

## HK, Shanghai hold meeting to enhance financial co-operation (with photos)

Representatives of the governments, financial regulators and exchanges of Hong Kong and Shanghai held the eighth Working Meeting of Hong Kong-Shanghai Financial Co-operation in Hong Kong today (August 23) to discuss how to further enhance financial co-operation between the two places.

The Secretary for Financial Services and the Treasury of the Hong Kong Special Administrative Region Government, Mr James Lau, and the Director-General of the Shanghai Municipal Government Financial Services Office, Mr Zheng Yang, gave an account of the latest market situation and developments of the financial services sector in Hong Kong and Shanghai respectively. Representatives of the two places exchanged views on issues of mutual concern, including the progress made in respect of financial services in the Mainland (Shanghai) Pilot Free Trade Zone (FTZ); the co-operation in cross-boundary Renminbi (RMB) business and the securities, futures and insurance sectors; the development of green finance; and initiatives on the exchange of financial talents.

Addressing the Meeting, Mr Lau said that the country had entered a new phase of reform and opening up, and was dedicated to enhancing the competitiveness of its financial sector and the sustainable and sound development of the capital markets. Amongst others, the daily quotas under the Shanghai-Hong Kong Stock Connect were quadrupled in May this year, providing further facilitation to international and Mainland investors. Mr Lau said that he looked forward to closer financial co-operation between the two cities on various fronts, and to seeing Hong Kong and Shanghai play more significant roles in the two-way opening-up of the Mainland.

Shanghai representatives briefed the Hong Kong side on the latest developments of the FTZ, including the progress of implementing various financial initiatives since the promulgation of the "Fully Deepening the Reform and Liberalisation Plan of the China (Shanghai) Pilot Free Trade Zone". Both sides also explored ways to enhance co-operation in cross-boundary RMB business.

On bolstering co-operation in the securities and futures industry, both sides agreed to encourage their financial institutions and corporations to leverage fully on the other side's market as a platform for investment and financing. With the implementation of the new listing regime in Hong Kong earlier this year, the two sides agreed to assist more Shanghai companies in the biotech, emerging and innovative sectors to list in Hong Kong.

On insurance, with the recent announcement of preferential treatment, the capital requirements for Mainland insurers ceding reinsurance business to qualified Hong Kong reinsurers will be reduced. Both sides agreed to reinforce co-operation and explore the establishment of partnership in

relation to reinsurance business along the Belt and Road.

The two sides will also continue to organise the Cross-boundary Study Tour for Post-secondary Financial Talents in order to facilitate exchange and training of talents between the two places.

The Financial Services and the Treasury Bureau of Hong Kong and the Shanghai Municipal Government Financial Services Office signed a Memorandum of Understanding Concerning Advancing Hong Kong-Shanghai Financial Co-operation and an Agreement on Enhancing Hong Kong-Shanghai Financial Co-operation in 2010 and 2016 respectively. One of the co-operation measures is that financial representatives of the two places would hold bilateral meetings regularly to enhance mutual exchanges and co-operation in the financial area.

