

# SFST visits Hong Kong Applied Science and Technology Research Institute for knowledge exchange on fintech development

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, today (December 29) visited the Hong Kong Applied Science and Technology Research Institute (ASTRI) for exchanging views on how financial technology (fintech) can drive the growth of financial services, following his chairmanship of the first meeting of the Coordination Group on Implementation of Fintech Initiatives (CGFin) yesterday (December 28).

The Permanent Secretary for Financial Services and the Treasury (Financial Services), Ms Salina Yan; the Under Secretary for Financial Services and the Treasury, Mr Joseph Chan; the Principal Assistant Secretary for Financial Services and the Treasury (Financial Services), Mr Desmond Wu; and the Political Assistant to the Secretary for Financial Services and the Treasury, Mr Julian Ip, also joined the visit, during which they were briefed by the Chairman of ASTRI, Mr Sunny Lee; the Chief Executive Officer of ASTRI, Dr Denis Yip; and the Senior Director, Cybersecurity, Cryptography and Trusted Technologies of ASTRI, Mr Alan Cheung, on the institute's strategic initiatives promoting fintech innovations.

Mr Hui noted that ASTRI's strategic initiatives include university collaboration, partnerships with top local universities to harness knowledge and nurture talent; fintech talent nurturing through organising the internship programme, namely the FinTech Future Leader Academy that allows students to understand fintech business through hands-on experience; and FinTech Ecosystem Alliance, a new initiative that aims at strengthening a fintech ecosystem in Hong Kong through an alliance with various stakeholders for collaborations.

The two parties also discussed how Hong Kong can make the best use of fintech to enhance its status as an international financial centre, and how to drive the digital economy of the future through fintech innovations.

Mr Hui shared with ASTRI the three key areas of the Financial Services and the Treasury Bureau (FSTB) to foster the development of fintech in Hong Kong.

"The first key area is opening up government data. The Hong Kong Monetary Authority would develop the Commercial Data Interchange (CDI), through which enterprises could authorise service providers such as payment systems, public bodies or utility companies to furnish banks with data. The CDI could effectively facilitate loan financing for enterprises as banks can make more accurate predictions about the sales and operation of enterprises, thereby reducing the need for the latter to provide collateral. We are now

considering the sharing of data in the Companies Register, a vast and frequently used database, to the CDI.

"The second one is the establishment of the CGFin to holistically review and supervise fintech development in Hong Kong, covering the areas of Mainland and overseas co-operation, financial infrastructures, regulatory regimes, cybersecurity, promotion, talent development and other cross-sectoral fintech co-ordination," Mr Hui noted.

Having held its first meeting yesterday, the CGFin is a platform for the Government and the financial regulators to strike a balance between market development and regulation by exchanging views on the latest development of fintech with representatives from the financial services sector, academia and research institutions.

Mr Hui said that the last key area is skill enhancement. The FSTB will once again commission Cyberport to launch a new round of Financial Practitioners FinTech Training Programme. Besides nominated staff from financial institutions regulated by the Hong Kong Monetary Authority, the Securities and Futures Commission, the Insurance Authority and the Mandatory Provident Fund Schemes Authority, eligible participants will be expanded to cover other relevant organisations, such that more participants can learn from the sharing of guest speakers having practical experiences and knowledge in the latest development of regtech, blockchain and cybersecurity etc. Up to 1,500 practitioners are expected to benefit from the programme.

"We are confident that the aforesaid three-pronged strategy could fully tap the opportunities offered by fintech and help Hong Kong develop into an international fintech hub," Mr Hui added.

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## **Regulators join hands to launch a mystery shopping programme on selling practices of Qualifying Deferred Annuity Policies and Tax-Deductible Voluntary Contributions**

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

The following press release is issued jointly by the Insurance Authority, the Mandatory Provident Fund Schemes Authority and the Hong Kong Monetary Authority:

The Insurance Authority (IA), the Mandatory Provident Fund Schemes

Authority (MPFA) and the Hong Kong Monetary Authority (HKMA) today (December 29) issued a [circular](#) announcing a joint mystery shopping programme (MSP) for understanding the selling practices of intermediaries (Note) in respect of two tax-deductible products, namely Qualifying Deferred Annuity Policies (QDAP) and Mandatory Provident Fund (MPF) Tax-Deductible Voluntary Contributions (TVC) in Hong Kong. This exercise is the first of its kind jointly conducted by the three financial regulators.

Since the Assessment Year 2019-20, the Government has introduced tax deductions under salaries tax and personal assessment to encourage taxpayers to purchase QDAP or make TVC for their retirement savings. As intermediaries play a significant role in assisting taxpayers in making the choice of QDAP and TVC, the three financial regulators would like to better understand their selling practices through the MSP. The MSP findings will be used to complement the policies and regulatory work of the three regulators and assess the extent to which relevant statutory and regulatory objectives are met. Intermediaries who are regulatees of the IA, MPFA and HKMA (as the case may be) which engage in selling or promoting QDAP and TVC in Hong Kong will be the subjects of this MSP.

"Policy holders rely on QDAP as an integral part of their retirement planning. We must ensure that policy holders are treated fairly and that the sale of QDAP complies with applicable regulatory requirements, including customer risk profiling, financial needs analysis, suitability of recommendations, and product and risk disclosure," said Ms Carol Hui, Executive Director, Long Term Business of the IA.

"The MPFA encourages MPF scheme members to make voluntary contributions in addition to mandatory contributions to increase their retirement savings. As the number of TVC accounts and contribution inflow have been increasing significantly, the MSP will provide invaluable reference for the regulators to supervise the intermediaries with a view to improving their marketing and selling practices of TVC," said Mr Leo Chu, Chief Operating Officer and Executive Director of the MPFA.

"The MSP will assist the regulators to understand the selling practices of intermediaries and to identify good practices and areas for improvement. This joint exercise also demonstrates the collaborative effort of the regulators in promoting sound culture of the financial industry in treating their customers fairly." said Mr Alan Au, Executive Director (Banking Conduct) of the HKMA.

The MSP is expected to commence in January 2022. Depending on the findings, the three financial regulators will share any industry-wide issues and good practices identified through the MSP with the industry as appropriate.

Note: "Intermediaries" refers to

- (a) licensed insurance intermediaries as defined in section 2(1) of the Insurance Ordinance;
- (b) registered intermediaries as defined in section 2(1) of the Mandatory

Provident Fund Schemes Ordinance; and  
(c) authorized institutions as defined in section 2(1) of the Banking Ordinance.

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## **Two men sentenced for breaching compulsory quarantine order**

Two men were sentenced by the Kowloon City Magistrates' Courts today (December 29) for violating the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C).

The cases involved a 23-year-old man and a 24-year-old man, who were earlier issued a compulsory quarantine order respectively stating that they must conduct quarantine at home for seven days. Before the expiry of the quarantine order, they left the place of quarantine on September 4, 2021, without reasonable excuse nor permission given by an authorised officer. They were charged with contravening sections 8(1) and 8(5) of the Regulation and were sentenced by the Kowloon City Magistrates' Courts today to imprisonment for 14 days, suspended for 24 months respectively.

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 211 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.

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## **Latest quarantine arrangements for foreign domestic helpers**

The Government today (December 29) announced that Regala Skycity Hotel (Regala) on Lantau Island will be added as a Designated Quarantine Facility (DQF) for foreign domestic workers (FDHs) from January 2022 onwards. As the Omicron variant is spreading rapidly around the world, the Government needs to reserve all rooms at the Penny's Bay Quarantine Centre (PBQC) for

quarantine purposes in order to prevent the variant from entering the community. Starting from January 3, 2022, Phases 1 and 2 of PBQC will thus cease taking reservations for FDHs coming to work in Hong Kong. In its initial period serving as a DQF, Regala will assist the Government in arranging by phases the intake of FDHs residing at PBQC to continue their quarantine. The FDHs, employers and employment agencies (EAs) concerned need not bear any additional costs or make any additional arrangements for the transfer to Regala, and the Government will inform them of the transfer arrangements one by one according to schedule.

A Government spokesman said, "Currently, apart from the PBQC, two DQFs for FDHs (i.e. Rambler Garden Hotel and Courtyard by Marriott Hong Kong Sha Tin) are providing a total of 1 000 rooms. Regala will serve as a new DQF with an additional 1 138 rooms starting from January 2022. Recently, the global epidemic situation has worsened considerably due to the Omicron variant. The Government has to stay vigilant to prevent a fifth wave epidemic or outbreak in the community. After reviewing the situation holistically and prudently, the Government deems it necessary to reserve all rooms at the PBQC for meeting the quarantine purpose, and Phases 1 and 2 of the PBQC will cease taking reservations for FDHs from January 3, 2022, onwards. The Government is in discussions with another hotel with a view to having it serve as the fourth DQF within a short period of time. We will continue to include suitable hotels to serve as DQFs for FDHs."

The quarantine/transfer arrangements for FDHs at Phases 1 and 2 of the PBQC are as follows:

1. For FDHs residing at the PBQC: For FDHs whose quarantine completion date as shown on the compulsory quarantine order falls before January 5, 2022, they will continue to reside at the PBQC to complete the quarantine. As for FDHs with a quarantine completion date falling on or after January 5, 2022, the Government will, starting from January 1, 2022, arrange for them to transfer to Regala by phases.
2. For those whose FDHs have yet to check in at the PBQC but have already made an application for a room reservation through the PBQC's booking system: For applicants who have already received an SMS acknowledging receipt of the application, the Labour Department (LD) will inform them one by one through email about the relevant arrangements. As for applicants who have, after receiving the SMS acknowledging receipt of the application, further received a confirmation email from the LD, the relevant arrangements are: (a) FDHs who would check in at the PBQC before January 1, 2022, will be arranged to transfer to Regala by phases from January 1 to continue the quarantine; and (b) for FDHs with an original check-in date at the PBQC falling on or after January 1, 2022, the Government will arrange them to check in at Regala directly upon arrival in Hong Kong.

The Government will notify the FDHs, employers and EAs concerned one by one according to schedule. These FDHs, employers and EAs need not make any arrangement for the aforementioned transfer or direct check-in at Regala. Nor do they need to separately reserve a room at Regala for the FDHs. The

Government will bear relevant costs, including the difference in room rates between the hotel and the PBQC. FDHs at the PBQC will have to undergo a COVID-19 test 24 hours prior to departing for Regala, and only those who are tested negative will transfer to the hotel.

While most of the rooms at Regala will be reserved under the above arrangements for FDHs who would originally undergo quarantine at the PBQC in January 2022, its remaining rooms will be open for quarantine of other newly arrived FDHs. Starting from 9.30am on December 30, 2021, employers and EAs may reserve a room on or after January 5, 2022, through the online booking system of Regala ([www.regala-hotels.com](http://www.regala-hotels.com)). A fee of \$750 per night per room (including three meals and all charges) will be payable. The hotel will adjust the number of rooms open for reservation each day having regard to the overall booking situation.

Employers and EAs must register using the real name as shown on the valid passport of the residing FDHs, and rooms reserved are not transferrable. Reservation applications made under the name of another person or party will not be processed. When making the room reservation, the FDH's passport copy, a valid employment visa and a recognised vaccination record must be made available. The reservation process is completed upon issuance of a booking confirmation by the hotel. FDHs will need to provide the above documents for verification when they check into the facility.

Employers and EAs should allow sufficient time for preparing the documents required and completing the procedures when arranging for their FDHs to come to Hong Kong. They should only book an air ticket for their FDHs after a room has been successfully reserved in a DQF. Payment will be refunded to the person making the reservation if a change or cancellation of room booking is required because an FDH is tested positive for COVID-19 before arrival in Hong Kong, or because of a change or cancellation of flights by the airline or a lockdown, provided that relevant supporting documents are submitted in advance. An FDH who does not have a booking confirmation by a DQF will not be allowed to board a flight for Hong Kong or may be denied entry into Hong Kong upon arrival.

The above arrangement for quarantine at DQFs is applicable to FDHs who have been fully vaccinated in regions where Hong Kong has reached a recognition agreement arrangement on their vaccination records (the currently applicable regions include Bangladesh, Cambodia, India, Indonesia, Malaysia, Nepal, Pakistan, the Philippines, Sri Lanka and Thailand, etc). For the full list of applicable regions, please visit: [www.coronavirus.gov.hk/pdf/places\\_of\\_issuance\\_recognised\\_vaccination\\_records.pdf](http://www.coronavirus.gov.hk/pdf/places_of_issuance_recognised_vaccination_records.pdf). A list of DQFs is in the Annex.

As for FDHs who have received full vaccination in Hong Kong, they may undergo compulsory quarantine at a general designated quarantine hotel or a DQF.

The dedicated FDH Portal ([www.fdh.labour.gov.hk](http://www.fdh.labour.gov.hk)) set up by the LD provides information and useful links relating to the quarantine arrangements of FDHs. For enquiries, please contact the LD through its 24-hour hotline at

2717 1771 (manned by 1823) or by email to [fdh-enquiry@labour.gov.hk](mailto:fdh-enquiry@labour.gov.hk).

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## **Public hospitals daily update on COVID-19 cases**

The following is issued on behalf of the Hospital Authority:

As at 9am today (December 29), two COVID-19 confirmed patients (case numbers: 12404 and 12468) were discharged from hospital in the last 24 hours. Both of the patients have completed the 14-day post-discharge isolation. So far, a total of 12 191 patients with confirmed or probable infection have been discharged.

A total of 165 confirmed patients are currently hospitalised in the North Lantau Hospital Hong Kong Infection Control Centre and the Hospital Authority (HA) Infectious Disease Centre. Among those patients, one is in serious condition (case number: 12431) while the remainder are in stable condition.

The HA will maintain close contact with the Centre for Health Protection to monitor the latest developments and to inform the public and healthcare workers on the latest information in a timely manner.