

# Financial Leaders Forum convenes sixth meeting

The Financial Leaders Forum (FLF), chaired by the Financial Secretary, Mr Paul Chan, held its sixth meeting today (November 16).

With maintaining continual financial stability being one of the focuses of the FLF, Members were briefed today on the overall strategy of the Government and the financial regulators in this regard amidst the trade conflict between China and the US. They noted that the resilience of Hong Kong's financial markets, including the maturity of investors and robustness of the regulatory regimes, was well tested with proven effectiveness. Members shared the assessment of the Government and the financial regulators that Hong Kong is fully prepared to rise to challenges in the face of increased market volatilities and uncertainties.

In particular, Members noted that the Hong Kong Monetary Authority had conducted stress tests over the resilience of the banking system. The results indicated that even in extremely adverse situations, banks will still be able to meet the relevant capital and liquidity supervisory requirements.

At the same time, it was noted that the Securities and Futures Commission (SFC) had been vigilant in monitoring the capital markets, including the financial positions, operations and settlement status of brokers, as well as their ability to deal with different market situations. The SFC had also worked to ensure that the trading and risk management systems of the Stock Exchange of Hong Kong can adequately handle shocks under extreme market situations.

The Insurance Authority had been closely monitoring the insurance market and had performed stress tests on market volatility and increased credit spread to ensure the financial soundness of authorised insurers.

Members noted that the Government and the financial regulators will remain vigilant and continue to closely monitor developments in the trade conflict and the financial market situation, with a view to maintaining financial stability.

Members were also briefed on the strategies for capturing the opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) for Hong Kong's financial services sector. They opined that the freer flow of people, goods, capital and information within the Greater Bay Area should be promoted, and that Hong Kong's status should be enhanced as a global offshore Renminbi business hub and an international asset and wealth management centre, as well as a risk management centre.

In addition, Members took note of the latest development of Brexit and its possible implications for Hong Kong. The Government and the financial regulators will closely monitor the market development and the outcome of

Brexit negotiations.