

Conference for Independent Non-Executive Directors (with photos)

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

The Hong Kong Monetary Authority (HKMA) hosted the second annual Conference for Independent Non-Executive Directors (the Conference) today (October 3) in Hong Kong.

Building on the success of the inaugural conference last year, this year's Conference was a continuation of the HKMA's effort to equip and empower Independent Non-Executive Directors (INEDs) to perform a more effective role on the boards of banks in Hong Kong. The Conference was attended by nearly 80% of all INEDs of the banking industry.

At the Conference, the Chief Executive of the HKMA, Mr Norman Chan, remarked that "Promoting sound culture in the banking sector is important because regulation and supervision are more effective in prescribing what constitutes unacceptable behaviours or outcomes, but much less so in defining and driving what is good and desirable. A bank and its staff must internalise good culture and values in such a way that they behave properly not because they are afraid of being caught and punished by the supervisors or the law enforcement agencies but because they think it is unethical to do otherwise."

Member of the Board of Directors of the Dubai Financial Services Authority and former Superintendent of the Office of the Superintendent of Financial Institutions of Canada, Ms Julie Dickson, delivered a keynote speech on "Implementation of Sustainable Culture". She took the view that INEDs play an important role in driving the sustainability of sound culture in banks. They can be lulled into a false sense of security that culture is sound, fail to react quickly enough when problems are identified, and may also underestimate forces leading to cultural weakness. Therefore, they should always stay alert and should not understate their responsibility in upholding sound culture in banks.

The Chief Executive Officer of the Banking Standards Board (BSB) in the United Kingdom, Ms Alison Cottrell, also shared her view on the "Assessment of Bank Culture". Ms Cottrell observed that there is no one template of what a "good" bank culture should look like; each firm will have its own identity and culture reflecting its own history, leadership, people and many other factors. Despite these differences, banks can use comparative data and evidence to help them assess and manage their own culture and raise standards across the sector. She described how this approach is being undertaken in the United Kingdom banking sector, with the BSB providing Boards with objective and comparative evidence on different parts of their organisation, over time and relative to other firms.

Other speakers attending the Conference included:

- The Global Chief Investment Officer of State Street Global Advisors, Mr Richard Lacaille, who talked about short-termism in the banking industry. He highlighted the need to address possible causes for short-termism including unsustainable culture, inappropriate incentives, poor governance, and outside pressure.
- The Chief Executive Officer of Ping An Technology, Mr Ericson Chan, who spoke on how technology like blockchain, cloud computing and artificial intelligence would impact financial services. He was joined by the Executive Director (Banking Supervision) of the HKMA, Mr Raymond Chan, who shared his views on the application of RegTech and SupTech, as well as how INEDs could play a role in helping banks cope with technological changes.



A September marked by strike of Mangkhut

September 2018 was marked by the ferocious strike of severe typhoon Mangkhut, which necessitated the issuance of the No. 10 Hurricane Signal in Hong Kong for 10 hours on September 16. This is the second longest duration of the No. 10 Hurricane Signal in Hong Kong since 1946, slightly less than the record of 11 hours set by Typhoon York in 1999. Due mainly to the rainfall brought by Mangkhut, the month was wetter than usual. The monthly rainfall was 383.3 millimetres, about 17 per cent above the normal figure of 327.6 millimetres in September. The accumulated rainfall recorded in the first nine months of the year was 1973.3 millimetres, a deficit of 12 per cent compared to the normal figure of 2233.1 millimetres for the same period. The month was also hotter than usual with a mean temperature of 28.0 degrees, 0.3 degrees above the normal figure of 27.7 degrees.

Under the influence of a trough of low pressure, the weather in Hong Kong was mainly cloudy with occasional heavy showers and thunderstorms on September 1. More than 30 millimetres of rainfall were recorded over most parts of the territory, and rainfall even exceeded 70 millimetres over Sai Kung and Cheung Chau. With the trough of low pressure weakening gradually, there were sunny periods and a few showers on September 2 and 3. An anticyclone above southern China brought generally fine weather to the territory on September 4.

Under light wind conditions, it was very hot with sunny periods from September 5 to 7. High temperatures also triggered thundery showers in the afternoon over Sai Kung and parts of the New Territories in these few days. As a cold front moved across southern China on the night of September 7, local weather became mainly cloudy with some showers on September 8. More than 20 millimetres of rainfall were recorded over parts of the urban areas, and rainfall even exceeded 40 millimetres at Happy Valley. The northeast monsoon associated with the cold front brought a few showers and slightly cooler weather to Hong Kong from September 8 to 10.

An area of low pressure over the Luzon Strait intensified into a tropical storm and was named Barijat on September 11. It moved westwards across the northern part of the South China Sea the next day. Barijat then moved across the Leizhou Peninsula and weakened gradually on September 13, later dissipating over inland Guangxi. Under the influence of the outer subsiding air of Barijat, the weather in Hong Kong was generally fine on September 11. Local weather became showery and windier on September 12, when Barijat skirted past to the south of Hong Kong. With winds subsiding gradually, apart from a few showers at first, there were sunny periods on September 13.

Super Typhoon Mangkhut tracked northwestwards over the western North Pacific on September 14 and made landfall over Luzon in the early hours of September 15. After crossing the northern part of Luzon, Mangkhut continued to track northwestwards quickly across the northern part of the South China Sea on September 15, edging towards the coast of Guangdong. Mangkhut weakened into a severe typhoon on the morning of September 16 and skirted about 100km south-southwest of Hong Kong in the afternoon. It made landfall over the vicinity of Taishan of Guangdong before dusk and moved into the western part of Guangdong. Mangkhut degenerated into an area of low pressure over Guangxi on the night of September 17.

The outer subsiding air of Mangkhut brought generally fine weather to Hong Kong on September 14 and 15. It was also very hot on September 15, with the temperature at the Hong Kong Observatory soaring to 35.1 degrees, the highest of the month and the second highest on record for September. With the approach of Mangkhut, local winds strengthened on the night of September 15. The weather in Hong Kong deteriorated rapidly during the passage of Mangkhut on September 16. The maximum 60-minute mean wind speeds recorded at Waglan Island and Cheung Chau were 161km/h and 157km/h respectively. Both are the second highest recorded at the corresponding stations. Moreover, the storm surge induced by Mangkhut resulted in an unusually high water level in many parts of Hong Kong. The water levels at Quarry Bay in Victoria Harbour rose to a maximum of 3.88 metres (above Chart Datum) on the afternoon of September 16, the second highest since 1954 and only lower than the record high of 3.96 metres (above Chart Datum) set by Super Typhoon Wanda in 1962. Furthermore, the maximum storm surge (above astronomical tide) induced by Mangkhut at Quarry Bay was 2.35 metres, breaking the previous record of 1.77 metres by Wanda in 1962. More than 100 millimetres of rainfall were generally recorded over Hong Kong, and rainfall exceeded 200 millimetres in parts of the territory that day. During the downpour, the temperature at the Hong Kong Observatory fell to a minimum of 23.6 degrees, the lowest in the month.

With Mangkhut departing from Hong Kong, local winds subsided gradually on September 17, but the outer rainbands associated with Mangkhut continued to bring squally showers to Hong Kong. The destructive storm to hurricane-force winds, severe storm surge and squally heavy rain associated with Mangkhut ravaged the territory and caused extensive damage to Hong Kong. There was serious flooding in many coastal and low-lying areas and substantial damage to coastal structures and buildings. Huge numbers of fallen trees and hundreds of smashed windows and glass-curtain walls were reported. Over 450 people were injured during the stormy weather. In addition, there were interruptions of water and power supply in some places. Traffic and transportation services were also seriously affected on September 16 and 17.

With the subtropical ridge extending westwards, apart from a few morning showers, local weather became fine during the day on September 18. The weather over Hong Kong remained generally fine and hot from September 19 to 22. Under light wind conditions, isolated thunderstorms triggered by high temperatures also brought more than 10 millimetres of rainfall to parts of the New Territories on the afternoon of September 23.

Under the influence of an easterly airstream, local weather became slightly cooler and mainly cloudy with occasional showers and thunderstorms on September 24 and 25. Showers were heavy on the morning of September 24, with more than 30 millimetres of rainfall generally recorded over the territory. Rainfall even exceeded 70 millimetres over Tai Po, Kwai Tsing and Kowloon. As the easterly airstream moderated gradually, local weather was marked by a mixture of sunshine and showers on September 26 and 27. Apart from one or two morning showers on September 28 and 29, the weather in Hong Kong became generally fine and dry towards the end of the month under the influence of the northeast monsoon.

Five tropical cyclones occurred over the South China Sea and the western North Pacific in September 2018.

Details of the issuance and cancellation of various warnings/signals in September are summarised in Table 1. Monthly meteorological figures and departures from normal for September are tabulated in Table 2.

Heightened vigilance urged amid increase in local hand, foot and mouth disease and acute gastroenteritis activity

The Centre for Health Protection (CHP) of the Department of Health today (October 3) called on members of the public to heighten vigilance against hand, foot and mouth disease (HFMD) and acute gastroenteritis (AGE), as the local activities of HFMD and AGE have been increasing recently.

"Members of the public and management of institutions are urged to maintain strict personal and environmental hygiene. The CHP has issued letters to doctors, hospitals, schools and institutions today to draw their attention to the latest situation," a spokesman for the CHP said.

A. Hand, foot and mouth disease

According to the CHP's latest surveillance data, sentinel private medical practitioners and General Out-patient Clinics (GOPCs) recorded an increase of HFMD activity in the past two weeks.

The weekly consultation rate of HFMD at private medical practitioners has increased from 0 per 1,000 consultations in the week ending September 15 to 2.3 and 1.2 in the subsequent two weeks. The rate at GOPCs has increased

from 0.4 in the week ending September 15 to 1.1 in the subsequent week.

The numbers of institutional HFMD outbreaks in the past two weeks were 11 (affecting 32 persons) and eight (affecting 24 persons) respectively. As of yesterday (October 2), five outbreaks (affecting 22 persons) had already been recorded in the first three days this week. In the past four weeks, child care centres and kindergartens reported most outbreaks (43 per cent).

As for enterovirus (EV) 71 infection, the weekly number of cases recorded has increased from one case in the week ending September 15 to two and three cases in the subsequent two weeks respectively. As of yesterday, 42 cases had been recorded this year.

"In Hong Kong, HFMD occurs throughout the year. While the disease activity is usually higher from May to July, a smaller peak may also occur from October to December. Schools, institutions and play facilities should observe our guidelines and health advice against outbreaks to better protect young children who are more prone to infections," the spokesman added.

The latest local situation of HFMD and EV 71 infection is published on every Friday in [EV Scan](#) at the CHP website.

B. Acute gastroenteritis

The CHP's latest surveillance data also showed an increase in the number of institutional AGE outbreaks, from two (affecting 11 persons) in the week ending September 22 to five (affecting 38 persons) last week. In the last four weeks, most outbreaks occurred in primary schools (44 per cent).

Sentinel child care centres and kindergartens and residential care homes for the elderly (RCHEs) also recorded a corresponding increase in the activity of diarrhoea.

"In Hong Kong, AGE occurs throughout the year, but is known to occur more frequently in winter. Schools and institutions are reminded to follow the [Guidelines on Prevention of Communicable Diseases](#) on preventive and control measures as well as management of outbreaks, which should be reported to the CHP for prompt follow-up," the spokesman noted.

The public may visit the CHP's pages on [HFMD and EV71 infection](#), [acute diarrhoeal diseases](#) and [norovirus infection](#) for more information.

[FS visits Yuen Long District](#)

The Financial Secretary, Mr Paul Chan, visited Yuen Long District this afternoon (October 3), where he met with members of the Yuen Long District

Council (YLDC), called at an elderly home and officiated at the topping-out ceremony for the Yuen Long District Community Services Building.

Mr Chan first met with members of the YLDC to learn more about the latest developments in the district and exchange views on matters of mutual interest.

Accompanied by the Chairman of the YLDC, Mr Shum Ho-kit, and the District Officer (Yuen Long), Mr Enoch Yuen, Mr Chan then visited the Hong Kong Society for the Blind Jockey Club Yan Hong Building. Yan Hong Building, previously known as the Yuen Long Home for the Aged Blind, is the first elderly home for visually impaired persons. Yan Hong Building aims to provide a comfortable, barrier-free and smart home environment for residents. The building is equipped with innovative facilities, including a computerised medication system, a management system that uses radio frequency identification technology and features anti-wandering function and more.

Mr Chan said that, given the rapidly ageing population, the Government has proposed an array of measures to improve elderly services, including the setting up of the \$1 billion Innovation and Technology Fund for Application in Elderly and Rehabilitation Care. The Fund will be launched in the fourth quarter of 2018 to provide subsidy to elderly and rehabilitation service units to try out and procure technology products, so as to improve the quality of life of service users.

Mr Chan also officiated at the topping-out ceremony for the Yuen Long District Community Services Building. To enhance local engagement, the Government introduced the Signature Project Scheme (SPS) in Policy Address in 2013, under which a one-off grant of \$100 million was reserved for each district to implement SPS projects. The Building is a project funded by the SPS in Yuen Long. It is expected to commence operation in early 2019 to provide a convenient multi-purpose venue for organising a variety of community services and activities. Mr Chan said he was pleased to note that the Building will start operation soon. He added that the government will continue to promote the development of district facilities. In last year's Budget, \$20 billion was reserved for the development of district sports and recreational facilities, while another \$8 billion has been set aside in this year's Budget to address rising expectations for more district facilities.

EAC's response on media handling election reports under "fair and equal treatment" principle

The following is issued on behalf of the Electoral Affairs Commission:

In view of the concern expressed by the media recently about the requirements in the electoral guidelines that media reporting on election-related matters should abide by the "fair and equal treatment" principle, the Electoral Affairs Commission (EAC) made the following response today (October 3):

The EAC is committed to ensuring that public elections are held in an open, fair and honest manner. According to the electoral guidelines, the media are required to treat all candidates in accordance with the "fair and equal treatment" principle. The definition of candidates in the existing electoral guidelines has all along been adopting the definition of "candidate" in the Elections (Corrupt and Illegal Conduct) Ordinance, i.e. a person who stands nominated as a candidate at an election, or a person who, at any time before the close of nominations for an election, has publicly declared an intention to stand as a candidate at the election. This definition is mainly used for regulating election expenses and election advertisements.

Recently, with the increasing number of people publicly declaring their intention to stand as candidates at elections, and through different means and channels, the media may not be fully aware of all the people who have publicly declared their intentions to run at elections. The EAC understands that the media may well have operational difficulties in complying with the existing requirement in the electoral guidelines that every person who has publicly declared an intention to stand as a candidate at an election is to be reported.

According to the legislation, public consultation must be conducted prior to the revision of the electoral guidelines. Before each Ordinary/General Election, the EAC will review the existing electoral guidelines and draw up a new set of proposed guidelines for public consultation lasting 30 days. Regarding the aforesaid guidelines on media reporting, the EAC considers it opportune to consult the public during the consultation exercise on the proposed guidelines on election-related activities in respect of the 2019 District Council Ordinary Election to be conducted in the middle of next year. All are welcome to express their views then. After examining the views from all concerned, the EAC will review the relevant guidelines with a view to striking a suitable balance between the practical operation of the media while upholding the fair and open principle.

Concerning the "fair and equal treatment" principle in the coming Legislative Council Kowloon West geographical constituency by-election, the EAC will definitely and thoroughly consider the actual difficulties faced by the media.