

FSDC releases its first batch of research reports

The Financial Services Development Council (FSDC) today (November 18) released the first batch of six research reports which aim to strengthen Hong Kong's position as the preeminent international financial centre and enhance the development of the local financial services industry. FSDC's reports have been submitted to the Government for consideration.

The six research reports are products of deliberation over the past months by members of the FSDC and its committees, drawing extensively on industry experience and expertise. The reports set out both macro and micro level recommendations for the consideration of the Government and relevant regulators, with proposals ranging from those on the strategic direction for developing Hong Kong as an international financial centre, to policy suggestions on removing impediments and fostering new business.

The Chairman of the FSDC, Mrs Laura Cha, said, "The reports provide a framework of holistic strategies to further enhance Hong Kong as an international financial centre amid keen competition worldwide. The reports also propose concrete measures to support future development of Hong Kong's financial services industry. We believe the recommendations are pragmatic and implementable, and hope that the Government will study them in detail."

The report entitled "Strengthening Hong Kong as a Leading Global International Financial Centre" sets out a holistic strategy for Hong Kong's financial services sector to move forward in the face of a highly competitive global environment. The report proposes Hong Kong to engage in the dual tracks of seeking a prominent role in emerging Mainland opportunities and at the same time strengthening our core competencies and developing new areas. "The report recognises that Hong Kong is facing challenges arising from evolving global macroeconomic forces and emerging local threats, and that Hong Kong's leading position as an international financial centre is not entirely secure unless we work relentlessly to advance our competitiveness," Mrs Cha added.

To enable Hong Kong's financial services industry to achieve its full development potential, the report lists developing a sustainable talent model, maintaining our attractiveness as a home for talent, striking balance between market development

and financial stability, and stepping up market promotion of the Hong Kong brand as four key enablers.

In view of the economic restructuring in Mainland China, the FSDC conducted a review on the implications arising from Mainland China's economic growth and structural reform on the consolidation and enhancement of Hong Kong's pivotal role in finance. A conceptual framework for further studies in the relevant areas is outlined in a report entitled "Development and Reform of Mainland China's Financial Sector and the Strengthening and Enhancement of Hong Kong's Pivotal Role as a Financial Centre", which explores new opportunities and challenges to Hong Kong brought about by this new environment.

Echoing Hong Kong's distinct position in the internationalisation of Renminbi, which illustrates Hong Kong's role in Mainland China's financial reform, the "Proposals to Advance the Development of Hong Kong as an Offshore Renminbi Centre" report sets out a number of concrete measures which should be implemented by the HKSAR Government and the local financial industry. The report also offers proposals which could be made to the relevant authorities of the Central Government where Hong Kong can contribute to the gradual liberalisation of the capital account.

In the reports titled "Developing Hong Kong as a Capital Formation Centre for Real Estate Investment Trusts (REITs)", "Proposals on Legal and Regulatory Framework for Open-ended Investment Companies in Hong Kong" and "Synopsis Paper Proposing Tax Exemptions and Anti-avoidance Measures on Private Equity Funds", the FSDC outlines practical policy recommendations regarding relevant financial products and market developments.

These initiatives aim to attract more funds to be based in Hong Kong and to use Hong Kong as a platform for investing in Mainland China as well as providing more business and job opportunities for local fund managers, their service providers and other professionals servicing the industry. Developing the REIT market in Hong Kong would complement our strength as a leading global capital formation platform.

The research reports can be downloaded from the website of the FSDC: www.fsdc.org.hk.

About the FSDC

The HKSAR Government announced in January 2013 the establishment of the FSDC as a high-level, cross-sectoral advisory body to engage the industry in formulating proposals to promote the further development of Hong Kong's financial services industry and to map out the strategic direction for development.

The FSDC established five committees, namely the Financial Development Research Committee; Mainland Opportunities Committee; New Business Committee; Market Development Committee; and Human Capital Committee. Since their inception in February, the committees have conducted consultative sessions and extensive studies in specific areas of the financial services industry.

Ends/Monday, November 18, 2013