

[Process Review Panel for the SFC publishes annual report](#)

The Process Review Panel for the Securities and Futures Commission (PRP) today (December 30) published its annual report covering the work of the PRP in 2020-21.

The PRP Chairman, Mr Lawrence Lee, said, "In 2020-21, the PRP reviewed 60 completed or closed cases under different areas of the work of the Securities and Futures Commission (SFC). The PRP made a number of observations and recommendations to the SFC for its consideration, which would be conducive to the SFC's enhancement of procedures and guidelines.

"We are thankful to the SFC for its co-operation and support in facilitating the work of the PRP, as well as its positive response to the PRP's recommendations," he added.

The annual report has been uploaded onto the website of the Financial Services and the Treasury Bureau (www.fstb.gov.hk/fsb/en/business/prp/afsreport.html).

The PRP welcomes views of market participants and the public on the PRP's work. They may express their views by sending email to the PRP (prp@fstb.gov.hk).

[HKMA publishes results of pilot climate risk stress test](#)

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

The Hong Kong Monetary Authority (HKMA) published today (December 30) the results of its pilot climate risk stress test (CRST). The results showed that, under extreme scenarios, climate risks could potentially cause significant adverse impacts on the banking sector and that banks need to take early actions to manage them. However, the overall assessment indicated that the banking sector remained resilient to climate-related shocks given the strong capital buffers built up by the banks over the years.

The CRST, launched in January 2021, aims to assess the climate resilience of the Hong Kong banking sector as a whole and facilitate the capability building of banks for measuring climate risks. Twenty major retails banks and seven branches of international banking groups participated, accounting for 80 per cent of the banking sector's total

lending. Participating banks assessed their climate risk exposures under three scenarios: a physical risk scenario involving a worsening climate situation and two scenarios envisaging orderly and disorderly transitions to a low-emission economy.

The CRST results showed that the extreme climate scenarios assumed in the exercise would lead to a material reduction in the participating banks' profitability due to an upsurge in expected credit losses from their exposures directly affected by climate change, such as residential mortgages and lending to high-emitting industries. Climate change could also weaken the banks' capital positions. The capital adequacy ratio of the domestic systemically important authorised institutions, for instance, would drop by three percentage points on average over the five-year horizon under the disorderly transition scenario. Some parts of the banks' operations would be affected by the more intense climate hazards under the physical risk scenario.

The exercise has provided useful insights into the climate risk profile of the banking sector. The participating banks also benefited from a substantial strengthening of their capabilities for measuring and assessing climate risks. A discussion forum organised by the HKMA earlier this year helped facilitate this process by providing a knowledge-sharing platform within the industry.

In light of the CRST results, the participating banks have developed plans to strengthen their climate strategies and risk governance frameworks. Measures taken by the banks include the incorporation of a broader range of climate risk factors into their risk assessment frameworks and strategic allocation of additional resources to climate resilient activities, such as green financing and providing transition finance to support their customers' transition to low-emission business models.

The HKMA will continue to support the industry in capability building and enhance the CRST framework having regard to the lessons learnt from the pilot exercise. It will explore ways to help the industry overcome major gaps revealed by the pilot exercise, particularly those concerning data availability and assessment methodologies. The current intention is to undertake another CRST in two years' time.

A report summarising the results of the pilot CRST can be downloaded from the [HKMA's website](#).

Company and its director fined \$60,000 for contravening Employment Ordinance

Fortune Dragon Motors Limited and its director were prosecuted by the

Labour Department (LD) for failing to pay the sum awarded by the Labour Tribunal (LT) in accordance with the Employment Ordinance (EO). The company and its director were convicted at Tuen Mun Magistrates' Courts today (December 30) and were each fined \$30,000, making a total fine of \$60,000.

The company failed to pay an employee the awarded sum of about \$52,000 within 14 days after the date of the award in accordance with the requirement of the EO. The director was convicted for his consent, connivance or neglect in the above offence.

"The ruling will disseminate a strong message to all employers, directors and responsible officers of companies that they have to pay the sums awarded by the LT or the Minor Employment Claims Adjudication Board to employees within the statutory time limit stipulated in the EO," a spokesman for the LD said.

"The LD will not tolerate these offences and will spare no effort in enforcing the law and safeguarding employees' statutory rights," the spokesman added.

Thematic Household Survey Report No. 74 published

The Thematic Household Survey Report No. 74 is published by the Census and Statistics Department (C&SD) today (December 30).

This publication contains key findings of the Thematic Household Survey conducted during November 2020 to March 2021. The survey collected information on various topics, including the utilisation of health services, medical benefits provided by employers/companies, coverage of individually purchased medical insurance and views on organ donation of Hong Kong residents.

In view of the emergence of the COVID-19 epidemic in Hong Kong since early 2020, the services throughput and the utilisation across a wide range of health services have been affected to different extents. As such, relevant figures should be interpreted with care when compared to the results of similar surveys conducted in the past.

Findings of the survey revealed that some 1 195 600 persons (16.9%) had consulted a doctor during the 30 days before enumeration. While 85.3% of them had consulted practitioners of Western medicine, 18.6% had consulted practitioners of Chinese medicine, including practitioners of Chinese medicine (general practice), bone-setters and acupuncturists, during that period.

Some 3 587 900 persons (50.8%) were entitled to medical benefits provided by employers/companies or were covered by individually purchased medical insurance or had both kinds of medical protection. Among them, 1 146 900 persons (32.0%) were entitled to medical benefits from employers/companies only, including 328 400 persons entitled to medical benefits provided by civil service/Hospital Authority only. While another 1 353 000 persons (37.7%) were covered by individually purchased medical insurance only, the remaining 1 087 900 persons (30.3%) had both kinds of medical protection.

Among some 4 698 400 persons aged 18 to 64 covered in the survey, some 1 302 800 persons (27.7%) were willing to donate their organs after death whereas about 711 000 persons (15.1%) were not willing; and over half of them (57.1%) had not yet decided/considered to do so or refused to answer questions on organ donation.

Other information

The survey successfully enumerated target respondents in some 10 000 households in accordance with a scientific sampling scheme to represent the population of Hong Kong.

Detailed findings of the survey, together with the population coverage and concepts/definitions of key terms, are presented in the publication. Users can download the publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?scode=453&pcode=B1130201).

Enquiries about the survey findings can be directed to the Social Surveys Section (2) of the C&SD (Tel: 2887 0592 or email: thematic@censtatd.gov.hk).

[Hong Kong Squash Centre to reopen at 6pm](#)

A spokesman for the Leisure and Cultural Services Department said today (December 30) that since a person with a confirmed case of coronavirus disease 2019 had visited the Hong Kong Squash Centre in Central and Western District, the Squash Centre was closed for thorough cleaning and disinfection of the facilities and for relevant staff to undergo compulsory testing. The Squash Centre will reopen at 6pm today.