

## [Hong Kong Customs confiscates crime proceeds of male cannabis trafficker](#)

Hong Kong Customs yesterday (April 8) successfully made its application to the District Court for a confiscation order under the Organized and Serious Crimes Ordinance (OSCO) to confiscate crime proceeds of about \$3.7 million from a male cannabis trafficker.

Customs officers arrested the man in Yuen Long in March 2017 and a Restraint Order was granted by the High Court in April 2018 to restrain his assets worth about \$3.7 million. He was later sentenced to 50 months' imprisonment at the District Court in November 2018 following his conviction for contravention of the Dangerous Drugs Ordinance (DDO) and the OSCO.

Under the confiscation order granted yesterday, an additional 39 months' imprisonment will be imposed if the man fails to comply with the order.

Customs welcomes the order granted by the court. The sentence imposed upon the man for trafficking in cannabis and money laundering as well as the confiscation of crime proceeds would send a deterrent message to potential offenders and the public that trafficking in cannabis, like other dangerous drugs, is a serious crime in Hong Kong.

Under the DDO, trafficking in a dangerous drug is a serious offence. The maximum penalty upon conviction is a fine of \$5 million and life imprisonment.

Under the OSCO, a person commits an offence if he deals with any property knowing or having reasonable grounds to believe that such property in whole or in part directly or indirectly represents any person's proceeds of an indictable offence. The maximum penalty upon conviction is a fine of \$5 million and imprisonment for 14 years.

Members of the public may report any suspected violations of the DDO or the OSCO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)).

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## [Appeal for information on missing man in Tsuen Wan \(with photo\)](#)

Police today (April 9) appealed to the public for information on a man who went missing in Tsuen Wan.

Cheung Ka-chun, aged 34, went missing after he was last seen on Sha Tsui Road yesterday morning (April 8). His family made a report to Police on the same day.

He is about 1.65 metres tall, 59 kilograms in weight and of medium build. He has a round face with yellow complexion and short straight black hair. He was last seen wearing a grey T-shirt, a blue jacket, grey trousers, sports shoes and carrying a black rucksack.

Anyone who knows the whereabouts of the missing man or may have seen him is urged to contact the Regional Missing Person Unit of New Territories South on 3661 1173 or email to [rmpu-nts-2@police.gov.hk](mailto:rmpu-nts-2@police.gov.hk), or any police station.



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## **[CE encourages Japanese companies to Leverage opportunities in Guangdong-HK-Macao Greater Bay Area \(with photo\)](#)**

â€‹The Chief Executive, Mrs Carrie Lam, called on Japanese businesses to seize the unique business opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area at a symposium jointly organised by the Hong Kong, Guangdong and Macao governments in Tokyo, Japan, today (April 9).

The Symposium on the Guangdong-Hong Kong-Macao Greater Bay Area is the first joint promotion held overseas by the three governments since the Central Government announced the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area on February 18. Over 1 000 executives and leaders from various sectors attended.

The event started with opening remarks by the Chinese Ambassador to Japan, Mr Cheng Yonghua, followed by keynote speeches by Mrs Lam; the Governor of Guangdong Province, Mr Ma Xingrui; and the Secretary for Administration and Justice of the Macao Special Administrative Region Government, Ms Sonia Chan. The Chairman of the Guangdong-Hong Kong-Macao Bay Area Entrepreneurs Union and the Chinese General Chamber of Commerce of Hong Kong, Dr Jonathan Choi, and the Chairman of the Japan External Trade Organization, Mr Nobuhiko Sasaki, as well as the guest of honour, State Minister of Economy, Trade and Industry, Japan, Mr Yoshihiro Seki, also gave remarks at the event.

Mrs Lam told the audience that Hong Kong has a lot of strengths in terms of its international status and research capability. It is a global financial centre and aviation hub with an international business environment based on the rule of law, and has been named the freest economy in the world by the Heritage Foundation for 25 years in a row. The city has a global business network with 13 Economic and Trade Offices around the world and over 8,700 overseas and Mainland companies currently doing business in Hong Kong. Four of the city's universities are among the world's top 100, and many have strong research capability.

She said that Hong Kong will contribute to the Greater Bay Area development by leveraging its multiple roles as an International financial, logistics and trading centre as well as a global innovation and technology hub and the centre for international legal and dispute resolution services in the Asia-Pacific region. Hong Kong, Macao and the nine other cities will complement each other to promote co-ordinated economic development in the Greater Bay Area to develop an international first-class bay area.

Mrs Lam added that the Greater Bay Area is a new engine to propel the close ties between Hong Kong and Japan. Japan is Hong Kong's fourth largest merchandise trading partner and Hong Kong is Japan's eighth largest. About 1 400 Japanese companies currently operate in Hong Kong, and 47 per cent of them have regional headquarters or regional offices in the city. There were 2.2 million visitors from Hong Kong to Japan and 1.29 million from Japan to Hong Kong in 2018. She called on Japanese companies to leverage Hong Kong's platform to take advantage of the business opportunities in the Greater Bay Area.

Following the opening addresses was the morning panel discussion on the opportunities of the Greater Bay Area. Speakers included the Director (Special Duties) of the Constitutional and Mainland Affairs Bureau, Mr Tommy Yuen; the Executive Deputy Director-General of the Office of the Leading Group on Construction of Guangdong-Hong Kong-Macao Greater Bay Area and Deputy Director-General of the Development and Reform Commission of Guangdong Province, Mr Cao Dahua; the Director of the Policy Research and Regional Development Bureau of the Government of the Macao Special Administrative Region, Professor Mi Jian; the Governor of the Japan Bank for International Cooperation, Mr Tadashi Maeda; the Managing Director of the Japan-China Economic Association, Mr Sadahiro Sugita; the Vice President of Tencent and

Head of Tencent Financial Technology, Mr Jim Lai; and the Managing Director of Hyakunousha International Limited, Mr Muneo Nishida.

Two panel sessions in the afternoon have speakers focusing on innovation and technology and smart health trends. Speakers at the innovation and technology panel include founder of Appotronics Corporation Limited Dr Li Yi; the President of the Asia Pacific Business Group and Vice President of Strategy of SenseTime, Mr Jeff Shi; the President of the Administrative Committee of the Macao Science and Technology Development Fund, Mr Frederico Ma; the Executive Vice President of Mitsubishi Heavy Industries Ltd and President of Mitsubishi Heavy Industries Thermal Systems Ltd, Mr Kaoru Kusumoto; the Deputy President (Representative Director) of Mizuho Bank Ltd, Mr Takahiko Yasuhara; the R&D Director and General Manager of Synopsys Macao Ltd, Professor Ben U; and the Managing Director of Toyota Tsusho (HK) Corporation Limited, Mr Naohito Tsuji.

Speakers at the smart health panel included the Chairman and President of Rohto Pharmaceutical, Mr Kunio Yamada; the Chairman and CEO of EPS Holdings Inc and Chairman of EPS China Group, Mr Yan Hao; the President of Ryukakusan Co Ltd, Mr Ryuta Fujii; the Senior Director of OIAA Division Pharmaceutical Business of Otsuka Pharmaceutical Co Ltd, Mr Ueda Koji; the Chief Technology Officer (Health and Life Sciences) of Hitachi Vantara, Mr John Ma; and Co-president of the Guangdong-Hong Kong-Macao Greater Bay Area Biomedical Industry Promotion Association and Chairman of Infinite Capital Holding Company Mr Zhang Chaomin.

The Greater Bay Area covers nine cities in Guangdong Province, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing, as well as the two Special Administrative Regions of Hong Kong and Macao. It is an enormous market with a population of 71 million and a gross domestic product of US\$1.6 trillion.

## About Invest Hong Kong

Invest Hong Kong is the department of the Hong Kong Special Administrative Region Government responsible for attracting foreign direct investment and supporting overseas and Mainland businesses to set up or expand in Hong Kong. It provides free advice and customised services for overseas and Mainland companies. For more information, please visit [www.investhk.gov.hk](http://www.investhk.gov.hk).



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## SFST's speech on financial services at LegCo Finance Committee special meeting

Following is the English translation of the speech by the Secretary for Financial Services and the Treasury, Mr James Lau, at the special meeting of the Legislative Council (LegCo) Finance Committee today (April 9), on the estimates of expenditure for financial services and the key areas of work:

Chairman and Honourable Members,

I will briefly introduce the estimates of expenditure for financial services and our key areas of work in the coming year.

### Estimates of Expenditure

The allocation to the Financial Services Branch and departments under its purview for 2019-20 is about \$1.8 billion. The amount represents an increase of about \$114 million over last year.

### Key Areas of Work

In the coming year, we will focus our work on reinforcing Hong Kong's status as an international financial centre, promoting market development, enhancing protection for investors and the general public, and taking forward international regulatory requirements.

#### (I) Developing Offshore Renminbi Business and Enhancing Financial Co-operation with the Mainland

We will capitalise on the opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development. The promulgation of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area further recognises and supports Hong Kong's status as an international financial centre, a global offshore Renminbi business hub, an international asset management centre and a risk management centre. It also supports the development of an investment and financing platform for the Belt and Road Initiative. We will actively work with Mainland authorities to take forward the relevant policy initiatives in accordance with the framework set out in the Outline Development Plan.

The Outline Development Plan proposes to promote mutual financial markets access in the Greater Bay Area. To this end, we are gradually promoting connections between electronic payment systems in the Greater Bay Area and have attained initial results. Since last year, certain Hong Kong e-

wallet operators have launched cross-boundary payment services on a pilot basis such that Hong Kong residents could use their smartphones to make payments with designated merchants in the Mainland. The operators are also planning to expand the scope of the merchants accepting such payments. Moreover, progress has been made in assisting Hong Kong residents to open Mainland personal bank accounts. A Hong Kong bank launched a pilot scheme in March 2019 under which Hong Kong residents may complete the Mainland account opening procedure by attestation in Hong Kong without having to go to the Mainland in person. As a next step, we will continue to explore measures to simplify bank account opening procedures in the Mainland for Hong Kong residents and satisfy the demand for cross-boundary wealth management and insurance services.

## (II) Promoting Market Development

There are eight areas on promoting market development.

### (i) Green Finance

The Government is making vigorous efforts to promote Hong Kong as a regional green finance hub. Apart from introducing the Green Bond Grant Scheme last year to subsidise eligible green bond issuers in obtaining certification under the Green Finance Certification Scheme, we are also gearing up for the inaugural issuance of green bonds under the Government Green Bond Programme to encourage more issuers to finance their green projects through our capital markets. Our aim is to set a good example for other green issuers and develop a local green investor base. Last year, green bonds arranged and issued in Hong Kong amounted to US\$11 billion, more than triple that of 2017. We are glad to see that many local, Mainland and even international organisations, such as the World Bank, the Asian Development Bank and the European Investment Bank, have chosen to issue green bonds in Hong Kong. This attests to the strengths of our competitive capital markets and is conducive to the further development of green finance.

### (ii) Mutual Market Access

Mutual market access schemes including Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Northbound Trading of Bond Connect have been operating smoothly since their launch, and some enhancement measures were implemented in 2018. The Government and regulatory authorities will continue to discuss with the relevant Mainland authorities to enhance the existing schemes and include more investment products in the mutual market access schemes, with a view to deepening the access scheme and promoting the collaboration and interaction between the two financial markets.

### (iii) Asset and Wealth Management

The Government will continue to enhance Hong Kong's competitiveness as an asset and wealth management centre through various measures. Following the introduction of a new open-ended fund company structure in July 2018 to allow funds to be set up in corporate form in addition to the form of a unit trust,

we are now studying the establishment of a limited partnership regime for private equity funds. This would provide more options for funds to be set up in Hong Kong. We plan to consult the industry on the detailed proposals for the limited partnership regime later this year.

On tax arrangements, all publicly offered funds can enjoy profits tax exemption. As for privately offered funds, both onshore and offshore funds can enjoy profits tax exemption with effect from April 1, 2019, for qualifying transactions subject to meeting certain conditions. Such transactions include investments in both local and overseas private companies. We expect that the new arrangement will make Hong Kong a more attractive domicile for funds, drive demand for related professional services in Hong Kong and help start-ups secure sources of funding.

#### (iv) Tax Concessions for the Insurance Industry

To enhance Hong Kong's status as an international insurance hub, we plan to provide tax concessions at 50 per cent of the profits tax rate for marine insurance and the underwriting of specialty risks in Hong Kong, so as to promote the development of relevant business. Our current target is to introduce the relevant amendment bill into the Legislative Council (LegCo) in the 2019-20 legislative year.

#### (v) Insurance-linked Securities

We will amend the relevant legislation to allow for the formation of special purpose vehicles in Hong Kong specifically for issuing insurance-linked securities (ILS), in order to assist the insurance industry to issue ILS in Hong Kong with a view to enriching the risk management tools available in the Hong Kong market. ILS is a tool to securitise insurance risks, so as to transfer the risks underwritten to capital markets. On the other hand, institutional investors may invest in instruments uncorrelated with the economic cycle in order to diversify risks. Our target is to introduce the relevant bill into LegCo for scrutiny in the 2019-20 legislative year.

#### (vi) Captive Insurers

We will amend the relevant legislation to reduce restrictions on insurable risks that can be carried by captive insurers set up in Hong Kong to meet the risk management need of multinationals. Our current target is to introduce the relevant amendment bill into LegCo in the 2019-20 legislative year.

#### (vii) Development of Financial Technologies (Fintech)

We will continue to promote the development of Fintech in Hong Kong on various fronts. On Fintech infrastructure, the Faster Payment System (FPS) is well received with more than 2.5 million registrations over the few months since its launch. The Government has engaged a contractor to provide a service for the public to pay government bills with the FPS. The service is expected to launch by the end of this year. The Hong Kong Monetary Authority

granted three virtual banking licences last month, and their services are expected to be launched within six to nine months. This would provide the public with more innovative banking experiences and enhance financial inclusion. In promoting Fintech, the Government strives to facilitate financial innovation on the one hand and protect the interests of the investing public on the other. We welcome the Securities and Futures Commission's announcement of a new regulatory approach for virtual assets. We will also make use of the Global Financial Innovation Network to track the latest regulatory trends.

#### (viii) eMPF Centralised Platform

To create room for fee reduction and a predominantly paperless Mandatory Provident Fund (MPF) experience, the Government is working with the Mandatory Provident Fund Schemes Authority to set up a centralised platform to facilitate standardisation, streamlining and automation of MPF scheme administration processes to maximise operational efficiency. The LegCo Panel on Financial Affairs was consulted on and supported the funding proposal last December. Our target is to conduct the tendering exercise for the centralised platform in 2019 with a view to completing building the centralised platform by 2022 for phased commencement thereafter.

#### (III) Protecting Investors and the General Public and Taking Forward International Regulatory Requirements

On enhancing protection for investors and the general public and taking forward international regulatory requirements, I would like to highlight a few initiatives.

##### (i) Policy Holders' Protection Scheme

The Policy Holders' Protection Scheme aims to provide a safety net for policy holders and maintain market stability by compensating policy holders or securing the continuity of insurance contracts in case an insurer becomes insolvent. Our target is to introduce the relevant bill into LegCo for scrutiny in the 2019-20 legislative year.

##### (ii) Implementation of the New Auditor Regulatory Regime

With the passage of the Financial Reporting Council (Amendment) Bill 2018 by LegCo on January 30, 2019, we are now working closely with the relevant stakeholders on the preparation for implementing the new regulatory regime as soon as practicable. The Financial Secretary has also announced in the Budget that the Government will increase the amount of seed capital for the Financial Reporting Council (FRC) to \$400 million to help it migrate to the new regime, and exempt the levies payable to the FRC under the new statutory requirements for the first two years.

##### (iii) Group-wide Supervision

We are improving the legislative framework for the supervision of



insurance groups where the holding company for the group is incorporated in Hong Kong. We will ensure that the requirements on capital, risk management, corporate governance and more are in line with international standards and can help maintain Hong Kong's global competitiveness. Our target is to introduce the relevant bill into LegCo for scrutiny in the 2019-20 legislative year.

Chairman, my colleagues and I will be happy to answer any questions from Members.

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## **EPD responds to media enquiries on malfunction of Air Purification System of Central – Wan Chai Bypass**

In response to media enquiries on the malfunction of the Air Purification System (APS) of the Central – Wan Chai Bypass (CWB), a spokesman for the Environmental Protection Department (EPD) today (April 9) responded as follows:

According to the Environmental Impact Assessment Ordinance (EIAO), the CWB is subject to the control of an Environment Permit (EP). The EP has specified the requirements for the handling mechanism and mitigation measures when the APS does not operate properly.

With regard to this incident, the EPD has requested the Highways Department (HyD) to, in accordance with the statutory requirements, submit an investigation report, take appropriate mitigation measures and conduct air quality monitoring.

The EPD received the investigation report submitted by the HyD yesterday (April 8), and is reviewing the report in detail in accordance with the procedures. The final investigation report will be uploaded to the websites of the HyD and the EPD for public viewing.

According to preliminary analysis, the air quality monitoring data do not show any sign of abnormality and there is no significant difference between the data collected from other air quality monitoring stations of the EPD. The EPD will closely monitor the situation, as well as handle and follow up on the case in accordance with the statutory mechanism. Should there be evidence of non-compliance, the EPD will take appropriate action under the EIAO.

Related provisions of the EP are available at the EPD's website at [www.epd.gov.hk/eia/register/permit/latest/vep5112016.htm](http://www.epd.gov.hk/eia/register/permit/latest/vep5112016.htm) and [www.epd.gov.hk/eia/register/english/permit/vep5112016/documents/aqmp/pdf/](http://www.epd.gov.hk/eia/register/english/permit/vep5112016/documents/aqmp/pdf/)

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