Fraudulent website, internet banking login screen and phishing instant messages related to Fubon Bank (Hong Kong) Limited

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by Fubon Bank (Hong Kong) Limited relating to a fraudulent website, an internet banking login screen and phishing instant messages, which have been reported to the HKMA. A hyperlink to the press release is available on the HKMA website.

The HKMA wishes to remind the public that banks will not send SMS or emails with embedded hyperlinks which direct them to the banks' websites to carry out transactions. They will not ask customers for sensitive personal information, such as login passwords or one-time password, by phone, email or SMS (including via embedded hyperlinks).

Anyone who has provided his or her personal information, or who has conducted any financial transactions, through or in response to the website, login screen or instant messages concerned, should contact the bank using the contact information provided in the press release, and report the matter to the Police by contacting the Crime Wing Information Centre of the Hong Kong Police Force at 2860 5012.

Coin Collection Programme: Update of Coin Cart service

The following is issued on behalf of the Hong Kong Monetary Authority:

The service of Coin Cart No.1 at Hing Tung Estate, Sai Wan Ho originally scheduled between January 15 and January 21 (except January 17 (Wednesday)) will be revised due to the on-going construction works at site as informed by the estate management office today (January 12). The Coin Cart will instead provide service at Yat Sing Mansion, Tai Hong Street, Lei King Wan, Sai Wan Ho during January 15 to January 21 (except January 19 (Friday)).

The service of Coin Cart No.2 at Kai Ching Estate in Kowloon City between January 16 and January 21 (except January 18 (Thursday)) will remain unchanged.

Members of the public are advised to visit the Hong Kong Monetary Authority website (Link) or social media channels for the latest information of Coin Cart services.

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27 persons arrested during anti-illegal worker operations (with photos)

The Immigration Department (ImmD) mounted a series of territory-wide anti-illegal worker operations codenamed "Greenlane", "Lightshadow", "Twilight", a joint operation with the Hong Kong Police Force and Labour Department codenamed "Powerplayer" and joint operations with the Hong Kong Police Force codenamed "Windsand" for four consecutive days from January 8 to yesterday (January 11). A total of 20 suspected illegal workers, six overstayers and one illegal immigrant were arrested.

During the anti-illegal worker operations, ImmD Task Force officers raided 57 target locations including commercial buildings, premises under renovation, residential buildings, retail shops and restaurants. Fourteen suspected illegal workers were arrested. The arrested suspected illegal workers comprised nine men and five women, aged 26 to 60. Among them, one woman was a holder of recognisance form, which prohibits her from taking any employment, and she was also suspected of using and being in possession of a forged Hong Kong identity card.

During operation "Powerplayer", enforcement officers raided 13 target locations in New Territories North region, including a garbage collection depot, premises under renovation and warehouses. Four suspected illegal workers, six overstayers and one illegal immigrant were arrested. The arrested suspected illegal workers comprised two men and two women, aged 26 to 51. Four male and two female overstayers, aged 26 to 47, were arrested. Furthermore, one male illegal immigrant, aged 37, was arrested. Among them, four suspected illegal workers and six overstayers were handled by the ImmD.

Furthermore, during operation "Windsand", two Mainland male visitors, aged 47 and 52, were arrested for breaching their conditions of stay by being involved in suspected parallel trading activities at San Wan Road in Sheung Shui district. The goods mainly included cosmetics products, daily necessities and health care products.

An ImmD spokesman said, "Any person who contravenes a condition of stay in force in respect of him or her shall be guilty of an offence. Also, visitors are not allowed to take employment in Hong Kong, whether paid or unpaid, without the permission of the Director of Immigration. Offenders are liable to prosecution and upon conviction face a maximum fine of $50,000 and up to two years' imprisonment. Aiders and abettors are also liable to prosecution and penalties."

The spokesman warned, "As stipulated in section 38AA of the Immigration Ordinance, an illegal immigrant, a person who is the subject of a removal order or a deportation order, an overstayer or a person who was refused permission to land is prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of $50,000 and up to three years' imprisonment. Under the prevailing laws, it is an offence to use or possess a forged Hong Kong identity card or a Hong Kong identity card related to another person. Offenders are liable to prosecution and upon conviction face a maximum fine of $100,000 and up to 10 years' imprisonment."

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. Under the Immigration Ordinance, the maximum penalty for an employer employing a person who is not lawfully employable, i.e. an illegal immigrant, a person who is the subject of a removal order or a deportation order, an overstayer or a person who was refused permission to land, has been significantly increased from a fine of $350,000 and three years' imprisonment to a fine of $500,000 and 10 years' imprisonment to reflect the gravity of such offences. The director, manager, secretary, partner, etc, of the company concerned may also bear criminal liability. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence.

According to the court sentencing, employers must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel document if the job seeker does not have a Hong Kong permanent identity card. Offenders are liable upon conviction to a maximum fine of $150,000 and to imprisonment for one year. In that connection, the spokesman would like to remind all employers not to defy the law by employing illegal workers. The ImmD will continue to take resolute enforcement action to combat such offences.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct an initial screening of vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers, who are arrested during any operation with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the ImmD officers will conduct a full debriefing and identification by using a standardised checklist to ascertain the presence of TIP elements, such as threats and coercion in the recruitment phase and the nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent intervention, medical services, counselling, shelter or temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments immediately.

Speech by FS at 2024 Ninth Annual Global Alpha Investment Conference (English only) (with photos)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the 2024 Ninth Annual Global Alpha Investment Conference today (January 12):

Gokul (CEO of Morgan Stanley Asia, Mr Gokul Laroia), Vincent (Head of Asia Pacific Wealth Management of Morgan Stanley, Mr Vincent Chui), distinguished guests, ladies and gentlemen,

Good morning to you all. I would like to first thank Morgan Stanley for organising this Annual Global Alpha Investment Conference in Hong Kong.

Since quite a number of you are coming from overseas, perhaps, to begin with, I should give you a quick roundup of Hong Kong's economy in 2023, and the outlook for this coming year and our vision for Hong Kong as an IFC (international financial centre).

The economic performance of Hong Kong last year goes as follows: GDP (gross domestic product) is expected to grow by about 3.2 per cent, slower than what we would have liked to see due to quite a number of reasons: the geopolitical environment, the economic adjustment on the Mainland, the actions taken by the US (United States) against our country which might interfere with capital flows.

The three drivers of economic growth include exports, investment and consumption. Export performance is a bit disappointing, having dropped by about 14 per cent in the first three quarters of 2023. This is in line with the challenging export environment faced by the Mainland, because we play a role in re-exporting for the Mainland.

Investment increased by about 8.1 per cent in the same period. Consumption, thanks to the inbound tourism as well as the relatively well employment situation in Hong Kong and income growth in general, consumption increased by about 8.9 per cent.

In terms of the asset market, property prices dropped by about 7 per cent or thereabout, but the volume of transaction remained low. Total transactions for the year 2023, first and secondary transactions included, were about 43 000. A year before, also slow, about 45 000 transactions were noted as compared to the level of 60 000 a year since 2012. We saw the drop an orderly adjustment, noting that interest rates were on the rise and remained at a high level last year. Understandably, some home owners would tend to defer their purchase decisions, and this is behind the property market's performance last year.

The stock market was down by about 14 per cent last year. Volume-wise, transactions came down to about slightly over HK$100 billion a day on average, as compared to over HK$120 billion in the year before and over HK$150 billion in 2021. In 2021, the market was good.

For employment, the unemployment rate is low, at about 2.9 per cent. Inflation was moderate, at about 2 per cent. The community as a whole is stable and recovering.

The medium-term outlook of Hong Kong is positive. First, we have the institutional strengths under the "one country, two systems" arrangement. This is guaranteed by the Basic Law. President Xi came to Hong Kong in July 2022 on the 25th anniversary of the establishment of the Hong Kong Special Administrative Region. In his important speech, he made the point about upholding Hong Kong's "one country, two systems" in the long run; he referred to the common law system more than once. That upholding the "one country, two systems" arrangement in the long run has been written into the constitution of both the Communist Party of China and the country.

Second, for this term of Government, we see ourselves as a facilitator, as well as an important driver to spur economic growth. So we won't just leave everything to the market, but we will take lead to instil confidence, and enable people to work together to grow our economy. The governing style of the Government of this term, I would say, is a lot more proactive.

Third, under the National 14th Five-Year Plan, the Central Government fully supports Hong Kong in the development in eight particular areas. Usually we call it the "eight centres": international shipping, trading, financial as well as innovation and technology centres; regional centre for international legal and dispute resolution services in the Asia-Pacific region as well as regional intellectual property trading centre; and the East-meets-West centre for international cultural exchange.

Among these eight centres, the most important for our coming economic growth, I would argue, would be financial services and innovation and technology. In financial services, we have our traditional strengths, for example, the equities market in Hong Kong. But there are also emerging areas that have great potential of growth, and will inject momentum in the financial services sector.

Our strategy, broadly speaking, is that for those areas where have the traditional strength, we need to continue to stay ahead of the competition. For example, for the equities market, we formed a task force last year to look into ways and means to enhance its liquidity. We know that if our stock market's liquidity is low, we would not be able to attract IPOs (initial public offerings), no less so for capital and investment firms. The task force made a number of recommendations to the Government covering a range of measures including improving our trading mechanism, attracting more capital and more quality issuers from the international sector, opening up new markets, and more. Many detailed recommendations are being implemented at the moment.

For our equities market, one of our core strengths which cannot be replicated anywhere else is the Connect arrangements between Hong Kong and the Mainland. This will be important not just to attracting capital flows to provide liquidity, but also gathering more quality issuers to come to Hong Kong. Issuers from the Middle East, for example, if they come here and are included in the Southbound Stock Connect, they would not just attract international capital, but also capital from the Mainland. A step forward to this end is that last year, in our equities market, we introduced Renminbi (RMB) denominated counters for some major stocks. The Connect arrangements with the Mainland will continue to expand and widen.

Apart from the equities markets or bond markets, in relation to you, we are very keen to develop Hong Kong's asset and wealth management business. At the moment, asset under management stood at about US$4 trillion, with two-thirds of the funds coming from outside Hong Kong.

There have been rumours about capital outflow from Hong Kong. Perhaps I should give you one figure to clarify that. Yes, the stock market last year was weaker than expected. But there was in fact net capital inflow. Look at the total bank deposits in Hong Kong. Last year, they grew by about 5 per cent, and it was on a huge base, at around HK$15 trillion. While funds might have flown out from the equities market, but they stayed here. In November, we also seen a substantial northbound flow through Hong Kong to the bond market in the Mainland to the order of about RMB250 billion.

Asset and wealth management would be an area we will focus on, because we are not just serving Hong Kong, we are also serving the GBA (Greater Bay Area) on the Mainland, and beyond. I mentioned the US$4 trillion assets under assets under management, two-thirds were from outside Hong Kong.

Going forward, in terms of enhancing our IFC status, green and sustainable finance would be another focus area. We are leading at the moment – the total debts issued by Hong Kong was slightly over US$80 billion in 2022. There is tremendous room for growth given the amount of funds needed for green transition. Apart from that, RMB offshore business hub is a unique position on which Hong Kong can capitalise.

At the moment, although rapidly growing, offshore RMB had accounted for 3 to 4 per cent in terms of global trade settlement and as a reserve currency. Consider China's import and export trade which accounts for about slightly over 14 per cent of the global total, there is an increasing trend of using RMB as a medium of settlement. When people outside of the Mainland have RMB, they need to find a place to park their RMB, and to make good use of the RMB for investment later. This is a tremendous market for us. We are working hard with the central authorities for more policy enhancement to enable us to develop our offshore RMB business and status. At the same time, the HKMA (Hong Kong Monetary Authority) is also upgrading our infrastructure so that we will be able to cope with a substantial increase in business.

Finally, on fintech. We have quite a number of virtual banks with eight licences issued. We have four virtual insurance companies. We are leading in terms of tokenised bonds. We have just issued a consultation paper, setting out our strategies on stablecoins. In addition, we are also looking at virtual assets, which could be controversial. But we do think that for financial innovation, virtual assets are the trend. We have to embrace it, but we have to be very careful about the associated risks. So our approach is to put them under proper regulation, under the "same activities, same risk, same regulation" approach, putting them under a framework of supervision to facilitate the sustainable and responsible development of them.

Finally, in attracting new market capital, you may be aware that we are actively opening up the Middle East. But we will continue to work hard on further developing and reinforcing our business relationship with the US and Europe, as they are important sources of capital.

Ladies and gentlemen, the above is a quick sharing of some thoughts about Hong Kong's IFC status and our development plans. And I would love to listen to you to have your advice on how the Government can do better to make our financial services sector even more competitive. Thank you.

Analytical Accounts of the Exchange Fund

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) released today (January 12) the key analytical accounts of the Exchange Fund at the end of December 2023.

Foreign assets, representing the external assets of the Exchange Fund, increased during the month by HK$7.1 billion to HK$3,528.2 billion.

The Monetary Base, comprising Certificates of Indebtedness, Governmentâ€‘issued currency notes and coins in circulation, the balance of the banking system and Exchange Fund Bills and Notes issued, amounted to HK$1,896.3 billion.

Claims on the private sector in Hong Kong amounted to HK$287.5 billion.

Foreign liabilities amounted to HK$22.7 billion.

The analytical accounts of the Exchange Fund are released in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS) and are referred to as the Analytical Accounts of the Central Bank under SDDS (Annex).

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At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's SDDS. The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of January 2024, the scheduled dates for issuing the press releases are as follows:

January 5 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
January 12	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
January 31	SDDS Template on International Reserves and Foreign Currency Liquidity
January 31	Exchange Fund Abridged Balance Sheet and Currency Board Account