

Submissions from NGOs invited for study and further work relating to reviewing practice of rule of law in region and beyond

The Department of Justice (DoJ) today (May 26) invited non-profit making non-governmental organisations (NGOs) based in Hong Kong to make submissions to take forward the study and further work relating to reviewing the practice of rule of law in the region and beyond through public-private partnership.

The DoJ launched the Vision 2030 for Rule of Law initiative in 2020 to promote the proper understanding and recognition of the rule of law, thereby contributing to sustainable development of inclusive and fair societies at both the domestic and international levels. To advance the work for effective implementation of the initiative, the Task Force on Vision 2030 for Rule of Law comprising internationally renowned experts and academics was established to advise the Government on its proposal to achieve the intended policy objective.

Under the guidance of the Task Force, the DoJ launched a rule of law database, which sets out a proposed methodology for reviewing the practice of rule of law based on objective data and information, in November 2021. The Task Force advised that it is necessary to take into account the uniqueness of different jurisdictions' rule of law practices such as their cultural, geographical, socio-political, economic and legal tradition, and hence further development and refinement to the database would be necessary. Further explanation and illustration of the methodology are set out in the Vision 2030 Task Force Report launched today during the Vision 2030 for Rule of Law International Symposium. In addition, the Task Force also supported various regional and international capacity building activities taken forward by the DoJ.

To continue taking forward the study and further work in relation to the above through public-private partnership, independent NGOs based in Hong Kong with relevant background and expertise in the promotion and study of reviewing the practice of rule of law in Hong Kong and in the region and beyond are invited to make a submission to the DoJ. The DoJ will use its best endeavours to provide the necessary support for the study and work by the selected entity.

Interested entities should make a submission (including all necessary supporting information and documents demonstrating inter alia, their relevant experience and expertise, and the level of commitment and appreciation of the above initiatives as well as the business plan required to take forward the relevant study and work) on or before June 16, 2022, to the Inclusive Dispute Avoidance and Resolution Office, Department of Justice, 7/F, Main Wing, Justice Place, 18 Lower Albert Road, Central, Hong Kong, for consideration.

The DoJ may also request supplementary information as necessary. For more details, please visit the [DoJ's website](#).

[Speech by FS at Luncheon for the Vision 2030 for Rule of Law International Symposium \(English only\) \(with photo/video\)](#)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Luncheon for the Vision 2030 for Rule of Law International Symposium today (May 26):

Teresa (Secretary for Justice, Ms Teresa Cheng, SC), Anthony (Chairman of the Asian Academy of International Law, Dr Anthony Neoh), distinguished guests, ladies and gentlemen,

Good afternoon. It's a pleasure to be with you today, to have this welcome opportunity to speak in person to such a distinguished cross-section of our legal, financial, business and diplomatic communities.

The winds of change have blown hard for Hong Kong, and the world at large, these past few years. The continuing pandemic and geopolitical tensions have been disrupting the global economy, distressing the world at large.

The good news is that our strong showing comes despite the relentless volatility. Hong Kong's economic growth in 2021 reached a cheering 6.3 per cent and, despite the adverse impact of the fifth wave of COVID attack, is expected to have a mild growth of 1 to 2 per cent this year.

The latest World Investment Report 2021, published by the United Nations Conference on Trade and Development, ranked Hong Kong the world's third largest recipient of foreign direct investment in 2020, trailing only the United States and the Mainland.

In March this year, the Global Financial Centres Index again ranked Hong Kong the top financial centre in Asia and third in the world.

Allow me, for the next few minutes, to explain this report card – particularly what makes us unique, how we're responding to external stresses, and why the future looks so promising – for Hong Kong and for all those who believe in Hong Kong.

Our uniqueness stems from the "one country, two systems" framework,

which is the cornerstone for our economy, as for our community. Together with the rule of law and our formidable institutional strengths, they are defining the advantages that have long propelled Hong Kong's resounding success. They include our independent judiciary; a market-oriented, globally centred business environment; robust infrastructure support; internationally aligned regulatory regimes; a free and open society; the unfettered flow of capital, people and information; a strong pool of talent; the simple and low tax regime; and our unique position in our country's economic development strategies.

The end result is clear and compelling: Hong Kong flourishes as an international centre for finance, commerce and trade. We also continue to attract international corporations. And a global hub for investment and business.

The numbers bear that out, I'm pleased to say. The latest tally of business operations in Hong Kong with parent companies overseas, or in the Mainland, has risen to more than 9 000, while the number of start-ups in Hong Kong has climbed to over 3 700. Both are record highs.

Looking to the future, the National 14th Five-Year Plan sets out the long-range objectives of the country through the year 2035, and strategically affirms the role and positioning of Hong Kong in the overall development of our country, presenting opportunities in various areas of importance. That Plan expressly supports Hong Kong in consolidating and enhancing our status as an international financial, transport and trade centre, as well as a centre for international legal and dispute-resolution services in the Asia-Pacific region.

It also champions Hong Kong's development in four emerging areas: as an international aviation hub and innovation and technology hub, as a regional intellectual property-trading centre and as a hub for arts and cultural exchange between the Mainland and the rest of the world.

In achieving these goals, Hong Kong will count on its singular role as a bridge between the Mainland and the rest of the world, while helping Mainland companies explore opportunity in international markets.

Our advantage here is unrivalled. Hong Kong is as national as it is international.

Let me elaborate using financial sector as an example, on how we thrive as one of the world's major financial centres, as well as China's international financial centre.

Hong Kong continues to be one of the major listing centres in the world. Last year, funds raised through initial public offerings (IPOs) reached over US\$40 billion. Indeed, we have topped the world for seven times in the past 13 years in terms of IPO funding.

But there is no room for complacency. We have continuously been on the lookout for ways to enhance the competitiveness of our listing platform. A

major move taken a few years back was to allow emerging and innovative enterprises with weighted voting rights structure as well as pre-revenue or pre-profit biotechnology companies to list in Hong Kong and providing facilitation for qualifying issuers to seek secondary listing in Hong Kong.

As at the end of April, a total of 74 companies have listed in Hong Kong taking advantage of this change, raising more than \$580 billion, representing over 44 per cent of the total IPO funds raised during the same period. In fact, Hong Kong is also now the world's second largest fundraising hub for biotechnology.

In January this year, we launched a listing regime for special purpose acquisition companies, providing a new alternative listing route in Hong Kong for emerging enterprises with potential.

We have also made preparation for "home-coming" China Concept Stock companies to return due to increased risks and uncertainties of listing in overseas markets. Key enhancements made to our listing regime include allowing Greater China companies which are not from innovative sectors to seek secondary listing in Hong Kong, and offering more flexibility to issuers seeking dual-primary listings. All these measures seek to increase our market liquidity and enhance the competitiveness of Hong Kong as a global financing platform.

Our asset- and wealth-management sector has also prospered in recent years. At the end of 2020, Hong Kong had US\$4.5 trillion in assets under management, up 21 per cent year on year. More reassuring, nearly two-thirds of those assets came from non-local investors.

Our vision is clear: boosting Hong Kong's status as an international asset- and wealth-management centre. We have been working to realise this in three discrete ways.

The first was modernisation of our fund structure regime. The latest move was the introduction of the limited partnership fund structure in August 2020. It has been very well received by the sector, with more than 480 funds established over the past year or so.

The second was offering attractive tax concessions, including introducing the fund-level tax exemption regime, and exempting carried interest payable by private equity funds operating in Hong Kong.

The third was the establishment of the fund re-domiciliation regime last year, designed to attract foreign funds to Hong Kong, taking good advantage of onshoring of funds from traditional offshore hubs.

A recent key milestone in the development of our asset- and wealth-management sector was the launching of the Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area last October. It opens up a huge market for Hong Kong's financial services providers, giving us direct access to the growing number of high-net-worth individuals in one of the most affluent economic regions of the Mainland.

Good news for Hong Kong. Good news for the companies and economies that work with us.

Opportunities also flow from mutual market access between the Mainland and Hong Kong. Over the years, various Connect schemes have come into operation, including Stock Connect, Bond Connect and the mutual recognition of funds. The average trading volume of the Stock Connect transactions last year reached about RMB160 billion a day, an increase of 40 per cent over the previous year. On the other hand, the number of Mainland bonds held by overseas institutions through the Northbound Bond Connect and other channels exceeded RMB3.7 trillion by end of April. Last October, we further expanded our Connect scheme with the Mainland by launching the Southbound Trading under Bond Connect.

On the equities side, we expect the ETF Connect to get going very soon. That will mark another milestone in the integration of the capital markets of the Mainland and Hong Kong.

With the promise of mutual market access programmes, investor demand for risk-management solutions is also on the rise. In response to that, HKEX (Hong Kong Exchanges and Clearing Limited) launched the MSCI China A50 Connect Index futures contract last year. It's an effective risk-management tool for offshore investors in the A-shares market, enabling additional investment flow while expanding risk-management products in Hong Kong.

Meanwhile, Hong Kong continues to bolster its status as the largest global offshore Renminbi (RMB) business hub. Hong Kong counts the largest pool of Renminbi liquidity in the world outside the Mainland, amounting to over RMB800 billion. As the most important offshore Renminbi clearing hub, Hong Kong's banks handle about 70 per cent of global offshore Renminbi payments.

Hong Kong is also an important Renminbi financing centre, hosting the largest offshore Renminbi bond market. The rising issuance of offshore Renminbi bonds in Hong Kong underlines our role as the Mainland's major capital-raising gateway. Last year, the Ministry of Finance issued Renminbi sovereign bonds totalling RMB20 billion in Hong Kong. Last October, the Shenzhen Government also issued offshore Renminbi municipal government bonds here. This further enriches the offshore Renminbi product range and showcases Hong Kong as the premier platform facilitating the Mainland to go global.

Going forward, China's economy will continue to expand and develop under the Belt and Road Initiative and the new development strategy of "dual circulation", which emphasises the domestic and external markets reinforcing each other. As such, the demand of offshore using, holding and investing of RMB by Mainland or foreign enterprises, financial or other institutions is expected to substantially increase.

As the world's largest offshore RMB business hub, Hong Kong is more than a reservoir for providing offshore RMB funds, but has the capacity and capability to develop a vibrant "offshore ecosystem" for RMB. Hong Kong is equipped to provide more offshore RMB-denominated investment tools and

channels, as well as treasury management products such as interest-rate risk and exchange-rate risk management instruments. These will enable the development of a more comprehensive and active offshore RMB market in Hong Kong, facilitating the further internationalisation of RMB, yet providing us with tremendous business opportunities.

Environmental, social and governance, or ESG, is another fast emerging trend reshaping the global economy and the financial sector. Hong Kong's financial future will also be built on green and sustainable finance.

By leveraging our advantages as an international financial centre, we can facilitate the matching of international capital with quality green projects, contributing proactively to our country's pursuit of its "3060 Carbon Emission Targets" as well as our own carbon neutrality target by 2050.

Since 2018, the HKSAR Government has successfully issued a total of more than US\$7 billion equivalent of green bonds targeting global institutional investors, including the issuance of a 30-year US dollar-denominated green bond and a 20-year euro-denominated green bond, both of which are the first issuance among Asian governments. This year, we will continue to issue green bonds totalling about US\$4.5 billion or equivalent.

The successful issuance of RMB green bonds by the Shenzhen Municipal Government in Hong Kong tells a good story of how Mainland cities could make use of our market for green financing. This would further strengthen Hong Kong's functions as an offshore RMB hub and a green financial centre.

Worth mentioning here is that we have always kept in mind the importance of raising public awareness of green economy, as well as sharing with the people the fruits of market developments. This is why we issued our first-ever retail green bonds just last month, with an issue size of HK\$20 billion.

The inaugural retail government green bond has been well received. This largest retail green bond issuance across the globe thus far has broadened the variety of green and sustainable financial products in Hong Kong, reinforcing our position as a premier green finance hub both regionally and internationally.

Financial markets are fast-changing and it is of utmost importance for us to ensure the stability of our financial system.

In short, Hong Kong's financial system is operating in an orderly manner, and our Linked Exchange Rate System and other significant financial aspects have been functioning as they should. And as you would expect of one of the world's major financial centres.

Our banking system, too, has remained robust. The capital adequacy ratio and average liquidity coverage ratio of our major banks exceeded 20 per cent and 150 per cent, respectively, at the end of 2021. Both are well above international regulatory standards.

Our foreign reserve at US\$460 billion is equivalent to about 130 per

cent of our GDP, ensuring that our financial market has the strong buffers and resilience necessary to counter global shocks.

The report of the International Monetary Fund (IMF) Staff Mission published in January, which was issued following IMF's regular assessment on Hong Kong, expressed compliments on our economic achievement last year and reiterated its recognition of Hong Kong's status as a major international financial centre. The IMF also pointed out that Hong Kong's financial sector had continued to expand under a robust supervisory framework even during the pandemic. Our Linked Exchange Rate System continued to operate smoothly and demonstrate resilience, providing effective support to Hong Kong's financial stability.

Looking forward, economies in Asia, particularly the Mainland economy, will continue to be the engine of global economic growth. Hong Kong will continue to play our unique roles as a gateway, a springboard and an intermediary, and actively integrate into the new overall development of our country.

I'm confident that Hong Kong will continue to flourish. That's thanks largely to the National 14th Five-Year Plan, which supports our continuing growth as an international financial centre and our aspiration to become an international innovation and technology hub. Thanks, also, to the implementation of the National Security Law, which has returned stability and confidence to our society and economy, as well as the enhancements to our electoral system, which has put an end to the previous chaos and political impasse in Hong Kong.

The return of stability and safety has allowed us to pursue a variety of promising opportunities. We are now provided with the maximum safeguards to reshape the landscape of good and effective governance and propel Hong Kong into a new development phase, where we can focus on the future – on building a flourishing economy, and a more cohesive community, for our city.

Ladies and gentlemen, I'm grateful for this opportunity to share with you my confidence in the future of Hong Kong and Hong Kong's long-term competitiveness. May I wish you all the best of health and business in the year to come. Thank you.



[Vision 2030 for Rule of Law International Symposium promotes understanding among different jurisdictions \(with photos\)](#)

The Vision 2030 for Rule of Law International Symposium, co-organised by the Department of Justice, the Asian Peace and Reconciliation Council and the Asian Academy of International Law, was held today (May 26) in a hybrid format, bringing together officials and renowned legal experts and academics from all over the world to examine the understanding and practice of the rule of law under various jurisdictions. The Vision 2030 Task Force Report was also launched at the Symposium.

The Symposium, also one of the celebratory events for the 25th anniversary of the establishment of the Hong Kong Special Administrative Region (HKSAR), was launched by the welcoming remarks made by the Chief Executive, Mrs Carrie Lam, followed by an opening speech by the Commissioner of the Ministry of Foreign Affairs in the HKSAR, Mr Liu Guangyuan. Judge Xue Hanqin of the International Court of Justice and the Chairman of the Asian Peace and Reconciliation Council and former Deputy Prime Minister of Thailand, Professor Surakiart Sathirathai, also delivered their keynote speeches.

At the three panel sessions, eminent speakers from varied fields shared their valuable experience and insights on three seminal issues: (1) rule of law under international law; (2) fundamental elements of the rule of law; and (3) practice of the rule of law in different cultural contexts, thereby facilitating mutual exchanges on the understanding and practice of the rule of law among different jurisdictions.

In her closing remarks, the Secretary for Justice, Ms Teresa Cheng, SC, said that the Vision 2030 for Rule of Law (Vision 2030) initiative launched by the Department of Justice in 2020 was inspired by the United Nations 2030 Agenda for Sustainable Development, and in particular its Goal 16 which advocates "promoting the rule of law at the national and international levels and ensuring equal access of justice for all". She said that as an international city with a strong rule of law tradition, Hong Kong is most willing to contribute to Goal 16, hoping that not only Hong Kong but those jurisdictions with which the city interacts will further strengthen the development and practice of the rule of law.

Ms Cheng also officiated at the launch of the Vision 2030 Task Force Report, which details the fruits of the Department of Justice's and the Task Force's intensive work since the launch of Vision 2030 in devising a

methodology for objectively reviewing the development and practice of the rule of law as well as on promoting the proper understanding and recognition of the rule of law, thereby contributing to the sustainable development of inclusive and fair societies at both the local and international levels.

For more information on the Vision 2030 for Rule of Law International Symposium, please visit www.legalhub.gov.hk. For the full text of the Vision 2030 Task Force Report, please visit www.v2030.hk.



[Woman sentenced for breaching compulsory quarantine order](#)

A 56-year-old woman was sentenced to imprisonment for seven days suspended for 12 months and fined \$2,000 by the Kowloon City Magistrates' Courts today (May 26) for violating the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C).

The woman was earlier issued a compulsory quarantine order stating that she must conduct quarantine at home for seven days. Before the expiry of the quarantine order, she left the place of quarantine on August 26, 2021, without reasonable excuse nor permission given by an authorised officer. She was charged with contravening sections 8(1) and 8(5) of the Regulation and was sentenced by the Kowloon City Magistrates' Courts today to imprisonment for seven days suspended for 12 months and fined \$2,000.

Breaching a compulsory quarantine order is a criminal offence and offenders are subject to a maximum fine of \$25,000 and imprisonment for six months. A spokesman for the Department of Health said the sentence sends a clear message to the community that breaching a quarantine order is a criminal offence that the Government will not tolerate, and solemnly reminded the public to comply with the regulations. As of today, a total of 237 persons have been convicted by the courts for breaching quarantine orders and have received sentences including immediate imprisonment for up to 14 weeks or a fine of up to \$15,000. The spokesman reiterated that resolute actions will be taken against anyone who has breached the relevant regulations.

[Update on supplies from Mainland](#)

The Task Force of Supplies from the Mainland led by the Transport and Housing Bureau (THB) 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. In addition to road transport arrangements, transportation of goods by water and railway is already in service.

A spokesperson for the THB 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.

Currently, there are three water transportation routes between Hong Kong and Shenzhen, namely (1) from Shenzhen Yantian International Container Terminals to Hong Kong Kwai Tsing Container Terminals (KTCT); (2) from Shenzhen DaChan Bay Terminals to KTCT; and (3) from China Merchants Port (South China) Management Center (Shenzhen Mawan, Shekou and Chiwan Container Terminals) to Hong Kong River Trade Terminal and elsewhere. Together with the water transportation routes from other cities in Guangdong Province, including the routes from Guangzhou Lianhuashan Port, Nansha Port, Huadu Port, Zhongshan Huangpu Port and Zhuhai Doumen Port to different terminals in Hong Kong, the water transport capacity amounts to tens of thousands of tonnes daily.

The spokesperson said today (May 26) that Shenzhen operated 50 cargo vessel trips and transported around 5 420 twenty-foot equivalent units (TEUs) of cross-boundary supplies by water yesterday (May 25), equivalent to about 21 930 tonnes of goods, of which around 10 TEUs (about 20 tonnes) were fresh food and around 5 410 TEUs (about 21 910 tonnes) 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 423 000 TEUs of cross-boundary supplies have been transported, equivalent to about 2 129 950 tonnes of goods, of which around 1 760 TEUs (about 15 060 tonnes) were fresh food and around 421 240 TEUs (about 2 114 890 tonnes) were non-fresh food.

To further ensure a stable goods supply to Hong Kong through land transport, a trial run of cargo transfer was conducted by the THB at a yard situated on Kam Pok Road, San Tin, Yuen Long, and it was completed smoothly. The THB will continue to work with the Mainland authorities to fully take forward cargo transfer arrangements on the Hong Kong side. It is a contingency measure in response to the latest epidemic situation in the city so as to reduce the risk of epidemic transmission in both the Mainland and Hong Kong, ensuring both smooth cross-boundary land transport and a stable goods supply to Hong Kong.

Meanwhile, to avoid a spillover of the epidemic, the Transport Department (TD) has arranged for dedicated staff to conduct rapid antigen tests for cross-boundary goods vehicle drivers at various land boundary control points (BCPs) from February 28 onwards. Only drivers with a negative result are allowed to enter the Mainland. In order to further improve the accuracy of the tests, the TD has already switched to use rapid nucleic acid tests at the BCPs. Starting from April 21, the sampling method for rapid nucleic acid tests has been further changed to nasopharyngeal swabs. A total of 3 204 rapid nucleic acid tests were conducted yesterday in which 15 drivers preliminarily tested positive. The TD has passed the cases to the Department of Health for follow-up.

The THB will closely monitor the situation and co-operate with the Mainland authorities to facilitate and implement various measures to ensure a stable goods supply to Hong Kong, with a view to complementing the supply through road, water and railway transport, enhancing capacity and efficiency as well as optimising the flow of cross-boundary supplies.