

LCQ14: Hong Kong people purchasing properties in the Greater Bay Area

Following is a question by the Hon Chan Chun-ying and a written reply by the Secretary for Constitutional and Mainland Affairs, Mr Erick Tsang Kwok-wai, in the Legislative Council today (November 18):

Question:

On November 6 last year, the Central Government announced 16 measures which would benefit Hong Kong, one of which was to facilitate the purchases of properties by Hong Kong people in the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area). Quite a number of members of the public have relayed that as the Mainland authorities have imposed restrictions on the amount of cross-boundary Renminbi (RMB) remittances, when they make payments for the properties by remitting RMB to the Mainland developers, they cannot do so through local banks but only through money changers using improper channels. As a result, they have to bear the risks of being prosecuted for money laundering, or their remittances being frozen by the Mainland authorities or stolen. In this connection, will the Government inform this Council:

(1) whether, since the announcement of the aforesaid measure, it has discussed with the Mainland authorities arrangements for facilitating Hong Kong people to remit RMB to Mainland developers and allowing Hong Kong people to make payments for the properties in Hong Kong dollars; if so, of the details; if not, the reasons for that;

(2) whether it will step up publicity and education efforts to remind members of the public who intend to purchase properties in the Mainland cities of the Greater Bay Area of the risks they have to bear for making payments for the properties through money changers; if so, of the details; if not, the reasons for that; and

(3) whether it will strive for the introduction of more policies by the Mainland authorities to facilitate the purchases of properties by Hong Kong people in the Mainland cities of the Greater Bay Area; if so, of the details; if not, the reasons for that?

Reply:

President,

The Chief Executive attended the meeting of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (Leading Group) as a member on November 6, 2019. After the Leading Group meeting, the Central Government announced 16 policy measures, one of which was to facilitate Hong Kong residents purchasing properties in the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area). Hong Kong residents are

no longer required to provide evidence of their duration of residence, study or employment, nor do they have to meet conditions on the payment of individual income tax and social security when purchasing properties in the Mainland cities of the Greater Bay Area, meaning that they now enjoy the same treatment as local residents. This measure can facilitate Hong Kong residents to study, work and reside after retirement on the Mainland.

Having consulted the Financial Services and the Treasury Bureau, our consolidated reply to the Hon Chan Chun-ying's question is as follows:

Following the announcement of the policy measure by the Leading Group to facilitate Hong Kong residents purchasing properties in the Mainland cities of the Greater Bay Area in November 2019, the Hong Kong Special Administrative Region (HKSAR) Government has been liaising with the Mainland authorities closely to seek clearer and more convenient supporting arrangements in areas such as cross-boundary mortgage and remittance. The Governments of the HKSAR and Guangdong Province would work together to streamline the procedures for purchasing residential properties and to seek mortgage policy enhancements for Hong Kong residents in the Mainland cities of the Greater Bay Area.

The Department of Natural Resources of Guangdong Province released a notice in August 2020 regarding real estate mortgage registration in the nine Mainland Greater Bay Area cities by banks in Hong Kong and Macao, which states clearly that banks in Hong Kong and Macao can offer cross-boundary mortgage services and standardises the procedures for banks to make registration for mortgage in the nine Mainland Greater Bay Area cities, providing a basis for Hong Kong banks to develop their cross-boundary mortgage business. The HKSAR Government will continue to follow up with the Mainland authorities to provide facilitating arrangements for Hong Kong residents to purchase residential properties in the nine Mainland Greater Bay Area cities.

Under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), the Customs and Excise Department (C&ED) is responsible for the supervision of licensed money service operators (MSOs), including money changers which provide remittance services. Through a licensing system, the C&ED ensures licensed MSOs' compliance with the requirements relating to customer due diligence and record-keeping, as well as other licensing requirements. Also, the C&ED attaches great importance to the protection of the interests of people who procure cross-border remittance services. Through different channels (such as press releases), the C&ED has all along been appealing to members of the public to entrust reputable licensed MSOs to carry out remittance transactions and to carefully understand the relevant terms and conditions, as well as the potential risks before the transaction. The C&ED will also continue to ensure that MSOs handle their customers' payment and complete relevant transactions in an appropriate manner through compliance inspections, outreach publicity campaigns and other regulatory measures.