exchanges?

2. Does the Government have any plans to step up its efforts to regulate virtual asset promotion by non-licensees targeting retail investors and to require that these promoters receive relevant training and obtain a licence?

3. How will the Government ensure that the existing legal framework is sufficient to adapt to the rapid development of virtual assets, particularly in terms of anti-money laundering and counter-financing of terrorism?

4. How will the Government step up its enforcement actions against fraud involving virtual assets, with a view to holding fraudsters liable while protecting victims' rights and interests? How will it collaborate with other jurisdictions in stepping up enforcement actions and regulatory efforts?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 29)

Reply:

(1) Under the Securities and Futures Ordinance (Cap. 571) (SFO) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (AMLO), centralised virtual asset trading platforms carrying on their businesses in Hong Kong, or actively marketing their services to Hong Kong investors, are required to be licensed and regulated by the Securities and Futures Commission (SFC). Through relevant laws and on-going monitoring, the SFC has been ensuring that licensed virtual asset trading platforms (VATPs) comply with the requirements regarding protection of clients' assets. Pursuant to the "Guidelines for Virtual Asset Trading Platform Operators" issued by the SFC in 2023, VATP operators must hold clients' assets in trust through a wholly-owned subsidiary exclusively dedicated to custodial services. Clients' virtual assets (VA) must be stored in dedicated wallet addresses, and strictly segregated from the platforms' proprietary assets to ensure their independence and security.

At the operational level, platforms are required to implement real-time accounting systems and periodic reconciliation procedures to promptly detect and rectify discrepancies or misallocations. For private key management, platforms and their subsidiaries must enforce stringent controls, including secure generation protocols, multi-layered backup storage procedures, and access verification processes to prevent theft or fraudulent activities. Technically, platforms must maintain robust infrastructure with continuous system maintenance and monitoring to mitigate the risks of service disruptions or security vulnerabilities.

To enhance enforcement effectiveness, the SFC has introduced optimised regulatory measures, mandating VATP applicants to undergo external compliance assessment of their system architectures and control procedures by independent accredited agencies. Licensed platforms must commission annual independent compliance reviews by professional firms, with the inaugural report submitted within 18 months of external assessment and subsequent reports filed within 4 months following the end of each financial year. This three-tiered regulatory framework encompasses statutory segregation, internal controls, and external audits, ensuring the effective implementation of safeguards on clients' assets.

(2) An unlicensed VATP providing and promoting virtual asset trading services to retail investors in Hong Kong commits an offence. The SFC has been conduting ongoing market monitoring, and will take enforcement actions swiftly if there is any non-compliant case.

The Government will introduce a licensing regime for VA over-the-counter (OTC) trading to enhance the protection for retail investors. Under the proposed regime, any person operating VA OTC business in Hong Kong or actively marketing the provision of VA OTC services to the Hong Kong public must obtain a licence. The Police has been helping with the preparations for the licensing regime, and hosted the first Anti-Money Laundering Symposium for Virtual Assets in early 2025 to enhance the overall compliance awareness among VA service providers.

Meanwhile, the Government has been working with the SFC and its subsidiary, the Investor and Financial Education Council (IFEC), to carry out investor education to enahnce the financial literacy of the general public. The SFC and IFEC have been making proactive efforts in respect of investor education related to VA, including disseminating information about VA trading platforms and reminding the public not to trade on unlicensed platforms. Through 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. The SFC also works closely with the Police to actively promote anti-fraud messages in the community as well as publishe anti-fraud and VA-related posts and advertisements on social media and search engines.

(3) In the light of market developments, the Government has been enhancing the regulatory framework for VA activities under the "same activity, same risks, same regulation" principle, so as to ensure that relevant activities comply with international requirements on anti-money laundering and counter-terrorist financing (AML/CTF) and to protect investors, with a view to upholding the reputation of Hong Kong as an international financial centre. We have implemented the licensing regime for VATP operators since 2023, through making amendments to the AMLO. Under the licensing regime, licensed VATP operators are required to put in place rigorous anti-money laundering measures in respect of customer due diligence and suspicious transaction reporting, etc.

As mentioned our reply to Part 2, the Government plans to further amend the AMLO to establish a licensing regime for VA over-the-counter service providers, while also formulating a licensing regime for VA custodial service providers. We will conduct public consultations on these 2 licencing regimes in 2025. With reference to the views collected in the public consultations, we will formulate the details of the licensing regimes.

In addition, as a member of the Financial Action Task Force (FATF), Hong Kong will continue to actively participate in the discussions within the FATF regarding VAs to ensure that Hong Kong meets the latest international AML/CFT standards.

(4) We have been collaborating with the Police, the SFC and the industry to combat VA-related fraud through a multi-pronged approach. In particular, the Police established an inter-departmental task force in 2023 for intelligence sharing with the SFC, so as to conduct risk assessments of suspicious activities and non-compliant practices on VATPs and take follow-up actions collaboratively.

In respect of enforcement capability, the Police provides regular training and workshops on VA case investigations for frontline officers, and has implemented "Crypto Stop Payment Mechanism" and "CryptoTrace" since 2021 and 2024 respectively. The said mechanism and system have enhanced the Police's capability in asset-freezing and cash flow analysis, and have collectively intercepted over HK$370 million of case related VAs.

In respect of legal cooperation, Hong Kong has a well-established regime for legal cooperation in criminal matters. Based on the principle of mutual assistance and reciprocity, Hong Kong has been actively pursuing bilateral and multilateral cooperation with other jurisdictions with a view to combating crimes, including fraud-related cases involving VAs.

The Government will continue to strengthen Hong Kong’s juridical assistance network and closely collaborate with other jurisdictions, and continuously deepen inter-departmental and international intelligence exchanges. In addition, the Government will, through intensified enforcement, publicity campaigns and professional training, combat VA-related criminal activities holistically.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)112

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3015)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Qianhai Co-operation Zone has become an important exemplary zone for enhancing co-operation between Hong Kong and Shenzhen, attracting the participation of a large number of Hong Kong enterprises and residents since its development in 2010. In this connection, will the Government inform this Committee of the following:

What is the Government's plan to further collaborate with Shenzhen to enhance the international competitiveness of Qianhai Mercantile Exchange? Are there any specific measures to attract the participation of more foreign enterprises in order to promote the turnover growth?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 30)

Reply:

The Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone is one of the major cooperation platforms in the Greater Bay Area. Since the promulgation of the "Overall Development Plan for the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone", Hong Kong-Shenzhen cooperation has achieved substantive progress in various financial areas. For example, the turnover of Qianhai Mercantile Exchange (QME), a subsidiary of the Hong Kong Exchanges and Clearing Limited (HKEX), exceeded RMB100 billion over the year. It operates our country's only offshore spot trading platform for soybeans.

In addition to building our country's only offshore spot trading platform for soybeans, QME is committed to promoting the development of natural gas trading, a strategic commodity. At present, the natural gas business is still in the early stage of development and QME is carrying out market validation and platform optimisation, including taking forward cross-boundary spot transactions to be denominated in RMB, with payment funds settled through the Cross-border Interbank Payment System. At the same time, settlement methods such as documents against payment and international letter of credit are being introduced.

HKEX will continue to explore the feasibility of cooperation between its subsidiary, QME and other Mainland commodities and futures exchanges, fully leveraging the functions of QME as a cross-boundary trading platform for specific commodities (such as soybeans and natural gas) to strengthen the two-way connectivity between domestic and overseas commodities market participants and attract more foreign enterprises to participate in trading at the platform. The Government and financial regulators will assist HKEX's efforts to support the coordinated development between Shenzhen and Hong Kong.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)113

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3020)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

For more businesses, capital and talent to be attracted to Hong Kong to set up headquarters, the company re-domiciliation mechanism serves as an important safeguard for companies domiciled overseas. In this connection, please provide this Committee with the following information:

1. How will the Government ensure that all relevant application procedures and requirements are transparent and open when introducing the company re-domiciliation mechanism so that businesses and the public can fully understand and comply with them?

2. When promoting the company re-domiciliation mechanism, how will the Government ensure that more cities fall within its coverage? What are the specific promotional strategies and timeframe?

3. How will the Government safeguard the re-domiciled companies in respect of legality and continuity in business, especially in face of potential legal risks and compliance challenges?

4. How will the Government assess the impact of introducing the company re-domiciliation mechanism on local businesses, and ensure that the initiative will not negatively affect the competitiveness of local businesses?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 35)

Reply:

(1) For the introduction of a company re-domiciliation regime, the Companies (Amendment) (No.2) Bill 2024 (the Bill) proposes to add new provisions to the Companies Ordinance (Cap. 622) to provide for the procedures and requirements for

application of re-domiciliation to Hong Kong, and to add new Schedules to specify in detail information and statements to be contained in as well as documents to accompany the re-domiciliation form, thereby providing greatest certainty to companies interested in re-domiciling to Hong Kong and the public. Upon commencement of the regime, the Companies Registry (CR) will set up a thematic section on its website, which will contain guidelines, application forms and Frequently Asked Questions on company re-domiciliation for public reference. The Financial Services and the Treasury Bureau, together with the CR, will also proactively engage professional bodies and chambers of commerce to explain the requirements and procedures of application for re-domiciliation to Hong Kong.

(2) Under the proposed company re-domiciliation regime, a company may apply for re-domiciliation to Hong Kong if it fulfills the requirements concerning company background, integrity, member and creditor protection, and solvency, and the law of its place of incorporation and constitutional documents do not prohibit such re-domiciliation. The regime will not impose requirements on specific business nature, so as accommodate companies from different scale and structures.

After the implementation of the company re-domiciliation regime, we will collaborate with InvestHK and the Hong Kong Exchanges and Clearing Limited to reach out to major Hong Kong listed companies domiciled overseas and encourage them to re-domicile to Hong Kong. The Economic and Trade Offices will in parallel promote and introduce the re-domiciliation regime to foreign enterprises.

(3) The Bill introduces new provisions in the Companies Ordinance to provide certainty on the effect of re-domiciliation by expressly providing that re-domiciliation does not create a new legal entity, so as to ensure that the re-domiciled company can retain its entity, and by clarifying that re-domiciliation will not affect the other affairs of the company, including contract, property, right, obligation or liability. Meanwhile, the law will also stipulates that any legal proceedings commenced or continued in relation to a re-domiciled company before the re-domiciliation date will not be affected by the re-domiciliation of the company; whereas legal proceedings that could have been commenced in respect of the company before the re-domiciliation date but have not been commenced may still be commenced on or after the re-domiciliation date. These provisions will be conducive to a re-domiciled company' understanding of its identity, compliance obligations and other company affairs, including legal proceedings, after re-domiciliation and will facilitate its corresponding arrangements as necessary.

(4) Attracting companies incorporated outside Hong Kong to re-domicile to Hong Kong will bring greater demand for Hong Kong's professional services (such as audit, accounting and legal services) and create more investment as well as skilled job opportunities as it is likely that re-domiciled companies would move some of their business operations to Hong Kong, thereby injecting inputs into the local market. For non-Hong Kong-incorporated companies which are already economically active in Hong Kong, becoming re-domiciled companies will facilitate their compliance with our high standards on corporate governance and better alignment of the geographical coverage of their business activities with their domicile, as well as enhancing Hong Kong's status as a business hub.

Whether or not a company incorporated elsewhere re-domiciles to Hong Kong, it may carry on business in Hong Kong; whereas a re-domiciled company will generally be regarded as a company incorporated in Hong Kong and be subject to the same level of regulation as a local company. Meanwhile, we would put in place appropriate safeguards such that the Registrar of Companies, when considering re-domiciliation applications, must conduct vetting on the integrity, solvency, etc., of the companies and must refuse re-domiciliation applications involving unlawful purpose or purpose contrary to public interest. We expect that the proposed company re-domiciliation mechanism will not bring about adverse impacts on the competitiveness of local companies. We will closely monitor its actual implementation.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)114

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1046)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned under Matters Requiring Special Attention in 2025-26 that the Financial Services Branch will promote gold trading and the development of gold storage facilities.

(1) The Budget states that the Working Group on Promoting Gold Market Development, which was established in December 2024, will formulate a plan this year, covering measures to enhance storage facilities, optimise trading and regulatory mechanisms, and expand exchange products. What are the details of the expenditure to be involved in taking forward the above work?

(2) Will the Government consider supporting major banks in developing gold storage facilities to provide ancillary storage and delivery services?

(3) Were there any surveys and statistics on the talent pool of Hong Kong's commodity trading sector? If so, what are the details? Are there any plans to provide relevant training for local people? If so, what are the details?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 29)

Reply:

(1) and (2)

To support the development of Hong Kong into an international gold trading centre, the Financial Services and the Treasury Bureau established the Working Group on Promoting Gold Market Development (Working Group) in December 2024, comprising leaders of the financial industry, representatives of regulatory bodies and market participants, to comprehensively review all aspects relating to the financial transactions relating to gold. The Working Group will formulate a plan this year to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion.

It is the Government's goal to promote the development of world-class gold storage facilities, thereby attracting more investors and users from different economies, including the Middle East and Southeast Asia, to store gold in Hong Kong. On the basis of increased storage, we expect increased demand for associated support services in insurance, testing and certification, logistics, etc., while in parallel expanding related transactions including collateral, loan and hedging, hence creating a comprehensive ecosystem in a progressive manner. This will drive all-round multi-currency trading, clearing and delivery, as well as the development of the regulatory system, covering transactions using offshore Renminbi, thereby establishing a holistic gold trading centre with an industry chain.

Supporting the Working Group 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 the FSB. A breakdown is not available.

(3)

Commodity trading is a relatively specialised area of finance, which requires longer on-the-job experience in addition to financial knowledge, and accumulation of actual operations in specific commodities. The Government updated the Talent List in March this year to cover a wide range of professions, including experienced professionals in commodity trading, so as to facilitate the industry to import the required talents to augment local talent supply through the relevant scheme and to support the Government's direction of actively promoting commodity trading in the future. In the long run, the Government will, in the light of market development needs, encourage the local industry and education sector to explore the feasibility of organising relevant professional training or internships.

- End -

Reply Serial No.

FSTB(FS)115

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1048)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned under Matters Requiring Special Attention in 2025-26 that the GBA Fintech Two-way Internship Scheme for Post-secondary Students (the Scheme) will be implemented. In this connection, will the Government inform this Committee:

(1) of the number of enterprises participating in the Scheme, the number of participating students who have completed the internship period thus far, and the average duration of internship; and

(2) of the form and proportion of the student internship subsidy, and the details of the Government's expenditure on the subsidy?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 30)

Reply:

The Government attaches great importance to nurturing fintech talents. In October 2023, the Government launched the GBA Fintech Two-way Internship Scheme for Post-secondary Students (Scheme) to subsidise students from the Mainland and Hong Kong to participate in short-term internship in fintech companies. The Scheme enables students to gain first-hand understanding of the operation of fintech companies and fintech ecosystem of the Mainland and Hong Kong, and equip them early with knowledge in pursuing a career in fintech, 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.

(1) As at February 2025, around 30 fintech companies have participated in the Scheme, covering different segments including digital banks, virtual insurers, regtech, wealthtech, credittech and payment tech. The Scheme has successfully matched over 80 students with fintech companies since its launch, with around 70 students having completed their internships. The internship duration is three months on average.

(2) Students participating in the Scheme receive a monthly subsidy of HK$12,000 (or RMB10,500), which is jointly borne by the Government and employers on a 7:3 ratio. The internship subsidy is uniformly disbursed by employers to the participating students. The overall estimate of the Scheme is $12 million to support the internship subsidy for students and the scheme administrative expenditure. Since the launch of the Scheme, the Government has provided a total funding of $7 million to the scheme administrator (i.e. Cyberport).

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)116

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2006)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in Matters Requiring Special Attention in this year's Estimates that in 2025-26, 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 to continuously support local green-finance talent training. In this connection, will the Government inform this Committee of the following:

a) Since its launch in December 2022, the Pilot Green and Sustainable Finance Capacity Building Support Scheme has been providing subsidies for local eligible practitioners and prospective practitioners participating in training related to green and sustainable finance in response to the new trend of developing low carbon and sustainable economy. Please tabulate the numbers of applications received and approved, as well as the amount of subsidies involved each year.

b) What is the ratio of general applicants to full-time students among the approved applications each year?

c) What publicity strategies have been employed for the Scheme so far? Are there any plans to step up publicity of the Scheme? If so, what are the details? If not, what are the reasons?

Asked by: Hon LUK Hon-man, Benson (LegCo internal reference no.: 30)

Reply:

To nurture talent for further promoting the development of green and sustainable finance, the Government launched in 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, we will extend the Pilot Scheme to 2028.

(a) The number of applications received, approved and rejected, as well as the amount of funding support involved since the launch of the Pilot Scheme are set out below. The rest are applications pending processing or are being processed.

	December 2022 to end-March 2023	April 2023 to end-March 2024	April 2024 to mid-March 2025	Total
Number of applications received [Note1]	137	3 868	4 568	8 573
Number of applications approved	-	2 195	4 227	6 422
Number of applications rejected [Note2]	-	333	204	537
Total amount of funding support involved	-	Around $12.3 million	Around $23.5 million	Around $35.8 million

Note 1: The figures also include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by applicants afterwards. 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 processed in the same financial year when it was received.

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; that the applicant has obtained the maximum reimbursement amount under the Pilot Scheme, etc.

(b) The Pilot Scheme has been well received by the industry since its launch. As of mid-March 2025, over 6 400 reimbursement applications were approved, among which close to 70% 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. About 10% of the total approved applications were made by full-time students.

(c) We have been actively promoting the Pilot Scheme through various channels including establishing a dedicated webpage to provide one-stop information for applicants and training institutes, as well as conducting publicity through social media, and sustainable finance-themed events, with a view to encouraging more practitioners as well as prospective practitioners interested in green and sustainable finance related work to participate in training. Looking forward, we will continue to strengthen publicity of the Pilot Scheme including working closely with universities and the industry on promotional efforts, review its scope and operation, and collect feedback and comments from the industry, training institutes as well as participants from time to time, so as to meet the needs of the industry in knowledge and skills related to green and sustainable finance.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)117

(Question Serial No. 0902)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(000) Operational expenses
Programme:	(-) Not Specified
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Financial Secretary addressed the promotion of fintech and financial innovation development in paragraph 97 of the Budget Speech, stating that "we have been actively developing the virtual asset ecosystem in Hong Kong in recent years, and have been at the forefront by establishing a framework that balances regulation and market development." Regarding the proposal in last year's Budget to expedite the development of the Web3 ecosystem, please inform this Committee of the expenditure incurred over the past year and the outcomes achieved. In the 2023-24 Budget, the Financial Secretary allocated $50 million to expedite the Web3 ecosystem development. In the new 2025-26 financial year, what is the estimated expenditure for promoting the development of the Web3 ecosystem? What are the specific work plans and timetables? What key performance indicators are expected to adopt?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 1)

Reply:

The Government issued the Policy Statement on Development of Virtual Assets in Hong Kong (Policy Statement) in October 2022, setting out that the Government's goal to provide a comprehensive and balanced regulatory framework of virtual assets under the "same activity, same risks, same regulation" principle, with a view to promoting the sustainable development of the sector in Hong Kong. The Government has already amended the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (AMLO) to introduce a licensing regime for virtual assets (VA) trading platforms. To further enhance the regulatory framework for VA services in Hong Kong, the Government proposes to amend the AMLO to establish a licensing regime for VA over-the-counter service providers, and is also formulating a licensing regime for VA custodial service providers. We will conduct public consultations on the aforementioned licensing regimes in 2025. In addition, the Government has introduced into the Legislative Council a Bill to establish a regulatory regime for fiat-referenced stablecoin issuers. Subject to the passage of the Bill, the Hong Kong

Monetary Authority (HKMA) will process license applications as soon as practicable. The Government will soon promulgate a second policy statement on the development of VAs to explore how to leverage the advantages of traditional financial services and innovative technologies in the area of VAs, enhance security and flexibility of real economy activities, and encourage local and international companies to explore the innovation and application of VA technologies.

The work related to promoting the development of the Web3 ecosystem is being taken forward by the Government and financial regulators. The Financial Services Branch handles the relevant work with existing manpower and resources. There is no breakdown of the expenditure.

Regarding the $50 million allocation under the 2023-24 Budget for accelerating the development of the Web3 ecosystem, the Digital Policy Office (DPO) in coordination with the Innovation, Technology and Industry Bureau has disbursed a total of about $47.5 million to Cyberport in the past 2 financial years to implement the relevant initiatives, covering an array of measures to nurture talents, promote industry development, education and publicity, etc. These activities drew more than 290 000 participants in aggregate. In addition, under the "Cyberport Web3.0 Internship Programme 2024", Cyberport had matched 12 companies with 30 university students. The remaining balance of the provision ($2.5 million) will be allocated to Cyberport in 2025-26 to continuously support the relevant education, publicity and other industry activities.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)118

(Question Serial No. 0933)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under this Programme, one of the matters requiring special attention of the Financial Services Branch in 2025-26 is to "enhance Hong Kong's regulatory regime for combatting money laundering and terrorist financing by, inter alia, overseeing the implementation of a licensing regime on virtual asset service providers and the relevant measures, extending the regulatory scope to cover over-the-counter trading of virtual assets and stablecoin issuers, 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 and list out the breakdown of expenditure and manpower involved in overseeing the implementation of the licencing regime on virtual asset service providers, regulate over-the-counter trading of virtual assets and stablecoin issuers, and carrying out investor education efforts in 2024-25. Is the current manpower sufficient for implementing the licencing regime? For 2025-26, what are the estimated expenditure and manpower involved in relevant work? Will additional manpower be needed for the licencing work to meet the demands of the industry? Will additional resources be allocated to further strengthen the efforts in investor education and promotion of virtual asset business?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 31)

Reply:

To address the risks of money laundering and terrorist financing associated with virtual asset (VA) exchanges, and to protect investors, we have introduced a licensing system for virtual asset service providers. Since the implementation of the licensing system in June 2023, the Securities and Futures Commission (SFC) has granted licenses to 10 companies from both local and overseas markets. The government and the SFC will continue to closely monitor market developments and enhance the licensing system in a timely manner to promote the sustainable development and innovation of the VA market of Hong Kong.

To further improve the regulatory framework for VA services in Hong Kong, the government has proposed to amend the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) to establish a licensing system for VA over-the-counter service providers, and is also formulating a licensing system for VA custodial service providers. We will conduct public consultations on the aforementioned licensing systems in 2025. Additionally, the government has submitted a bill to the Legislative Council regarding the regulatory framework for fiat-referenced stablecoin issuers. Subject to the passage of the Bill, the Hong Kong Monetary Authority (HKMA) will process license applications as soon as practicable.

The Financial Services Branch and the Customs and Excise Department handle the aforementioned tasks using existing manpower and resources. The HKMA and the SFC will allocate resources appropriately based on actual circumstances to take forward the relevant work, and the associated expenditures and manpower are incorporated into the overall budgets. There is no itemised breakdown of expenditure.

For investor education, the SFC and its subsidiary Investor and Financial Education Council (IFEC) have been making proactive VA investor education efforts, including disseminating information about VA trading platforms and reminding the public not to trade on unlicensed platforms. Through 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. The SFC also works closely with the Police to actively promote antifraud messages in the community as well as publishes anti-fraud and VA-related posts and advertisements on social media and search engines.

The SFC and the IFEC will continue to make use of existing resources to further strengthen the investor protection work related to VA development.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)119

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3154)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Under Programme (1), the Financial Services Branch is responsible for formulating policies and introducing legislative proposals on the operation of Mandatory Provident Fund (MPF) schemes. Regarding the Government's ongoing feasibility study on an MPF home starter loan scheme for young people, what is the latest progress of the study and when are its results scheduled to be announced? What are the manpower and expenditure involved for the study in this year? Will there be interdepartmental collaboration with the Home and Youth Affairs Bureau and the Housing Bureau to introduce more new measures to assist young people in home purchase? If so, what are the details?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 233)

Reply:

Having consulted the Housing Bureau and the Home and Youth Affairs Bureau, our reply is as follows.

The Mandatory Provident Fund (MPF) System is set up to assist citizens to save up for their retirement. Any proposals allowing early withdrawal of accrued benefits, including for the purpose of first-time home ownership, must take into consideration the corresponding reduction of scheme members' accrued benefits meant for their retirement. MPF is a long-term investment with compounding effect. Its design is to allow MPF benefits to accumulate steadily and keep in the accounts for value growth during the working life of scheme members. Therefore, accrued benefits should be preserved in the system as far as possible and should only be withdrawn upon retirement of the employed persons. The MPF legislation only allows scheme members to make early withdrawal of accrued benefits before reaching the retirement age under certain exceptional circumstances. If we were to relax the preservation requirement on accrued benefits and allow scheme members to make early withdrawal to meet short-term financial needs or contingency, the accrued benefits would be leaked from the system from time to time and fail to accumulate for value growth, thereby undermining the integrity of the MPF system and rendering it difficult to achieve the purpose of assisting the working population to save for their retirement. Due to the above considerations, we have no plan to review the eligibility for early withdrawal of MPF.

To further assist young people in achieving home ownership, the Hong Kong Housing Authority (HA) has endorsed the enhancement of sales arrangements for subsidised sale flats (SSF) to increase the chance of young people in purchasing SSF. For the first-hand Home Ownership Scheme (HOS), starting from the next HOS, HA will allocate an extra ballot number to young family applicants and young one-person applicants aged below 40 with White Form status to improve their chances of success in purchasing SSF. As for the secondary market, starting from the current White Form Secondary Market Scheme (WSM) (i.e. WSM 2024), the WSM quota has been increased by 1 500 to 6 000, with all of the additional quotas being allocated to young family applicants and young one-person applicants aged below 40.

- End -

Reply Serial No.

FSTB(FS)120

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3302)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

How many applications have been received so far under the New Capital Investment Entrant Scheme? How many of them are successful, being processed, and unsuccessful? What is the manpower and expenditure involved in processing applications under the scheme this year? Will additional manpower be deployed in the future to expedite processing of applications? Has the Government estimated the level of investment brought to Hong Kong under the scheme? Will the Government consider lowering the threshold amount of investment made in one single property, i.e. $50 million or above, for the amount to be counted towards the total investment amount in real estate which is capped at $10 million. Will the Government also raise the cap on the investment amount in real estate to be counted towards the total capital investment? If yes, what are the details; if no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 232)

Reply:

Since the launch of the New Capital Investment Entrant Scheme (New CIES) to end-February 2025, Invest Hong Kong (InvestHK) has received 918 applications, approved 868 applications for Net Asset Assessment and 386 applications for Assessment on Investment Requirements. The Immigration Department (ImmD) granted “approval-in-principle” for 756 applications, enabling the applicants to enter Hong Kong as visitors to make the committed investment, and granted “formal approval” for 341 applications. As of end-February 2025, no entry applications received by ImmD has been rejected. If all applications received are approved, it is estimated that they will bring more than HK$27 billion to Hong Kong, enhancing the developmental strengths of Hong Kong's asset and wealth management industry.

With effect from 16 October 2024, applicants under the New CIES are allowed to invest in residential properties, provided that the transaction price of a single property is HK$50 million or above. The total investment amount in real estate (the aggregate of all residential and non-residential properties) which is counted toward fulfilling the minimum investment threshold is subject to an aggregate cap of HK$10 million. The Government also announced a series of enhancement measures to the New CIES in January 2025. Effective on 1 March 2025, the measures include –

(a) **relaxing the requirements on the fulfillment of net asset requirement (NAR):** 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. Net assets or net equity jointly owned with the applicant's family member(s) can also be taken into consideration for the calculation of the NAR for the respective portion which is absolutely beneficially entitled to the applicant; and

(b) **allowing the holding of permissible investment assets through a family-owned investment holding vehicle (FIHV) or a family-owned special purpose entity (FSPE) under an FIHV:** Investments made through an eligible private company wholly owned by an applicant can be counted towards the applicant's eligible investment in the New CIES. An eligible private company refers to a holding company incorporated or registered in Hong Kong which is wholly owned by an applicant in the form of an FIHV or an FSPE under an FIHV managed by an eligible single family office as defined in Section 2 of Schedule 16E to the Inland Revenue Ordinance (Cap. 112). The enhancement will create synergy between the New CIES and establishment of family offices in Hong Kong.

Among the 386 approved applications for Assessment on Investment Requirements as of end-February 2025, no applicant has made investment in residential real estate under the New CIES. Excluding the sum for investing in the CIES Investment Portfolio, the approved investment distribution is as follows –

	Investment amount (HK$ million)
Eligible collective investment schemes	5,171
Equities	3,570
Debt securities	1,773
Non-residential real estate	18
Certificates of deposits	9
Ownership interest in limited partnership funds	7
Total	**10,548**

Since the enhancement measures under the New CIES have only been implemented for a short period of time, the Government will continuously review the applicants' investment arrangement and suitably evaluate its effectiveness.

The New Capital Investment Entrant Scheme Office (NCIESO) under InvestHK is responsible for assessing whether the applications under the New CIES fulfil the financial requirements concerned. The NCIESO team consists of 3 civil servants (including 1 Chief Executive Officer and 2 Senior Executive Officers) and 24 non-civil service contract staff. ImmD is responsible for assessing the applications for visa/entry permit and extension of stay, etc. under the New CIES. The manpower involves 4 civil service posts (including 3 Immigration Officers and 1 Chief Immigration Assistant). The estimated expenditure of NCIESO and ImmD for implementing the New CIES is tabulated below–

Department	Estimated expenditure in 2025-26 ($ million)
InvestHK / NCIESO	22.8
ImmD	4.1

The Government will continuously review the manpower arrangement under the New CIES.

- End -

(Question Serial No. 0966)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
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 will consult the public on specific proposals of MPF "Full Portability" this year and submit recommendations to the Government thereafter, such that MPF "Full Portability" can be launched soon after full implementation of the eMPF Platform." Would the Government inform this Committee of the following:

1. Regarding the consultation on the specific proposals of MPF "Full Portability" to be conducted by the Mandatory Provident Fund Schemes Authority (MPFA) this year, what will be the focus when considering the implementation details? What is the estimated timetable and scope of the consultation exercise?

2. What are the preliminary plans of the Government and the MPFA at present to attain the goal of launching MPF "Full Portability" soon after full implementation of the eMPF Platform? Is there a preliminary framework of the specific timetable for the implementation? Will legislative tasks (such as legislative amendments) be involved, and if yes, what are the details?

3. What is the estimated additional expenditure for launching MPF "Full Portability"? How much of it will be used on system upgrades, public education and regulation work? and

4. According to the webpage of the MPFA, "'full portability' of MPF benefits would allow employees to transfer the accrued benefits derived from employer mandatory contributions to a scheme of their choice. This will enhance the autonomy of the working population in MPF management, encourage employees to manage their MPF investments more actively, help invigorate market competition, prompt MPF trustees to further reduce their fees and to enhance fund performance and service quality, and as a result, provide the working population with better retirement protection." Has the MPFA identified monitoring indicators or expected outcomes in respect of the above

objectives, such as the number of MPF transfers towards "Full Portability", the amount involved in the transfer cases and the proportion of the MPF trustees who reduce fees?

Asked by: Hon NGAN Man-yu (LegCo internal reference no.: 24)

Reply:

(1) The Mandatory Provident Fund Schemes Authority (MPFA) just commenced a public consultation in late March 2025 on the proposal of introducing "Full Portability" for Mandatory Provident Fund (MPF), with focus on the coverage and implementation details, including the implementation arrangements for employers and trustees, as well as the number of time and amount allowed for employees' transfer. Specifically, the current thinking is that employees whose employment commences on or after 1 May 2025 should, based on the existing Employee Choice Arrangement (ECA) (commonly known as MPF "Semi Portability"), be allowed to transfer accrued benefits derived from their current employers' mandatory contributions from their contribution accounts to the personal accounts of an MPF scheme of the employees' own choice once a year in a lump sum. As for employees whose employment commences before 1 May 2025, a new category of account will be set up for them to transfer thereto accrued benefits derived from their current employers' mandatory contributions, with a view to meeting the potential "offsetting requests" that employers may make in the future. At the Government's request, MPFA will also proactively liaise with major labour unions, employers' associations and business chambers, etc. to gauge their views on the MPF "Full Portability" proposal.

(2) MPFA will submit consultation conclusions and legislative amendment proposal to the Government upon completion of the public consultation in the second quarter of 2025. The current plan is to first amend the relevant subsidiary legislation such that employees whose employment commences on or after 1 May 2025 can benefit from MPF "Full Portability" soon after the full implementation of the eMPF Platform; and to amend the relevant primary legislation next year to benefit employees whose employment commences before 1 May 2025. Subject to the results of the public consultation, the Government will proceed with legislative amendments as soon as possible, including consulting the relevant Panel(s) of the Legislative Council (LegCo) on the proposed legislative amendments.

(3) To prepare for the implementation of MPF "Full Portability", pre-launch system enhancement to the eMPF Platform is required. The Government will utilise the remnant from the $4.9 billion funding already reserved for the eMPF Platform Project and approved by LegCo to cover the non-recurrent costs, while the eMPF Platform Company will absorb the incremental recurrent costs without incurring additional Government expenditure.

Subject to LegCo's support on the legislative amendments pertinent to MPF "Full Portability", MPFA will roll out publicity and education initiatives at an appropriate juncture and conduct direct communication with stakeholders, with a view to assisting employees and employers to understand the actual operation of MPF "Full Portability". MPFA will also provide suitable training for MPF intermediaries to assist them in acquiring the relevant knowledge to explain the arrangement of MPF "Full Portability" to employees. The relevant expenses are part of MPFA's operating expenditures, hence no additional Government expenditure is required. Regulating and supervising the operation of MPF schemes, including the implementation of MPF "Full Portability", is one of MPFA's statutory functions. The relevant expenses are part of MPFA's operating expenditures, hence no additional Government expenditure is required.

(4) The MPF "Full Portability" aims to encourage employees to more proactively manage their MPF investments by further increasing the portability of their MPF accrued benefits, so as to promote product and service enhancements for the benefit of scheme members. 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. Since the launch of the MPF "Semi Portability" in November 2012, the cumulative number of transfer cases has exceeded 1 million so far, involving a total amount of over $50 billion.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)122

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2488)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Financial Secretary indicated in paragraph 9 of the Budget Speech that "Hong Kong's economy recorded moderate growth of 2.5% last year." The outlook for Hong Kong's economic development is, however, not optimistic under the current global economic conditions, including global economic uncertainties, the US policy towards China, the impact of the relaxation and reform of Mainland policies on Hong Kong, as well as the recovery of local economic activities. In this connection, would the Government inform this Committee of the following:

1. Please provide the data and reasons for the Government's assessment that the economy grew by 2.5%;

2. In view of the current external uncertainties, such as global geopolitical tensions that cause fluctuations in energy and major commodity prices, which in turn affect the costs of international trade as well as the logistics and transport, should the Government exercise caution when announcing the economic growth rate?

3. How will the Government promote high-quality development of the digital economy by strengthening Hong Kong's financial co-operation with the Mainland in the coming year? If so, what are the specific tasks and what are the expected economic benefits to be brought to Hong Kong?

Asked by: Hon SHANG Hailong (LegCo internal reference no.: 5)

Reply:

Regarding the 3 parts of the question, having consulted the Office of the Government Economist, the Census and Statistics Department, and the Hong Kong Monetary Authority (HKMA), we reply as follows:

(1) In 2024, the Hong Kong economy posted moderate growth of 2.5%, with the performance of major components enumerated as follows:

(i) Supported by improved external demands for goods, Hong Kong's total export of goods resumed growth of 4.7%.

(ii) Benefitting from the various supporting measures launched by our country, together with a large number of mega events organised throughout the year and the recovery of air traffic capacity, the number of visitors increased by 30% to approximately 45 million, boosting the travel and transport services significantly. Other cross-boundary economic activities also improved continuously. Total exports of services grew by 4.8%.

(iii) Given the overall economic growth and the Government's enhanced efforts on taking forward infrastructure projects, the overall investment expenditure increased by 2.4%.

(iv) However, affected by the change in consumption pattern of residents, private consumption expenditure recorded a slight decline of 0.6%.

(2) The Government has been adhering to the international standards in disseminating economic and financial statistics over coverage, periodicity, timeliness, integrity, quality and data access by the public. The Government will continue to remain transparent and prudent in releasing statistics in relation to Hong Kong's economic performance in accordance with the standards above.

(3) Digital economy is a global trend and our country has been at the forefront of its development. In March 2025, the Central People's Government emphasised in the Government Work Report that our country would drive development through innovation, facilitate upgrade of industry structure and expedite the building of Digital China. The HKSAR Government attaches great importance to fintech development and has been adopting multi-pronged measures, including working closely with the Mainland, with a view to providing efficient, convenient and innovative financial services to support the development of digital economy.

In May 2024, the HKMA and the Shenzhen authorities announced the pilot launch of the Shenzhen-Hong Kong cross-boundary data validation platform, facilitating the cross-boundary flow of data and financial collaboration. The platform utilises blockchain technology and data coding for document verification without involving any cross-boundary transfer or storage of the original documents. It provides a credible means for validating the authenticity of the documents presented by the data owners. The pilot trials of the platform have been initially conducted in the cross-boundary financial sector, covering validation of credit referencing reports and account opening documents for corporate customers. The HKMA is working with the platform operator to connect the platform to the Commercial Data Interchange, with a view to expanding data sources and further promoting financial related use cases.

In May 2024, the People's Bank of China (PBoC) and the HKMA expanded the scope of e-CNY pilot in Hong Kong to facilitate setting up and using e-CNY wallets by Hong

Kong residents, as well as the top-up of e-CNY wallets through the Faster Payment System (FPS), thereby providing a convenient cross-boundary payment means for residents. The HKMA will continue to work closely with the PBoC and complement the PBoC's progress in facilitating the implementation of e-CNY pilot in Hong Kong, including promoting more local retail merchants to accept e-CNY payment, enhancing publicity and promotion, as well as examining e-CNY wallet upgrade and exploring corporate use cases.

The PBoC and the HKMA are working closely to implement the linkage of the Internet Banking Payment System in the Mainland and the FPS in Hong Kong, with a view to providing round-the-clock services for residents to make real-time, small-value and cross-boundary remittances via entering the recipient's mobile number or account number. The PBoC and the HKMA are actively discussing and examining the relevant details. Some services are expected to be launched in mid-2025 at the soonest, with details to be announced in due course.

The relevant work will bring new impetus to the cross-boundary fintech cooperation, thereby promoting the high-quality financial development of the Mainland and Hong Kong.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

FSTB(FS)123

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2502)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As an international financial centre, Hong Kong enjoys unique status and advantages in global capital markets. However, in facing the increasingly intense competition from around the world, we must keep enhancing the efficiency and attractiveness of our financial markets so as to maintain our leading position. At present, a notable shortcoming of Hong Kong's capital market is procedural inefficiency, which may affect enterprises' plans to go public or invest in Hong Kong. In this connection, will the Government inform this Committee of the following:

1. Will the Government consider further enhancing and streamlining the procedures for accessing our capital market, including the procedures for conducting initial public offerings (IPOs), establishing family offices and listing of enterprises with new quality productive forces? Can we, by cutting red tape and shortening processing time, attract more A-share and US-listed companies to Hong Kong for secondary listing and compete for more sizeable new listings, thereby enhancing the competitiveness of Hong Kong's capital market?

2. In times of intensifying international competition, how will the Government step up its efforts to promote to the world Hong Kong's irreplaceable advantages as an international financial centre? Will it consider formulating more targeted promotion strategies and collaborating with international financial institutions to attract more multinational enterprises and investors to Hong Kong?

3. Apart from streamlining procedures, will the Government consider introducing additional measures to enhance market liquidity, such as optimising trading mechanisms, providing tax incentives or establishing dedicated funds to support the listing of enterprises from emerging industries? Will these measures be able to further increase the attractiveness of Hong Kong's financial markets?

4. How will the Government further deepen the mutual market access arrangements with the Mainland's capital market and strengthen co-operation with international financial markets so as to consolidate Hong Kong's position as a global financial hub? Will it consider launching more innovative financial products and services to meet the needs of different investors?

Asked by: Hon SHANG Hailong (LegCo internal reference no.: 21)

Reply:

(1) The Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited (HKEX) optimised relevant procedures to provide greater certainty regarding the time required for vetting of listing applications in October 2024. Specifically, the SFC and HKEX will indicate any material regulatory concerns on the new listing applications after a maximum of two rounds of regulatory comments in no more than 40 business days (excluding the response time of the listing applicants). If an A-share company meets relevant criteria when submitting a new listing application, the timeframe can be further shortened to 30 business days. Subject to the response time of applicants in addressing the regulatory comments, it is expected that new listing applications without material regulatory concerns could generally be completed within the six-month application validity window.

With the implementation of the measure and overall improvement of market sentiment, we welcomed a total of 16 new listings with total funds raised amounting to $17.7 billion in the first quarter of this year, a year-on-year increase of over two times and ranking fourth globally. HKEX is processing over 100 listing applications, demonstrating increasing confidence of companies in the Hong Kong securities market.

(2) The Government is actively making external promotion efforts to publicise the latest developments and opportunities of the various financial services sectors in Hong Kong including the securities market. We will assist interested enterprises through the Office for Attracting Strategic Enterprises, Invest Hong Kong, and Economic and Trade Offices in the Mainland and overseas, as well as organise international financial mega events to strengthen networking and tell the good stories of Hong Kong. On the basis of consolidating the connections with traditional markets, HKEX will further step up its promotion in ASEAN and the Middle East, and actively explore areas of co-operation with countries in the region, including the listing of exchange-traded funds, to enrich the investment product choices in mutual markets and promote two-way capital flows. HKEX will also continue to increase the number of overseas recognised exchanges to facilitate more overseas companies to secondary list in Hong Kong. To this end, HKEX further added the Stock Exchange of Thailand in March 2025, allowing companies primary listed on its main market to apply for secondary listing in Hong Kong.

(3) To further assist specialist technology and biotechnology companies in raising funds and developing their businesses, HKEX is actively taking forward the establishment of a dedicated "technology enterprises channel" (TECH). Under the relevant mechanism, HKEX will arrange a dedicated team to communicate with potential applicants as early as possible. The SFC will also work closely with HKEX and provide support during

the process. We believe that the measure will enable a smoother listing application process, complementarily facilitating more companies from different advance technology industries to list in Hong Kong.

To dovetail with the latest economic trends and corporate needs, the SFC and HKEX will take forward reforms to the listing regime, including reviewing listing requirements and post-listing ongoing obligations, evaluating listing-related regulations and arrangements to improve the vetting process, optimising the thresholds for dual primary listing and secondary listing, and reviewing the market structure including exploring the establishment of an over-the-counter trading market in Hong Kong. The review will further facilitate listing of enterprises from emerging industries, fundraising and development of Mainland enterprises overseas, and listing of overseas enterprises in Hong Kong as well as return of “China Concept Stocks”.

Meanwhile, we will continue to reform the trading mechanism and improve trading and risk management efficiency. HKEX will gradually introduce new functions to its post-trade system from the middle of this year and conduct system upgrades to ensure technical compatibility with the T+1 settlement cycle by the end of this year, and complete advance preparations for shortening the settlement cycle. Riding on the reduction in minimum price spreads to be implemented in the middle of this year, HKEX and the SFC target to put forward proposals to enhance the trading unit system (or the so-called “board lot” system) within this year, so that trading arrangements can better meet liquidity characteristics of shares of different sizes and investment needs, as well as facilitate trading and improve efficiency.

(4) The Government is committed to deepening and expanding mutual access between the Mainland and Hong Kong financial markets. We will continue to proactively discuss with the Mainland authorities various expansion measures for Stock Connect, with a view to widening the product suite and coverage under the mechanism gradually. With the strong support of the Central People’s Government, Stock Connect saw numerous new breakthroughs over the past few years, including 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. We will continue to explore with the Mainland enhancement arrangements for Stock Connect, including topics relevant to the eligible scope of products, investor requirements and tax arrangements. Specific measures will be announced in due course once they are ready for implementation.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)124

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2503)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

In recent years, Hong Kong has been actively attracting high-calibre talents from around the world to come to our city for development, which is crucial to enhancing local competitiveness and economic vibrancy. However, the new incoming talents often face quite a lot of restrictions in relation to "southbound" transfer of funds from the Mainland to Hong Kong. This not only affects their capital flow for starting businesses and living in Hong Kong, but may also weaken their willingness to stay in Hong Kong for long-term development. In this connection, will the Government inform this Committee of the following:

1. Will the Government actively communicate with the relevant central authorities to seek solutions to address the issues faced by new incoming talents in relation to "southbound" transfer of funds from the Mainland to Hong Kong? On the premise of ensuring national financial security and preventing capital outflow, can the Government accord priority to the provision of facilitation measures for the new incoming talents, such as setting up a dedicated quota or a pilot scheme to permit legal transfer of funds to Hong Kong for the purpose of starting businesses or meeting living expenses?

2. Will the Government consider taking forward and refining the pilot policy on carrying Renminbi across boundary to allow more flexible capital flow arrangements for the new incoming talents? This will help them start businesses, invest and acquire properties in Hong Kong, while boosting local consumption and investment market.

3. When taking forward the facilitation of "southbound" capital flow, how does the Government ensure that the relevant measures are in line with national financial security requirements? Will the Government consider working with the Mainland regulatory authorities to establish a risk control mechanism so as to ensure the legality and transparency of capital flows?

Asked by: Hon SHANG Hailong (LegCo internal reference no.: 22)

Reply:

After consulting the Labour and Welfare Bureau, our consolidated reply to the question is as follows.

The Government has enhanced Hong Kong's talent admission schemes since end-2022 to actively attract overseas talents to strengthen Hong Kong's impetus for growth. Since its establishment in October 2023, the Hong Kong Talent Engage (HKTE) has provided pertinent support to talents (interested in coming to or having newly arrived in Hong Kong), through online/offline activities and services, concerning their living, work, children's education, etc. HKTE also refers incoming talents' enquiries to relevant bureaux for follow-up and assistance as needed.

Also, the Government has been in contact with financial regulatory authorities in the Mainland on various cross-boundary remittance arrangements to seek to provide more facilitation arrangements for the convenience and benefit of the public and the business sector while ensuring that the risks are manageable. For example, with the support of enhanced financial infrastructure, cross-border mobile payments have become a widely used payment method in the Greater Bay Area. Also, Hong Kong and Shenzhen have successfully piloted cross-border credit referencing, addressing the pain points of cross-border financing for small and medium-sized enterprises. For cross-boundary remittance arrangements for Mainland talents entering Hong Kong, since it involves different regulatory regimes (including requirements for capital inflows and outflows), we have been, with regard to their practical needs (e.g., purchasing property, repaying mortgages, setting up companies, investment), actively exploring facilitation arrangements with the Mainland authorities concerned, with an aim to explore a gradual approach for seeking suitable policies and solutions through close collaboration between the two places within their regulatory framework and existing practices.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)125

(Question Serial No. 2507)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

To build Hong Kong into an international green finance centre, the Government has been actively pressing ahead with the development of green and sustainable finance in recent years. The Pilot Green and Sustainable Finance Capacity Building Support Scheme, in particular, has achieved remarkable results with an aggregate of over 5 700 applications approved since its launch. By extending the scheme to 2028, the Government has demonstrated the importance it attaches to nurturing local green finance talent. However, with the global demand for green finance on the rise, Hong Kong has to further boost the competitiveness of local talent, so as to consolidate its status as an international green finance centre. In this connection, would the Government inform this Committee:

1. of the current development status of Hong Kong's green finance talent pool, and whether it is sufficient to meet the market demand in terms of number of talent, professional capability and international competitiveness;

2. of the specific details of the Pilot Green and Sustainable Finance Capacity Building Support Scheme, such as training areas, scope of subsidies and eligibility criteria; and how the Government ensures that the scheme can effectively raise the professional standard of practitioners; and

3. of the specific initiatives that the Government will take as a next step to nurture and support local green finance talent, for example, whether it will expand the coverage of the scheme, strengthen its collaboration with the industry and international organisations, or roll out more targeted support measures, with a view to further enriching and enlarging Hong Kong's green finance talent pool?

Asked by: Hon SHANG Hailong (LegCo internal reference no.: 24)

Reply:

(1) and (2)

As an international financial center, Hong Kong's financial sector has always been one of the key pillars for the local economy, contributing approximately 20% of its GDP. According to the "Report on 2023 Manpower Projection" published by the Labour and Welfare Bureau in November 2024, manpower requirements for the financial industry in 2023 was 275 500, and is expected to grow by approximately 1.8% annually over the next 5 years. In terms of green and sustainable finance, Hong Kong's leading position in sustainable debt and green bond markets has led to a growing demand for professionals in environmental, social and governance (ESG) and compliance.

The Government launched in 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. To continuously support local green-finance talent training, we will extend the Pilot Scheme to 2028.

The Pilot Scheme has been well received by the industry since its launch. As of mid-March 2025, over 6 400 reimbursement applications were approved, involving a total reimbursement amount of around $35.8 million. Among the approved applications, close to 70% 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. There were 87 eligible programmes and qualifications, including green and sustainable finance programmes and qualifications related to banking services, asset management, insurance industry, etc. These are provided by the professional and continuing education schools of local universities, professional institutions, international training providers, etc., and the list will continue to be updated. Applicants meeting the completion requirements of eligible programmes (e.g. through examination or non-examination-based assessments, such as assignments, group projects, etc.) can apply for funding support of up to $10,000.

(3)

The Government is committed to nurturing and attracting talents in green and sustainable finance. The specific measures are as follows:

(i) Data resource and internship scheme: Formed by relevant Government Bureaux, financial regulators and the Hong Kong Exchanges and Clearing Limited (HKEX), the Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) actively coordinates efforts in capacity building, data collection and analysis, such as launching a series of repositories covering training information, internship opportunities and data source; and launching the Sustainable Finance Internship Initiative to create more relevant local internship opportunities for students.

(ii) Seminars and forums: Members of the Steering Group regularly offer training seminars and forums, at which representatives from financial regulators as well as experts from the academia and industry were invited to share insights to deepen university students and industry's understanding of sustainable finance. HKEX has also been actively taking forward market education by partnering with academic institutions, industry associations and non-governmental organisations to deepen the market's understanding of ESG matters (including climate change issues) and to nurture talents in respect of sustainable finance.

(iii) Collaboration with Mainland and international organisations: Members of the Steering Group are committed to promoting cross-regional collaboration on green talent training. For example, the Steering Group held industry roundtable meetings with the International Sustainability Standards Board in March 2024 and January this year respectively on promoting sustainability disclosure in Hong Kong. Both sides agreed to strengthen collaboration on developing comprehensive capacity building programmes. HKEX has also signed memoranda of understanding with Shenzhen Green Exchange and China Beijing Green Exchange to promote the development of the carbon market ecosystem and green finance, covering market education and capacity building on climate investment and financing as well as ESG standards and information disclosure.

(iv) Talent List: The Government has added "financial professionals in Environmental, Social and Governance" to the Talent List since 2021 to provide immigration facilitation to incoming ESG talents submitting applications under the Quality Migrant Admission Scheme. Since December 2022, under the General Employment Policy and the Admission Scheme for Mainland Talents and Professionals, employers who seek to fill vacancies falling under the Industry Segments and Occupations on the Talent List (including financial professionals in ESG) are eligible for the exemption from the market availability test, i.e. not required to prove their difficulties in local recruitment in making applications for talent admission directly.

Looking forward, we will continue to 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, facilitating information exchange.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

FSTB(FS)126

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0766)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Many banks have joined the Taskforce on SME Lending jointly established by the Hong Kong Monetary Authority and the Hong Kong Association of Banks, committing to making flexible arrangements as far as practicable to ease the cash flow burden on small and medium enterprises (SMEs). The funds dedicated for SME financing in the participating banks' loan portfolios have recently been increased to over $390 billion. Will the Government inform this Committee:

1. of the specific measures included in the relevant flexible arrangements;
2. how the effectiveness of the relevant flexible arrangements will be assessed; and
3. of the number of SMEs expected to benefit?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 27)

Reply:

In August 2024, the Hong Kong Monetary Authority (HKMA) and the Hong Kong Association of Banks jointly established the Taskforce on SME Lending (Taskforce) to strengthen the work of supporting SMEs at both the individual case and the industry levels. Currently, there are 18 banks participating in the Taskforce, and all of them have committed to the ongoing effective implementation of the 14 measures launched in 2024 for supporting small and medium enterprises (SMEs). These banks have set aside a total of over $390 billion of dedicated funds for SMEs in their loan portfolios.

As at the end of January 2025, more than 35 000 SMEs have benefitted from the various SME support measures announced in 2024, involving an aggregate credit limit of over $84 billion. Among others, banks provided credit reliefs (including principal moratorium and partial principal repayment) to over 8 600 SMEs, involving an aggregate amount of over $34.8 billion; approved over 11 700 credit applications from SMEs, providing over $49.2 billion of funds for their cashflow and business expansion; and continued to provide fee waivers and concessions to over 14 700 SMEs to ease their expenditure, including concessions on credit application fees, commitment fees and interest.

In addition, the 18 participating banks in the Taskforce announced in February this year that they have all agreed to help SMEs facing financial difficulties relieve their cash flow pressure through a collaborative mechanism. Under this mechanism, when SME borrowers face sudden cash flow pressure, they can contact the lending banks for assistance. Upon obtaining the borrowers' consent, the banks will contact the borrowers' other lending banks to discuss and collaboratively offer flexible financial arrangements as far as practicable to alleviate the borrowers' cash flow pressure.

The HKMA will continue to encourage the banking sector to adopt similar flexible arrangements to support SMEs, and will monitor the banks' implementation of the various measures to support SMEs' development, upgrade and transformation.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)127

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1619)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned under Programme (1) that the revised provision for the eMPF Platform for 2024-25 is $447 million, while the estimate for 2025-26 is $73 million, representing a substantial decrease of 83.7%. This is mainly due to the fact that most of the system development costs for the eMPF Platform have been settled in previous financial years, and the eMPF Platform Company Limited has to repay a one-off cash advance to the Government. The amount of the financial provision indicates that the work on the eMPF platform has nearly come to an end. However, at the meeting of the Legislative Council Panel on Financial Affairs held at the end of last year, the Government stated that the time-limited post of Principal Assistant Secretary (Financial Services) 8, which is tasked with handling matters relating to the eMPF platform and other MPF reform initiatives, has been extended for 3 years. Will the Government inform this Committee of when will the work on the eMPF Platform undertaken by the Government be completed? What are the specific duties of the above post along with 3 supporting staff members during the extended three-year term?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 20)

Reply:

The eMPF Platform is a critical public financial infrastructure closely tied to the retirement protection of all Hong Kong people. The Government has been keeping a close eye on the Project progress and system quality, and has been monitoring the contractor's performance and tendering advice on an ongoing basis through actively participating in the Board meetings of the Mandatory Provident Fund Schemes Authority (MPFA) and its wholly-owned eMPF Platform Company Limited (eMPF Company). With the launch of the eMPF Platform in end-June 2024 and the gradual onboarding of Mandatory Provident Fund (MPF) trustees to the Platform, the Government will continue to work closely with MPFA and eMPF Company to monitor the contractor's performance and the Platform's operation on an ongoing basis, so as to ensure the robustness, reliability, security and user-friendliness of the Platform.

Relevant work will not lapse upon the completion of the Platform's development and the successful onboarding of all trustees.

We propose re-creating a time-limited directorate post of Administrative Officer Staff Grade C in the Financial Services Branch (FSB) (designated as Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) 8) in 2025-26 for 3 years up to 31 March 2028. The post concerned together with 3 supporting staff (i.e. 1 Senior Administrative Officer, 1 Administrative Officer and 1 Assistant Clerical Officer) will mainly be responsible for policy and legislation pertinent to the reform of the MPF System, including continuously monitoring the operation of the eMPF Platform (such as overseeing the implementation of statutory requirements on fund expense ratio, drafting subsidiary legislation for commencement of provisions not yet in effect, monitoring the formulation and implementation of guidelines and operating rules by MPFA, monitoring the drafting work of subsidiary legislation and preparing legal notices for gazettal to effect the phased onboarding of trustees, etc.), implementation of MPF "Full Portability", and other reform initiatives pertinent to the MPF System. The post concerned will also be responsible for handling housekeeping matters in respect of the Census and Statistics Department, including policy and legislation relating to the 2026 Population Census.

- End -

FSTB(FS)128

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1623)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 92 of the Budget Speech that to promote trading of more stocks in RMB and improve market liquidity, both places are conducting technical preparations at full speed to implement the inclusion of RMB trading counter under Southbound trading of Stock Connect. The Government has also been conducting preparatory work to allow the stamp duty payable on the transfer of stocks at RMB counters to be paid in RMB, with a view to putting forward a legislative proposal next year. Will the Government inform this Committee of the specific difficulties currently encountered during the actual operation of the dual-counter model in the stock market? When will the Government increase the number of stocks traded under the dual-counter model? In addition, the Government plans to introduce a legislative proposal next year to allow the stamp duty payable on the transfer of stocks at RMB counters to be paid in RMB. Why does the Government require such a long drafting time? Are there complicated technical issues that need to be overcome, and when is the proposal expected to be implemented?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 24)

Reply:

To meet the increasing demand from global investors for allocating Renminbi (RMB) assets, the Government, regulators and Hong Kong Exchanges and Clearing Limited (HKEX) actively promote the issuance and trading of RMB securities in Hong Kong. In 2023, HKEX introduced the "Hong Kong Dollar (HKD)-RMB Dual Counter Model" (dual-counter model) to provide investors with more diversified trading options and flexibility to trade securities in HKD or RMB according to their needs. HKEX also introduced the "Dual Counter Market Maker" (DCMM) regime, under which buy and sell quotes are offered through the RMB counter to promote liquidity of RMB-denominated stocks. To create favorable 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.

The dual-counter model and the DCMM regime have been operating smoothly. Currently, a total of 24 issuers have adopted the dual-counter model to provide HKD and RMB securities trading. Meanwhile, 12 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 2024 were approximately HKD881.2 billion and RMB1.8 billion respectively, accounting for about 32.6% and 0.07% of the average monthly turnover of the cash securities market. One of the reasons for the difference is that Mainland investors engaging in Southbound trading currently can only use HKD to trade Hong Kong stocks. Although the proportion of trading of RMB-denominated securities has not been significant in the overall market turnover, we have gained through the dual-counter model practical experience in key operational aspects such as issuing, trading, settling, and converting the same stocks in both HKD and RMB, continuously improving the scalability as well as liquidity of the market and facilitating market participants to prepare for the further development of the RMB securities market in Hong Kong in the future.

The Government will continue to facilitate institutions of the two places to conduct technical preparations for implementing the inclusion of RMB stock trading counter under Southbound trading of Stock Connect, so as to enable Mainland investors to trade Hong Kong stocks in RMB. HKEX is also taking forward the single tranche multiple counter arrangement, including adopting the same International Securities Identification Number for dual-counter stocks to enhance trading and settlement efficiency. The Government and HKEX will continue to expand and deepen the coverage of listed and potential issuers through various channels such as key promotional activities, roadshow events, thematic speeches and forum exchanges to introduce in detail the advantages of the dual-counter model. We will also communicate with relevant companies on adding RMB counters with a view to expanding the number of securities under the dual-counter model at an appropriate time.

The Government is discussing with HKEX arrangements for collecting stamp duty in Renminbi (RMB) for RMB counter transactions. The measure involves amending the existing provisions of the Stamp Duty Ordinance and requires system changes by the relevant government department, HKEX, and the industry. HKEX will communicate with the industry within this year on the implementation of the proposal. We plan to put forward a detailed legislative proposal in 2026.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)129

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1624)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is stated under Programme (1) that one of the matters requiring special attention in 2025-26 is to promote the competitiveness and sustainable development of the stock market. In addition, it is proposed in the Budget Speech that a number of reforms be introduced to the securities and derivatives market, including making preparations for the implementation of the T+1 settlement cycle and putting forward proposed enhancements for the trading unit system, or the so-called "board lot" system. The Task Force on Enhancing Stock Market Liquidity submitted its report to the Government in 2023. Will the Government inform this Committee of the number of recommendations implemented and the number of those still being planned for implementation or under study?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 25)

Reply:

The Government established the Task Force on Enhancing Stock Market Liquidity (Task Force) in 2023 to comprehensively review factors affecting market liquidity, and put up specific recommendations on strengthening the competitiveness and sustainable development of the stock market. The Task Force submitted its report to the Chief Executive in October 2023, which recommended 12 short-term measures and medium and long-term directions to improve the competitiveness of Hong Kong's stock market. The Chief Executive announced in the 2023 Policy Address the acceptance of the Task Force's recommendations.

The Government coordinated with the Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited (HKEX) in taking forward the short-term measures. As of now, all measures have already been launched or with implementation arrangements announced. The implementation progress of the various measures is summarised below:

(1) **Reforming GEM**: HKEX implemented the reform measures in January 2024, which include introducing a new financial listing eligibility test for high growth enterprises that

are heavily engaged in research and development activities; and launching a new "streamlined transfer mechanism".

(2) **Facilitating listing of overseas issuers**: HKEX included the Saudi Exchange, the Indonesia Stock Exchange, the Abu Dhabi Securities Exchange and the Dubai Financial Market onto its list of recognised stock exchanges in 2023 and 2024 respectively, and just added the Stock Exchange of Thailand in March 2025, allowing companies listed on their main boards to apply for secondary listing in Hong Kong.

(3) **Allowing issuers to hold repurchased shares in treasury and re-sell them**: HKEX launched a new treasury shares regime in June 2024. The Government also amended the relevant legislation to enable listed companies incorporated in Hong Kong to hold shares bought back in treasury and dispose of them under certain restrictions.

(4) **Relaxing restrictions on share buy-back by issuers**: HKEX issued guidance in October 2023 to set out the framework for granting waivers to allow issuers' automatic share buy-back programmes conducted throughout the restricted period.

(5) **Reducing the rate of stamp duty on stock transfers**: The Government amended the relevant legislation in November 2023 to reduce the rate of the stamp duty on stock transfers from 0.13% to 0.1%.

(6) **Reducing market data fees**: HKEX launched a pilot programme in December 2023 to enhance its market data services, including offering an enterprise data package with a fixed monthly fee and lowering the fee for mobile market data service.

(7) **Reviewing stock trading spread**: HKEX published the consultation conclusions on the reduction of minimum price spreads in December 2024, announcing the target to implement Phase 1 of the minimum price spread adjustment in mid-2025. Subject to a review of the implementation of Phase 1, Phase 2 is expected to be launched in the mid-2026.

(8) **Maintaining trading under severe weather**: HKEX implemented the initiative to maintain trading under severe weather from September 2024. The first severe weather trading day was completed smoothly in November 2024.

(9) **Enhancing the position limit regime for the derivatives market**: The enhanced arrangements of the position limit regime came into effect in December 2023, including prescribing position limits and reporting levels for some new contracts, clarifying the existing statutory requirements, changing the regulatory approach for international products, etc.

(10) **Enhancing self-match prevention service**: HKEX introduced a new self-match prevention service in the securities market in March 2024, and enhanced the relevant functions in the derivatives market in July 2024.

(11) **Attracting overseas capital**: Asia's first exchange-traded fund (ETF) tracking the Saudi Arabia market was listed on HKEX in November 2023. Two ETFs tracking Hong Kong stock indices were also listed on the Saudi Exchange in October 2024.

(12) **Deepening mutual access between the Mainland and Hong Kong**: Various enhancement measures and new products were introduced under the mutual access mechanism between the two places since 2024, including the expansion of eligible scope of equity ETFs under Stock Connect, enhancements to Bond Connect, Swap Connect and Mainland-Hong Kong Mutual Recognition of Funds arrangement, the launch of offshore Renminbi repurchase business using Northbound Bond Connect bonds as collateral, etc.

As regards medium and long-term measures, the SFC and HKEX will continue to take forward further enhancement measures along the directions recommended by the Task Force, including taking forward reforms to the listing regime, facilitating financing of overseas enterprises and specific products, improving trading and risk management efficiency, etc. HKEX and the SFC target to put forward enhancement proposals in different areas by batches when they are ready within this year for market consultation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)130

(Question Serial No. 1625)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 94 of the Budget Speech that the Financial Services and the Treasury Bureau, together with the Office for Attracting Strategic Enterprises and the Hong Kong Trade and Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit this year, which will pool together global enterprises, funds and technologies through financial empowerment, thereby elevating the level of international co-operation of industries. It will also attract more leading companies in advanced industries, domestic as well as overseas enterprises and investors to establish a foothold in Hong Kong. At present, Hong Kong regularly hosts the Asian Financial Forum, the Belt and Road Summit, and the Global Investment Promotion Conference for the Guangdong-Hong Kong-Macao Greater Bay Area, which more or less involve areas such as finance, industrial co-operation, and attracting businesses and investment. Will the Government inform this Committee of the differences in nature between the new summit and the various international forums in Hong Kong, the core objectives and strategic planning of the new summit, the time for holding the summit, and the guests or organisations to be present at the summit?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 26)

Reply:

The Financial Services and the Treasury Bureau, together with the Office for Attracting Strategic Enterprises and the Hong Kong Trade Development Council, will host the inaugural Hong Kong Global Financial and Industry Summit (Summit) this year, which will pool together global enterprises, funds and technologies through financial empowerment, thereby elevating the level of international cooperation of industries. It will also attract more leading companies in advanced industries, domestic as well as overseas enterprises and investors to establish a foothold in Hong Kong. Other international events have their respective objectives and characteristics. For example, the Asian Financial Forum focuses on discussing global economic and financial issues as well as facilitating exchanges and collaborations; the Belt and Road Summit promotes collaboration among the Mainland, Hong Kong and overseas enterprises on Belt and Road projects; while the Global Investment Promotion Conference for the Guangdong-Hong Kong-Macao Greater Bay Area is co-organised by the Governments of the Guangdong Province, Hong Kong and Macao for promoting the high-quality development of the Greater Bay Area.

Under the global trends of industrial digitisation, intelligentisation, and green development, the Summit will focus on exploring international cooperation opportunities between traditional and emerging industries, as well as Hong Kong's crucial role in this context. The Summit is expected to attract over a thousand participants from around the world, including internationally renowned industry pioneers, leaders from the finance, technology, and business sectors, academic experts, and dignitaries, etc.

During the Summit, we will showcase Hong Kong's excellent business environment and our roles and advantages as a "super-connector" and "super value-adder" through various sessions. This includes inviting leading enterprises already established in Hong Kong to share their success stories of setting up and expanding their businesses here, so as to attract more Mainland and overseas companies to establish their presence in Hong Kong, particularly those in industries of strategic importance to Hong Kong, including innovative technology enterprises from sectors such as life and health sciences, artificial intelligence and data science, fintech, advanced manufacturing and new energy technologies, as well as cultural and creative industries.

- End -

FSTB(FS)131

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1626)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in Matters Requiring Special Attention in 2025-26 under Programme (1) that the Government will, among others, review the existing regulation of licensed money lenders and public education, and conduct public consultation in the first half of 2025, with a view to stepping up efforts in addressing the issue of excessive borrowing. The Secretary for Financial Services and the Treasury also said earlier that the Government was looking into setting a borrowing cap based on the monthly income of the borrower. Will the Government inform this Committee whether it has conducted any surveys and studies on the indebtedness of various groups including foreign domestic workers, young people and low-income individuals? If so, what are the details? Apart from looking into setting a borrowing cap based on monthly income, will the Government put forward specific proposals in light of the actual situation of different groups? Besides, the Government has been advocating the slogan "You have to repay your loans. Don't pay any intermediaries." for many years. Has its effectiveness been evaluated? Will the Government consider enhancing the publicity strategies?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 27)
Reply:

According to the information of the Companies Registry, in 2023, borrowers with monthly income of $10,000 or less accounted for 29% of the total number of loan transactions in the unsecured personal loan market of the relevant money lenders, with an average loan amount of around $20,150. The default rate concerned was 9.4%. Nearly 30% of the borrowers were aged 35 or less, with an average loan amount of around $35,112. The default rate concerned reached 8%. Loans of foreign domestic helpers comprised 26% of all loans, with an average loan amount of around $19,900 and default rate of 9.9%.

The Government has been closely monitoring the market situation in the money lending sector to continuously review and enhance the prevailing regulatory measures. In 2021, we enhanced the licensing conditions of money lenders, including requiring money lenders, before entering into a loan agreement for an unsecured personal loan, to undertake an assessment of the borrower's repayment ability and have due regard to the assessment outcome, and requiring money lenders to immediately cease to use a referee's information after they are informed or aware that the written consent was in fact not signed by the referee. In 2022, we lowered the statutory interest rate cap and the threshold of extortionate rate from 60% to 48% and from 48% to 36% respectively.

The Government will commence a public consultation on enhancing regulation of unsecured personal loans and protection for loan referees in the first half of this year. We will collate and summarise the views received after the consultation period to finalise relevant measures and formulate relevant legislative proposals.

In 2016, the community was concerned that money lenders' advertisements advocating borrowing would lead to the public easily ignoring the consequences of overborrowing. There were also various malpractices in the money lending business. Therefore, the Government added a licence condition to money lender licences, requiring that any advertisement in relation to the money lending business of a money lender, issued or published in his own name or through any other person, must contain a risk warning statement "*Warning: You have to repay your loans. Don't pay any intermediaries*". The risk warning statement must be displayed in the written or visual part of the advertisement and clearly audible in the audio part of the advertisement. The requirement aims to remind the public of the consequences of borrowing and to avoid falling into the traps of unscrupulous financial intermediaries and being charged high handling fees. After years of implementation, we believe that the aforementioned risk warning statement has fully performed its role in publicity and education, helping the public to concisely understand the consequences of borrowing and the points to note. Considering that the risk warning statement has a positive impact on society and is deeply rooted in people's minds, and that the messages promoted therein remain relevant, we will continue to require money lenders to include the warning statement in their advertisements.

The Government will continue to step up publicity efforts through various channels including the Internet and promotional pamphlets, etc. We will collaborate with the Investor and Financial Education Council and non-governmental organisations to promote the message of prudent borrowing.

- End -

Reply Serial No.

FSTB(FS)132

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1627)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in Matters Requiring Special Attention in 2025-26 under Programme (1) that the Government will, among others, promote the development of the asset and wealth management sector by attracting more family offices to set up operation or expand their business in Hong Kong, and reviewing the existing tax concession measures applicable to the asset and wealth management sector. There are opinions in society that family offices in Hong Kong currently focus heavily on the investment management business, and that they should also take on the role of family stewards, nurturing high-quality next generations for the families and, ideally, ensuring that the families' wealth and members continue to stay in Hong Kong for development. How will the Government step up its efforts in this regard? In addition, there are numerous views in society suggesting that the Government discuss with the Mainland authorities the establishment of a new "Family Office Connect" channel for cross-border investment by high-net-worth individuals in the Mainland through Hong Kong-based family offices, thereby fostering the robust growth of the family office and wealth management business. Will the Government consider this suggestion?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 28)

Reply:

The Government is actively promoting the development of family office (FO) business and strengthening the development of asset and wealth management industry and related professional service sectors in Hong Kong. The Financial Services and the Treasury Bureau (FSTB) issued the "Policy Statement on Developing Family Office Businesses in Hong Kong" (Policy Statement) 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.

As one of the key initiatives of the Policy Statement, the Hong Kong Academy for Wealth Legacy (HKAWL) was established in November 2023 to provide a platform for collaboration, networking, knowledge sharing, and to provide relevant training for the FO sector, asset owners and wealth inheritors, thereby promoting positive financial management values and strengthening the talent pool for FOs. Through the co-hosting of the "Family Legacy Summit" with Invest Hong Kong (InvestHK) and the organisation, co-organisation and participation in forums, seminars, roundtables, etc., the HKAWL has enabled asset owners and FO practitioners to engage in in-depth and professional discussions and exchanges on relevant topics of wealth succession, including intergenerational integration, family governance, philanthropy, impact investing, arts and culture, and wealth management.

Furthermore, riding on the success in the past 2 years, the FSTB and InvestHK conducted the third edition of Wealth for Good in Hong Kong Summit on 26 March 2025. Themed "Hong Kong of the World, for the World", the Summit has gathered FOs from around the world to share insights on topics such as technology and artificial intelligence, philanthropy, and succession of craftsmanship and cultural innovation, with the aim to collaborate and create a better future. This summit also achieved synergy with several high-profile international gatherings featured in Hong Kong's "Wealth and Investment Mega Event Week", including the Global Investors' Symposium organised by the Milken Institute, the HSBC Global Investment Summit and the Bloomberg Family Office Summit, etc. This has united global FOs, investors, and entrepreneurs to explore new opportunities, igniting fresh momentum in wealth management and global investment, and showcasing the soft power of Hong Kong as a FO hub to the world.

Concerning cross-boundary investment, investors from the Mainland currently can make investment in Hong Kong through various mutual access arrangements. The Government has been actively exploring opportunities to introduce further expansion initiatives, including enhancements to the Cross-boundary Wealth Management Connect has been further enhanced since February 2024 to increase individual investor quota, lower the threshold for participating in the Southbound Scheme, expand the scope of participating institutions, the scope of eligible investment products, and enhance the promotion and sales arrangements. We keep an open mind towards suggestions of expanding the scope of mutual access arrangements. Since single FOs generally do not require a licence to operate in Hong Kong and the suggestion of introducing "Family Office Connect" would involve complicated regulatory issues, it is necessary to conduct careful study of its feasibility. We will continue to discuss with financial regulatory authorities in the Mainland on various cross-boundary remittance arrangements, including how to provide more facilitation arrangements while ensuring that the risks are manageable.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)133

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1641)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated under Programme (1) that matters requiring special attention in 2025-26 include advancing financial co-operation with the Mainland to fulfil the goals set out in the National 14th Five-Year Plan and promote Hong Kong's efforts in initiatives in relation to the Guangdong-Hong Kong-Macao Greater Bay Area development in respect of the financial services sector. This year actually marks the conclusion of the 14th Five-Year Plan and is also a crucial year for deployment for the 15th Five-Year Plan. Will the Government advise this Committee on the specific implementation of the 14th Five-Year Plan in relation to the financial services sector, projects completed with targets fully met and projects relatively lagging behind in progress? In addition, has research on the 15th Five-Year Plan begun?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 32)

Reply:

The National 14th Five-Year Plan supports Hong Kong in enhancing its status as an international financial centre, strengthening its role as a global offshore Renminbi (RMB) business hub, an international asset management centre, and a risk management centre. It also aims to deepen and expand the mutual access between the Mainland and Hong Kong's financial markets, as well as promote Hong Kong's active and prudent participation in the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). Over the past few years, the Government has collaborated with the industry to implement reforms in various areas, achieving substantial progress in all related fields. The key points are as follows.

(1) Hong Kong continues to strengthen its position as a global offshore RMB business hub and possesses the world's largest offshore RMB liquidity pool. As of end-January 2025, RMB deposits in Hong Kong (including outstanding Certificates of Deposit) was at about RMB 1.1 trillion. Currently, Hong Kong processes about 80% of global offshore RMB payments. A comprehensive ecosystem for issuing and trading offshore RMB-denominated products, such as stocks, bonds, and funds, has already been

established. Building on this foundation, the Budget has proposed a series of measures to further promote RMB internationalisation. Among them, the Hong Kong Monetary Authority has launched an RMB Trade Financing Liquidity Facility with a total size of RMB 100 billion, providing banks with a stable source of relatively lower-cost funds so as to support them in providing RMB trade finance services to their corporate customers. Meanwhile, the Hong Kong Exchanges and Clearing Limited (HKEX) is taking forward the single tranche multiple counter arrangement, including adopting the same International Securities Identification Number for dual-counter stocks to enhance settlement efficiency. Additionally, efforts will be made to expand RMB bond issuance, supporting more Mainland and international issuers in issuing green and sustainable offshore RMB bonds in Hong Kong. We will also strive for the launch of offshore RMB sovereign bond futures in Hong Kong as soon as possible.

(2) Hong Kong has been committed to building a high-standard international asset management centre. Over the past year, we have implemented a number of measures, including enhancements to the Exchange-traded Fund (ETF) Connect and the Mainland-Hong Kong Mutual Recognition of Funds arrangement; waiving the stamp duty payable on the transfer of shares or units of real estate investment trusts (REITs); and launching the Integrated Fund Platform. We are also dedicated to promoting the development of the family office business. This includes the introduction of the New Capital Investment Entrant Scheme (New Scheme) to further enrich the talent pool and attract more new capital to Hong Kong. Starting from 1 March this year, enhanced measures have been implemented to allow applicants to hold permissible investment assets through a Family-owned Investment Holding Vehicle (FIHV) or a Family-owned Special Purpose Entity (FSPE) under an FIHV, creating synergies between the "New Scheme" and the establishment of family offices in Hong Kong and fostering the robust growth of the family office ecosystem.

(3) The Government has been actively developing the insurance market to enhance Hong Kong's role as an international risk management centre. Since July 2024, Hong Kong has introduced the Risk-based Capital (RBC) regime for the insurance industry, effectively strengthening the financial soundness of insurers and aligning with international standards. The Insurance Authority has already commenced a review of this regime, exploring the inclusion of infrastructure investment as an asset allocation option for insurance companies to diversify risk. We have been actively promoting the development of insurance-linked securities by establishing a bespoke regulatory regime and launching a pilot grant scheme. To date, 6 catastrophe bonds have been issued in Hong Kong, providing coverage for losses caused by typhoons and earthquakes in the Mainland and overseas, involving a total amount of approximately HK$5.86 billion. Among these, 2 bonds have been listed on the HKEX. We will continue to attract more issuers and nurture relevant talent to drive the industry's growth.

(4) Since the launch of mutual market access between the Mainland and Hong Kong in 2014, significant progress has been achieved in the mutual access in the stock, bond, and derivative markets. Among them, the Stock Connect has seen multiple breakthroughs over the years, including the inclusion of ETFs and foreign companies that are primarily listed in Hong Kong. It has become the most trusted channel for international investors to access the Mainland securities market. The average daily turnover of Northbound trading has risen from approximately RMB 6 billion at its launch in 2014 to over RMB

150 billion on average in 2024. Meanwhile, the average daily turnover of Southbound trading increased from about HKD 900 million to over HKD 48 billion on average during the same period. We will continue to closely collaborate with relevant Mainland authorities and institutions to take forward measures supported by regulatory authorities in both places, including the inclusion of REITs in mutual market access, the incorporation of RMB counters into Southbound Stock Connect, the introduction of block trading for stocks, as well as the exploration of the further expansion and enhancement plans for the mutual market access mechanisms.

(5) In advancing the development of the GBA, we have successfully implemented various pioneering and pilot opening-up measures over the past few years in collaboration of the relevant Mainland authorities. These include the launch of and enhancements to the Cross-boundary Wealth Management Connect in the GBA, the implementation of policies to facilitate property purchases for Hong Kong and Macao residents in the GBA, the launch of pilot scheme for cross-boundary credit referencing between Shenzhen and Hong Kong, and the introduction of innovative payment services for cross-boundary retail consumption by residents of the two places, etc. These measures have deepened the mutual access of financial markets between the Mainland and Hong Kong, addressed the demand for cross-border financial services from residents and businesses in both places, and provided more convenient services to businesses of the two places seeking cross-boundary financing. Furthermore, the Shenzhen-Hong Kong Financial Co-operation Committee, established in June 2024, has already held 2 high-level meetings, bringing together official members from the Central Authorities, Shenzhen, and Hong Kong, as well as leaders of the financial industry from both places as non-official members to provide insights and suggestions on Shenzhen-Hong Kong financial co-operation and the development of the GBA's financial infrastructure.

Looking ahead, Premier Li Qiang, in his government work report delivered during the Third Session of the 14th National People's Congress in March this year, announced that the preparation of the 15th Five-Year Plan would commence this year. The Government will fully support and tie in with the relevant work, and will actively work to integrate into the overall development of the country through various means, with a view to serving well as the hub connecting the Mainland and international markets and bringing continuous impetus to Hong Kong's economy.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)134

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1642)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 173 of the Budget Speech that the Pilot Green and Sustainable Finance Capacity Building Support Scheme will be extended to 2028 to continuously support local green-finance talent training. When the scheme was first launched in 2022, the Government earmarked $200 million to provide practitioners with subsidies for the training and acquisition of relevant professional qualifications in sustainable finance. Over 5 700 applications have been approved to date. Would the Government inform this Committee of the amount of subsidies that have been disbursed under the scheme and whether additional provision is required for extending the scheme to 2028? Furthermore, has the Government evaluated the effectiveness of the scheme, including the total number of participants joining the green finance industry and specific achievements in promoting green finance?

Asked by: Hon SO Cheung-wing (LegCo internal reference no.: 33)

Reply:

To nurture talent for further promoting the development of green and sustainable finance, the Government launched in 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, we will extend the Pilot Scheme to 2028.

The Pilot Scheme has been well received by the industry since its launch. As of mid-March 2025, over 6 400 reimbursement applications were approved, involving a total reimbursement amount of around $35.8 million. Our initial estimation is that the number of applications to be approved and the amount of funding support involved after the extension of the Pilot Scheme will remain similar to past figures, i.e. around 2 900 applications to be approved, involving funding support of around $16 million per year. Thus, the total estimated expenditures (including funding support involved and fees payable to the processing agent of the Pilot Scheme) for extending the Pilot Scheme for three years to 2028 will be around $53 million, which will be absorbed within the "Funding for promoting and facilitating the development of the financial services sector" under Programme (1). There is no need for additional provisions.

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. Its objective is to encourage local eligible practitioners and persons interested in work related to green and sustainable finance to participate in relevant training. Among the approved applications, close to 70% 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. We do not maintain statistics on the number of applicants joining the green finance business after completing the programmes.

We will continue to promote the Pilot Scheme, review its scope and operation, and collect feedback and comments from the industry, training institutes as well as participants from time to time.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

CONTROLLING OFFICER'S REPLY | **FSTB(FS)135**

(Question Serial No. 1047)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 82 of the Budget Speech, in "taking forward reforms to the listing regime," the Government will, among others, evaluate listing-related regulations and arrangements to improve the vetting process. In this connection, will the Government inform this Committee of the following:

1. Does the Government have specific timetables and plans for the reforms to the listing regime? If yes, what are the details? If not, what are the reasons?

2. It is mentioned in paragraph 82 of the Speech that the Government will evaluate listing-related regulations and arrangements. There are views that the local listing regime should adopt the "disclosure-based" principle as appropriate in the long run. Through updated financial instruments and financing market, we can provide a more effective financing platform for enterprises at different stages of development and of different sizes. Has the Government considered adopting this proposal for reforming the listing regime?

3. How will the Government improve the vetting process so that Hong Kong's listing regime can become more efficient and effective, and achieve lower costs and fees? Will it abolish outdated listing mechanism and regulatory regime, and introduce smart and digital measures?

4. In paragraphs 101 to 102 of the Speech, measures for promoting the trading of "gold and commodities" are mentioned. Given the new global situation and landscape, there is considerable demand for commodity trading denominated and settled in Renminbi (RMB) from overseas, in particular the Belt and Road countries and regions. In this connection, 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?

5. It is mentioned in paragraph 42 of the Speech that the Hong Kong Exchanges and Clearing Limited is actively taking forward the establishment of a dedicated "technology enterprises channel". What are the specific details and plans for the dedicated channel? When will the scheme open for application? What is the target number of applications for the first 3 years of the scheme? Will the listing procedures and processes be streamlined to attract more technology companies to make application?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 7)

Reply:

(1) to (3)

The Government is committed to driving the Hong Kong Exchanges and Clearing Limited (HKEX) and the Securities and Futures Commission (SFC) 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, thereby exemplifying Hong Kong's function as an international fundraising centre and facilitating its diverse and sustainable development. Over the past few years, various institutional reforms, including establishing listing avenues for new economy and technology enterprises with weighted voting rights structures, facilitating fundraising by overseas issuers, enhancing the timetable for listing application vetting process, etc., coupled with the Government's active efforts in attracting new capital overseas and expanding new markets, have injected impetus to the Hong Kong market and improved its liquidity.

The 2025-26 Budget announced the plan to take forward further reform to the listing regime, including reviewing listing requirements and post-listing ongoing obligations, evaluating listing-related regulations and arrangements to improve the vetting process, optimising the thresholds for dual primary listing and secondary listing, and reviewing the market structure. The review aims to comprehensively evaluate all aspects of the listing regime to align with the latest economic trends and corporate needs, enhance the competitiveness of Hong Kong's listing platform and further attract technology companies to raise funds in Hong Kong. At the same time, the review may attract more investors, especially patient capital and overseas long-term investors, to participate and increase their allocation of Hong Kong stocks. HKEX and the SFC target to put forward enhancement proposals in different areas by batches when they are ready within this year for market consultation.

Listing vetting is an important step to review the compliance of listing applicants and maintain market quality. Its objective is to protect the rights and interests of the investing public who subscribe to the relevant stocks, especially some retail investors who may not have professional knowledge of corporate finance. Applicants need to meet the listing requirements and provide adequate, accurate, complete and non-misleading disclosures about their business, financial situation and prospects. On the basis of the enhancements to the timetable of relevant process last year, the SFC and HKEX will continue to maintain communication with the industry to explore further optimising the efficiency and transparency of relevant work timely, seeking to balance between market development and regulatory needs.

In line with the international trend of going paperless and digitalisation, the Government has been promoting HKEX to increase market efficiency and 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 November 2023 to comprehensively modernise and simplify the IPO settlement process, shortening the lead time between pricing of an IPO and trading of shares from the current 5 business days (T+5) to 2 business days (T+2), significantly enhancing the efficiency of IPO settlement and reducing the associated market and operational risks.

Following the implementation of severe weather trading last year, HKEX will continue to advance trading mechanism reforms towards leading benchmarks, allowing the Hong Kong market to continue to be at the forefront internationally. HKEX will gradually introduce new functions to its post-trade system from the middle of this year and conduct system upgrades to ensure technical compatibility with the T+1 settlement cycle by the end of this year, and complete advance preparations for shortening the settlement cycle.

In addition, the Government and the SFC have submitted the subsidiary legislation for implementing the uncertificated securities market regime to the Legislative Council. The regime aims to remove the need of using paper documents to evidence and effect transfers of legal title to securities, so as to enhance the efficiency and infrastructure of the Hong Kong securities market, as well as provide better investor protection and transparency. The SFC and HKEX are working closely with the industry to carry out system upgrades and technical preparations, with a view to implementing the regime early next year.

(4)

With the progress of Renminbi (RMB) internationalisation, the influence of RMB in the commodities market is gradually increasing. At the same time, the Mainland is one of the leading commodities consumers in the world. With our country's strong support, Hong Kong has the potential to continue optimising product development and infrastructure and striving to become a major cross-boundary commodities market. HKEX has launched a series of commodities futures products settled in RMB, covering metal types such as gold, silver, aluminium, zinc, copper, nickel, tin and lead. It also offers RMB denominated gold exchange-traded funds. The London Metal Exchange and Qianhai Mercantile Exchange (QME), 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 commodities market and promoting RMB internationalisation, attracting relevant traders to expand their business in Hong Kong, and establishing ecosystems for relevant commodities.

(5)

To further assist specialist technology and biotechnology companies in raising funds and developing their businesses, HKEX is actively taking forward the establishment of a dedicated "technology enterprises channel" (TECH). Under the relevant mechanism, HKEX will arrange a dedicated team to communicate with potential applicants as early as possible and provide assistance to relevant companies to prepare for listing applications, so as to enhance the understanding of companies and sponsors about the applicability and assessment criteria of relevant rules in relation to specific businesses and facilitate early communication on different important issues. The SFC will also work closely with HKEX and provide support during the process. By assisting relevant companies to better prepare for listing applications, we hope to enable a smoother application process and facilitate more enterprises from different advanced technology industries to list in Hong Kong. HKEX will soon announce the specific arrangements and effective date. As mentioned in the reply to (1)-(3), we will simultaneously review the relevant listing regulations and arrangements as we take forward reforms to the listing regime to attract more technology companies to raise funds in Hong Kong.

- End -

 Reply Serial No.

FSTB(FS)136

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2606)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

One of the reasons for the decrease in the estimated provision for 2025-26 is that most of the system development costs of the eMPF Platform have been settled in previous financial years, and the eMPF Platform Company Limited is required to repay a one-off cash advance to the Government, resulting in a reduction of cash flow requirement for the eMPF Platform by $374.5 million in 2025-26. Regarding the eMPF Platform, please inform this Committee:

(1) whether it will be upgraded and revamped in response to the popularization of the artificial intelligence technology, thereby further reducing its operating costs;

(2) of its current promotion; and whether any initial results have been achieved?

Asked by: Hon TAN Yueheng (LegCo internal reference no.: 13)

Reply:

Having consulted the Mandatory Provident Fund Schemes Authority (MPFA), reply to the two-part question is as follows.

(1) Under the premise of abiding by the principles of data security, confidentiality and protection of personal data privacy, MPFA has already adopted different artificial intelligence (AI) solutions at corporate level to provide staff with daily administrative support, thereby helping streamline administrative processes, enhance work efficiency and reduce costs.

The current priority of MPFA and its wholly-owned eMPF Platform Company Limited (eMPF Company) remains to continue to oversee the onboarding preparation of the remaining Mandatory Provident Fund (MPF) schemes and to ensure the safe and smooth operation of the Platform overall. MPFA and eMPF Company will take into account the latest technological advancement and the views of various stakeholders (including Platform users, MPF trustees and intermediaries, etc.) in considering to adopt different system enhancement measures, such as adopting AI to streamline existing work processes, with a view to providing services of better quality and enhancing the Platform's operational efficiency for the benefits of scheme members.

(2) As at end-February 2025, for onboarded MPF schemes, the number of MPF administrative tasks submitted electronically through the Platform (such as enrolment in MPF schemes, submission of contribution information, fund switching and withdrawal of MPF accrued benefits, etc.) accounted for more than 60% of the total number of instructions, demonstrating the Platform's effectiveness in promoting the digitalisation of MPF management. MPFA and eMPF Company have devised a multi-channel marketing and publicity plan to raise public awareness, gather feedback, secure buy-in and promote digital uptake. Apart from launching official website and publishing user guides, MPFA has since April 2023 commenced a second round of stakeholders engagement exercise, especially among the less tech-savvy grassroots and small and micro businesses. Over 380 meetings, talks, exchange sessions, district outreach activities and collaborative events with different stakeholder groups have been arranged so far. More stakeholder engagement events in collaboration with various stakeholder groups will be rolled out to promote eMPF account registration. In addition, MPFA has rolled out / will roll out different media publicity initiatives, including media interviews, blog posts, articles, advertorials in conventional and online media, etc., to promote the enhanced measures and functions to be introduced.

- End -

Reply Serial No.

FSTB(FS)137

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2607)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

One of the key work areas of the Financial Services and the Treasury Bureau in 2025-26 is to promote the development of Fintech in Hong Kong, including overseeing the Pilot Scheme on Training Subsidies for Fintech Practitioners, and implementing the GBA Fintech Two-way Internship Scheme for Post-secondary Students. Please advise this Committee on the following:

(1) On the efforts to promote the Pilot Scheme on Training Subsidies for Fintech Practitioners, what was the total number of training places provided for the trade over the past two years and what are the training outcomes? Will more content on the application of artificial intelligence, among others, be included in such training in the future?

(2) On the implementation of the GBA Fintech Two-way Internship Scheme for Post-secondary Students, what was the total number of internship positions provided over the past two years? Is there any room for further increasing the number of participating companies and internship positions?

Asked by: Hon TAN Yueheng (LegCo internal reference no.: 14)

Reply:

The fintech ecosystem in Hong Kong is vibrant. At present, there are over 1 100 fintech companies. The scope of business covers mobile payment, cross-boundary wealth management, artificial intelligence financial consultancy, wealth and investment management, regtech, etc.

(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 (ECF-Fintech) for banking practitioners is the first set of fintech professional qualifications recognised under the Government's Qualifications

Framework. 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.

The Subsidy Scheme has been well-received among financial practitioners since its launch and the overall training result is satisfactory. The Hong Kong University of Science and Technology and the Hong Kong Polytechnic University have introduced training courses of fintech professional qualifications related to the banking industry. In the past 2 years (i.e. 2023-24 to 2024-25), around 330 financial practitioners have enrolled in the relevant training courses. At present, artificial intelligence is one of the 6 aspects[1] under the ECF-Fintech for banking practitioners. With the evolving development of artificial intelligence, the 2 institutions will continuously review and update the relevant course contents, with a view to complementing the latest development of the financial industry and meeting the practitioners' training needs.

(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 internship in fintech companies. The Internship Scheme enables students to gain first-hand understanding of the operation of fintech companies and fintech ecosystem of the Mainland and Hong Kong, and equip them early with knowledge in pursuing a career in fintech, with a view to enhancing talent exchange and enlarging the fintech talent pool.

The Internship Scheme is targeted at full-time students studying fintech-related subjects in post-secondary institutions in the Mainland and Hong Kong, 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 Internship Scheme has received an enthusiastic response from the fintech companies and students. In the past two years (i.e. 2023-24 to 2024-25), around 30 fintech companies have participated in the Internship Scheme, covering different segments including digital banks, virtual insurers, regtech, wealthtech, credittech and payment tech. The Internship Scheme has successfully matched over 80 students with fintech companies since its launch, with around 70 students having completed their internships.

We are making preparation to launch a new round of summer internship programme in July 2025, and will actively invite more fintech companies from different segments to provide diverse internship opportunities to more students, with a view to enabling them to gain deeper understanding of the latest development in the fintech industry and gain valuable and practical experience.

- End –

[1] The other 5 segments are: basic fintech knowledge, application and management, big data, distributed ledger technology, as well as open banking service and regtech.

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

CONTROLLING OFFICER'S REPLY | **FSTB(FS)138**

(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: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the key tasks of the Financial Services and the Treasury Bureau (FSTB) in 2025-26 is to promote gold trading and the development of gold storage facilities. In this connection, please advise this Committee on the following:

(1) the FSTB's current plan and considerations on the development of a modernised and high-standard gold storage centre; and

(2) given that the Mainland is the world's largest gold producer and consumer, whether there are any directions for future co-operation between regulators of Hong Kong and the Mainland for including gold products in the mutual market access programme, realising mutual trading of gold products between the two places, and further attracting Mainland investors and capital into Hong Kong's gold market.

Asked by: Hon TAN Yueheng (LegCo internal reference no.: 15)

Reply:

It is the Government's goal to promote the development of world-class gold storage facilities, thereby attracting more investors and users from different economies, including the Middle East and Southeast Asia, to store gold in Hong Kong. On the basis of increased storage, we expect increased demand for associated support services in insurance, testing and certification, logistics, etc., while in parallel expanding related transactions including collateral, loan and hedging, hence creating a comprehensive ecosystem in a progressive manner. This will drive all-round multi-currency trading, clearing and delivery, as well as the development of the regulatory system, covering transactions using offshore Renminbi, thereby establishing a holistic gold trading centre with an industry chain. In terms of market promotion, we will promote the vision and specific measures for the development of Hong Kong's gold market through various activities and visits, with a view to attracting Mainland

and international investors and users to store gold and conduct trading, clearing and delivery in Hong Kong.

To support the development of Hong Kong into an international gold trading centre, the Financial Services and the Treasury Bureau established the Working Group on Promoting Gold Market Development (Working Group) in December 2024, comprising leaders of the financial industry, representatives of regulatory bodies and market participants, to comprehensively review all aspects relating to financial transactions relating to gold. The Working Group will formulate a plan this year to enhance storage facilities, optimise trading and regulatory mechanisms, expand exchange products, and conduct market promotion.

At the same time, the Government has been communicating with relevant Mainland institutions, including those in the Greater Bay Area, on the development of gold trading. The working group will study the promotion of offshore Renminbi-denominated gold products and expansion of mutual access with the relevant market in the Mainland.

- End -

Reply Serial No.

FSTB(FS)139

(Question Serial No. 2613)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(2) Subvention: Financial Services Development Council
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is stated in Matters Requiring Special Attention in 2025-26 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 (FSDC). In this connection, would the Government inform this Committee of the following:

1) How many family offices established their presence in Hong Kong in 2024?
2) What are the current total number and size of family offices in Hong Kong?
3) What is the provision/expenditure involved in supporting the operation of the HKAWL? What is the staff establishment of the HKAWL? and
4) Please tabulate the names, numbers of participants, and deliverables, etc. of all the training and exchange activities offered through the HKAWL in 2024.

Asked by: Hon TAN Yueheng (LegCo internal reference no.: 20)

Reply:

(1) and (2)

According to the research findings of the consultant commissioned by Invest Hong Kong (InvestHK) and publicised in March 2024, there were around 2 700 single family offices (FOs) operating in Hong Kong as of end-2023, with over half of them set up by ultra-high-net-worth individuals having a wealth of US$50 million or above. The dedicated FamilyOfficeHK team (the dedicated team) of InvestHK provides one-stop support services to FOs and ultra-high-net-worth individuals interested in pursuing development in Hong Kong. Since its establishment in June 2021 up to end-February 2025, the dedicated team has assisted over 160 FOs to set up or expand their business in Hong Kong, including 95 FOs set up or expanded their business in Hong Kong in 2024. Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong.

(3) and (4)

Established under the Financial Services Development Council (FSDC) in November 2023, the Hong Kong Academy for Wealth Legacy (HKAWL) aims to empower families and shape the future of the FO industry by establishing a trusted and private platform to facilitate peer sharing among local and global FOs and their managers, next generation wealth owners, and industry practitioners worldwide. In 2024-25, the HKAWL organised, co-organised, and participated in over 20 events such as forums, seminars, roundtables, etc. These events brought together over 3 100 participants. Details on various talent development and knowledge exchange events organised and co-organised by the HKAWL (excluding other industry outreach/engagement meetings and speaking opportunities participated by HKAWL) in 2024-25 are tabulated below –

Date	Event Name	Number of participants (Note)
23 May 2024	HKAWL Family Legacy Summit “Mobilizing your Family Legacy Powers from Philanthropic Giving to Impact Investing”	108
12 Sep 2024	HKAWL x Bill & Melinda Foundation Philanthropy Workshop “Journey of Giving”	28
12-14 Sep 2024	HKAWL Family Legacy Summit Fall Edition “Holistic Legacy: Consideration of Family Legacy, Business, and Office”	149
2 Nov 2024	HKAWL – A Conversation with Peter Singer	22
21 Nov 2024	Talking Philanthropy 2024 – Presentation on Impact Link – Roundtable on “Family Philanthropy Collaboration” – Workshop on “Systemic Investing: Key new strategy on how families are building strong, impactful portfolios across all of their assets”	22
26 Nov 2024	HKAWL - A Conversation with Cyrus Afkhami by 13D	27
28 Nov 2024	Hong Kong Green Tech Salon	100
3 Dec 2024	HKAWL - A Conversation with Dr. Tao Wang	15
8 Jan 2025	HKAWL x GSG Impact Brunch	39
15 Jan 2025	Lunch with Prof José Manuel Barroso of Gavi, the Vaccine Alliance	46
20 Jan 2025	HKAWL x HKUST Next-gen Workshop “If your money can talk”	17
12 Feb 2025	HKAWL Seminar: “From Family Legacy to Family Soft Power”	39
27 Feb 2025	HKAWL x SBAI Family Office Allocation Masterclass for Family Nextgens	18

Date	Event Name	Number of participants (Note)
11 Mar 2025	Philanthropy Masterclass Family Legacy through Impact: Empowering Family and Family Offices as Agents for Good From the Start: Advancing Early Childhood Education for Lifelong Impact in Asia	93
24 Mar 2025	HKAWL Families Conversation	20
25 Mar 2025	HKAWL x Gates Foundation Philanthropy & Impact Investing Workshop "Innovate Wealth Legacy"	20
25 Mar 2025	Chinese Family Office Forum	100
27 Mar 2025	Legacy Escapade	50
	Total No. of Participants	Around 910

Note: Some events are subject to a cap on the number of participants to enable close interaction with distinguished guests.

Among the $47.5 million Government subvention provided to the FSDC in 2024-25, $3 million is allocated to the HKAWL, including $2.5 million staff cost for the Executive Director and 1 manager, and event expenditure of around $1.3 million (including $800,000 covered by sponsorships received). Furthermore, the FSDC also absorbed the costs of the HKAWL's daily operation and administration with its available resources. In 2025-26, the HKAWL will recruit 1 more manager for the implementation of various activities of the HKAWL. It will continue to evaluate the effectiveness of different activities and make timely adjustments to the content and arrangements concerned as needed.

- End -

FSTB(FS)140

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2614)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Matters Requiring Special Attention in 2025-26 that the Financial Services Branch will enhance Hong Kong's regulatory regime for combatting money laundering and terrorist financing. In this connection, will the Government inform this Committee of:

1) the number of suspected financial fraud cases involving virtual assets in 2024 and the trend as compared with 2023 and 2022;
2) the details and effectiveness of the efforts in enhancing investor education in the past year; and
3) the detailed arrangements for the commencement of work in 2025-26.

Asked by: Hon TAN Yueheng (LegCo internal reference no.: 21)

Reply:

(1) According to the Police's records, the numbers of criminal cases[1] relating to virtual assets (VA) and the amounts of money involved from 2022 to 2024 are as follows –

	2022	**2023**	**2024**
Number of criminal cases	2 336	3 415	2 513
Total amount of money involved	About HK$1.7 billion	About HK$4.4 billion	About HK$3.5 billion

[1] The Police do not maintain separate records specifically on "virtual asset-related fraud" cases. The figures provided reflect all cases involving virtual assets, including online scams, online blackmail, unauthorised access to computers, and other technology-related and non-technology-related crimes.

(2) The Government has been working with the Securities and Futures Commission (SFC) and its subsidiary, the Investor and Financial Education Council (IFEC), to carry out investor education to strengthen public financial literacy.

The SFC and IFEC have been making proactive VA investor education efforts, including disseminating information about VA trading platforms (VATPs) and reminding the public not to trade on unlicensed platforms. Through 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. The SFC also works closely with the Police to actively promote 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 and the IFEC will continue to make use of existing resources to further strengthen the investor protection work related to VA development.

(3) The Government has long employed a cross-agency collaborative approach to establish a robust anti-money laundering and counter-terrorist financing (AML/CTF) regime in Hong Kong. In response to evolving circumstances and updates to standards set by intergovernmental bodies such as the Financial Action Task Force (FATF), the Government regularly reviews and strengthens Hong Kong's AML/CTF framework. In line with FATF recommendations, the Government is currently conducting a new round of money laundering and terrorist-financing (ML/TF) risk assessment, which is expected to be completed in the 2025–26 financial year.

Furthermore, to address the ML/TF risks associated with VA over-the-counter (OTC) and to protect investors, the Government has proposed amendments to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) to introduce a licensing regime for VA OTC service providers. Additionally, we are formulating a licensing framework for VA custodial service providers. Public consultations on these proposed licensing regimes will be conducted in 2025, with the work to be handled by the Financial Services Branch with existing manpower and resources.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)141

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2615)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Will the Government inform this Committee of:

1) the offerings and issuers of offshore Renminbi (RMB) securities in Hong Kong and the amount involved in 2024; and
2) how financial resources earmarked for supporting the promotion of the issuance and trading of RMB securities are allocated, and whether the resources are sufficient?

Asked by: Hon TAN Yueheng (LegCo internal reference no.: 22)

Reply:

(1) As of the end of 2024, the Renminbi (RMB) deposits (including the outstanding Certificates of Deposit) in Hong Kong was about RMB1.08 trillion, providing liquidity support to offshore RMB trading and financial activities globally. Meanwhile, the listed and unlisted investment products denominated in RMB are as follows:

(i) In 2024, there were 157 debt securities denominated in RMB listed on Hong Kong Exchanges and Clearing Limited (HKEX), with issuers including the Ministry of Finance, HKSAR Government, Mainland local people's governments, corporations, etc. The total amount of RMB bonds issued in Hong Kong reached about RMB1.07 trillion in the year.

(ii) A total of 24 listed companies adopted the "Hong Kong Dollar (HKD)-RMB Dual Counter Model" (dual-counter model) and provided HKD and RMB securities trading. The total trading volume of the RMB counter of relevant securities was about RMB21.5 billion in the year.

(iii) There were 48 funds denominated in RMB (including 47 exchange-traded funds (ETFs) and 1 real estate investment trusts) listed on HKEX.

(iv) There were 949 unlisted RMB investment products authorised by the Securities and Futures Commission (SFC), including funds investing in Mainland stocks and offshore RMB bond markets, etc. The SFC has not maintained detailed information on the issuers and amount involved.

With the sustained growth of RMB cross-boundary payment and its share in global payment, we believe that the number of offshore investors holding RMB will gradually increase. The Government will continue to actively promote the development of offshore RMB business including the trading and issuance of RMB securities, and to support Mainland institutions to issue more offshore RMB bonds and promote more institutions to issue RMB-denominated ETFs and other products, etc.

On stocks, institutions of the 2 places are conducting relevant technical preparations for the inclusion of RMB stock trading counter under Southbound trading of Stock Connect, so as to enable Mainland investors to trade Hong Kong stocks in RMB. Meanwhile, HKEX is taking forward the single tranche multiple counter arrangement, including adopting the same International Securities Identification Number for dual-counter stocks, so as to enhance trading and settlement efficiency. The Government has also been conducting preparatory work to allow the stamp duty payable on the transfer of stocks at RMB counters to be paid in RMB, with a view to putting forward a legislative proposal next year. The Government and HKEX will continue to expand and deepen the coverage of listed and potential issuers through various channels such as key promotional activities, roadshow events, thematic speeches and forum exchanges to introduce in detail the advantages of the dual-counter model, so as to gradually attract more listed companies to adopt it.

In addition, we will continue to take forward mutual market access initiatives supported by regulators of the 2 places, including the issuance of offshore Mainland government bond futures, implementing block trading of stocks and inclusion of real estate investment trusts under the mutual access. We will also actively explore opportunities to introduce further expansion initiatives, extend the Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area, improve market liquidity, and enrich the risk management toolbox. The Government will continue to support Hong Kong financial institutions to further expand the suite of attractive investment products for providing more investment opportunities for domestic and overseas investors and consolidating Hong Kong's status as an offshore RMB business centre.

(2) The relevant work that involves the Government is part of the regular duties of the Financial Services Branch (FSB), and the manpower and expenditure involved have been included in the overall establishment and expenditure of the FSB. There is no itemised breakdown of expenditure.

- End -

FSTB(FS)142

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2616)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is stated in the Budget Speech that the Government has been conducting preparatory work to allow the stamp duty payable on the transfer of stocks at Renminbi (RMB) counters to be paid in RMB, with a view to putting forward a legislative proposal next year. Please advise this Committee on the following:

1) What is the specific timetable for the relevant legislative work?

2) What is the estimated expenditure involved in the relevant preparatory work? Are there adequate resources for this purpose?

3) In future, how will the Government promote the growth in volume of securities under the Hong Kong Dollar-Renminbi Dual Counter Model?

4) In future, how will the Government motivate investors from the Middle East and Southeast Asia to further participate in the trading of Hong Kong stocks denominated in RMB?

Asked by: Hon TAN Yueheng (LegCo internal reference no.: 23)

Reply:

(1) and (2)

The Government is discussing with the Hong Kong Exchanges and Clearing Limited (HKEX) arrangements for collecting stamp duty in Renminbi (RMB) for RMB counter transactions. The measure involves amending the existing provisions of the Stamp Duty Ordinance and requires system changes by the relevant government department, HKEX, and the industry. HKEX will communicate with the industry within this year on the implementation of the proposal. We plan to put forward a detailed legislative proposal in 2026. The relevant part of preparatory work involving the Financial Services Branch (FSB) is part of the regular duties. The manpower and expenditure involved have been included in the overall establishment and expenditure of the FSB. A breakdown is not available.

(3) and (4)

To meet the increasing demand from global investors for allocating RMB assets, the Government, regulators, and HKEX actively promote the issuance and trading of RMB securities in Hong Kong. In 2023, HKEX introduced the "Hong Kong Dollar (HKD)-RMB Dual Counter Model" (dual-counter model) to accumulate practical experience in key operational aspects such as issuing, trading, settling, and converting the same stocks in both HKD and RMB, continuously improving the scalability and liquidity of the market. The dual-counter model has been operating smoothly so far, facilitating market participants to prepare for the further development of the RMB securities market in Hong Kong in the future.

The Government will continue to facilitate relevant Mainland and Hong Kong institutions to conduct technical preparations for implementing the inclusion of RMB stock trading counter under Southbound trading of Stock Connect, so as to enable Mainland investors to trade Hong Kong stocks in RMB. HKEX is also taking forward the single tranche multiple counter arrangement, including adopting the same International Securities Identification Number for dual-counter stocks to enhance trading and settlement efficiency. The Government and HKEX will expand and deepen the coverage of listed and potential issuers through various channels such as key promotional activities, roadshow events, thematic speeches and forum exchanges to introduce in detail the advantages of the dual-counter model. We will also communicate with relevant companies on adding RMB counters with a view to expanding the number of securities under the dual-counter model at an appropriate time. Meanwhile, we will strengthen external promotion to target markets such as those along the Belt and Road, including the Middle East and the Association of Southeast Asian Nations, to publicise the latest developments and opportunities of the various financial services sectors in Hong Kong through duty visits and the overseas Economic and Trade Offices, attracting different types of investors to participate in the Hong Kong market (including RMB stock trading) and enhancing market liquidity.

- End -

FSTB(FS)143

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0869)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Would the Bureau please inform this Committee of the following:

1. How does the Government assess the impact of persistent bond issuance over the next 5 years on Hong Kong's financial market?
2. How can the Government ensure that the persistent issuance of large number of bonds will not affect the liquidity of the local banking system, and avoid driving up the financing costs for private enterprises and banks?
3. Has the Government put in place a mechanism to ensure that the scale of debts remains within a manageable range, so as to avoid affecting Hong Kong's international credit ratings? If so, what are the details? If not, what are the reasons?

Asked by: Hon TANG Fei (LegCo internal reference no.: 23)

Reply:

(1) and (2)

In the coming 5 years, the Government expects to issue a total of about $150 billion to 195 billion worth of bonds every year under the Government Sustainable Bond Programme (GSBP) and the Infrastructure Bond Programme (IBP), with the ratio of government debt to Gross Domestic Product (GDP) to stay at 12 to 16.5 per cent, which is a prudent and manageable level. As a financial hub highly connected to the financial markets in the Mainland and other regions around the world, Hong Kong has a mature financial market with extensive financing capabilities and a deep and liquid bond market that provides ample support to the financing activities of a wide range of issuers.

The issuance of Government bonds provides important market benchmarks and unique demonstration for the market. It is conducive to the further development of Hong Kong's bond market and our overall financial market. For instance, the Government's launch of

RMB and HKD institutional bond tenders under the GSBP and IBP last year has facilitated the formation of the RMB and HKD yield curves through regular issuance of Government bonds. The issuance of bonds under the GSBP can also help further consolidate Hong Kong's status as a green and sustainable finance hub.

(3)

Credit ratings are determined by a variety of factors and points of view. The scale of bond issuance is not the only factor of consideration. For instance, the use of proceeds raised from bond issuance will also be considered by market participants. The Government's past issuances attracted purchase from a wide spectrum of investors globally, reaffirming their recognition for our local green, infrastructure and bond market development, and their confidence in the long-term development of Hong Kong. We have also been maintaining close communication with market participants (including major credit rating agencies) to enhance their understanding of the Government's fiscal position, bond issuance programmes, and the overall development of Hong Kong.

The Government will continue to adhere strictly to fiscal discipline. Proceeds from bond issuance will be used to invest in infrastructure, but not to fund government recurrent expenditure.

- End -

Reply Serial No.

FSTB(FS)144

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2192)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is stated under Programme (1) that efforts will be made 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 GBA Fintech Two-way Internship Scheme for Post-secondary Students (Internship Scheme). In this connection, will the Government inform this Committee of:

(a) the staff establishment and expenditure for overseeing the Pilot Scheme in the past 2 years;

(b) the use of funding for the Pilot Scheme in the past 2 years; and

(c) whether the Pilot Scheme has achieved the expected results; whether it has conducted interim reviews and made enhancements to the Pilot Scheme; and whether it has any plans to further extend the Pilot Scheme?

Asked by: Hon TANG Ka-piu (LegCo internal reference no.: 27)

Reply:

(a) and (b)

The fintech ecosystem in Hong Kong is vibrant. At present, there are over 1 100 fintech companies. The scope of business covers mobile payment, cross-boundary wealth management, artificial intelligence financial consultancy, wealth and investment management, regtech, etc. To nurture fintech talents, the Government has introduced various measures, including the Pilot Scheme on Training Subsidy for Fintech Practitioners (Scheme) launched in September 2022 to provide practitioners having attained fintech professional qualifications with funding support for training, with a view to promoting the professional development of fintech talents and enlarging the fintech talent pool in Hong Kong.

The Enhanced Competency Framework on Fintech for banking practitioners is the first set of fintech professional qualifications recognised under the Government's Qualifications Framework, covering 6 aspects, including basic fintech knowledge, application and management, artificial intelligence, big data, distributed ledger technology, as well as open banking service and regtech. Under the 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.

The overall estimate of the Scheme is $38 million for supporting the training subsidy of financial practitioners and the Scheme administrative expenditure. In the past two years (i.e. 2023-24 and 2024-25), the Government provided a total funding of around $13.5 million to the Scheme administrator (i.e. Hong Kong Institute of Bankers). The Financial Services Branch is responsible for monitoring the implementation of the Scheme, with the staff requirement and expenditure involved being absorbed by the existing manpower and resources.

(c)

The Scheme has been well-received since its launch and the implementation is in line with our expectation. The Hong Kong University of Science and Technology and the Hong Kong Polytechnic University have introduced training courses of fintech professional qualifications related to the banking industry. As at February 2025, over 560 practitioners have enrolled in the relevant courses. Financial practitioners having completed the required training courses and examinations and acquired relevant fintech professional qualifications are entitled to reimburse up to 80% of the training cost under the Scheme, subject to a cap of $25,000. At present, there is surplus funding in the Scheme, and it is expected that the estimate will suffice to implement the Scheme until 2028-29. We will closely monitor the implementation of the Scheme, and introduce enhancement as necessary taking into full consideration the market developments, industry feedback and recommendations, etc., with a view to enlarging the fintech talent pool in Hong Kong continuously.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)145

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2193)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 173 of the Budget Speech that to continuously support local green-finance talent training, the Government will extend the Pilot Green and Sustainable Finance Capacity Building Support Scheme ("the Pilot Scheme") to 2028. Over 5 700 applications have been approved under the Pilot Scheme. In this connection, will the Government inform this Committee of:

(a) the staff establishment and expenditure involved in promoting the development of green and sustainable finance in Hong Kong over the past 2 years;
(b) the use of the provision since the Pilot Scheme has been rolled out; and
(c) the number of applications received and approved since the launch of the Pilot Scheme, with a breakdown by occupation and type of work.

Asked by: Hon TANG Ka-piu (LegCo internal reference no.: 28)

Reply:

To nurture talent for further promoting the development of green and sustainable finance, the Government launched in 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. As of mid-March 2025, there were 87 eligible programmes and qualifications, including green and sustainable finance programmes and qualifications related to banking services, asset management, insurance industry, etc. These are provided by the professional and continuing education schools of local universities, professional institutions, international training providers, etc., and the list will continue to be updated. To continuously support local green-finance talent training, we will extend the Pilot Scheme to 2028.

The Pilot Scheme has been well received by the industry since its launch. As of mid-March 2025, over 6 400 reimbursement applications were approved, involving a total reimbursement amount of around $35.8 million. Among the approved applications, close to 70% 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. For practitioners, we do not maintain statistics on the number of applicants categorised by their professions.

The Pilot Scheme is administered by the Centre for Green and Sustainable Finance, a public-private collaboration platform launched under the Green and Sustainable Finance Cross-Agency Steering Group (formed by relevant Government Bureaux, financial regulators and the Hong Kong Exchanges and Clearing Limited). The Financial Services Branch handles the policy coordination work concerned with existing manpower and resources. There is no itemised breakdown of expenditure.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

FSTB(FS)146

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2196)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 82 of the Budget Speech that the Government will regularise the issuance of tokenised bonds. The Hong Kong Monetary Authority (HKMA) is preparing for issuing the third tranche of tokenised bonds, and will continue to encourage digital bonds issuances through the Digital Bond Grant Scheme (DBGS), while actively exploring tokenising traditional bonds issued. In this connection, will the Government inform this Committee of:

(a) the names of the companies which have issued bonds through the DBGS, the issuance sizes and the amounts of grant involved in the past 3 years;
(b) the estimated expenditure of the HKMA for regularising the issuance of tokenised bonds; and
(c) how the HKMA will facilitate secondary-market trading of tokenised bonds?

Asked by: Hon TANG Ka-piu (LegCo internal reference no.: 31)

Reply:

The Hong Kong Monetary Authority (HKMA) launched the Digital Bond Grant Scheme last year, offering a maximum grant of HK$2.5 million to each eligible digital bond issuance, with a view to encouraging digital bond issuance in Hong Kong and nurturing local digital asset ecosystem. The Industry generally welcomes the Digital Bond Grant Scheme, and has shown interest in the scheme, with around 30 enquiries received since its launch in November last year. At present, the HKMA has yet to grant a subsidy under the scheme, but some issuers have already indicated interest in making formal applications. In addition, the HKMA will continue to explore further innovation, and actively explore tokenising existing government bonds to expand the collateral pool for secondary market use cases (e.g. repo financing), so as to further develop Hong Kong's tokenised bond market.

To promote broader adoption of tokenisation technology in capital market transactions, the Financial Secretary announced in the 2025-26 Budget that, on the basis of 2 successful tokenised bond issuances, the Government will regularise the issuance of tokenised bonds, and the HKMA is preparing for issuing the third tranche of tokenised bonds. Expenses related to the issuance of tokenised bonds are subsumed under the Government's overall budget for administrative costs and interest expenses for bond issuance.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)147

(Question Serial No. 2677)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 102 of the Budget Speech that the London Metal Exchange, a subsidiary of the Hong Kong Exchanges and Clearing Limited, has included Hong Kong as its approved delivery point in January this year. Local warehouse operators have expressed interest in becoming its accredited warehouses. Relevant discussion is actively underway. In this connection, please inform this Committee of the following:

1. It is also mentioned in the 2024 Policy Address that the Government will explore the introduction of tax concessions and support measures to attract relevant enterprises in the Mainland and overseas to set up businesses in Hong Kong, building a commodity trading ecosystem in our city. What is the current progress? Will the Government also provide financial support to other companies that have established accredited warehouses in Hong Kong? If yes, what are the details? If not, what are the reasons?

2. Will the Government establish a cross-bureau working group to develop Hong Kong into a commodity trading centre in Asia? If yes, what are the details? If not, what are the reasons?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 23)

Reply:

Our country is the world's largest consumer of industrial metals. Developing relevant commodity exchanges will drive the development of a financial, shipping and trade centre. The Chief Executive's 2024 Policy Address proposes the creation of a commodity trading ecosystem which can be a starting point for attracting relevant enterprises to establish a presence in Hong Kong, turning our city into an operation centre for international commodity trading, storage and delivery, shipping and logistics, risk management, and more.

The London Metal Exchange (LME), a subsidiary of the Hong Kong Exchanges and Clearing Limited (HKEX), included Hong Kong as an approved delivery point within its global warehousing network in January this year, and will accept applications from warehouse operators to become approved storage of LME-registered brands of metals. The establishment of LME-accredited warehouses in Hong Kong will provide convenient, cost-effective and safe delivery channels for related metals trading in the region. It will also increase the demand for Hong Kong’s trade, shipping, warehousing and transportation industries, strengthen Hong Kong’s commodities ecosystem, and lay a foundation for future expansion of related financial transactions such as futures.

Before making the decision, LME had established the feasibility of setting up a compliant warehouse in Hong Kong, including the sustainability of business operations, costs and technical requirements. With the relevant guidance provided by LME and HKEX, its holding company, we believe that the trade can establish relevant facilities based on commercial principles to better promote the sustainable development of the commodities market. The 2025-26 Budget mentioned that local warehouse operators have expressed interest in becoming LME’s accredited warehouses. At present, a number of LME-accredited warehouse operators are in discussion with local warehouse operators on cooperation in establishing LME-approved warehouses. The Financial Services and the Treasury Bureau (FSTB) in collaboration with relevant bureaux and departments has been maintaining communication with relevant industry players and has held several meetings to provide assistance on technical matters. Relevant work involves cross-bureaux and inter-departmental coordination. On commodities trading relating to financial markets, the FSTB will adopt the same model to coordinate the relevant work.

- End -

Reply Serial No.

FSTB(FS)148

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: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 90 of the Budget, "the Government promotes the formation of the offshore Renminbi (RMB) yield curve by regularly issuing RMB bonds of different tenors. The Hong Kong RMB Clearing Bank has been offering 24-hour cross-border clearing service since last year, bringing convenience to banks and customers in different time zones." Please 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 each quarter of the past 3 years.

2. As regards "promoting the formation of the offshore RMB yield curve by regularly issuing RMB bonds of different tenors", does the Government have any plans to issue RMB bonds with longer tenors? If so, what are the details? If not, what are the reasons?

3. It is mentioned that "the Hong Kong RMB Clearing Bank has been offering 24-hour cross-border clearing service since last year", how has the service been implemented since its introduction at the end of last year? According to the figures of the Hong Kong RMB Clearing Bank, as of October last year, over 70% of global offshore RMB payments were settled through Hong Kong. The new 24-hour cross-border clearing arrangement is expected to continue to promote the relevant business. Does the Government have any other measures to further consolidate Hong Kong's status as an offshore RMB business hub?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 26)

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 3 years (2022-23 to 2024-25) are listed out below:

GSBP

Financial Year	**Quarter**	**Tenor**	**Issuance Amount (RMB billion)**
2022-23	Q4	2-5	10
2023-24	Q1	2-10	15
	Q4	2	1.5
2024-25	Q2	2-30	10

IBP

Financial Year	**Quarter**	**Tenor**	**Issuance Amount (RMB billion)**
2024-25	Q3	1-10	6
	Q4	1-10	7.5

(2) Under the GSBP and the IBP, the Government has issued multiple tranches of government bond denominated in RMB since November 2021, with a total issuance amount reaching RMB55 billion. In particular, the 20-year and 30-year RMB Green Bonds were offered for the first time by the Government in July 2024, among which the 30-year bond is also the longest tenor RMB bond offered by the Government so far.

Subsequently, the Government launched tendering of RMB institutional bonds in October 2024, promoting the formation of the offshore RMB yield curve by regularly issuing RMB bonds of different tenors. The Government will continue to issue RMB bonds to further facilitate the development of offshore RMB market and enrich offshore RMB product offerings. The actual issuance arrangements and parameters will be determined taking account of the actual market conditions, and will be subject to approval of the Steering Committee chaired by the Financial Secretary.

(3) The Hong Kong RMB Clearing Bank has been offering 24-hour cross-border clearing service since 23 December last year. This has been well-received by the market, with the average daily turnover of the RMB Real Time Gross Settlement System increasing in the first 2 months of this year, further enhancing Hong Kong’s role as an offshore RMB business hub.

With the prudent and steady progress of RMB internationalisation, we are actively promoting the development of Hong Kong’s offshore RMB business in response to market needs in the following 4 aspects:

(i) Liquidity: continuously increasing the scale of Hong Kong's offshore RMB liquidity pool and enhancing operational efficiency;

(ii) Products: continuously developing and enhancing the connectivity between the Mainland and Hong Kong in the areas of equities, bonds, wealth management and risk management; as well as supporting the development of offshore RMB-denominated products;

(iii) Infrastructure: enhancing Hong Kong's central securities depository and promoting cross-boundary application of RMB digital currency; and

(iv) Outreach: collaborating with financial institutions to promote Hong Kong's offshore RMB business in overseas markets.

- End -

Reply Serial No.

FSTB(FS)149

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:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Regarding paragraph 82 of the Budget Speech, please advise this Committee on the following:

1. It is mentioned that, to dovetail with the latest economic trends and corporate needs, the Government will review listing requirements and post-listing ongoing obligations, and evaluate listing-related regulations and arrangements to improve the vetting process. What are the specific directions and timetables on these two fronts?

2. The Budget also mentions that the Government will explore the establishment of a post-delisting over-the-counter trading mechanism. There had been aspirations from the securities market for the Government to establish a mechanism as such, but the Government and the regulatory authorities never gave positive responses. What current changes in the market have led the Government to change its previous stance? At this initial stage, how can the Government ensure the mechanism is able to protect the interests of minority shareholders of companies preparing to de-list?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 27)

Reply:

The Government, the Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited (HKEX) have been committed to enhancing the competitiveness of Hong Kong's securities market through implementing a series of reforms, so as to inject vitality into the Hong Kong market and improve liquidity. Last year, we took forward various measures to enhance the listing regime, including optimising the listing application vetting process, enhancing the specialist technology listing regime, reforming GEM, facilitating listing of overseas issuers, establishing the regime for share repurchase and treasury, etc. Driven by the various measures, we welcomed a total of 16 new listings with total funds raised amounting to $17.7 billion in the first quarter of this year, a year-on-year increase of over two times and ranking fourth globally, demonstrating increasing confidence of issuers in the Hong Kong market.

The 2025-26 Budget announced the plan to take forward further reforms to the listing regime, including reviewing listing requirements and post-listing ongoing obligations, evaluating listing-related regulations and arrangements to improve the vetting process, optimising the thresholds for dual primary listing and secondary listing, and reviewing the market structure, including exploring to establish an over-the-counter market. The review aims to comprehensively evaluate all aspects of the listing regime to align with the latest economic trends and corporate needs, enhance the competitiveness of Hong Kong's listing platform and further attract companies to raise funds in Hong Kong. At the same time, the review aims to attract more investors, especially patient capital and overseas long-term investors, to participate and increase their allocation of Hong Kong stocks. The directions of the review including further facilitating listing of enterprises from emerging industries, fundraising and development of Mainland enterprises overseas, and listing of overseas enterprises in Hong Kong as well as return of "China Concept Stocks".

As regards over-the-counter market, we understand that market participants have previously expressed various opinions on the establishment of such market in Hong Kong and its various aspects, such as its functions, positioning, suitable securities, investor scope, etc., in different occasions. The SFC and HKEX will take into account the principles of risk control and protection of shareholder and investor interests while considering market development, review relevant areas and make reference to experiences of other markets. They will also undertake a formal consultation to gauge views from different market participants on various relevant issues.

HKEX and the SFC target to put forward enhancement proposals in different areas of the review by batches when they are ready within this year for market consultation.

- End -

Reply Serial No.

FSTB(FS)150

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:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Regarding company registration, dissolution and liquidation, please advise this Committee on the following:

1. Please provide the quarterly numbers of de-registration, striking-off and liquidation (including compulsory and voluntary winding-up), and the numbers of winding-up petitions filed to the Official Receiver's Office, for the past two years;

2. Please provide the quarterly numbers of companies registered and established locally for the past two years;

3. As mentioned under Matters Requiring Special Attention in 2025-26 of the Financial Services and the Treasury Bureau (Financial Services Branch), efforts will be made to enhance the efficiency of administration of corporate insolvency and personal bankruptcy. What are the specific details and objectives regarding this matter?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 28)

Reply:

(1) The table below sets out the quarterly figures of company de-registration, striking-off and liquidation in the past 2 financial years, according to information from the Companies Registry.

Quarter	Number of companies dissolved			
	De-registration	Striking-off	Liquidation (including compulsory and voluntary winding-up)	Total
April – June 2023	14 196	9 001	255	23 452
July – September 2023	14 667	7 244	300	22 211
October - December 2023	19 384	4 184	243	23 811
January – March 2024	21 983	7 344	205	29 532
April – June 2024	20 341	6 900	222	27 463
July – September 2024	20 135	9 489	229	29 853
October - December 2024	18 432	10 574	219	29 225
January – March 2025	18 220	10 140	316	28 676

The table below sets out the quarterly figures of winding-up petitions received by the Official Receiver's Office (ORO) in the past 2 financial years.

Quarter	Number of winding-up petitions received
April - June 2023	138
July - September 2023	147
October - December 2023	134
January - March 2024	189
April - June 2024	195
July - September 2024	171
October - December 2024	185
January - March 2025	184

(2) The table below sets out the quarterly figures of local companies incorporated in the past 2 financial years, according to information from the Companies Registry.

Quarter	Number of local companies incorporated
April – June 2023	29 338
July – September 2023	29 403
October – December 2023	30 255
January – March 2024	30 548
April – June 2024	36 186
July – September 2024	37 955
October – December 2024	40 364

Quarter	Number of local companies incorporated
January – March 2025	39 715

(3) With a view to enhancing the efficiency of administration of corporate insolvency and personal bankruptcy, the Financial Services Branch will continue to liaise with the ORO to review work procedures and introduce appropriate improvement measures, such as streamlining the processes, wider adoption of information technology including the plan to roll out of Phase 2 of the Electronic Submission System by 14 July this year, re-prioritization of resources and other measures to enhance its efficiency and productivity to maintain a high standard in insolvency administration. This is an ongoing process and will continue to be undertaken throughout the year.

- End -

FSTB(FS)151

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3722)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

As proposed in paragraph 173 of the Budget Speech, the Government has decided to extend the Pilot Green and Sustainable Finance Capacity Building Support Scheme to 2028 to support local green finance talent training. Please inform this Committee of the following:

1. The total expenditure incurred under the scheme over the past 3 years.

2. At present, over 80% of the management of companies in the financial services industry still finds it difficult to recruit talent familiar with green disclosure standards. Given that most training subsidised under the scheme are short courses, how will the Government evaluate the scheme and ensure that it is truly effective in nurturing professionals familiar with green disclosure standards, thereby supporting the development of Hong Kong's green finance industry?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 53)

Reply:

(1) To nurture talent for further promoting the development of green and sustainable finance, the Government launched in 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. Applicants meeting the completion requirements of eligible programmes (e.g. through examination or non-examination-based assessments, such as assignments, group projects, etc.) can apply for funding support of up to $10,000. The Pilot Scheme has been well received by the industry since its launch. As of mid-March 2025, over 6 400 reimbursement applications were approved, involving a total expenditure of around $40 million (including the fees of around $3.8 million paid to the

processing agent of the Pilot Scheme). To continuously support local green-finance talent training, we will extend the Pilot Scheme to 2028.

(2) Programme providers may design and offer new programmes taking account of market demands and apply for registration as eligible programmes under the Pilot Scheme. Currently, there are 87 eligible programmes and qualifications, with teaching content covering 1 or more areas relating to green and sustainable finance, such as sustainability reporting, climate and environmental risk management and scenario analysis, and Environmental, Social and Governance (ESG) investing, etc. The Pilot Scheme provides applicants with appropriate flexibility, allowing them to select suitable programmmes and qualifications based on their own needs. In terms of the programme design, durations vary from a dozen of hours to months- or year-long (including flexible online self-paced courses, and courses that last for a full term). We will continue to publicise the Pilot Scheme including working closely with universities and the industry on promotional efforts, review its scope (such as the list of disciplines, programme content and duration, etc.) and operation, and collect feedback and comments from the industry, training institutes as well as participants from time to time, so as to meet the needs of the industry in knowledge and skills related to green and sustainable finance.

The Green and Sustainable Finance Cross-Agency Steering Group (formed by relevant Government Bureaux, financial regulators and the Hong Kong Exchanges and Clearing Limited) and the Hong Kong Institute of Certified Public Accountants will continue to promote alignment with the International Financial Reporting Standards - Sustainability Disclosure Standards (ISSB Standards) and support capacity building efforts locally, regionally and internationally through organising seminars, webinars and other engagement activities as well as publishing articles and newsletters on sustainability-related topics; providing training and certification programmes; facilitating discussions at relevant technical and/or advisory committees; and working with industry practitioners, stakeholders and relevant regulators to establish good practices for sustainability reporting.

- End -

Reply Serial No.

FSTB(FS)152

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3723)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Will the Government consider establishing accounting standards or a financial disclosure framework for technology enterprises by drawing reference from, for example, the International Financial Reporting Standards (IFRS) (such as IFRS 15 concerning revenue recognition and IFRS 38 concerning intangible assets) or the Hong Kong Financial Reporting Standards, with a view to enhancing the financial transparency of technology enterprises? Also, will the Government provide more guidelines to address the uncertainties of revenue arising from the evolving technological landscape faced by these enterprises nowadays?

In addition, in respect of environmental, social and governance (ESG) information disclosure, with the upcoming implementation of the ESG disclosure standards introduced by the International Sustainability Standards Board (ISSB), will technology enterprises be required to disclose key factors such as carbon emissions, data governance and, in particular, their climate-related financial disclosures and sustainable management of supply chains in accordance with the ISSB's sustainability disclosure standards?

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 54)

Reply:

The accounting standards adopted in Hong Kong are in line with the international standards, and are updated in accordance with the developments of the international accounting standards in order to ensure transparency and credibility of transactions of Hong Kong's capital markets, thereby facilitating inward investments by global investors and outward business development by local enterprises.

The Hong Kong Institute of Certified Public Accountants (HKICPA) is the statutory standards-setting body of Hong Kong's accounting standards. The Hong Kong Financial Reporting Standards (HKFRS) Accounting Standards issued by the HKICPA converge with the International Financial Reporting Standards (IFRS) Accounting Standard issued by the

International Accounting Standards Board (IASB). The standards are applicable to the financial reporting by any types of business. All Hong Kong-incorporated companies, including technology corporations, are required to comply with the HKFRS Accounting Standards.

In relation to IFRS 15 - Revenue and International Accounting Standards (IAS) 38 - Intangible Assets as mentioned in the question, in accordance with the full convergence policy and as confirmed with the HKICPA, they have been adopted in the HKFRS Accounting Standards as HKFRS 15 - Revenue and Hong Kong Accounting Standards (HKAS) 38 - Intangible Assets. The IASB is considering how the existing accounting standards could address the financial reporting needs and challenges arising from the new digital economy. As regards the IFRS 15 - Revenue, the IASB completed its review in October 2024 and took the view that there was no need to amend the standard at this juncture. The IFRS Interpretations Committee has also made clarifications in response to the application issues relating to new digital economy-related transactions raised by stakeholders. As for the IAS 38 - Intangible Assets, the IASB has included in its 2022-2026 work plan an item to review it to ensure that it provides appropriate guidance for the accounting treatment of the new digital economy-related transactions. The HKICPA will closely monitor the progress of the review so as to correspondingly update the HKFRS Accounting Standards in a timely manner, and will continue to offer guidance and continuing professional development training for Hong Kong accountants on the application of the HKFRS Accounting Standards.

For sustainability disclosure, the Financial Services and the Treasury Bureau (FSTB) launched in December 2024 the Roadmap on Sustainability Disclosure in Hong Kong, which sets out Hong Kong's approach to require publicly accountable entities (PAEs) to adopt the International Financial Reporting Standards (IFRS) - Sustainability Disclosure Standards (ISSB Standards). It provides a well-defined pathway for large PAEs to fully adopt the ISSB Standards no later than 2028, leading Hong Kong to be among the first jurisdictions to align its local requirements with the ISSB Standards. As the sustainability reporting standard setter in Hong Kong, the HKICPA published in December 2024 the Hong Kong Sustainability Disclosure Standards (Hong Kong Standards) which fully align with the ISSB Standards (i.e. including the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures), with an effective date of 1 August 2025.

Large PAEs include large listed issuers and non-listed financial institutions carrying a significant weight. For listed issuers, Hong Kong Exchanges and Clearing Limited (HKEX) has introduced new climate-related disclosures requirements (New Climate Requirements), which are developed based on IFRS S2 Climate-related Disclosures, with proportionality and scaling-in measures. The New Climate Requirements came into effect from 1 January 2025, preparing companies to start climate reporting early in accordance with provisions of the ISSB Standards. HKEX will consult the market in 2027 on mandating sustainability reporting against the Hong Kong Standards for listed PAEs, with an expected effective date of January 2028 under a proportionate approach. For financial industry, the Hong Kong Monetary Authority, the Securities and Futures Commission, the Insurance Authority and the Mandatory Provident Fund Schemes Authority will conduct sector-specific engagements to determine the approach and timing of adopting the Hong Kong Standards for different financial sectors. Subject to stakeholders' comments and feedback, relevant financial regulators will require non-listed financial institutions carrying a significant weight (i.e. being non-listed PAEs) to apply the Hong Kong Standards no later than 2028. If a technology corporation is a large listed issuer or a non-listed financial institution carrying a significant weight in Hong Kong, it will be required to make sustainability disclosure in accordance with the Hong Kong Standards.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)153

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1322)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 97 of the Budget Speech that Hong Kong has been actively developing the virtual asset ecosystem in recent years, and have been at the forefront by establishing a framework that balances regulation and market development. In this connection, will the Government inform this Committee of the following:

1. To make such framework more effective, will the Government draw up a comprehensive strategic blueprint for the development of Web3 and set medium- to long-term goals in terms of technological innovation, legal refinement, talent nurturing and market application, so as to promote the sustainable development of Web3 and virtual asset technologies?

2. Will the Government consider setting up specific research centres to promote the application and development of core Web3 technologies such as blockchain and smart contracts?

3. Will the Government further strengthen the approval for and risk management of trading platforms, such as by enhancing its real-time monitoring capabilities through regulatory technology (RegTech), or by applying artificial intelligence and big data analytics technology to monitor market trading dynamics so as to detect potential anomalies at an early stage?

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 31)

Reply:

(1) The Financial Secretary announced in the 2025-26 Budget that the Government will promulgate a second policy statement on the development of virtual assets (VA) to explore ways to leverage the advantages of traditional financial services and innovative technologies in the area of VAs, enhance security and flexibility of real economy

activities, and encourage local and international companies to explore the innovation and application of VA technologies. The Government will issue the second policy statement in a timely manner to outline the upcoming policy vision and direction, after reviewing the latest developments in the local and global VA markets and discussing with industry stakeholders.

(2) Cyberport as the digital technology flagship actively promotes the advancement and application of technologies such as blockchain, artificial intelligence (AI) and big data. Cyberport currently is home to more than 270 enterprises related to blockchain technology, applying technologies to various fields including financial technology (FinTech) and smart living. Cyberport will continue to promote relevant technological development through its network of start-up and industries, including its collaboration with universities, industry associations and leading enterprises via its "Web3 Academy" to organise relevant training sessions and seminars. In addition, other measures related to AI and FinTech pursued by Cyberport, including the AI Supercomputing Centre, Cyberport Incubation Programme, etc., could also support the research & development, application and industry development related to blockchain and Web 3.0 technologies, etc.

(3) The Securities and Futures Commission (SFC) announced in February 2025 a roadmap on the VA market, which proposes, among others, enhancing the SFC's capability in overseeing virtual asset service providers through the use of new technology tools and infrastructure building. In particular, the SFC will consider options for straight-through reporting of digital asset information, and will explore a variety of data-driven surveillance tools, so as to strengthen the SFC's capability in market-wide oversight, transaction monitoring, blockchain intelligence and wallet monitoring and tracing, etc. These tools will complement the SFC's existing supervisory tools, which include on-site inspections and ongoing monitoring.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)154

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1185)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government plans to issue a total of about $150 billion to $195 billion worth of bonds under the Government Sustainable Bond Programme and the Infrastructure Bond Programme every year during the 5-year period from 2025-26 to 2029-30. Early in 2023-24 Budget, the Government indicated that a certain proportion of the future issuances of Government green bonds and infrastructure bonds would be earmarked for priority investment by Mandatory Provident Fund (MPF) funds, thereby providing MPF scheme members an additional investment option with stable returns at low fees. In this connection, will the Government inform this Committee of:

(1) of the bonds to be issued in the 5 years mentioned above with a total value of $750 billion to $975 billion, the proportion to be earmarked for priority investment by MPF funds;

(2) the expected time for launching the relevant MPF funds with stable returns at low fees to the market after a year or so since the Financial Services and the Treasury Bureau indicated in a reply to a written question in January 2024 that a mechanism had already been put in place for priority investment in Government bonds by MPF funds; and

(3) given that the present value of accumulated total MPF assets exceeds $1.3 trillion and it is expected that after raising the maximum relevant income level and implementing the policy of making contributions on behalf of low-income persons, the value of annual new contributions will exceed $100 billion, has the Government explored how to attract MPF assets and contributions with a view to supporting development in various areas?

Asked by: Hon WONG Kwok, Kingsley (LegCo internal reference no.: 5)

Reply:

(1) The Hong Kong Monetary Authority (HKMA) and the Mandatory Provident Fund Schemes Authority (MPFA) have already put in place a mechanism to earmark a certain proportion of institutional Government green bonds for priority investment by the Mandatory Provident Fund (MPF) schemes, which was first applied in the issuance of institutional green bonds under the Government Green Bond Programme in June 2023. A similar mechanism will be applied to future institutional issuances under the Government Sustainable Bond Programme and Infrastructure Bond Programme.

    To allow more flexibility in meeting the demand for Government bonds among various types of investors and avoid undermining the participation from non-MPF investors, HKMA would not set nor announce a pre-determined allocation target or allocation cap. The actual allocation of bonds would depend on the subscription amount and issuance size among other factors. Drawing reference from past issuances, the existing mechanism can satisfy demand for institutional Government bonds among MPF investors.

(2) Considering that the society at large has clear demands for MPF funds that offer stable returns at low fees, the Government has instructed HKMA and MPFA to conduct a study on this issue. The study is ongoing, and will take 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, so as to provide scheme members with more investment instruments with stable returns.

(3) Currently, there are about 380 constituent funds in the MPF System, covering different markets around the world and with different risk and return portfolios. These constituent funds include mixed assets funds and bond funds investing in Hong Kong's capital market. Depending on their investment objectives and risk-tolerance level, scheme members can freely choose to invest in bonds issued by the Government through MPF funds to participate in advancing Hong Kong's green and sustainable development and infrastructure development. The Government and MPFA will continue developing and implementing measures to optimise investment options in a timely manner, thereby providing more diversified options for MPF investment and enhancing returns for the benefit of scheme members.

- End -

Reply Serial No.

FSTB(FS)155

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0099)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The funding requirement of various funding schemes/initiatives under the "Funding for promoting and facilitating the development of the financial services sector" of the Financial Services Branch in 2025-26 is lower than that of 2024-25.

The funding is 50.2% lower as compared with the previous year. What are the actual amount, the funding schemes or initiatives involved, and the reasons for that?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 11)

Reply:

The estimated financial provision in 2025-26 of "other items" under "Programme 1: Financial Services" of the Financial Services Branch (FSB) decreases by around $320 million (-50.2%) as compared with the 2024-25 revised estimates, mainly due to –

(1) FSB provided a one-off provision of $200 million to the Accounting and Financial Reporting Council in 2024-25. There are no related expenditure estimates in 2025-26; and

(2) lower funding requirement for various funding schemes/ initiatives under the "Funding for promoting and facilitating the development of the financial services sector" (the Funding) in 2025-26 than that of 2024-25, from around $210 million in 2024-25 revised estimates, decreases by around $140 million to around $70 million in 2025-26 estimates. The items involved and reasons are as tabulated below -

	Item	Reason
1.	Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts	The Government has provided funding to the Securities and Futures Commission since May 2021 for implementing the Grant Scheme. The Grant Scheme has effectively promoted the development of the funds sector, with the number of open-ended fund companies (OFCs) set up in Hong Kong increased by over 70% from 302 as of end-March 2024 to 520 as of end-March 2025. As the industry is familiar with the arrangement for setting up OFCs, the subsidy amount under the Grant Scheme will be adjusted to benefit more market participants. The estimated expenditure for 2025-26 has also been adjusted accordingly.
2.	Green and Sustainable Finance Grant Scheme	The Grant Scheme has been extended by 3 years from 10 May 2024 to 2027, with the related funding requirement being absorbed by the Hong Kong Monetary Authority. Thus, there are no related expenditure estimates under the Funding in 2025-26.
3.	Pilot Insurance-linked Securities Grant Scheme	The Grant Scheme has been implemented since May 2021. In previous financial years, we have provided a total funding of $60 million (including $24 million in 2024-25) to the scheme administrator (i.e. Insurance Authority). As there is surplus funding in the Grant Scheme, it is not necessary to allocate funding in 2025-26.
4.	Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme	The Funding Support Scheme was launched in June 2024. 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 2025-26.
5.	Pilot Scheme on Training Subsidy for Fintech Practitioners	The Subsidy Scheme has been implemented since September 2022. We have provided a total funding of about $20 million (including $0.78 million in 2024-25) to the scheme administrator (i.e. Hong Kong Institute of Bankers). As there is surplus funding in the Subsidy Scheme, it is not necessary to allocate funding in 2025-26.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

FSTB(FS)156

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0100)

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) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

There will be an increase of 1 directorate post in the Financial Services Branch this year. What post is it and what are its duties? What is the expenditure involved? Is the post a time-limited one?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 12)

Reply:

We propose re-creating a time-limited directorate post of Administrative Officer Staff Grade C in the Financial Services Branch (designated as Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) 8) in 2025-26 for 3 years up to 31 March 2028. The post concerned will mainly be responsible for policy and legislation pertinent to the reform of the MPF System, including continuously monitoring the operation of the eMPF Platform (such as overseeing the implementation of statutory requirements on fund expense ratio, drafting subsidiary legislation for commencement of provisions not yet in effect, monitoring the formulation and implementation of guidelines and operating rules by MPFA, monitoring the drafting work of subsidiary legislation and preparing legal notices for gazettal to effect the phased onboarding of trustees, etc.), implementation of MPF "Full Portability", and other reform initiatives pertinent to the MPF System. The post concerned will also be responsible for handling housekeeping matters in respect of the Census and Statistics Department, including policy and legislation relating to the 2026 Population Census. The notional annual salary cost at mid-point is $2.48 million.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)157

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0101)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

1. The Branch will review the existing regulation of licensed money lenders and public education, and conduct public consultation in the first half of 2025, with a view to stepping up efforts in addressing the issue of excessive borrowing. What follow-up work will be arranged after the public consultation is completed? What were the details of the Branch's work on public education and the expenditure involved over the past 5 years? What is the estimated expenditure for the relevant work this year?

2. What is the current situation of excessive borrowing in Hong Kong? When and how will the review of the existing regulation of licensed money lenders be conducted? Will there be any plan to strengthen such regulation?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 13)

Reply:

According to the information of the Companies Registry, in 2023, borrowers with monthly income of $10,000 or less accounted for 29% of the total number of loan transactions in the unsecured personal loan market of the relevant money lenders, with an average loan amount of around $20,150. The default rate concerned was 9.4%. Loans of foreign domestic helpers comprised 26% of all loans, with an average loan amount of around $19,900 and default rate of 9.9%.

The Government has been closely monitoring the market situation in the money lending sector to continuously review and enhance the prevailing regulatory measures. In 2021, we enhanced the licensing conditions of money lenders, including requiring money lenders, before entering into a loan agreement for an unsecured personal loan, to undertake an assessment of the borrower's repayment ability and have due regard to the assessment outcome, and requiring money lenders to immediately cease to use a referee's information after they are informed or aware that the written consent was in fact not signed by the referee.

In 2022, we lowered the statutory interest rate cap and the threshold of extortionate rate from 60% to 48% and from 48% to 36% respectively.

The Government will commence a public consultation regarding enhancing regulation of unsecured personal loans and enhancing protection for loan referees in the first half of this year, and will collate and summarise the views received after the consultation period to finalise relevant measures and formulate relevant legislative proposals.

The Government has been conducting public education to promote the importance of prudent borrowing. In 2025-26, we have earmarked $0.9 million and plan to raise public awareness and alertness on the malpractices of money lending through various channels including the Internet and promotional pamphlets, etc., and cooperate with the Investor and Financial Education Council and non-governmental organisations to promote the message of prudent borrowing. The average annual expenditure on public education work in the past 5 years was $820,000.

- End –

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)158

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0102)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(2) Subvention: Financial Services Development Council
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Financial Services Development Council will help nurture human capital for Hong Kong's financial services industry with outreach programmes for students and practitioners this year. The Hong Kong Academy for Wealth Legacy organised only two events in the past year. What were the expenditure involved, as well as the number of talents nurtured in the past? What are the details of the relevant work and the expenditure to be incurred this year? Given that the provision for this year is 1.3% lower as compared with last year, will the organisation of events be affected?

Asked by: Hon WONG Ying-ho, Kennedy (LegCo internal reference no.: 14)

Reply:

The Financial Services Development Council (FSDC) held the annual Career Festival in November 2024 under the theme "Expand Your Horizons: Discover New Career Opportunities with Financial Leaders". The festival was a cross-sector event co-organised by local universities and professional industry associations, covering areas including banking, insurance, wealth management, and FinTech. It allowed students to interact with industry leaders, gain insights into the diverse fields of financial services, and explore career potential. In addition, the FSDC participated in 10 talent development-related events in 2024-25 including seminars, sharing sessions and summits. The above events were attended by over 1 300 participants. The actual expenditure of the FSDC was about $200,000.

The Hong Kong Academy for Wealth Legacy (HKAWL), established under the FSDC, co-hosted the "Family Legacy Summit" with Invest Hong Kong in 2024-25, fostering interaction and exchange within the industry. The HKAWL also organised, co-organised, or participated in over 20 events such as forums, seminars, roundtables, etc., during the year, enabling asset owners and family office practitioners (including young practitioners) to engage in in-depth and professional discussions and exchanges on relevant topics. These events brought together over 3 100 participants. The actual expenditure was about $1.3 million (including $800,000 covered by sponsorships received).

In 2025-26, the FSDC will continue to organise, co-organise and participate in initiatives conducive to the development of the younger generation. In view of the growth potential of various sectors of the industry and the current talent demand, the FSDC will establish a resilient talent framework through conducting policy research for sectors to explore, for example, how the industry can address talent challenges, aiming at supporting the sustained growth of the financial services industry. The HKAWL will also host or participate in more events and conferences, fostering continuous training, knowledge sharing, and networking for wealth owners and family office practitioners. The total estimated event expenditure for the FSDC and HKAWL is about $3 million.

Despite the slight decrease of the Government funding in 2025-26, the FSDC will continue to prudently allocate resources for policy research, human capital development and market promotion, including expanding media promotion and enhancing global marketing activities to communicate Hong Kong's strengths, achievements, and opportunities, as well as bolstering the international financial community's confidence in Hong Kong.

- End -

Reply Serial No.

FSTB(FS)159

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1325)

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) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 253 of the Budget Speech that the scale of bond issuance will be expanded. It is expected that during the five-year period from 2025-26 to 2029-30, a total of about $150 billion to $195 billion worth of bonds will be issued under the Government Sustainable Bond Programme and the Infrastructure Bond Programme every year. About 56% of the bonds issued will be used for re-financing short-term debts. In this connection, would the Government advise this Committee whether it will consider allowing members of the public to purchase government bonds with their Mandatory Provident Fund (MPF)? This will not only provide MPF holders with stable interest income, but also alleviate the financial pressure of the Government by enabling it to pay interest only and enjoy a principal moratorium in the short term, which is similar to the practice of issuing "perpetual bonds".

Asked by: Hon YANG Wing-kit (LegCo internal reference no.: 3)

Reply:

Currently, there are about 380 constituent funds in the Mandatory Provident Fund (MPF) System, covering different markets around the world and with different risk and return portfolios. These constituent funds include mixed assets funds and bond funds. Depending on their investment objectives and risk-tolerance level, scheme members can invest in bonds issued by the Government through MPF funds. Under the current rules, for MPF investment in debt securities issued by an "exempt authority" (including the Government of the Hong Kong Special Administrative Region), an MPF fund may invest up to 30% of its funds in bonds of the same issue, and may choose to invest all of the funds in bonds of at least 6 different issues issued by the same exempt authority.

The MPF System runs by the concept of collective investment, under which the contributions of individual scheme members are pooled together to achieve a much larger portfolio of assets, thereby allowing scheme members to buy different types of regulated financial products regardless of their contribution amount. Scheme members can also access a much wider choice of investment products and reduce risk through investment diversification, thus improving cost-effectiveness. Therefore, we do not plan to allow MPF scheme members to invest directly in bonds issued by the Government.

Considering that the society at large has clear demand for MPF funds that offer stable returns at low fees, the Hong Kong Monetary Authority and the Mandatory Provident Fund Schemes Authority have already put in place a mechanism to earmark a certain proportion of Government green bonds for priority investment by MPF funds. This mechanism will also apply to future issuances of Government infrastructure bonds. Under the arrangement, MPF fund managers can consider more investment instruments with stable returns in their portfolio management for the benefit of scheme members.

- End -

 Reply Serial No.

FSTB(FS)160

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:	(-) Not Specified
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The Hong Kong Investment Corporation Limited (HKIC) has so far invested in over 90 technology enterprises engaging mainly in hard and core technology, life technology, new energy, green technology, etc.

Given the limited information publicly disclosed by the HKIC, please inform this Committee of the following: the number of Hong Kong technology enterprises and the proportion of related investment among the over 90 enterprises; the total amount of investment in the past year; the estimated number of technology enterprises in which investment will be made in the coming year and the estimated total amount of investment; and the number of technology enterprises which have already planned for initial public offerings in Hong Kong.

Asked by: Hon YIM Kong (LegCo internal reference no.: 11)

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 its establishment, the HKIC has invested in over 90 projects, including enterprises with cutting-edge technologies or in key industries. These projects are medium-to-long-term investments. Key themes include Hard and Core Technology, Biotechnology and New Energy and Green Technology, with the proportions being 56%, 16% and 11% respectively based on the invested amount. In terms of the place of incorporation of the investee companies, over 30% of the companies are from Hong Kong, with the rest from the Mainland and overseas. In summary, these investments contribute to the development of Hong Kong's innovation and technology industry, and help local start-ups explore diversified markets and application scenarios. At the same time, they attract high quality projects and companies from the Mainland and overseas to set up and develop their business in Hong Kong through the channeling force of capital.

The HKIC has clear requirements for investee companies to contribute to Hong Kong's development in a sustainable manner, such as requiring the companies to establish offices in Hong Kong, nurture and attract talents, establish corporate venture capital (corporate VC) departments in Hong Kong and prioritise Hong Kong for their listing. Quite some investee companies have made good progress in attracting capital and talents and in exploring new markets, which has accelerated their planning for using Hong Kong as their business development platform. Certain investee companies have submitted their listing applications to the Hong Kong Exchanges and Clearing Limited.

To let the public have a more comprehensive understanding of the HKIC's operation and business outcomes, the HKIC plans to publish its inaugural annual report in the second half of this year to disclose the progress of its operation and investment.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)161

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0529)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

The key to consolidating and enhancing the strengths of Hong Kong as an international financial centre lies in institutional innovation, product innovation, a critical mass of enterprises and financial connectivity.

Many China-capital enterprises have increasingly sought financing from their Mainland parent companies, but the interest expenses incurred thereof are entirely non-deductible for tax purposes in Hong Kong, resulting in heavy actual overall profits tax burden on China-capital enterprises engaging in investment and financing activities in Hong Kong. In this connection, please inform this Committee how our tax policies can be enhanced and the tax burden on enterprises be reduced, so as to attract more China-capital enterprises to use Hong Kong as their overseas investment platform and to set up their treasury centres here.

Asked by: Hon YIM Kong (LegCo internal reference no.: 16)

Reply:

To attract corporates to centralise their treasury functions in Hong Kong, the Government amended the Inland Revenue Ordinance (Cap. 112) (IRO) in June 2016 to provide tax incentives to eligible corporate treasury centres, including a 50% reduction in the existing profits tax rate (i.e. from 16.5% to 8.25%) for specified treasury activities, and to allow an enterprise carrying on an intra-group financing business in Hong Kong to, subject to fulfilling specified conditions, deduct from its assessable profits the interest expenses on borrowings from associated corporations outside Hong Kong. In 2018, we further amended the IRO to extend the profits tax concession to cover specified treasury services provided by eligible corporate treasury centres to their onshore associated corporations, with a view to enhancing the attractiveness of the tax concession to both local and non-local enterprises.

Following the establishment of the tax regime, the Hong Kong Monetary Authority (HKMA) has reached out to over 750 enterprises to promote Hong Kong as a hub for corporate treasury centres. As at March 2025, more than 130 enterprises have indicated that they have already set up or are actively planning to set up their corporate treasury centre operations in Hong Kong, with the majority of them coming from the Mainland.

We will continue to actively facilitate Mainland enterprises to set up their corporate treasury centres, as well as their regional and international headquarters in Hong Kong. We will encourage enterprises to make use of Hong Kong's feature of being highly internationalised and our common law system to develop their international business and markets. In the process, we will also collect views from stakeholders on the development of Hong Kong in respect of corporate treasury centres, and review in a timely manner the taxation regime relating to corporate treasury centres.

- End -

Reply Serial No.

FSTB(FS)162

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0531)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

London Metal Exchange, a subsidiary of the Hong Kong Exchanges and Clearing Limited, has included Hong Kong as its approved delivery point in January this year. Local warehouse operators have expressed interest in becoming its accredited warehouses. Relevant discussion is actively underway. In this connection, please advise this Committee whether the Government would, in view of the substantial construction costs of delivery warehouse facilities and possible initial operating losses, provide loss subsidies to the relevant operators, so as to expand the transaction volume as soon as possible and facilitate the development of futures financial market.

Asked by: Hon YIM Kong (LegCo internal reference no.: 17)

Reply:

Our country is the world's largest consumer of industrial metals. Developing relevant commodity exchanges will drive the development of a financial, shipping and trade centre. The Chief Executive's 2024 Policy Address proposes the creation of a commodity trading ecosystem which can be a starting point for attracting relevant enterprises to establish a presence in Hong Kong, turning our city into an operation centre for international commodity trading, storage and delivery, shipping and logistics, risk management, and more.

The London Metal Exchange (LME), a subsidiary of the Hong Kong Exchanges and Clearing Limited (HKEX), included Hong Kong as an approved delivery point within its global warehousing network in January this year, and will accept applications from warehouse operators to become approved storage of LME-registered brands of metals. The establishment of LME-accredited warehouses in Hong Kong will provide convenient, cost-effective and safe delivery channels for related metals trading in the region. It will also increase the demand for Hong Kong's trade, shipping, warehousing and transportation industries, strengthen Hong Kong's commodities ecosystem, and lay a foundation for future expansion of related financial transactions such as futures.

Before making the decision, LME had established the feasibility of setting up a compliant warehouse in Hong Kong, including the sustainability of business operations, costs and technical requirements. With the relevant guidance provided by LME and HKEX, its holding company, we believe that the trade can establish relevant facilities based on commercial principles to better promote the sustainable development of the commodities market. The 2025-26 Budget mentioned that local warehouse operators have expressed interest in becoming LME's accredited warehouses. At present, a number of LME-accredited warehouse operators are in discussion with local warehouse operators on cooperation in establishing LME-approved warehouses. The Financial Services and the Treasury Bureau in collaboration with relevant bureaux and departments has been maintaining communication with relevant industry players and has held several meetings to provide assistance on technical matters.

- End -

Reply Serial No.

FSTB(FS)163

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0554)

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

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

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the New Capital Investment Entrant Scheme, it is mentioned in the Budget that a series of enhancement measures will be launched to provide greater flexibility under the scheme. In this connection, what are the specific details of the "series of enhancement measures" mentioned by the Government, when will they be launched and will such enhancement measures be precisely targeted at specific groups, such as attracting investors in such areas as innovation and technology and green finance? How many applications made under the scheme last year involved investment in a single residential property with a transaction price of HK$50 million or above, which was counted towards fulfilling the minimum investment threshold?

Asked by: Hon YIM Kong (LegCo internal reference no.: 27)

Reply:

The Government announced a series of enhancement measures to the New Capital Investment Entrant Scheme (New CIES) in January 2025. Effective on 1 March 2025, the measures include –

(a) **relaxing the requirements on the fulfillment of net asset requirement (NAR):** 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. Net assets or net equity jointly owned with the applicant's family member(s) can also be taken into consideration for the calculation of the NAR for the respective portion which is absolutely beneficially entitled to the applicant; and

(b) **allowing the holding of permissible investment assets through a family-owned investment holding vehicle (FIHV) or a family-owned special purpose entity (FSPE)**

under an FIHV: Investments made through an eligible private company wholly owned by an applicant can be counted towards the applicant's eligible investment in the New CIES. An eligible private company refers to a holding company incorporated or registered in Hong Kong which is wholly owned by an applicant in the form of an FIHV or an FSPE under an FIHV managed by an eligible single family office as defined in Section 2 of Schedule 16E to the Inland Revenue Ordinance (Cap. 112). The enhancement will create synergy between the New CIES and establishment of family offices in Hong Kong.

We welcome applications from all investors who meet the eligibility criteria of the New CIES, and invest in different classes of permissible investment assets in accordance with their wealth management needs, such as listed shares of specialist technology companies and ESG funds authorised by the Securities and Futures Commission, etc. As of end-February 2025, Invest Hong Kong has received 918 applications, and approved 386 applications for Assessment on Investment Requirements, among which no applicant has made investment in residential real estate under the New CIES. Excluding the sum for investing in the CIES Investment Portfolio, the approved investment distribution is as follows:

	Investment amount (HK$ million)
Eligible collective investment schemes	5,171
Equities	3,570
Debt securities	1,773
Non-residential real estate	18
Certificates of deposits	9
Ownership interest in limited partnership funds	7
Total	**10,548**

- End -

Reply Serial No.

FSTB(FS)164

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3265)

Head:	(148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)
Subhead (No. & title):	(-) Not Specified
Programme:	(1) Financial Services
Controlling Officer:	Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

As of end-2023, assets under management in Hong Kong reached over $31 trillion, and net fund inflows of nearly $390 billion were registered, with 64% of the funds sourced from non-Hong Kong investors. Please advise this Committee on the following:

1. Are there specific indicators or data for measuring the correlation between the specific benefits (input and outcomes) of the past two editions of the Wealth for Good in Hong Kong Summit and the scale of assets under management in Hong Kong?

2. What expenditure will be incurred in hosting the third edition of the Wealth for Good in Hong Kong Summit and what is the total estimated expenditure for the event? How does the Government ensure that the Summit will effectively enhance Hong Kong's international image as a global hub for family offices?

3. Regarding the 160 family offices which have established or expanded their business in Hong Kong, will the Government consider disclosing some information on them, such as the region and country of their origin, for assuring that family offices which develop their business or establish a foothold in Hong Kong genuinely contribute to the development of Hong Kong's economy?

4. Has the Government reviewed the effectiveness and role of the Hong Kong Academy for Wealth Legacy established in November 2023? What indicators or data are (to be) used for conducting the review?

5. In the face of the volatile external markets and geopolitical instability, will the Government regularly review and update its policies on family offices in response to the changes in the global economic environment and the needs of emerging markets?

Asked by: Hon ZHANG Xinyu, Gary (LegCo internal reference no.: 39)

<u>Reply</u>:

(1) and (2)

The Government has been actively promoting the development of family office (FO) business and strengthening the development of asset and wealth management industry and related professional service sectors in Hong Kong. As a flagship event to promote Hong Kong's status as a leading FO hub, the Wealth for Good in Hong Kong Summit aims to reinforce Hong Kong's status not only as a leading international financial centre, but also a vibrant global FO hub. Furthermore, FOs are not just stewards of intergenerational wealth transfer, but also engines that drive both innovation and social impact through forward-thinking investments.

Since its inception, the Wealth for Good in Hong Kong Summit has achieved remarkable success. The inaugural Summit, held in 2023, attracted over 100 distinguished guests, with attendees representing key wealth management hubs worldwide, including decision makers from global FOs and their professional teams across Hong Kong, the Mainland, North America, Europe, Asia, and the Middle East. The second Wealth for Good in Hong Kong Summit held in 2024 successfully attracted over 400 influential decision makers from global FOs and their professional teams.

Riding on the success in the past 2 years, the Financial Services and the Treasury Bureau and Invest Hong Kong (InvestHK) conducted the third edition of Wealth for Good in Hong Kong Summit on 26 March 2025. Themed "Hong Kong of the World, for the World", the Summit gathered FOs from around the world to share insights on topics such as technology and artificial intelligence, philanthropy, and succession of craftsmanship and cultural innovation, with the aim to collaborate and create a better future. This summit also achieved synergy with several high-profile international gatherings featured in Hong Kong's "Wealth and Investment Mega Event Week", including the Global Investors' Symposium organised by the Milken Institute, the HSBC Global Investment Summit and the Bloomberg Family Office Summit, etc. This has united global FOs, investors, and entrepreneurs to explore new opportunities, igniting fresh momentum in wealth management and global investment, and showcasing the soft power of Hong Kong as a FO hub to the world. The actual expenditure of the first and second Wealth for Good in Hong Kong Summits were $8.6 million and $11.7 million respectively. The estimated expenditure of the third Wealth for Good in Hong Kong Summit is $11.7 million.

(3) The dedicated FamilyOfficeHK team (the dedicated team) of InvestHK provides one-stop support services to FOs and ultra-high-net-worth individuals interested in pursuing development in Hong Kong. Since its establishment in June 2021 up to end-February 2025, the dedicated team has received more than 1 300 enquiries on setting up FOs in Hong Kong, mainly from the Mainland, ASEAN countries, the Middle East, Europe and the Americas, and assisted more than 160 FOs to set up or expand their business in Hong Kong. Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong. The number of FOs set up or expanded business in Hong Kong as assisted by the dedicated team are tabulated below by geographical region:

Region	FOs assisted by the dedicated team to set up or expand business in Hong Kong
Mainland and Taiwan, China	128
Europe and Americas	20
Asia Pacific and Oceania	13
Total	**161**

(4) Established in November 2023, the Hong Kong Academy for Wealth Legacy (HKAWL) aims to empower families and shape the future of the FO industry by establishing a trusted and private platform to facilitate peer sharing among local and global FOs and their managers, next generation wealth owners, and industry practitioners worldwide.

In just over a year since its establishment, the HKAWL organised, co-organised and participated in over 20 forums, seminars, roundtables, and other events, enabling asset owners and FO practitioners to engage in in-depth and professional discussions on relevant topics. These include the "Family Legacy Summit" (Summit) which featured forums, seminars, and workshops related to wealth management, fostering interaction and exchange within the industry. A survey conducted by the HKAWL after the Summit showed that participants provided positive feedback and considered the event effective in building connections and providing a platform for valuable and insightful discussions.

The HKAWL will continue to evaluate the effectiveness of various events. The evaluation criteria include, but are not limited to, the achievement of objectives and the talent development for practitioners. Based on market needs, the HKAWL will make adjustments to the content and arrangements accordingly in a timely manner.

(5) The Government has been actively promoting the development of FO business and strengthening the development of asset and wealth management industry and related professional service sectors in Hong Kong. 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. A number of measures have already been implemented, including -

(a) InvestHK's dedicated team launched the Network of Family Office Service Providers in June 2023 to bring together the global networks of the relevant professional services providers and promote Hong Kong's advantages and opportunities to global FOs, and provide one-stop services for FOs interested in establishing a presence in Hong Kong;

(b) in July 2023, regulators published a circular to the industry on streamlining the suitability assessment when dealing with sophisticated professional investors (SPIs) with a view to enhancing customer experience. Intermediaries may provide product characteristics, nature and extent of risks to an SPI upfront instead of before each transaction. Intermediaries are not required at a transaction level to match the SPI's risk tolerance level, investment objectives and investment horizon, or to assess the SPI's knowledge, experience and concentration risk;

(c) the Hong Kong Academy for Wealth Legacy was established in November 2023 to provide a platform for collaboration, networking, knowledge sharing, and relevant training for the FO sector, asset owners and wealth inheritors, thereby promoting positive financial management values and strengthening the talent pool for FOs;

(d) the Government launched the New Capital Investment Entrant Scheme (New CIES) in March 2024 and has received 918 applications as of end-February 2025, with the investment amount to be brought into Hong Kong expected to exceed $27 billion. Effective from 1 March 2025, we have implemented enhancement measures to the New CIES including relaxing the requirements on Net Asset Assessment and calculation and allowing investments made through an eligible private company wholly owned by the applicant to be counted towards the applicant's eligible investment under the New CIES. These enhancement measures can attract more investors to participate in the New CIES, and create synergy with the tax concession regime for FOs, thereby promoting the development of FO businesses in Hong Kong; and

(e) the Government will enhance the preferential tax regimes for funds, single FOs and carried interest, including expanding the scope of "fund" under the tax exemption regime, increasing the types of qualifying transactions eligible for tax concessions for funds and single FOs, enhancing the tax concession arrangement on the distribution of carried interest by private equity funds, etc. We have completed the industry consultation on the enhancement measures on the preferential tax regimes. We are formulating the relevant enhancement measures with financial regulators based on the feedback received. We target to work out the details of the proposals by this year and submit the legislative proposals to the Legislative Council for consideration in 2026. If approved, the relevant measures will take effect from the year of assessment 2025/26.

The Government will continue to enhance Hong Kong's competitiveness as an asset and wealth management hub through appropriate measures.

End -

CONTROLLING OFFICER'S REPLY

FSTB(FS)165

(Question Serial No. 3128)

Head: (26) Census and Statistics Department

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

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the programme, the provision for 2025-26 is $54.6 million (30.7%) higher than the revised estimate for 2024-25, mainly due to the additional provision for the operating expenses for conducting the 26C. Please provide the following information:

1. A breakdown of the manpower and expenditure required for 21C and 26C; and
2. The estimated expenditure for the application of innovative technology.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 16)

Reply:

(1) The Census and Statistics Department (C&SD) will implement a series of re-engineering initiatives for the 2026 Population Census, including an extension of the data collection period from 1.5 months to 1 year to help mitigate the possible operational risks arising from the need to complete the entire project within a very short time span. Despite an extended data collection period, C&SD will deploy a much smaller, better-trained and more efficient team of interviewers for collecting high quality data in the 2026 Population Census. Therefore, C&SD will only need to employ about 200 non-civil service contract (NCSC) Survey Interviewers for the data collection work, instead of hiring thousands of Temporary Field Workers as in the 2021 Population Census.

The total number of posts for the entire projects of the 2026 Population Census and the 2021 Population Census are given below:

Grade	2026 Population Census (Estimated no. of posts)	2021 Population Census (No. of actual posts)
Statistician	6	8
Statistical Officer	41	45
Census and Survey Officer [square brackets denote the number of NCSC Survey Interviewer]	230 [200]	207 [125]

Grade	2026 Population Census (Estimated no. of posts)	2021 Population Census (No. of actual posts)
Temporary Field Worker	0	7 034
Executive Officer; Clerical Officer; Information Technology and other Supporting Staff	24	44
Total	**301**	**7 338**

In terms of manpower and operating expenses, the expenditure items for the 2026 Population Census and the 2021 Population Census are given below:

Item	Estimated expenditure for the 2026 Population Census ($ million)	Actual expenditure for the 2021 Population Census ($ million) (calculated at 2023/24 prices)
Personal emoluments (including contract staff cost)	270.4	279.9
Honorarium for Temporary Field Workers	-	113.6
Other operating expenses (mainly for procurement of necessary stores and services, implementation of publicity activities, production and posting of mails and administration expenses)	59.5	114.0
Office rent and rates	36.4	41.1
Total	**366.2**	**548.6**

Note: Figures may not add up to the total due to rounding.

(2) C&SD has been applying innovative technology continually to improve operational efficiency and data quality, and will introduce a number of machine learning models in the 2026 Population Census for automatic coding of textual data on industry and occupation, automatic processing of aerial photos to enumerate marine population, and deploying address matching models for using government administrative data in census results. C&SD will also adopt the Consented Data Exchange Gateway of the Government for secure exchange of administrative data with other B/Ds.

C&SD does not maintain breakdown of expenditure figures for the application of innovative technology.

- End -

Examination of Estimates of Expenditure 2025-26 Reply Serial No.

CONTROLLING OFFICER'S REPLY

FSTB(FS)166

(Question Serial No. 2853)

Head: (26) Census and Statistics Department

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

Programme: (2) Social Statistics, (6) Labour Statistics

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the work of the Census and Statistics Department (C&SD), please inform the Committee:

1. The staff establishment and strength of the Labour Statistics Division of C&SD in each of the past three years and this year so far;

2. It is known that C&SD conducts the Quarterly Report on General Household Survey. Based on the results of the Quarterly Survey in the past three years, please provide the following information: (i) the median monthly employment earnings (with a breakdown including and excluding foreign domestic helpers), and (ii) the 90th percentile of the monthly employment earnings distribution (with a breakdown including and excluding foreign domestic helpers);

3. The following information based on the results of the Quarterly Report on General Household Survey in the past three years: the number of persons with monthly employment earnings (i) less than $7,100, (ii) less than $8,100, (iii) less than $9,100, (iv) less than $10,100, (v) less than $11,100, (vi) less than $12,100, (vii) less than $30,100, less than (viii) $31,100, (ix) less than $32,100, (x) less than $33,100, (xi) less than $34,100, and (xii) less than $35,100 (with a breakdown including and excluding foreign domestic helpers);

4. According to the results of the Quarterly Report on General Household Survey in the past three years, the number of persons whose monthly employment earnings were above the 90th percentile of the overall employment earnings distribution and their percentage in the total number of employees (with a breakdown including and excluding foreign domestic helpers); and

5. Given the view that the relevant territory-wide surveys conducted by C&SD in the past provide important data references for understanding the living conditions of persons with disabilities and chronic diseases in Hong Kong, do the authorities plan to conduct such surveys again in the near future? If so, what are the details; if not, what are the reasons?

Asked by: Hon CHAU Siu-chung (LegCo internal reference no.: 15)

Reply:

(1) The establishment and strength of the Labour Statistics Division of the Census and Statistics Department (C&SD) in the past 3 years and as at 28 February 2025 are shown in **Table 1** below.

(2) Based on the results of the General Household Survey conducted by C&SD, the statistics on (i) the median monthly employment earnings of employed persons (including and excluding foreign domestic helpers) and (ii) the 90th percentile of monthly employment earnings of employed persons (including and excluding foreign domestic helpers) from the first quarter of 2022 to the fourth quarter of 2024 are set out in **Annex 1**.

(3) Based on the results of the General Household Survey, the number of employed persons by selected monthly employment earnings (including and excluding foreign domestic helpers) from the first quarter of 2022 to the fourth quarter of 2024 are set out in **Annex 2**.

(4) Based on the results of General Household Survey, the number of employed persons with monthly employment earnings above the "overall 90th percentile of monthly employment earnings of employed persons" and their percentage in the total number of employed persons (including and excluding foreign domestic helpers) from the first quarter of 2022 to the fourth quarter of 2024 are set out in **Annex 3**.

(5) To meet the policy needs, C&SD has conducted 4 rounds of territory-wide Survey on Persons with Disabilities and Chronic Diseases since 2000. As the prevalence of people with disabilities will not change significantly in the short term, C&SD will continue to conduct the related surveys to update the findings in accordance with the needs as appropriate.

Table 1: Establishment and strength of the Labour Statistics Division

Financial year (as at 31 March of the year)	Establishment	Strength
2021-22	221	217
2022-23	227	222
2023-24	223	213
2024-25 (as at 28 February 2025)	205	202

Annex 1

(i) Median monthly employment earnings [(1)] of employed persons [(2)]

Year	Quarter	Median monthly employment earnings of employed persons (including foreign domestic helpers)	Median monthly employment earnings of employed persons (excluding foreign domestic helpers)
		HK$	HK$
2022	1	18,600	20,000
	2	18,000	20,000
	3	18,600	20,000
	4	19,100	20,000
2023	1	20,000	20,500
	2	20,000	20,100
	3	20,000	20,500
	4	20,000	20,800
2024	1	20,000	21,400
	2	20,000	21,100
	3	20,000	22,000
	4	20,000	22,000

Notes:

Median monthly employment earnings are rounded to the nearest hundred.

(1) Monthly employment earnings refer to earnings (before deduction of Mandatory Provident Fund contributions) from all jobs during the month before enumeration. For employees, they include wage and salary, bonus, commission, tips, housing allowance, overtime allowance, attendance allowance and other cash allowances. However, back pays are excluded. For employers and self-employed, they refer to amounts drawn from the self-owned enterprise for personal and household use. If information on the amounts drawn for personal and household use is not available, data on net earnings from business would be collected instead.

(2) Employed persons refer to those persons aged 15 and over who have been engaged in performing work for pay or profit during the 7 days before enumeration or who have had formal job attachment. Unpaid family workers and employed persons who were on leave/holiday during the 7 days before enumeration are included.

(ii) The 90th percentile of monthly employment earnings [1] of employed persons [2]

Year	Quarter	The 90th percentile of monthly employment earnings of employed persons (including foreign domestic helpers)	The 90th percentile of monthly employment earnings of employed persons (excluding foreign domestic helpers)
		HK$	HK$
2022	1	56,700	60,000
	2	55,000	58,500
	3	55,000	59,000
	4	55,000	59,000
2023	1	60,000	61,700
	2	56,000	60,000
	3	55,000	59,400
	4	55,200	60,000
2024	1	60,000	60,600
	2	58,700	60,000
	3	59,000	60,000
	4	56,900	60,000

Notes:

The 90th percentile of monthly employment earnings are rounded to the nearest hundred.

(1) Monthly employment earnings refer to earnings (before deduction of Mandatory Provident Fund contributions) from all jobs during the month before enumeration. For employees, they include wage and salary, bonus, commission, tips, housing allowance, overtime allowance, attendance allowance and other cash allowances. However, back pays are excluded. For employers and self-employed, they refer to amounts drawn from the self-owned enterprise for personal and household use. If information on the amounts drawn for personal and household use is not available, data on net earnings from business would be collected instead.

(2) Employed persons refer to those persons aged 15 and over who have been engaged in performing work for pay or profit during the 7 days before enumeration or who have had formal job attachment. Unpaid family workers and employed persons who were on leave/holiday during the 7 days before enumeration are included.

Annex 2

Number of employed persons [(1)] by selected monthly employment earnings [(2)] (including foreign domestic helpers)

Year	Quarter	Monthly employment earnings											
		<$7,100 (No.)	<$8,100 (No.)	<$9,100 (No.)	<$10,100 (No.)	<$11,100 (No.)	<$12,100 (No.)	<$30,100 (No.)	<$31,100 (No.)	<$32,100 (No.)	<$33,100 (No.)	<$34,100 (No.)	<$35,100 (No.)
2022	1	574 200	636 400	695 200	799 100	883 000	1 002 800	2 687 300	2 711 300	2 746 000	2 770 100	2 793 300	2 845 200
	2	592 100	650 800	703 800	803 000	887 500	1 004 100	2 715 900	2 738 900	2 770 500	2 789 800	2 810 700	2 868 400
	3	566 700	628 400	687 200	782 600	864 600	984 600	2 758 500	2 781 000	2 811 600	2 831 700	2 853 700	2 918 800
	4	557 600	610 500	657 800	744 800	828 100	948 300	2 795 200	2 822 100	2 857 900	2 885 500	2 906 300	2 970 000
2023	1	549 400	602 600	648 300	735 400	808 900	916 100	2 687 400	2 712 800	2 748 200	2 770 900	2 793 900	2 859 100
	2	543 900	597 900	638 900	715 400	788 600	892 000	2 735 000	2 759 800	2 793 400	2 820 100	2 841 300	2 905 600
	3	532 500	579 900	621 900	708 300	780 800	884 100	2 743 400	2 770 200	2 809 500	2 834 400	2 860 300	2 930 500
	4	544 000	591 700	632 000	706 700	769 900	869 000	2 727 200	2 752 600	2 792 000	2 818 600	2 845 000	2 907 700
2024	1	544 000	592 000	633 200	709 100	770 700	863 900	2 652 600	2 677 100	2 712 800	2 740 300	2 769 600	2 824 000
	2	561 700	617 400	658 200	728 600	786 900	877 700	2 684 800	2 713 200	2 747 300	2 773 200	2 800 400	2 866 900
	3	548 500	599 000	634 300	713 700	774 800	859 500	2 666 800	2 695 600	2 729 400	2 757 800	2 785 100	2 851 800
	4	553 200	606 100	646 300	718 100	772 200	858 000	2 687 500	2 713 300	2 750 400	2 774 800	2 805 500	2 874 400

Notes:

Number of persons are rounded to the nearest hundred.

(1) Employed persons refer to those persons aged 15 and over who have been engaged in performing work for pay or profit during the 7 days before enumeration or who have had formal job attachment. Unpaid family workers and employed persons who were on leave/holiday during the 7 days before enumeration are included.

(2) Monthly employment earnings refer to earnings (before deduction of Mandatory Provident Fund contributions) from all jobs during the month before enumeration. For employees, they include wage and salary, bonus, commission, tips, housing allowance, overtime allowance, attendance allowance and other cash allowances. However, back pays are excluded. For employers and self-employed, they refer to amounts drawn from the self-owned enterprise for personal and household use. If information on the amounts drawn for personal and household use is not available, data on net earnings from business would be collected instead.

Annex 2

Number of employed persons (1) by selected monthly employment earnings (2) (excluding foreign domestic helpers)

Year	Quarter	Monthly employment earnings											
		<$7,100	<$8,100	<$9,100	<$10,100	<$11,100	<$12,100	<$30,100	<$31,100	<$32,100	<$33,100	<$34,100	<$35,100
		(No.)	(No.)	(No.)	(No.)	(No.)	(No.)	(No.)	(No.)	(No.)	(No.)	(No.)	(No.)
2022	1	270 900	328 900	385 200	488 000	571 800	691 200	2 374 800	2 398 700	2 433 400	2 457 500	2 480 700	2 532 600
	2	283 600	337 900	388 200	486 300	570 700	687 000	2 397 600	2 420 600	2 452 200	2 471 500	2 492 400	2 550 100
	3	243 300	298 900	356 200	450 600	532 200	651 700	2 424 800	2 447 300	2 477 900	2 498 000	2 520 000	2 585 100
	4	236 500	284 200	330 000	415 600	498 800	618 100	2 463 500	2 490 500	2 526 300	2 553 900	2 574 700	2 638 400
2023	1	239 400	287 800	331 300	417 600	490 900	597 800	2 367 700	2 393 100	2 428 600	2 451 300	2 474 200	2 539 400
	2	231 900	282 200	320 600	396 500	469 600	572 700	2 415 500	2 440 300	2 474 000	2 500 600	2 521 800	2 586 200
	3	221 000	264 300	304 300	389 500	461 700	564 900	2 423 000	2 449 800	2 489 100	2 513 900	2 539 900	2 610 100
	4	221 600	265 100	302 800	376 900	439 800	538 600	2 395 700	2 421 100	2 460 500	2 487 100	2 513 500	2 576 200
2024	1	222 400	264 200	302 900	377 300	438 000	530 600	2 318 100	2 342 500	2 378 200	2 405 800	2 435 100	2 489 500
	2	231 200	280 000	318 800	387 600	445 400	535 900	2 341 100	2 369 500	2 403 700	2 429 500	2 456 800	2 523 300
	3	217 000	261 100	295 200	373 400	434 300	518 600	2 325 300	2 354 100	2 387 900	2 416 200	2 443 600	2 510 300
	4	215 400	262 400	300 200	370 900	424 900	510 500	2 339 400	2 365 100	2 402 300	2 426 700	2 457 300	2 526 300

Notes:

Number of persons are rounded to the nearest hundred.

(1) Employed persons refer to those persons aged 15 and over who have been engaged in performing work for pay or profit during the 7 days before enumeration or who have had formal job attachment. Unpaid family workers and employed persons who were on leave/holiday during the 7 days before enumeration are included.

(2) Monthly employment earnings refer to earnings (before deduction of Mandatory Provident Fund contributions) from all jobs during the month before enumeration. For employees, they include wage and salary, bonus, commission, tips, housing allowance, overtime allowance, attendance allowance and other cash allowances. However, back pays are excluded. For employers and self-employed, they refer to amounts drawn from the self-owned enterprise for personal and household use. If information on the amounts drawn for personal and household use is not available, data on net earnings from business would be collected instead.

Annex 3

Number of employed persons [(1)] with monthly employment earnings [(2)] above the "overall 90th percentile of monthly employment earnings of employed persons" and their percentage in the total number of employed persons

Year	Quarter	Number of employed persons with monthly employment earnings above the "overall 90th percentile of monthly employment earnings of employed persons" (including foreign domestic helpers)	Percentage in the total number of employed persons (including foreign domestic helpers)	Number of employed persons with monthly employment earnings above the "overall 90th percentile of monthly employment earnings of employed persons" (excluding foreign domestic helpers)	Percentage in the total number of employed persons (excluding foreign domestic helpers)
		(No.)	(%)	(No.)	(%)
2022	1	360 300	10.0	311 900	9.5
	2	343 800	9.6	325 600	10.0
	3	353 200	9.7	330 300	10.0
	4	362 800	9.8	338 600	10.0
2023	1	345 700	9.4	337 200	10.0
	2	367 500	9.9	310 100	9.2
	3	365 000	9.8	340 400	10.0
	4	371 200	10.0	311 700	9.2
2024	1	340 800	9.2	335 100	10.0
	2	370 200	10.0	321 800	9.6
	3	370 400	10.0	327 400	9.7
	4	371 900	10.0	316 200	9.4

Notes:

Number of persons are rounded to the nearest hundred.

(1) Employed persons refer to those persons aged 15 and over who have been engaged in performing work for pay or profit during the 7 days before enumeration or who have had formal job attachment. Unpaid family workers and employed persons who were on leave/holiday during the 7 days before enumeration are included.

(2) Monthly employment earnings refer to earnings (before deduction of Mandatory Provident Fund contributions) from all jobs during the month before enumeration. For employees, they include wage and salary, bonus, commission, tips, housing allowance, overtime allowance, attendance allowance and other cash allowances. However, back pays are excluded. For employers and self-employed, they refer to amounts drawn from the self-owned enterprise for personal and household use. If information on the amounts drawn for personal and household use is not available, data on net earnings from business would be collected instead.

- End -

Reply Serial No.

FSTB(FS)167

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3776)

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 (i.e. from 2022-23 to 2024-25);

(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 (i.e. from 2022-23 to 2024-25);

(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 (i.e. from 2022-23 to 2024-25); 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 (i.e. from 2022-23 to 2024-25).

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 66)

Reply:

(a) The value of imports of fresh produce and agricultural and fishery products of the mainland of China (the Mainland) origin in the past 3 calendar years, i.e. 2022, 2023 and 2024, was about $12.243 billion, $12.872 billion and $12.352 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. 2022, 2023 and 2024, was about $28.815 billion, $20.926 billion and $23.491 billion respectively.

(c) Hong Kong had no domestic exports of fresh produce and agricultural and fishery products to the Mainland in the past 3 calendar years, i.e. 2022, 2023 and 2024.

(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. 2022, 2023 and 2024, was about $20,000, $1.42 million and $960,000 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 -

 Reply Serial No.

FSTB(FS)168

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3340)

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:

The total provision for Census and Statistics Department (C&SD) in 2025-2026 is HK$92,480 million (an increase of 10.8%). Of this amount, provision is allocated to Social Statistics in view of the increase in operating expenses for the 2026 Population Census, while the remaining five provisions are mainly for filling vacancies rather than increasing headcount.

The main duty of C&SD is to compile and analyse trade statistics. Taking this into account, is it possible to enhance efficiency and reduce the need for manpower by introducing technology, thereby lowering the cost of expenditure and reducing the provision?

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 43)

Reply:

In recent years, the Census and Statistics Department (C&SD) has been actively exploring the application of artificial intelligence (AI) and data science in official statistical work to drive digital transformation. For example, in the compilation of external merchandise trade statistics, C&SD has to process a vast number of import/export declarations. C&SD has, in recent years, utilised deep learning algorithms to detect anomalies in the information contained in the trade declarations, thereby enhancing data quality and reducing the manpower required by about 40%. The resources freed up were re-allocated to establish the new Data Science Branch and the Social Data Development Branch to conduct further research and drive the application of data science in other statistical services.

C&SD will continue to apply innovation technology to enhance operational efficiency and quality of its statistical services, and also with a view to reducing manpower needs in the long run.

- End -

Reply Serial No.

FSTB(FS)169

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3236)

Head:	(26) Census and Statistics Department
Subhead (No. & title):	(-) Not Specified
Programme:	(6) Labour Statistics
Controlling Officer:	Commissioner for Census and Statistics (Leo YU)
Director of Bureau:	Secretary for Financial Services and the Treasury

Question:

Matters Requiring Special Attention in 2025-26 indicate that the Census and Statistics Department will continue to improve the labour statistics compilation framework. In this regard, please inform the Committee of the following:

(a) The estimated expenditure and staffing involved in the work to improve the labour statistics compilation framework;

(b) The details of the relevant improvement work and the specific labour statistics involved; and

(c) Whether the Government will further improve the labour statistics by adding new recurrent and regularly released labour statistics targeting at new modes of employment (e.g. platform workers), so as to help the Government better formulate corresponding labour policies. If so, what are the details; if not, what are the reasons?

Asked by: Hon NG Chau-pei, Stanley (LegCo internal reference no.: 38)

Reply:

In consultation with the Labour and Welfare Bureau (LWB) and the Labour Department (LD), the reply to the question is as follows:

(a) In 2025-26, the Census and Statistics Department (C&SD) will continue to carry out work to improve the labour statistics compilation framework by a professional team comprising 3 senior statisticians, 3 statisticians, 3 senior statistical officers and 5 statistical officers, who are responsible for the regular compilation and development of labour statistics. As the improvement work constitutes part of the duties of this professional team, we do not have a separate breakdown of estimated expenditure.

(b) The details of the relevant improvement work carried out by C&SD are as follows:

(i) To review the survey methodology of the Annual Earnings and Hours Survey, based on the data analyses required for the review of the Statutory Minimum Wage rate.

(ii) To review the survey methodology of the Quarterly Survey of Employment and Vacancies in order to take into account the new data demands for analysing the manpower requirement situations in different major industries.

(iii) To provide statistical data and technical support to LWB for the Manpower Projection.

(iv) To revise the Hong Kong Standard Industrial Classification (HSIC), taking into account the changes in the local economic structure and the improvements brought about by the "International Standard Industrial Classification of All Economic Activities, Revision 5" endorsed by the United Nations Statistical Commission in 2024. The new HSIC will be used progressively in different establishment surveys of C&SD starting from 2027.

(c) As new forms of employment (e.g. platform workers) involve complex statistical concepts, there are currently no commonly agreed statistical definition and measurement standards. As such, C&SD currently does not compile such statistics on a regular basis. Nevertheless, in response to the request of LD, C&SD has for the first time conducted a Thematic Household Survey, through commissioning a private research company, on the characteristics and working conditions of selected digital platform workers from end 2023 to early 2024. The results of the survey have already been published.

C&SD will keep in view the latest international statistical standards and guidelines on the measurement of new forms of employment and make timely improvements to the relevant statistical systems.

- End -

FSTB(FS)170

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0266)

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:

According to Programme (1), the Census and Statistics Department (C&SD) is responsible for conducting surveys to collect data on trade in services and offshore trade in goods. Given that Hong Kong-owned manufacturing industries in the Mainland are an important segment in relation to the industrial sector of Hong Kong, will C&SD conduct a comprehensive survey on Hong Kong-owned manufacturing industries operating in the Mainland, 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 so, what are the details; if not, what are the reasons? Will C&SD, together with the relevant departments, consider extending the support measures currently available only to local businesses to enterprises outside Hong Kong, such as allowing Hong Kong enterprises to enjoy additional tax deductions for research and development (R&D) activities carried out or R&D services procured from outside Hong Kong? If so, what are the details; if not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 242)

Reply:

The Census and Statistics Department (C&SD) conducts economic surveys regularly to collect up-to-date statistical data on the business performance and operating characteristics of Hong Kong companies in various sectors. Regarding the offshore business of Hong Kong companies, in addition to compiling statistics on offshore trade and merchanting activities, C&SD also compiles statistics (e.g. number of establishments, number of persons employed, value added of the industry and sales revenue) relating to the sub-contracting of manufacturing processes by Hong Kong import/export trading companies to the mainland of China (the Mainland) and other regions, in respect of Hong Kong companies which sub-contract their production processes to the Mainland and other regions according to contractual agreement.

Regarding the review on the measures to support the development of industrial sector in Hong Kong, C&SD has been working closely with relevant Government bureaux and departments.

C&SD would provide appropriate and professional statistical services (e.g. collection and compilation of required statistics) to support the formulation and review of relevant policies of relevant bureaux/departments.

Regarding the proposal to allow additional tax deduction for research and development (R&D) activities conducted or R&D services procured by Hong Kong enterprises from outside Hong Kong, response from the Innovation, Technology and Industry Bureau is set out below:

The objectives of providing enterprises with enhanced tax deduction for qualifying R&D expenditure are to attract enterprises to invest more in R&D projects in Hong Kong, promote local R&D work and groom local R&D talents. To this end, enterprises are eligible for up to 300 per cent enhanced tax deduction for payment made to "designated local research institutions". For payment on R&D activities outsourced to non-local research institutions, enterprises can still qualify for 100 per cent tax deduction. Permitting enterprises to claim enhanced tax deductions for R&D activities outsourced to non-local research institutions goes against the policy to promote local R&D activities. The Government has no plan to provide enhanced tax deductions to those R&D activities outsourced by the local enterprises to scientific research institutes outside Hong Kong.

- End -

FSTB(FS)171

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2678)

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 '2024 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong', about 9 960 companies were enumerated as at June 2024 to have operated in Hong Kong with parent companies located outside Hong Kong, of which 1 410 as regional headquarters, 2 410 as regional offices and 6 140 as local offices, representing an increase of nearly 10% over the same period of the previous year. In this regard, please inform the Committee of the following:

1. Among companies in Hong Kong with parent companies located outside Hong Kong newly enumerated last year, what are the locations of their parent companies? Please provide a breakdown of the figures by regional headquarters, regional offices and local offices, respectively;

2. The average number of employees recruited in Hong Kong by regional headquarters, regional offices and local offices of companies in Hong Kong in each of the past three years, respectively; and

3. According to the Survey, only 12% of the responding companies in Hong Kong indicated that they planned to expand their business in Hong Kong in 2024, have the authorities investigated the main reasons for this?

Asked by: WONG Chun-sek, Edmund (LegCo internal reference no.: 24)

Reply:

(1) According to the results of the 2024 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong, the number of companies in Hong Kong with parent companies located outside Hong Kong (i.e. Mainland and overseas companies in Hong Kong) increased by around 920 during 2023-2024. The change in the number of Mainland and overseas companies in Hong Kong between 2 consecutive years is subject to several factors at play. Analysed by location of parent company, the number of Mainland and overseas companies in Hong Kong with parent companies

located in the mainland of China had the largest net increase (+450), followed by the United States of America (+120) and the United Kingdom (+80). The numbers of regional headquarters, regional offices and local offices with parent companies located in the 3 aforementioned countries/territories are set out in **Table 1**.

(2) During 2022-2024, the total number of persons engaged in the Mainland and overseas companies in Hong Kong increased by around 5%, with a more significant increase observed in local offices. However, regardless of regional headquarters, regional offices or local offices, the average number of persons engaged in the Mainland and overseas companies in Hong Kong remained stable. The annual figures are set out in **Table 2**.

(3) In 2024, 12% of the Mainland and overseas companies in Hong Kong indicated that they planned to expand their businesses in Hong Kong in the coming 3 years, while another 61% planned to keep their business plans in Hong Kong unchanged. Besides, only 3% planned to phase out or relocate their businesses outside of Hong Kong in the coming three years, citing cost consideration as one of the main reasons. The relevant proportions have remained stable in the past few years.

Table 1: Number of regional headquarters, regional offices and local offices by selected location of parent company, 2024

Location of parent company[1]	Number of Mainland and overseas companies in Hong Kong in 2024[2] [**Net change** in the number of Mainland and overseas companies in Hong Kong during 2023-2024][2]			
	Regional headquarters	Regional office	Local office	Total
The Mainland of China	310 [+70]	420 [+100]	1 880 [+280]	2 620 [+450]
United States of America	220 [§]	430 [+20]	740 [+100]	1 390 [+120]
United Kingdom	130 [+10]	190 [-10]	400 [+70]	720 [+80]

Notes:
§ Net increase or decrease of less than 5
(1) More than one location of parent companies may be involved, e.g. joint venture.
(2) Figures are rounded to the nearest ten and may not add up to the total due to rounding.

Table 2: Number of persons engaged in regional headquarters, regional offices and local offices, 2022-2024

Operating status	Number of persons engaged in Mainland and overseas companies in Hong Kong (1)			Average number of persons engaged in Mainland and overseas companies in Hong Kong (2)		
	2022	2023	2024	2022	2023	2024
Regional headquarters	136 000	132 000	136 000	97	99	97
Regional office	88 000	88 000	83 000	37	38	34
Local office	243 000	248 000	274 000	47	46	45
Overall	468 000	468 000	493 000	52	52	50

Notes:
(1) Figures are rounded to the nearest thousand and may not add up to the total due to rounding.
(2) Figures are derived from unrounded figures and rounded to the nearest integer

- End -

FSTB(FS)172

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0222)

Head: (26) Census and Statistics Department

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

Programme: (6) Labour Statistics

Controlling Officer: Commissioner for Census and Statistics (Leo YU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Estimates state that the Census and Statistics Department (C&SD) will continue to improve the compilation framework of labour statistics. The relevant tasks of C&SD include "compiling statistics on manpower requirements and training needs". In this regard, please inform the Committee on the following:

1. The work carried out in the past two years to 'improve the compilation framework of labour statistics' and the changes made, whether it has any plan to 'improve the compilation framework of labour statistics' in the coming year and, if so, the expected direction of improvement; and

2. The rapid development of artificial intelligence (AI) will have an impact on existing jobs. In the past two years, have the authorities introduced AI development into the assessment of manpower requirements and training needs in order to better assess the impact of AI development on manpower requirements?

Asked by: WONG Kam-fai, William (LegCo internal reference no.: 1)

Reply:

Having consulted the Labour and Welfare Bureau (LWB), reply to the two-part question is as follows.

(1) In the past 2 years, the Census and Statistics Department (C&SD) carried out the following work to "improve the compilation framework of labour statistics".

(i) Reviewed the survey methodology of the Annual Earnings and Hours Survey, based on the data analyses required for the review of the Statutory Minimum Wage rate.

(ii) Reviewed the survey methodology of the Quarterly Survey of Employment and Vacancies in order to take into account the new data demands for analysing the manpower requirement situations in different major industries.

(iii) Provided statistical data and technical support to the LWB for the Manpower Projection.

In addition to continuing the abovementioned work to enhance the compilation framework of labour statistics, C&SD has planned to modify the Hong Kong Standard Industrial Classification (HSIC) in 2025-26, taking into account the changes in the local economic structure and the improvements brought about by the "International Standard Industrial Classification of All Economic Activities, Revision 5", which was endorsed by the United Nations Statistical Commission in 2024. The new HSIC will be used progressively in different establishment surveys of C&SD in 2027.

(2) The LWB had published the 2023 Manpower Projection (2023 MP) in November 2024. With 2023 as the base year, the projections assessed the manpower situation 5 years ahead (i.e. 2028), which had taken into account the application of AI and automation technologies.

According to the 2023 MP, automation and AI are becoming increasingly prevalent for the purpose of enhancing efficiency and productivity, covering sectors such as hospitality, retail, aviation and banking. Some sectors report a reduction in manpower requirements by 10% to 20% upon the adoption of automation and AI. Additionally, automation and AI increase the demand for roles that require advanced skills, such as AI specialists, data scientists and digital transformation experts. The LWB has set aside resources to commence a mid-term update of the 2023 MP in late 2025 to gauge stakeholders' outlook and views on the manpower situation of Hong Kong in the coming 3 years, including the impact of AI and business digitisation on manpower requirement. The findings of the mid-term update are expected to be available in 2026. The C&SD will continue to provide related statistical support to the LWB.

- End -

FSTB(FS)173

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1730)

Head: (31) Customs and Excise Department

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

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Customs and Excise Department (C&ED) licenses and supervises Money Service Operators (MSOs) under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance and takes enforcement action against unlicensed MSOs. Please inform this Committee of the following:

1. C&ED issued or renewed a total of 299 MSO licences last year. What were the respective numbers of newly issued and renewed licences?

2. In recent years, there have been cases of remittances to the Mainland made by money changers being frozen. What were the numbers of enforcement actions taken by C&ED regarding similar cases in the past 5 years? What were the details?

Asked by: Hon LEUNG Tsz-wing, Dennis (LegCo internal reference no.: 13)

Reply:

(1) The numbers of Money Service Operator (MSO) licences newly issued and renewed by the Customs and Excise Department (C&ED) in 2024 were 60 and 239 respectively.

(2) C&ED did not receive any request for assistance concerning remittances to Mainland bank accounts via MSOs being frozen from 2020 to 2022. C&ED received such requests for assistance from a total of 871 persons between 2023 and 2024, involving 92 MSOs and a total amount of about RMB55 million. C&ED has contacted all the persons requesting assistance and taken follow-up actions with the related MSOs to facilitate bilateral negotiations to resolve the situations. With C&ED's intervention, 307 of such persons have settled their cases of frozen remittances, involving a total amount of about RMB17 million. C&ED will enhance collaboration with relevant Mainland authorities to assist the affected members of the public.

C&ED attaches great importance to the compliance situation of remittance service. Through compliance inspections and various regulatory measures, C&ED ensures that licensed MSOs comply with customer due diligence, record keeping and other licensing requirements stipulated in the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615). If a licensed MSO is found to be non-compliant, C&ED will take swift enforcement actions. Apart from criminal sanctions, offenders may be subject to disciplinary actions or administrative sanctions such as licence revocation. Furthermore, through various channels such as press releases, social media, educational seminars and publicity materials, C&ED promotes the importance of providing and using compliant money services, and reminds members of the public to refrain from using the services of unlicensed MSOs.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)174

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0987)

Head: (79) Invest Hong Kong

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

Programme: (1) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 88 of the Budget Speech, Invest Hong Kong (InvestHK) has assisted over 160 family offices in setting up operations or expanding their businesses in Hong Kong. The Government will be hosting the third edition of the Wealth for Good in Hong Kong Summit shortly under the theme "Hong Kong of the world, for the world", showcasing Hong Kong's strengths as a global hub for family offices. In this connection, will the Government inform this Committee of the following:

1. How many family offices in total are operating in Hong Kong, and what is the amount of their direct investment? How many overseas family offices are operating in Hong Kong, and what is the amount of capital they have brought to Hong Kong?

2. What is the total expenditure incurred by InvestHK in the past year on publicity to attract overseas family offices to establish their presence in Hong Kong?

3. What is the total number of enquiries received so far by the dedicated unit for family offices under InvestHK? Please provide a breakdown by region of the sources of such enquiries.

4. As pointed out in some studies, Hong Kong will overtake Switzerland by 2027 as the world's largest wealth management centre, attributed to our world-class financial system and robust regulatory regime. What policy measures will the Government take in a more proactive manner to extend and maintain the strengths of Hong Kong?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 17)

Reply:

(1) to (3)

Family office (FO) business is an important segment of the asset and wealth management sector. According to the Asset and Wealth Management Activities Survey 2023 published by the Securities and Futures Commission, the size of private banking and private wealth management business attributed to FOs and private trusts clients reached $1,452 billion as of end-2023, providing huge business opportunities for the asset and wealth management sector and other related professional services (such as legal and accounting services). Also, according to the research findings of the consultant commissioned by Invest Hong Kong (InvestHK) and publicised in March 2024, there were around 2 700 single FOs operating in Hong Kong as of end-2023, with over half of them set up by ultra-high-net-worth individuals having a wealth of US$50 million or above.

The dedicated FamilyOfficeHK team (the dedicated team) of InvestHK provides one-stop support services to FOs and ultra-high-net-worth individuals interested in pursuing development in Hong Kong. Since its establishment in June 2021 up to end-Feb 2025, the dedicated team has received more than 1 300 enquiries on setting up FOs in Hong Kong, mainly from the Mainland, ASEAN countries, the Middle East, Europe and the Americas, and assisted over 160 FOs to set up or expand their business in Hong Kong, including 98 single FOs and 63 multi-FOs. Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong. InvestHK's overall estimated expenditure for promoting the development of FO business in 2024-25 is about $47.8 million.

As FOs in Hong Kong are not required to disclose their assets under management to the Government, the Government does not maintain relevant figures. Meanwhile, family-owned investment holding vehicles managed by single FOs in Hong Kong fulfilling the minimum asset threshold of HK$240 million and substantial activities requirement can enjoy profits tax exemption for qualifying transactions in accordance with the Inland Revenue Ordinance.

(4)

The Government has been actively promoting the development of FO business and strengthening the development of asset and wealth management industry and related professional service sectors in Hong Kong. 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. A number of measures have already been implemented, including -

(a) InvestHK's dedicated team launched the Network of Family Office Service Providers in June 2023 to bring together the global networks of the relevant professional services providers and promote Hong Kong's advantages and opportunities to global FOs, and provide one-stop services for FOs interested in establishing a presence in Hong Kong;

(b) in July 2023, regulators published a circular to the industry on streamlining the suitability assessment when dealing with sophisticated professional investors (SPIs) with a view to enhancing customer experience. Intermediaries may provide product characteristics, nature and extent of risks to an SPI upfront instead of before each transaction. Intermediaries are not required at a transaction level to match the SPI's risk tolerance level, investment objectives and investment horizon, or to assess the SPI's knowledge, experience and concentration risk;

(c) the Hong Kong Academy for Wealth Legacy was established in November 2023 to provide a platform for collaboration, networking, knowledge sharing, and relevant training for the FO sector, asset owners and wealth inheritors, thereby promoting positive financial management values and strengthening the talent pool for FOs;

(d) the Government launched the New Capital Investment Entrant Scheme (New CIES) in March 2024 and has received 918 applications as of end-February 2025, with the investment amount to be brought into Hong Kong expected to exceed $27 billion. Effective from 1 March 2025, we have implemented enhancement measures to the New CIES including relaxing the requirements on Net Asset Assessment and calculation and allowing investments made through an eligible private company wholly owned by the applicant to be counted towards the applicant's eligible investment under the New CIES. These enhancement measures can attract more investors to participate in the New CIES, and create synergy with the tax concession regime for FOs, thereby promoting the development of FO businesses in Hong Kong; and

(e) the Government will enhance the preferential tax regimes for funds, single FOs and carried interest, including expanding the scope of "fund" under the tax exemption regime, increasing the types of qualifying transactions eligible for tax concessions for funds and single FOs, enhancing the tax concession arrangement on the distribution of carried interest by private equity funds, etc. We have completed the industry consultation on the enhancement measures on the preferential tax regimes. We are formulating the relevant enhancement measures with financial regulators based on the feedback received. We target to work out the details of the proposals by this year and submit the legislative proposals to the Legislative Council for consideration in 2026. If approved, the relevant measures will take effect from the year of assessment 2025/26.

The Government will continue to enhance Hong Kong's competitiveness as an asset and wealth management hub through appropriate measures.

- End -

Examination of Estimates of Expenditure 2025-26 | Reply Serial No.

FSTB(FS)175

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2679)

Head: (79) Invest Hong Kong

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

Programme: (1) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding attracting family offices to Hong Kong, please inform this Committee of:

1) the number of enquiries received by Invest Hong Kong (InvestHK) on the establishment of family offices and the actual number of setups in each of the past 3 years;
2) the capital sizes and places of origin of the family offices currently established in Hong Kong; and
3) the details of the staff establishment of the dedicated FamilyOfficeHK team of InvestHK and the estimated expenditure involved, and whether its key performance indicators (KPIs) have been met over the past 3 years, as well as its KPIs set for the coming year.

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 25)

Reply:

Family office (FO) business is an important segment of the asset and wealth management sector. According to the Asset and Wealth Management Activities Survey 2023 published by the Securities and Futures Commission, the size of private banking and private wealth management business attributed to FOs and private trusts clients reached $1,452 billion as of end-2023, providing huge business opportunities for the asset and wealth management sector and other related professional services (such as legal and accounting services). Also, according to the research findings of the consultant commissioned by Invest Hong Kong (InvestHK) and publicised in March 2024, there were around 2 700 single FOs operating in Hong Kong as of end-2023, with over half of them set up by ultra-high-net-worth individuals having a wealth of US$50 million or above.

The dedicated FamilyOfficeHK team (the dedicated team) of InvestHK provides one-stop support services to FOs and ultra-high-net-worth individuals interested in pursuing development in Hong Kong. The estimated expenditure and staff establishment in the past three years are set out in the table below –

<table>
<tr><th>Financial year</th><th>Estimated expenditure ($ million)</th><th>Staff establishment</th></tr>
<tr><td>2022-23</td><td>17.2</td><td>8 posts, including 1 deputy global head, 3 senior vice presidents, 1 vice president and 3 Mainland or overseas regional heads</td></tr>
<tr><td>2023-24</td><td>51.2</td><td rowspan="2">17 posts, including 1 global head, 1 deputy global head, 6 senior vice presidents, 2 vice presidents, 1 senior executive manager, and 6 Mainland or overseas regional heads</td></tr>
<tr><td>2024-25</td><td>47.8</td></tr>
</table>

Since its establishment in June 2021 up to end-Feb 2025, the dedicated team has received more than 1 300 enquiries on setting up FOs in Hong Kong, mainly from the Mainland, ASEAN countries, the Middle East, Europe and the Americas, and assisted over 160 FOs to set up or expand their business in Hong Kong (including 12, 26 and 95 FOs set up or expanded their business in Hong Kong in 2022, 2023 and 2024 respectively), covering 98 single FOs and 63 multi-FOs. Separately, around 150 FOs have indicated that they are preparing or have decided to set up or expand their business in Hong Kong. The performance indicator to attract no less than 200 FOs to establish or expand their operations in Hong Kong from 2022 to 2025 as set out in the 2022 Policy Address is likely to be achieved.

As FOs in Hong Kong are not required to disclose their assets under management to the Government, we do not maintain relevant figures. Meanwhile, family-owned investment holding vehicles managed by single FOs in Hong Kong fulfilling the minimum asset threshold of HK$240 million and substantial activities requirement can enjoy profits tax exemption for qualifying transactions in accordance with the Inland Revenue Ordinance.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)176

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1953)

Head: (116) Official Receiver's Office

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

Programme: (-) Not Specified

Controlling Officer: Official Receiver (Lillian CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In his speech delivered to this Committee, the Financial Secretary mentioned that the city bustles with activities and retail, catering and other sectors all reported growth in business volume. However, according to media reports, government figures showed that the latest number of applications for the Protection of Wages on Insolvency Fund ("PWIF") in Hong Kong (especially in the catering sector) had hit a record high in 15 years. In the first 10 months of 2024-2025 alone, 4 278 applications involving over $534 million were received. In this connection, please advise this Committee of the following:

(1) whether ORO has assessed if there will be a substantial increase in the number of bankruptcy petitions in Hong Kong in the new financial year, as in the case of the aforesaid PWIF applications. If yes, what are the details; if no, will it conduct an assessment immediately?

(2) whether the existing staffing establishment and financial resources are sufficient to provide the public with consistent and convenient services;

(3) the manpower and average cost currently incurred by ORO in handling each bankruptcy case; and the changes in comparison with those of the past 3 financial years; and

(4) some members of the public have criticised that while they have no alternative but to file for bankruptcy in times of economic downturn, they are required to pay an administrative fee of nearly $10,000 to ORO. They have queried that the fee charged is too high. With the introduction of artificial intelligence ("AI") software, such as DeepSeek and Qwen 2.5, coupled with the experience gained from the introduction of AI software by a large number of Mainland authorities and ministries, has the Administration examined the possibility of introducing relevant AI software as soon as possible to assist in the processing of bankruptcy cases, so as to enhance the processing efficiency and save manpower and administrative costs, thereby reducing or waiving the fee so that the hardship of bankruptcy petitioners of being unable to file for bankruptcy while being penniless can be alleviated?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 2)

Reply:

(1) The actual number of new bankruptcy cases for 2024-25 and the number for 2025-26 estimated by the Official Receiver's Office (ORO) are as follows:

Financial Year	**2024-25** (Actual)	**2025-26** (Estimated)
Total number of cases with bankruptcy orders made by the court	8 596	8 520 *(Note)*

(Note): Making reference with the downturn of the new bankruptcy cases in the second half of 2024-25 as compared with the first half of 2024-25, the number of new bankruptcy cases in 2025-26 is estimated to be 0.9% lower than that in 2024-25.

(2) The financial provisions and staff establishment in the ORO's 2024-25 estimate are provided for effective delivery of its services and meeting its operational needs. In line with the government policy, the ORO will step up efforts to contain its operating expenditure and continue to timely revise, simplify and streamline its work procedures to enhance efficiency. The ORO will keep in view its services and consider appropriate possible measures such as consolidation or redeployment of departmental resources, further streamlining of the process, wider adoption of information technology (including the plan to roll out the Phase 2 of the Electronic Submission System on 14 July this year), to enhance its efficiency and productivity to cope with any increase in caseloads and ensure the service quality.

(3) The manpower and operating costs of handling cases in the ORO differ considerably from case to case depending on the complexity of individual cases. Relevant factors include the amount of work involved in the realization of assets and the distribution of dividends to creditors, whether additional legal input or investigation is required, etc. The ORO does not keep separate statistics on the manpower and operating costs incurred for individual cases.

(4) Upon presentation of bankruptcy petition against himself, a debtor is required to pay a deposit with the ORO under the Bankruptcy Rules (Cap. 6A). The deposit is for covering necessary fees and expenses incurred by the ORO or the trustee when processing the bankruptcy case, such as those for publishing statutory notices, conducting various searches and paying statutory court fees.

The amount of deposit to be paid by a debtor to the ORO for his / her bankruptcy petition was last revised in 2013, when the amount was reduced from $8,650 to $8,000. According to the established policy of the Administration, fees charged should in general be set at levels adequate to recover the full costs of providing the service. Under the law, the ORO is entitled to receive a minimum fee of $11,250 on all in-house bankruptcy cases. However, the vast majority of cases handled by the ORO have no or inadequate assets and the ORO had to cover the shortfall.

To align with the e-government initiatives, the ORO will continue its work on accelerating provision of e-service (including the plan to roll out the Phase 2 of the Electronic Submission System, coving documents and forms submitted by private sector insolvency practitioners and creditors, on 14 July this year) and leveraging appropriate information technology including exploring the use of artificial intelligence to assist in case administration and delivery of its other services. The ORO has regularly reviewed its work procedures with a view to identifying room for streamlining and enhancing efficiency, and will keep its fees and charges, including the level of the petitioner's deposit under review from time to time.

- End -

Examination of Estimates of Expenditure 2025-26

Reply Serial No.

FSTB(FS)177

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3725)

Head: (116) Official Receiver's Office

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

Programme: (1) Official Receiver's Office

Controlling Officer: Official Receiver (Lillian CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding bankruptcy cases, would the Government inform this Committee of:

1) the number of bankruptcy orders and the year-on-year change in each of the past 3 years;
2) the distribution of bankrupts broken down by age, residence type, cause of bankruptcy, indebtedness and monthly income over the past 3 years; and
3) the number of non-summary liquidation cases outsourced to Private Insolvency Practitioners (PIPs) under the Administrative Panel Scheme and the number of PIP firms admitted under the Scheme over the past 3 years.

Asked by: Hon WONG Chun-sek, Edmund (LegCo internal reference no.: 56)

Reply:

(1) In the past 3 years, the number of bankruptcy orders and the percentage changes compared with the preceding year are as follows:

	2022-23 (Note 1)	**2023-24**	**2024-25** (up to February 2025)
Number of bankruptcy orders	6 261	7 408	7 950
Percentage changes compared with the preceding year	+7%	+18%	(Note 2)

(Note 1): The number of bankruptcy orders in 2022-23 was affected by opening and closing of court and social distancing measures put in place by Judiciary during the period of pandemic.
(Note 2): The number of bankruptcy orders made is not a full-year figure, hence not comparable with the figures for 2022-23 and 2023-24.

(2) Based on the information collected by the Official Receiver's Office (ORO) in the past 3 years from cases where the profile statistics are ascertainable, the distributions of age,

residence types, causes of bankruptcy, liabilities level and monthly income of the bankrupts are as follows:

Age of Bankrupts	**2022-23**	**2023-24**	**2024-25** (up to February 2025)
30 or below	16.34%	16.84%	15.14%
Above 30 to 40	23.04%	23.15%	22.52%
Above 40 to 50	24.54%	23.83%	24.07%
Above 50	36.08%	36.18%	38.27%
Total	100.00%	100.00%	100.00%

Residence Types of Bankrupts	**2022-23**	**2023-24**	**2024-25** (up to February 2025)
Public Housing	54.02%	53.47%	51.29%
Private Apartment (not owned by bankrupts)	44.16%	44.27%	47.14%
Private Apartment (owned by bankrupts*)	1.82%	2.26%	1.57%
Total	100.00%	100.00%	100.00%

*The properties are under mortgage / charge.

Causes of Bankruptcy	**2022-23**	**2023-24**	**2024-25** (up to February 2025)
Unemployment / Loss of Employment	25.40%	24.26%	18.69%
Income Could Not Meet Basic Expenses	46.25%	44.61%	42.50%
Negative Equity	0.59%	0.68%	1.43%
Loss in Investment	2.69%	2.83%	2.85%
Loss in Gambling / Speculation	9.48%	10.08%	10.21%
Liabilities Incurred on Personal Guarantees	0.99%	0.70%	1.01%
Increase in Medical Expenses	1.74%	0.95%	2.14%
Liabilities Incurred on Divorce-Related Matters	0.20%	0.14%	0.09%
Poor Business	1.19%	2.30%	3.82%
Decline in Business	0.99%	0.75%	0.82%
Economic Downturn	0.81%	0.59%	1.06%
Insufficient Capital	0.26%	0.43%	0.49%
Increase in Costs (Rent, Wages etc.)	0.02%	0.05%	0.07%
Management Failure	0.26%	0.16%	0.15%
Shareholders/Partners Dispute	0.00%	0.04%	0.07%
Excessive Use of Credit Facilities	0.81%	0.99%	1.13%
Victim of Fraud	4.36%	5.54%	5.38%
Bad Debts	0.55%	0.88%	0.99%

Causes of Bankruptcy	**2022-23**	**2023-24**	**2024-25** (up to February 2025)
Adverse Legal Action (Other Than Divorce-Related)	0.32%	0.38%	0.44%
Unforeseen Circumstances	0.26%	0.13%	0.33%
Others	2.83%	3.51%	6.33%
Total	100.00%	100.00%	100.00%

Indebtedness of Bankrupts	**2022-23**	**2023-24**	**2024-25** (up to February 2025)
$0.2 million or below	14.58%	12.37%	11.82%
Above $0.2 million - $0.4 million	31.66%	30.88%	28.26%
Above $0.4 million - $0.6 million	21.30%	20.64%	21.38%
Above $0.6 million - $0.8 million	11.12%	11.55%	10.92%
Above $0.8 million - $1 million	5.87%	5.83%	6.00%
Above $1 million - $2 million	8.63%	10.36%	10.99%
Above $2 million - $6 million	4.92%	5.79%	6.90%
Above $6 million	1.92%	2.58%	3.73%
Total	100.00%	100.00%	100.00%

Monthly Income of Bankrupts	**2022-23**	**2023-24**	**2024-25** (up to February 2025)
No Income	38.82%	35.80%	35.11%
Above $0 - $10,000	13.48%	15.17%	14.96%
Above $10,000 - $15,000	14.96%	12.26%	12.07%
Above $15,000 - $20,000	17.03%	17.84%	17.78%
Above $20,000 - $25,000	8.54%	9.79%	9.40%
Above $25,000	7.17%	9.14%	10.68%
Total	100.00%	100.00%	100.00%

(3) In the past 3 years, the number of non-summary liquidation cases outsourced to Private Insolvency Practitioners (PIPs) under the Administrative Panel Scheme (APS) and the number of PIP firms admitted under APS are as follows:

	2022-23	**2023-24**	**2024-25** (up to February 2025)
Number of non-summary liquidation cases outsourced	17	28	23
Number of PIP firms as at financial year end	10	10	10

- End -