

LCQ16: New Capital Investment Entrant Scheme

Following is a question by the Hon Carmen Kan and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (October 18):

Question:

With a view to further enriching the talent pool and attracting more new capital to Hong Kong, the Financial Secretary announced in the 2023-2024 Budget that the Government would introduce a new Capital Investment Entrant Scheme (the New Scheme). In reply to my question on April 19 this year, the authorities indicated that the Government was formulating details of the New Scheme, with the goal of launching the New Scheme within this year. In this connection, will the Government inform this Council:

(1) whether it has finished formulating details of the New Scheme; if so, of the details; if not, the reasons for that;

(2) given that the 2022 Policy Address proposed to establish the Hong Kong Investment Corporation Limited (HKIC), whether the authorities will consider encouraging the matching of new capital attracted under the New Scheme with part of the capital under the Co-Investment Fund (CIF) managed by HKIC, so as to produce combined effects; if so, of the details; if not, the reasons for that; and

(3) whether the authorities will consider setting different thresholds for different categories of capital investors, for example, setting a higher investment threshold for more robust categories such as co-invested capital under CIF or government bonds, and a lower investment threshold for specialised categories such as innovation and technology, so as to encourage applicants to invest in those industries and areas which are conducive to the long-term development of Hong Kong?

Reply:

President,

A consolidated reply to the three parts of the question is provided as follows.

The Government announced in the 2023-24 Budget that a new Capital Investment Entrant Scheme (the New Scheme) will be introduced with a view to further enriching the talent pool and attracting more new capital to Hong Kong, which will generate increased demand for financial and related professional services to bolster the development of the asset and wealth management industry.

The Government has been actively formulating the specifics of the New Scheme. Generally, it will adopt the framework and application criteria of the original Capital Investment Entrant Scheme. Applicants shall make investment at a certain amount in the local asset market, excluding property. Upon approval, they may reside and pursue development in Hong Kong. Matters concerning applicants' investible areas in Hong Kong, investment threshold, conditions of stay, etc., are being examined for suitable adjustments. The investment threshold will be increased to a multiple of the original requirement. The investible areas will cover, apart from financial assets, new asset categories benefitting the long-term development of Hong Kong (including innovation and technology). The purpose is to attract more new capital and talents to Hong Kong, bring new impetus to the economy while fostering the development of relevant industries in Hong Kong.

The Government will make an announcement once the details and application arrangements of the New Scheme have been finalised.