

# Government launches consultation on legislative proposals to regulate over-the-counter trading of virtual assets

The Government today (February 8) launched a public consultation on legislative proposals to introduce a licensing regime for providers of over-the-counter (OTC) trading services of virtual assets (VA). The consultation will last for two months until April 12, 2024.

In the Policy Statement on Development of Virtual Assets in Hong Kong issued in October 2022, the Government stated its commitment to enhancing the regulatory framework for VA activities under the "same activity, same risks, same regulation" principle. In this respect, the licensing regime for VA service providers established under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (AMLO) commenced operation in June 2023 to regulate the operations of VA trading platforms.

As some fraud cases have shown the involvement of VA OTC operators, the Government sees a need to regulate OTC services under the AMLO, so as to mitigate the money laundering and terrorist financing (ML/TF) risks and protect investors. The salient points of the legislative proposals are as follows:

- a. requiring any person who conducts a business in providing services of spot trade of any VA for money in Hong Kong to be licensed by the Commissioner of Customs and Excise (CCE);
- b. covering all VA OTC services irrespective of whether the services are provided through a physical outlet and/or other platforms;
- c. providing powers for CCE to supervise the anti-money laundering and counter-terrorist financing conduct of licensees, and enforce the statutory and regulatory requirements under the new regime; and
- d. providing transitional arrangement to facilitate the effective implementation of the regulatory regime.

A Government spokesman said, "The legislative proposals constitute an important element in the Government's efforts to develop a robust and transparent regulatory environment for the sustainable development of VA and Web3. The proposed licensing regime for VA OTC service providers will effectively mitigate the ML/TF risks of the VA activities concerned and cater for investor protection."

The consultation document is available on the webpage of the Financial Services and the Treasury Bureau at

[www.fstb.gov.hk/fsb/en/publication/consult/doc/VAOTC\\_consultation\\_paper\\_en.pdf](http://www.fstb.gov.hk/fsb/en/publication/consult/doc/VAOTC_consultation_paper_en.pdf).

Members of the public and stakeholders are welcome to submit their views on the proposals to the Financial Services and the Treasury Bureau by post (24/F, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong) or by email ([vaotc-consult@fstb.gov.hk](mailto:vaotc-consult@fstb.gov.hk)) on or before April 12, 2024.

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## **Hospital Authority implements Chinese New Year special measures**

The Hospital Authority (HA) announced today (February 8) that it will implement special measures to cope with the service demand surge during and after the Chinese New Year (CNY) holidays. Measures include strengthening general out-patient clinics (GOPCs) service, providing special sessions on Chinese medicine outpatient services, augmenting manpower in public hospitals and expediting hospital bed turnover. Meanwhile, there will be a special refund arrangement in accident and emergency (A&E) departments to facilitate patients considering to turn to other medical institutions for medical consultations and alleviating pressure on public hospitals.

The HA spokesperson said, "The number of GOPCs operating during the CNY holidays will be increased from 14 to 18, providing a total of 8 000 quotas which is about a 25 per cent increase compared with the public holidays in the past. Based on past experience, it is anticipated that more patients will need consultation service towards the end of public holidays, that is on the third and fourth day of CNY (February 12 and 13). The HA will closely monitor the service demand, mobilise manpower flexibly and gradually increase service capacity to match patient demand."

The list and service hours of the 18 GOPCs operating during the CNY holidays are set out in Annex I. Members of the public can make appointments of the next 24 hours through the telephone appointment system, or the Book GOPC function in the "HA Go" mobile application where necessary.

Moreover, Chinese Medicine Clinics cum Training and Research Centres (CMCTRs) located in the 18 districts will specially open to provide government-subsidised out-patient services during CNY, providing a total of 1 800 quotas. Patients may make an appointment either by telephone during service hours or through the "18 CM Clinics" mobile application (applicable to patients who have registered for 18 CMCTRs service). Please refer to Annex II for the CMCTRs list and their service hours, or refer to the most updated information on Chinese medicine services through the hyperlink: <https://cmk.ha.org.hk/zh-cht/services/notice/CNY2024/202402CNY>.

The HA will introduce a special refund arrangement in the A&E departments, starting from tomorrow (February 9) to the ninth day of CNY (February 18). If patients would like to turn to other medical institutions for consultations while they are waiting in A&E departments, they can apply for a refund of the A&E charges that have already been paid. This arrangement is only applicable to patients who have not been attended to by doctors, and the refund application must be made within 24 hours after registration. The refund will be received in approximately one month.

The HA spokesperson said, "Patient safety and their clinical situations remain the major concerns of healthcare staff, and we will not allow patients, who have been clinically indicated to stay for further management, to go. The related arrangement is a special measure, aimed at alleviating the pressure on A&E departments during the CNY period, and allowing flexibility for patients with mild symptoms to seek alternative consultations."

The spokesperson appeals to non-urgent patients to avoid attending A&E departments. They are advised to attend GOPCs, CMCTRs, private doctors or 24-hour clinics of private hospitals as far as practicable. To choose a suitable family doctor and related clinic service, members of the public can browse the following online platform to search for information of private hospitals, medical institutions and general practitioners which will be open during public holidays: <https://www.map.gov.hk/gm/map/s/cnyclinic/all?lg=en>.

The spokesperson added, "Public hospitals will continue to strengthen manpower, open temporary beds and mobilise hospital beds flexibly, in order to expedite hospital bed turnover and cope with the service demand surge on A&E and in-patient services. At the same time, the community geriatric assessment team will provide tele-consultations to elderly people who are in need and living in residential care homes. The geriatric departments in public hospitals will also send staff to A&E departments, facilitating the assessment of elderly people for their medical needs. Moreover, the Auxiliary Medical Service will support the non-emergency ambulance transfer service in A&E departments."

Meanwhile, the HA appeals to members of the public to, during the celebration of the festival, stay vigilant to personal and environmental hygiene to avoid spreading disease. Members of the public should get vaccinated early for seasonal influenza and COVID-19, especially high-risk groups, to reduce the chance of getting infected for themselves and their family members, as well as to reduce critical cases and deaths. Members of the public may find details on the Centre for Health Protection COVID-19 Vaccination Programme website ([www.chp.gov.hk/en/features/106934.html](http://www.chp.gov.hk/en/features/106934.html)) and the Vaccination Schemes website ([www.chp.gov.hk/en/features/17980.html](http://www.chp.gov.hk/en/features/17980.html)).

The HA will continue to closely monitor the situation and flexibly deploy resources and manpower when necessary, and will keep increasing its service volume in order to provide appropriate service for patients.

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# Special traffic and transport arrangements for Lunar New Year's Eve

The Transport Department (TD) today (February 8) reminded members of the public that the following special traffic and transport arrangements will be implemented in various districts on Lunar New Year's Eve (February 9) to facilitate the holiday celebration activities.

## Special traffic arrangements

Road closures and traffic diversion will be implemented in phases from February 9 in various places, including Hong Kong Island (including the vicinities of Causeway Bay, Tin Hau near Victoria Park), Kowloon (including the vicinities of Morse Park in Wong Tai Sin, Wong Tai Sin Temple, Yau Ma Tei Community Centre Rest Garden and Kwun Tong Recreation Ground) and the New Territories (including the vicinities of Sha Tsui Road Playground in Tsuen Wan, Shek Wu Hui in Sheung Shui, Tin Hau Temple Plaza in Tuen Mun and Yuen Wo Playground in Sha Tin). Some parking spaces, taxi stands and public light bus stops located in the above areas, and at Hang Cheung Street in Cheung Sha Wan, Fa Hui Park in Mong Kok, Hoi Bun Road in Kwun Tong and Ko Fong Street in Kwai Tsing will also be suspended.

## Public transport service arrangements

Public transport services on Lunar New Year's Eve (February 9) will be adjusted as follows:

(1) In connection with the aforementioned road closure arrangements, the bus and green minibus (GMB) routes operating in the affected areas will be subjected to diversion, and the associated bus and GMB stops located within the affected areas and in the vicinities of Fa Hui Park in Mong Kok, Yau Ma Tei Community Centre Rest Garden and Hoi Bun Road in Kwun Tong will be suspended or relocated;

(2) The following MTR service enhancements will be implemented:

(a) Island Line, Kwun Tong Line, Tsuen Wan Line, Tseung Kwan O Line, East Rail Line, South Island Line, Tuen Ma Line and Tung Chung Line will strengthen services from 3pm to 5pm;

(b) Island Line, Kwun Tong Line, Tsuen Wan Line, Tseung Kwan O Line, South Island Line, Tuen Ma Line, Tung Chung Line and Light Rail route Nos. 505, 507, 610, 614P, 615P, 706 and 751 will provide overnight services;

(c) The operating hours of MTR bus route Nos. 506, K51 and K54 will be extended;

(3) Nine special bus services (Citybus route Nos. 38S, 976S, KMB route Nos. N64P, N272, N273, N276 and Cross Harbour route Nos. N116, N601 and N603) will be operated in the small hours on the first day of the Lunar New Year (February 10);

(4) Franchised bus companies will also extend the service hours of 26 bus routes (including one Citybus, 23 KMB and two Cross Harbour routes) and adjust the frequency/departure time or cancel some special trips of 192 routes (including 24 Citybus, 103 KMB and 65 Cross Harbour routes); the services of 10 bus routes (including one Citybus, eight KMB and one Cross Harbour routes) will be strengthened;

(5) The operating hours of 10 GMB routes in Kowloon and the New Territories will be extended; and

(6) Tram services will be extended to 1am on the following day.

#### Central to Mid-Levels Escalator and Walkway System Services

The operating hours of the Central to Mid-Levels Escalator and Walkway System will be extended to 3am on the following day.

For details of the special traffic and public transport arrangements, members of the public may visit the TD website ([www.td.gov.hk](http://www.td.gov.hk)) or mobile application "HKeMobility". Passengers may also refer to the passenger notices displayed by the relevant public transport operators.

Members of the public are advised to make use of public transport services as far as possible to avoid traffic congestion and unnecessary delays. The TD and the Police will closely monitor the traffic situation and implement appropriate measures when necessary. The Police may adjust the traffic arrangements subject to the prevailing crowd and traffic conditions in the areas. The public should pay attention to the latest traffic news through radio, television or "HKeMobility".

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## Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Thursday, February 8, 2024 is 105.0 (up 0.1 against yesterday's index).

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# Traveller jailed for smuggling incense tree wood chips (with photo)

A traveller who illegally exported incense tree wood chips was convicted and sentenced to imprisonment for 30 months at the District Court today (February 8).

A spokesman for the Agriculture, Fisheries and Conservation Department (AFCD) said that an outbound male traveller heading to the Mainland, aged 32, was intercepted by Customs officers at the Shenzhen Bay Control Point and about 4.2 kilograms of incense tree (*Aquilaria sinensis*) wood chips was seized from his backpack on March 12, 2023. The estimated market value of the wood chips was about \$630,000.

Upon investigation by the AFCD, the man was charged with illegally exporting endangered species under the Protection of Endangered Species of Animals and Plants Ordinance (PESAPO) (Cap. 586). The AFCD also applied to the court for an enhanced sentence under the Organized and Serious Crime Ordinance (OSCO), (Cap. 455). He was convicted at the court today. The court set 36-month imprisonment as the starting point for sentencing with 12 months' reduction for his guilty plea. The AFCD applied to raise the sentence by 25 per cent in accordance with OSCO. The defendant was sentenced to immediate imprisonment for 30 months.

All *Aquilaria* species, including the native incense tree, are listed under the Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora and are regulated under PESAPO in Hong Kong.

According to PESAPO, any person importing, exporting or possessing specimens of endangered species not in accordance with the Ordinance commits an offence and will be liable to a maximum fine of \$10 million and imprisonment for 10 years upon conviction with the specimens forfeited.

The spokesman also pointed out that according to the Forests and Countryside Ordinance (Cap. 96), felling of trees on government land without permission is an offence. The maximum penalty is a fine of \$25,000 and imprisonment for one year.

The spokesman appealed to the public not to smuggle agarwood or fell incense trees illegally. To enquire about the importation or exportation of endangered species and to report suspected illegal cases, the public can call the AFCD at 1823 or visit the website [www.cites.hk](http://www.cites.hk).

