

[Fraudulent website and phishing instant message related to The Hongkong and Shanghai Banking Corporation 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 The Hongkong and Shanghai Banking Corporation Limited relating to a fraudulent website and phishing instant message, which has been reported to the HKMA. A hyperlink to the press release is available on the [HKMA website](#).

The HKMA wishes to remind the public that banks will not send SMS or e-mails with embedded hyperlinks which direct them to the banks' websites to carry out transactions. They will not ask customers for sensitive personal information, such as login passwords or One-Time Password, by phone, email or SMS (including via embedded hyperlinks).

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

[Law and order situation in Hong Kong in 2021 \(with photo\)](#)

Overall law and order situation in Hong Kong
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1. Overall situation

The overall number of crimes reported in 2021 was 64 428 cases, representing an increase of 1 196 cases or 1.9% when compared with 63 232 cases in 2020. There were 9 587 cases of violent crime, a rise of 196 cases or 2.1% compared with 2020. The overall detection rate in 2021 was 38.5%, with a slight increase of 0.7 percentage points when compared with 2020.

The overall crimes registered an increase of 1 196 cases, mainly due to

the rise of over 3 000 deception cases. Other crimes with rising trends included homicide, rape, indecent assault, blackmail, child abuse and crimes that Police took proactive enforcement actions against, including serious drug offences.

Major crimes that recorded decreases included robbery, burglary, arson, wounding and serious assault, criminal damage, thefts, etc. Among these, the number of cases of wounding and serious assault, snatching, pickpocketing and "disorder or fighting in public place" hit a 10-year low.

2. Robbery and burglary

There were 123 cases of robbery in 2021, registering a drop of 53%. For burglary, 1 472 cases were recorded, representing a decrease of 30%. While 2021 saw the record low figures for both robbery and burglary cases, the year also noted the highest detection rate for both crime categories (robbery 78%, burglary 35%) in the past 45 years. The records were mainly contributed by more concentrated police resources for anti-crime patrols and intelligence-led operations, as well as the concerted efforts by the community and relevant stakeholders in taking part in crime prevention activities in the past year.

3. Homicide

Twenty-three homicide cases were recorded, representing an increase of one case (+4.5%). 14 of the cases involved domestic or family violence while two of the cases were triad-related. All of the cases were detected.

4. Sexual offences

A total of 79 rape cases were recorded, representing a rise of 23%. There was only one case involving strangers and it has been detected. A total of 1 018 indecent assaults were recorded, representing an increase of 49%. Detection rates of rape and indecent assault cases remained high, at 98.7% and 79.3% respectively, however, 39% (31 cases) and 30% (308 cases) of the cases involved victims aged under 16 respectively.

Victims of 40 rape and indecent assault cases came to know the culprits through online platforms, representing an increase of 29% when compared with the previous year.

Police will continue to pay attention to the trend of sexual offences and collaborate with relevant stakeholders for targeted publicity and public education, focusing on strengthening the awareness of adolescents in protecting themselves and preventing sexual offences on the Internet.

5. Deception

19 249 deception cases were recorded, representing a significant increase by 24%. Over 70% of the reports were Internet-related. The jump was mainly driven by the upsurge of cases in compensated dating scams (1 743 cases), romance scams (1 659 cases), investment fraud (1 511 cases) and online employment fraud (1 063 cases), noting a soar ranging from 80% to 3.5

folds respectively. Telephone deception registered a decrease of 53 cases to 1 140 cases, however, the pecuniary loss involved rose by 41% to \$810 million.

In 2021, Police collaborated with Mainland and overseas law enforcement agencies in a series of intelligence-led joint operations, neutralising multiple cross-boundary deception syndicates with the arrest of 85 scammers involving in over 260 online deception cases and telephone deception cases occurred in Hong Kong. In addition, five cases of investment fraud involving over \$2 billion were detected with \$1.4 billion worth of assets frozen.

Police comprehensively disseminated anti-deception messages, which included organising “Anti-Deception Month”, launching “ADCC One-stop Platform” website and the ongoing “CyberDefenders’ Months” to raise the awareness of relevant industries and the public on information security and prevention of Internet traps. The Anti-Deception Coordination Centre (ADCC) continued to contribute by intercepting over \$2.3 billion of payments in 833 deception cases.

6. Child abuse

There were 1 232 child abuse cases, registering an increase of 60%. Cases involving physical and sexual abuse saw a rise of 65.3% and 55.2% respectively.

Last October, Police launched an educational publicity campaign on child protection – “Let's T.A.L.K”. By encouraging the public to participate in parent-child activities to keep the body and mind fit, the campaign aimed to arouse public concerns about the well-being of young people and enhance children’s awareness on self-protection.

7. Serious drug offences

There were 1 570 serious drug cases, representing an increase of 37%. Due to stringent immigration control measures imposed globally during the pandemic, trafficking syndicates shifted to the smuggling of mega quantities of drugs through sea and air freights. Last year, Police had stepped up the proactive combat of drug offences by flexibly deploying resources in response to the trend, resulting in a record-breaking seizure of cocaine (706kg, estimated value of over \$940 million) and ketamine (1 266kg, estimated value of over \$840 million). Seizures of various drugs also recorded increases, ranging from 20% to 6 folds.

8. Youth crime

A total of 3 021 youngsters were arrested for committing criminal offences, recording a drop of 966 persons (-24.2%). That said, the number of youngsters arrested for serious drug offences rose by 112 persons to 430 persons. Among them, the number of arrested juveniles aged 10 to 15 increased by 1.1 folds, indicating a rising trend of younger teenagers being exploited in drug trafficking activities.

Police strives to combat the exploitation of youngsters for drug

trafficking activities and to track down drug syndicates, as well as to proactively enhance youngsters' anti-drugs awareness. Further to the large-scale publicity campaign "Anti-drugs Month" last June, Police is launching a one-year "Leadership Institute on Narcotics" programme jointly with relevant stakeholders.

9. Enforcement on National Security Law

As at January 25, 2022, Police arrested a total of 162 persons. Of these, over 100 persons have been charged.

Commissioner's Operational Priorities 2022

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There are eight items for the Commissioner's Operational Priorities 2022, which include:

- safeguarding national security
- combating violent crimes
- combating triads, syndicated and organised crimes
- combating dangerous drugs
- combating quick cash crimes
- enhancing cyber security and combating technology crimes
- enhancing public safety
- enhancing counter-terrorism

Work focuses in 2022

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Firstly, to continue to safeguard national security and engage the whole community to counter terrorism. Police will continuously enhance intelligence gathering, proactively strengthen public readiness and responsiveness towards home-grown terrorism and self-radicalised acts through different media and activities, and encourage the public to make reports to Police. The assistance of the whole community is called upon to counter terrorism.

Secondly, to focus on fighting and preventing crimes. Police will continue to give priority to issues concerning law and order situation and livelihood conditions that are of public concerns, in particular crimes with cross-boundary elements, including deception, technology crime, serious drug offences, etc. In addition to carrying on intelligence-led operations, Police will make full use of thematic anti-crime campaigns to raise crime prevention awareness. In order to foster partnership in fighting crimes with Police, the public will be encouraged to build close neighborhood relations and actively report crimes to Police.

Thirdly, to enhance community engagement. Police will adopt proactive and extensive approach in public relations strategy, readily, timely and swiftly making responses towards policing issues through different media and channels, with a view to assisting the public in distinguishing fake information and winning public trust. As for matters of public concerns, Police will work with different sectors of the community and stakeholders to

strengthen ties with the community. In particular, to enhance communication with youngsters and strengthen their crime prevention awareness, Police will take the initiative to enhance collaboration with schools, parents and relevant stakeholders.



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Exchange Fund Position at end-December 2021

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

The Hong Kong Monetary Authority (HKMA) today (January 27) published the unaudited financial position of the Exchange Fund at end-December 2021.

The Exchange Fund recorded an investment income of HK\$170.5 billion in 2021. The main components were:

- gains on bonds of HK\$12.4 billion;
- losses on Hong Kong equities of HK\$21.0 billion;
- gains on other equities of HK\$68.4 billion;
- positive currency translation effect of HK\$16.8 billion on non-Hong Kong dollar assets (Note 1); and
- gains on other investments of HK\$93.9 billion (Note 2).

Fees on placements by the Fiscal Reserves and placements by Hong Kong Special Administrative Region Government funds and statutory bodies were HK\$34.4 billion (Note 3) and HK\$16.8 billion respectively in 2021, with the rate of fee payment at 4.7 per cent for 2021.

The Abridged Balance Sheet shows that the total assets of the Exchange Fund increased by HK\$78.6 billion, from HK\$4,499.2 billion at the end of 2020 to HK\$4,577.8 billion at the end of 2021. Accumulated surplus stood at HK\$788.0 billion at end-December 2021.

The Exchange Fund recorded an investment return of 3.6 per cent in 2021 (Note 4). Specifically, the Investment Portfolio achieved a rate of return of 3.7 per cent, while the Backing Portfolio gained 0.4 per cent. The Long-Term Growth Portfolio (LTGP) recorded an annualised internal rate of return of 15.3 per cent since its inception in 2009 up to the end of September 2021. As the LTGP becomes increasingly mature in investment scale and asset diversity, starting from 2022, its target asset allocation will be determined concurrently with that of other asset classes, subject to prudent risk management principles. This will strengthen the overall investment management of the Exchange Fund. Accordingly, the target asset allocation of the LTGP will replace the market value cap for managing the size of the LTGP.

Commenting on the performance of the Exchange Fund in 2021, the Chief Executive of the HKMA, Mr Eddie Yue, said, "The global financial markets embarked on a recovery track in 2021. Although the global economy has remained volatile due to the evolving pandemic situation, a number of factors including increasing vaccination rate, as well as accommodative monetary policies and fiscal measures around the world have contributed to notable recovery in the global economy and financial markets. Against this

background, a number of overseas equity markets made record highs during the year, and the Exchange Fund's overall equity holdings were able to achieve a decent return despite the sluggish performance in Hong Kong equities. For the bond markets, rising inflation expectations and tapering of asset purchases by the US Fed have led to a rise in US Treasury yields and falling bond prices during the year. Nevertheless, taking into account coupons received, the Exchange Fund's bond holdings still recorded a positive return. Overall, the Exchange Fund achieved good results in its equity and bond investments for the year."

Mr Yue said, "Looking ahead in 2022, rising inflation pressure and the path of monetary normalisation will be critical issues for the global economy and financial markets. Major central banks have begun gradual withdrawal of accommodative monetary policies. In particular, the US Fed has already announced that it would accelerate the pace of tapering, aiming to complete its asset purchases in early March. Interest rate tightening cycle will likely start thereafter. Should inflation prove to be more persistent, central banks may need to accelerate the pace of interest rate hikes, which may lead to greater volatility and corrections in asset markets.

It is worth noting that global equity markets have risen sharply over the past three years with elevated valuations. As global economic recovery moderates with slowing growth momentum of corporate earnings and lingering concerns over new virus variants and geopolitical tensions, the investment environment will remain uncertain. In case market sentiment takes a turn, global equity markets may undergo major adjustments. If bond yields also surge at the same time due to mounting inflation and policy shifts, there will be significant challenges to the investments of the Exchange Fund.

Despite the complicated and challenging investment environment, the HKMA will continue to manage the Exchange Fund prudently. We will remain flexible, implement defensive measures as appropriate, and maintain a high degree of liquidity. We will continue to diversify investments to strive for higher long-term returns for the Exchange Fund. We will also monitor market developments closely to ensure that the Exchange Fund will continue to serve its purpose of maintaining monetary and financial stability in Hong Kong in an effective manner."

Note 1: This is primarily the effect of translating foreign currency assets into Hong Kong dollar after deducting the portion for currency hedging.

Note 2: This is the valuation change of investments held by investment holding subsidiaries of the Exchange Fund. This figure represents valuation changes up to the end of September 2021. Valuations of these investments from October to December are not yet available.

Note 3: This does not include the 2021 fee payment to the Future Fund because such amount will only be disclosed when the composite rate for 2021 is available.

Note 4: This return excludes the performance of the Strategic Portfolio and only includes the performance of LTGP up to the end of September 2021. The audited full year return will be disclosed in the 2021 annual report.

[HKMA announces list of eligible banks in Hong Kong for launching Cross-boundary Wealth Management Connect Pilot Scheme](#)

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

The Hong Kong Monetary Authority (HKMA) announced today (January 27) five eligible banks in Hong Kong which can launch Cross-boundary Wealth Management Connect (Cross-boundary WMC) services ([Southbound participating banks](#), [Northbound participating banks](#)), bringing the total number of eligible banks in Hong Kong to 24. These banks, together with their respective Mainland partner banks whose eligibility for providing pilot Cross-boundary WMC services have been confirmed by the relevant Mainland regulatory authorities (to be announced separately by the Mainland authorities today), can start providing Cross-boundary WMC services together tomorrow (January 28) the earliest.

As set out in the "Implementation Arrangements for the Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area" (Implementation Arrangements) promulgated by the HKMA on September 10, 2021, banks in Hong Kong which intend to embark on Cross-boundary WMC activities should put in place systems, internal control measures and complete relevant systems testing, and submit a self-assessment to the HKMA prior to the launch of such activities in accordance with the requirements in the Implementation Arrangements.

The HKMA will closely monitor the operation of the scheme and update from time to time the list of eligible Hong Kong banks on the HKMA's dedicated [Cross-Boundary WMC webpage](#).