

## **Task Force on Professional Development of Teachers convenes meeting**

The Task Force on Professional Development of Teachers held a meeting this afternoon (May 30).

The Task Force was set up in November 2017 to study the feasible options of establishing a professional ladder for teachers; the ranking arrangement of school management of primary, secondary and special schools; and the timetable for an all-graduate teaching force.

At its meeting today, the Task Force consolidated various preliminary directional recommendations on enhancing the professional development of teachers, discussed the drafting of the consultation document, and deliberated on the detailed arrangements for the upcoming public consultation, including the timetable for consultation, targets and means of collecting views.

The Chairperson of the Task Force, Dr Carrie Willis, said, "The Task Force attaches great importance to the views of stakeholders. Extensive consultation on the directional recommendations drawn up by the Task Force will be conducted to collect in-depth and specific views from different stakeholders, which will serve as invaluable references of the Task Force in the course of formulating specific recommendations. The Task Force expects that the specific recommendations to be submitted to the Government would be practicable and effective in promoting professional development of teachers, so as to further enhance the professionalism of teachers in Hong Kong."

The Task Force plans to conduct a consultation on the directional recommendations for two months starting from June 2018, and aims to submit its report and recommendations to the Education Bureau in early 2019.

---

## **Fraudulent website related to Hang Seng Bank, Limited**

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

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by Hang Seng Bank, Limited on fraudulent website, which has been reported to the HKMA. Hyperlink to the press release is available on [the HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the website concerned or has conducted any financial transactions through the website should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.

---

## [LCQ22: Prohibiting the trade of products containing ingredients from bear bile](#)

Following is a question by the Dr Hon Elizabeth Quat and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (May 30):

Question:

At present, the import and export of Chinese herbal medicines, proprietary Chinese medicines and related products containing ingredients from bear gall bladders are regulated under the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586). Given that the practice of extracting bile from live bears is extremely cruel and inhumane, a number of international organisations which are concerned about animal welfare have in recent years actively called upon various countries to step up the regulation of the trade of products containing ingredients from bear gall bladders. In this connection, will the Government inform this Council:

(1) of the quantity of products containing ingredients from bear gall bladders which were legally imported into Hong Kong in each of the past five years (with a breakdown by place of origin); whether it knows, among such products, the respective quantities of those sold in Hong Kong and transshipped to the Mainland and to other places;

(2) given that the international activities of illegal hunting and killing of wild bears have all along remained rampant owing to the huge profits that may be generated by the sale of products containing ingredients from bear gall bladders, coupled with the report that the Huanggang customs and excise authorities on the Mainland have earlier on seized at the Huanggang Port 13 bear gall bladders with a total weight of 297.71 grams from a private car travelling to the Mainland, whether the authorities will step up the law enforcement efforts in Hong Kong and raise the relevant penalty level to combat the illegal import and export of products containing ingredients from bear gall bladders;

(3) whether the authorities will enact legislation expeditiously to impose a

total ban on (i) the import and export of products containing ingredients from bear gall bladders and (ii) any form of trading in bear gall bladders; if so, of the details and the timetable; if not, the reasons for that; and

(4) as some Chinese medicine experts have pointed out that some clinical researches have proved that certain Chinese herbal medicines have the same efficacy as bear gall bladders, whether the authorities will step up their efforts in public education to avoid using bear gall bladders in medicine by members of the public; if so, of the details; if not, the reasons for that?

Reply:

President,

In consultation with the Department of Health and the Agriculture, Fisheries and Conservation Department (AFCD), a consolidated reply to the four parts of the question is as follows:

(1) The Hong Kong Special Administrative Region Government is committed to the protection of endangered species and implements the Protection of Endangered Species of Animals and Plants Ordinance (the Ordinance) (Cap. 586) to fulfill the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) requirements in regulating the trade in CITES-listed species. Currently, all bear species of the family Ursidae are listed in Appendix I or Appendix II of CITES and are regulated by the Ordinance. According to the Ordinance, commercial trade in Appendix I species of wild origin is prohibited. Import of Appendix II species, including traditional Chinese medicinal materials, proprietary Chinese medicines (pCms) and products, must first obtain a valid CITES export permit issued by the CITES management authority of the exporting place, and be inspected by authorised officer upon arrival in Hong Kong. In the past five years, the majority of bear bile or pCm/products containing bear bile imported into Hong Kong were originated from Russian brown bears, which is listed in CITES Appendix II. The bear bile and products re-exported from Hong Kong was shipped to Japan. As local possession of non-living Appendix II species for commercial purposes is exempted from the requirement of obtaining a License to Possess, we do not have information on the quantity of bear bile and its products that sold locally. The records of import and re-export of bear bile and its products over the past five years are tabulated below:

Import records:

	2013	2014	2015	2016	2017
Species	Brown Bear (App. II)	Brown Bear (App. II)	Brown Bear (App. II)	Brown bear, American black bear (App.II)	Brown Bear (App. II)

Product (Quantity)	Medicine (0.75 Kg)	Medicine (22.27 Kg) Bear bile(15.23 Kg)	Medicine (9.46 Kg) Bear bile (7.75 Kg)	Medicine (15.62 Kg+ 72,750 bottles) Bear bile (11.50 Kg)	Medicine (6.31Kg +117,450pcs) Bear bile (9.59 Kg)
Exporting place	Japan	Japan and Russia	Japan and Russia	Japan and Russia	Japan and Russia
Place of Origin	Russia	Russia	Russia	Russia and Canada	Russia

Re-export records:

	2013	2014	2015	2016	2017
Species	Brown Bear (App. II)	—	—	Brown Bear (App. II)	Brown Bear (App. II)
Product (Quantity)	Bear bile powder (11.06 Kg)	—	—	Bear bile powder (4.75 Kg)	Bear bile powder (4.80 Kg)
Destination	Japan	—	—	Japan	Japan
Place of origin	Russia	—	—	Russia	Russia

(2) to (3) The AFCD has been working closely with the Hong Kong Customs and Excise Department to combat the illegal import and export of endangered species and curb the smuggling of products containing or claiming to contain bear bile components. In order to provide a sufficiently strong deterrent against illicit wildlife trade, and to send a clear signal to the international and local communities that the Government is committed to the protection of endangered species and to combating endangered species smuggling, the penalties for offences under the Ordinance have been amended in early 2018 and the maximum penalty has been significantly increased to a fine of \$10 million and an imprisonment for 10 years. The objective of CITES is to strengthen trade controls through adoption of effective measures among governments of the contracting parties, so as to effectively protect the endangered species of wild fauna and flora and ensure that the sustainable use of wild fauna and flora will not be affected by international trade. CITES does not impose regulation on the methods of collecting specimens of endangered species. We will continue to pay attention to the international developments for whether we should enact legislation to ban the import of bear bile products and any form of bear bile sales and trading.

(4) It is generally considered in the Chinese medicine field that bear gall bladders have significant efficacy in the treatment of critical, acute, serious and rare or complex illnesses, playing an important role in Chinese medicine clinical treatment. The clinical effects of bear gall bladders in the treatment mentioned above cannot be substituted by other herbal

medicines, and no artificially synthesised substitutes are available at the moment. The Chinese Medicines Board (CMB) under the Chinese Medicine Council of Hong Kong (note) has discussed the use of bear gall bladders in pCms. Having considered the uniqueness of the medicinal properties, functions and usage of bear gall bladders and the balance between animal rights and utilisation of natural resources, the CMB currently accepts the use of bear gall bladders as active ingredients of pCms for medical treatment, provided that the products meet the requirements of the Chinese Medicine Ordinance (Cap. 549) (CMO), the Ordinance and CITES.

The CMB will continue to closely keep in view international developments about the medicinal value and use of bear gall bladders, and continue to require the medicine traders concerned to comply with the CMO and other laws in Hong Kong.

Note: The Chinese Medicine Council of Hong Kong is a statutory body established under the Chinese Medicine Ordinance. The Council is responsible for implementing regulatory measures for Chinese medicine. The main purpose for regulation of Chinese medicine is to protect public health and consumers' rights and to ensure the professional standard of Chinese medicine practice and the trade of Chinese medicines through "self-regulation".

---

## [HAD to open temporary night heat shelters](#)

The Home Affairs Department will open 15 temporary night heat shelters tonight (May 30) for people in need of the service.

The shelters will be open from 10.30pm until 8am tomorrow.

For further information, please call the department's enquiry hotline before midnight on 2835 1473.

The 15 temporary night heat shelters are located at:

Hong Kong Districts:

---

Central and Western –  
Sai Ying Pun Community Complex Community Hall  
3/F, Sai Ying Pun Community Complex,  
2 High Street, Sai Ying Pun

Eastern/Wan Chai –  
Causeway Bay Community Centre  
7 Fook Yum Road, Causeway Bay

Kowloon Districts:

---

Kowloon City –  
Hung Hom Community Hall  
1/F, Kowloon City Government Offices,  
42 Bailey Street, Hung Hom

Kwun Tong –  
Lam Tin (West) Estate Community Centre  
71 Kai Tin Road, Lam Tin

Sham Shui Po –  
Shek Kip Mei Community Hall  
G/F, Block 42, Shek Kip Mei Estate, Sham Shui Po

Wong Tai Sin –  
Tsz Wan Shan (South) Estate Community Centre  
45 Wan Wah Street, Tsz Wan Shan

Yau Tsim Mong –  
Henry G Leong Yaumatei Community Centre  
60 Public Square Street, Yau Ma Tei

New Territories Districts:

---

Kwai Tsing –  
Kwai Shing Community Hall  
Podium, Block 6, Kwai Shing West Estate, Kwai Chung

North –  
Cheung Wah Community Hall  
Cheung Wah Estate, Fanling

Sha Tin –  
Lung Hang Estate Community Centre  
Lung Hang Estate, Sha Tin

Tai Po –  
Tai Po Community Centre  
2 Heung Sze Wui Street, Tai Po

Tsuen Wan –  
Lei Muk Shue Community Hall  
G/F, Hong Shue House, Lei Muk Shue Estate, Tsuen Wan

Tuen Mun –  
Butterfly Bay Community Centre  
Butterfly Estate (near Tip Sum House), Tuen Mun

Yuen Long –  
Long Ping Community Hall  
Long Ping Estate, Yuen Long

Yuen Long –  
Tin Yiu Community Centre  
Tin Yiu Estate, Tin Shui Wai

---

## [LCQ5: Issuance of cryptocurrency](#)

Following is a question by the Hon Dennis Kwok and a reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (May 30):

Question:

It has been reported that the development of financial technology has been feverish in recent years globally. Quite a number of people raise funds through initial coin offering to exchange for a widely used cryptocurrency or cash in order to raise money to fund the research and development of a particular blockchain-related project. It has also been reported that the People's Bank of China (PBoC) will issue a statutory digital currency, and such a move will bring mammoth changes to both the Hong Kong and global economies. In this connection, will the Government inform this Council:

(1) whether the authorities will consider afresh enacting legislation to regulate the issuance, trading and storage of cryptocurrencies; if so, of the details and the timetable; if not, the reasons for that;

(2) whether the authorities have taken measures to ride on the opportunities arising from PBoC's issuance of a statutory digital currency to develop Hong Kong into an offshore or international trading hub for the digital currencies concerned; if so, of the details; if not, the reasons for that; and

(3) whether the Hong Kong Monetary Authority will, by making reference to the practices of overseas countries, explore the issuance of a free-circulating statutory digital currency and make it a means of payment that has legal backing, as well as enacting legislation to regulate the relevant trading platforms, so that the Government may monitor the relevant transactions systematically to prevent lawbreakers from using such currencies and platforms for conducting illegal activities including but not limited to money laundering?

Reply:

President,

My reply to the questions raised by the Hon Dennis Kwok is as follows:

(1) In promoting financial technologies (Fintech), the Government strives to facilitate financial innovation on the one hand and to protect the investing public in accordance with existing laws on the other.

The regulatory approaches towards initial coin offerings (ICOs) and "cryptocurrencies" vary across jurisdictions. Some regulators impose a ban, while other regulators leverage on existing regimes to regulate. The G20 meeting held in end March 2018 discussed the risks and related issues brought about by "cryptocurrencies". The meeting agreed that there was a need to closely monitor the situation. We will continue to monitor the development of ICOs and "cryptocurrencies" in Hong Kong, and maintain close contacts with regulators in other jurisdictions through active participation in meetings of relevant international organisations, such as the International Organization of Securities Commissions and the Financial Stability Board.

Our financial regulators are closely monitoring the development of ICOs and "cryptocurrencies" in Hong Kong. They are also taking appropriate measures to safeguard the interest of the investing public.

In September 2017, the Securities and Futures Commission (SFC) published a statement which pointed out that if digital tokens offered in an ICO were "shares", "debentures", or interests in a "collective investment scheme (CIS)", they would fall under the definition of "securities". In such cases, dealing in or advising on the digital tokens, or managing or marketing a fund investing in such digital tokens, might constitute a "regulated activity" and would require registration or a licence from the SFC.

The SFC also noted that futures and commodities exchanges in the United States had launched Bitcoin futures contracts. The SFC issued a reminder in December 2017 that dealing in such contracts for investors in Hong Kong and engaging in related services, including relaying or routing orders, constituted regulated activities and required a licence from the SFC regardless of whether the business was located in Hong Kong.

In February 2018, the SFC issued an announcement that it had taken regulatory actions against a number of "cryptocurrency" exchanges and issuers of ICOs. The SFC had sent letters to "cryptocurrency" exchanges and issuers of ICOs in Hong Kong or with connections to Hong Kong, cautioning them that they should not trade "cryptocurrencies" which were "securities" without a licence. Most of these "cryptocurrency" exchanges either confirmed that they did not provide trading services for such "cryptocurrencies" or took immediate rectification measures, including removing such "cryptocurrencies" from their platforms. Issuers of ICOs also confirmed compliance with SFC's regulatory regime or immediately ceased to offer tokens to investors in Hong Kong.

(2) Central Bank Digital Currency (CBDC) has been an important subject within the central banking community. The Committee on Payments and Market Infrastructures (CPMI) and the Markets Committee (MC) of the Bank for International Settlements have formed a working group comprising all major



central banks to conduct an in-depth study on the subject. The Committee members include the People's Bank of China (PBoC) and the Hong Kong Monetary Authority (HKMA).

The CPMI and the MC have recently issued a CBDC study report which sets out the general consensus among the central banking community. The overall finding is that while currently proposed implementations of CBDC for wholesale payments look broadly similar to, and not clearly superior to, existing infrastructures; CBDC that could be made widely available to the general public and serve as an alternative safe, robust and convenient payment instrument raises important questions and challenges that would need to be addressed. Most importantly, benefits of a widely accessible CBDC may be limited if efficient private retail payment products are already in place or in development. As a result, CBDC remains a subject which requires further study and more proof-of-concept work to ascertain its feasibility for payment applications.

The HKMA will continue to engage with the central banking community, including the PBoC, to study the potential and the costs and benefits of implementing CBDC.

(3) The HKMA has carried out research on CBDC. At the same time, the HKMA notes that the benefits of CBDC and its efficiency gains will depend on the actual circumstances of a jurisdiction. In the context of Hong Kong, the already efficient payment infrastructure and services make CBDC a less attractive proposition. The HKMA has no plan to issue CBDC at this stage but will continue to monitor the international development.

The anonymous nature of holding and transacting "cryptocurrencies" poses potential money laundering or terrorist financing risks. Financial institutions and related persons must comply continuously with the statutory customer due diligence and record keeping requirements under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and relevant guidelines when establishing or maintaining business relationships with customers who are operators of any schemes or businesses relating to "cryptocurrencies".

Overall, the Government will continue to closely monitor the development of ICOs and "cryptocurrencies". While promoting financial innovation, we will also strive to protect the interest of the investing public. The Government, relevant regulators and the Investor Education Centre have rolled out a series of measure to remind investors of the associated risks.