

FSDC releases report on aircraft leasing and financing

The Financial Services Development Council (FSDC) today (July 7) released a report entitled “Recommendations for Developing Hong Kong as an Aircraft Leasing and Financing Hub”.

The recent passage of a legislative measure for a concessionary profits tax regime for qualifying aircraft lessors and aircraft leasing manager has created enormous potential for Hong Kong to develop into a competitive international aircraft leasing and financing hub.

The Chairman of the FSDC, Mrs Laura M Cha, said, “The aviation industry in the Asia-Pacific region, in particular China, is growing rapidly. Hong Kong should capitalise on the rapidly increasing demand for aircraft financing services globally, and leverage its strengths with those of the Mainland aircraft leasing industry in order to capture the growing business opportunities in the region.”

Against this favourable background, the report proposes various recommendations for the Hong Kong Government and the financial industry to consider, including (i) expanding the tax treaty network, in particular with countries with high aircraft growth rates; (ii) enhancing the protection of creditors and lessors through participation in relevant international convention; (iii) revisiting waivers under the Listing Rules for listed aircraft lessors; (iv) enabling the listing of aircraft securitisation products in the form of investment trusts; (v) facilitating the development of more efficient aircraft financing tools; and (vi) nurturing professional talents in aircraft financing.

The full version of the report can be downloaded from the FSDC website: www.fsd.org.hk.

About the FSDC

The Hong Kong Special Administrative Region Government established the FSDC in 2013 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 set up five committees, namely the Policy Research Committee, the Mainland Opportunities Committee, the New Business Committee, the Market Development Committee and the Human Capital Committee, as the five streams of its work.

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