

# Enforcement collaboration of HKMA and SFC – Chan Ka-hey banned for six months

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

Chan Ka-hey has been banned from re-entering the industry for six months by the Securities and Futures Commission (SFC) (Note 1) following an investigation and referral by the Hong Kong Monetary Authority (HKMA).

The investigation by the HKMA found that Chan is not fit and proper to be a relevant individual for having cut and pasted a customer's signature onto a direct debit authorisation form (DDA Form) when handling the customer's instruction to set up a direct debit authorisation for her insurance policy in July 2018 (Note 2) in an attempt to deceive his employing bank and the insurance company that the DDA Form was signed by the customer. In April 2021, the HKMA issued a notice of decision to suspend Chan from the industry. Before the HKMA's disciplinary decision could take effect, Chan ceased to be registered as a relevant individual with the HKMA in May 2021 and the HKMA thus referred the case to the SFC for consideration of appropriate disciplinary action (Note 3).

The Executive Director (Enforcement and AML) of the HKMA, Ms Carmen Chu, said, "This action is the result of close enforcement collaboration between the HKMA and the SFC to deter improper behaviour and to send a coherent message to the industry. Regulated persons are reminded of the importance of carrying out their duties with high level of honesty and integrity, especially given the special trust on them by clients. Deceptive act is clearly not in the interest of customers or regulated persons themselves."

Note 1: Please see the SFC's press release dated July 28, 2022, for details, which is available on its website at [www.sfc.hk](http://www.sfc.hk).

Note 2: At the material time, Chan was a relevant individual engaged by Standard Chartered Bank (Hong Kong) Limited to carry on Types 1 and 4 regulated activities under the Securities and Futures Ordinance. Chan is currently not registered with the HKMA or licensed by the SFC.

Note 3: As the statutory power to discipline a former relevant individual rests with the SFC, the HKMA referred the case to the SFC to consider appropriate disciplinary action against Chan.

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# Public hospitals update testing requirements for visitors

The following is issued on behalf of the Hospital Authority:

The Hospital Authority (HA) today (July 28) announced an update of the testing requirements for visitors starting from next Monday (August 1) so as to minimise the risk of spreading the virus in hospitals and enhance protection for patients.

Under the new arrangements, all special visitors, including those who are recovered from COVID-19, must provide a negative COVID-19 PCR-based nucleic acid test (PCR test) result obtained within 48 hours. Visitors may opt to perform the test in community testing centres or mobile specimen collection stations. Free testing services will be provided when visitors indicate to the staff onsite that the purpose of the testing is for fulfilling the requirements for visiting patients in public hospitals. Visitors may also perform the test in any recognised organisation. The specimen must be taken through combined nasal and throat swabs and must not be taken by the person to be tested.

The HA spokesperson said, "The HA understands the needs of family members to visit patients but also considers the necessity of balancing the risks of spreading the virus. Therefore, it is needed to update the testing requirements to better protect our patients."

The testing requirements also apply to compassionate visits under specific circumstances. As for compassionate visiting arrangements for critical or end-of-life patients, testing requirements will remain unchanged. Visitors may provide either a PCR test negative result obtained within 48 hours or a rapid antigen test (RAT) negative result obtained within 24 hours before the visit. Visitors who submit a negative RAT result before the visit are required to perform a PCR test and submit a negative test result subsequently within two days after the visit. In an emergency situation, if the visitor cannot arrange testing in advance, an RAT must be performed, and the test result must be provided immediately after the visit. In addition, a negative PCR test result needs to be submitted within two days after the visit.

The spokesperson reiterated that visitors are also required to comply with the requirement of the Vaccine Pass, including having received the required dosage of COVID-19 vaccine or being recovered persons of COVID-19 in the Government's record, and holding the relevant vaccination record or record of a recovered person. Visitors need to scan the "LeaveHomeSafe" venue QR code when entering public hospitals. In addition, as public hospitals update testing requirements for visitors, persons having a COVID-19 Vaccination Medical Exemption Certificate with a valid exemption in Vaccine Pass are allowed to visit if they fulfill the testing requirements from

August 1.

Moreover, visitors are required to comply with the infection control measures, such as wearing surgical masks, temperature checking and filling in health declaration forms found on the HA webpage or the mobile app "HA Go" 24 hours before the visit and show the QR code generated by the system to ward staff.

Hospital staff will contact relatives for appointments. Relatives are not required to call the hospital for booking themselves.

The HA hopes the patients' family members can understand and comply with the visiting arrangements under the current epidemic situation. All hospitals will continue to facilitate compassionate and video visiting as far as practicable.

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## [Update on supplies from Mainland](#)

The Task Force on Supplies from the Mainland led by the Transport and Logistics Bureau (TLB) has been working closely with the Guangdong Provincial Government and the Shenzhen Municipal People's Government to explore various means to stabilise the supply of goods from the Mainland to Hong Kong.

A spokesperson for the TLB said that the "Sea Express" water transportation service from the Mainland to Hong Kong has been fully launched and its capacity is rising to increase the supplies of fresh food, other daily necessities and manufacturing materials. The current supply of fresh food from the Mainland is stable.

The spokesperson said today (July 28) that Shenzhen operated 42 cargo vessel trips and transported around 4 470 twenty-foot equivalent units (TEUs) of cross-boundary supplies by water yesterday (July 27), equivalent to about 15 140 tonnes of goods, all of which were non-fresh food, according to information from the Mainland authorities.

Since the launch of services from the three ports in Shenzhen since February 18 to yesterday, a total of around 726 270 TEUs of cross-boundary supplies have been transported, equivalent to about 3 531 810 tonnes of goods, of which around 2 160 TEUs (about 18 510 tonnes) were fresh food and around 724 110 TEUs (about 3 513 300 tonnes) were non-fresh food.

Meanwhile, to avoid a spillover of the epidemic, the Transport Department (TD) arranges for dedicated staff to conduct rapid nucleic acid tests, using nasopharyngeal swabs for specimen collection, for cross-boundary goods vehicle drivers at various land boundary control points. Only drivers with a negative result are allowed to enter the Mainland. A total of 2 803 rapid nucleic acid tests were conducted yesterday, among which five cases

that tested preliminarily positive or indeterminate were found. The TD has passed the cases to the Department of Health for follow-up.

The TLB will closely monitor the situation and co-operate with the Mainland authorities to facilitate and implement various measures to ensure both smooth cross-boundary land transport and a stable goods supply to Hong Kong, while reducing the risk of epidemic transmission in both the Mainland and Hong Kong.

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## [AFCD seizes 284 pieces of suspected ivory products \(with photo\)](#)

The Agriculture, Fisheries and Conservation Department (AFCD) yesterday (July 27) seized a total of 284 pieces of suspected elephant ivory products from a shop in Yau Tsim Mong District.

AFCD staff conducted inspections in Yau Tsim Mong District earlier and found a shop suspected of possessing scheduled elephant ivory for commercial purposes. The shop was warned on the spot. As no change was observed in the situation afterwards, the AFCD mounted an operation yesterday and seized a total of 284 pieces of suspected ivory items for further investigation.

A spokesman for the AFCD said, "The Government is committed to the protection of endangered species, including elephants. The Protection of Endangered Species of Animals and Plants (Amendment) Ordinance 2018 has been fully implemented since December 31, 2021, such that the import, re-export and commercial possession of elephant ivory (except for 'antique elephant ivory') have been banned. The AFCD has stepped up inspection efforts, and will remain in close contact with the Customs and Excise Department and relevant government departments to combat smuggling and illegal trade of ivory."

The spokesman added, "'Commercial purposes' as defined under the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586) is not limited to sale. Enticing customers with free ivory or displaying ivory labelled as not for sale in a shop may also contravene the Ordinance. To avoid inadvertent breaching of the law, ivory shall not be displayed in commercial premises."

According to the Ordinance, "commercial purposes" means:

- (1) a purpose relating to trade or business; or
- (2) a purpose of obtaining profit or other economic benefit (whether in cash or in kind) and directed towards sale, resale, exchange, provision of a service or other form of economic use or benefit, whether direct or indirect.

According to the Ordinance, "antique elephant ivory" means:

- (1) a piece of elephant ivory that was, before July 1, 1925:
  - (i) removed from the wild;
  - (ii) significantly altered from its natural state for jewellery, adornment, art, utility or musical instruments; and
  - (iii) acquired by a person after the alteration in such altered state that required no further carving, crafting or processing to effect its purpose; and
- (2) does not include an elephant hunting trophy.

Traders possessing "antique elephant ivory" for commercial purposes must prove that the ivory meets the above-mentioned definition of "antique elephant ivory". Examples of acceptable proof of "antique elephant ivory" include a qualified appraisal or scientifically approved aging methods carried out by an accredited laboratory or facility.

Any person importing, re-exporting or possessing elephant ivory not in accordance with the Ordinance will be liable to a maximum fine of \$10 million and imprisonment for 10 years upon conviction. The specimens will also be forfeited.



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## [Transcript of remarks by FS at media session \(with video\)](#)

Following is the transcript of remarks by the Financial Secretary, Mr Paul Chan, on the United States Federal Reserve Board rate hike this morning (July 28):

Reporter: Mr Chan, so about threats of global recession, and some analysts predict that Hong Kong Q2 (second quarter) GDP (Gross Domestic Product) might see another contraction, so we are technically raising rates just at the wrong time. What's the impact of raising rates on the Hong Kong economy and

do you see the Hong Kong Government having to downgrade your annual growth outlook? Thank you.

Financial Secretary: The increase in US interest rate under the Linked Exchange Rate System will impact on our interest rate. Over the past two months, you have seen that the interbank interest rate has risen, although the prime rate has remained intact. The rate and magnitude of increase in interest rate would depend very much on the liquidity in the market, and also the liquidity of individual banks. At the moment, we estimate that under the Linked Exchange Rate System, when US interest rate continues to hike, unavoidably our interest rate will increase. But the pace and magnitude need not proceed on a lockstep basis.

The impact on our economy is that with the increasing interest rate in the US as well as many of the developed economies, the external economic situation will continue to worsen. The export performance of Hong Kong will naturally be affected. But on the other hand, if the COVID situation is largely under control, private consumption, with the launch of Phase II of the Consumption Voucher Scheme, will increase the economic momentum in the second half of this year. So by and large, our assessment is that the economic performance of Hong Kong in the second half of this year would be better than the first half, but taking the year as a whole, we may need to revise our GDP growth forecasts.

At the moment the Government Economist is examining various data and doing an assessment on the economic outlook. The details will be announced in the middle of August. As to the impact of increase in interest rate on the property market, when interest rate increases, the mortgage repayment of homeowners will increase. But we consider that the basic fundamentals of our property market remain very sound. If I may share with you some figures – for new mortgages, on average the loan-to-asset ratio is some 50 per cent; and for repayment of individual homeowners, the amount of repayment as a percentage of their income is about 37 per cent on average. When banks grant mortgage loans, they have to do a stress test on the borrower. Under the stress test, an increase in interest rate of 3 per cent is assumed, and the borrower needs to demonstrate his or her ability to withstand this stress test, with the maximum mortgage repayment to income ratio at 60 per cent.

With all this, although with the increase in interest rate, the mortgage repayment burden would become a little heavier, the staying power of homeowners and their ability to repay mortgage remain very sound. Looking back, over the past six months, with COVID and the expectation of rising interest rates, the property market has remained calm in terms of price. Residential properties in the past six months came down by about 3 per cent overall, and the transaction volume came down by about 10 per cent.

With all the safeguards I have mentioned and the strong underlying demand for home ownership, I think the basic aspects of our property market would remain resilient, although the sentiment will be dampened because of increased mortgage repayment and the expectation of interest rate to go up further. Thank you.

Reporter: Can I ask about the recent financial woes of Mainland property developers? Do you think that will further squeeze Hong Kong banks' funding positions? Thank you.

Financial Secretary: Well, your question is about the borrowing of Mainland developers and the financial position of these borrowers impacting on the Hong Kong banking system, right?

We have been monitoring this situation very carefully and we do not find cause for alarm. Basically, for Mainland developers, when they borrow from our banks, they have to provide collaterals, and the banks have been adopting prudent lending policies with regard to them. As I mentioned earlier, looking at the liquidity, capital adequacy and classified loan ratio of the banking sector, we currently consider that Mainland developers' financial difficulties would have very limited impact on the banking stability of Hong Kong.

(Please also refer to the Chinese portion of the transcript.)