HK, Bahrain tax pact signed

by news.gov.hk
Monday, Mar 04, 2024

Hong Kong yesterday signed a comprehensive avoidance of double taxation agreement (CDTA) with Bahrain.

Under the pact, Hong Kong companies can enjoy double taxation relief in that any tax paid in Bahrain, whether directly or by deduction, in accordance with the CDTA will be allowed as a credit against the tax payable in Hong Kong in respect of the same income, subject to the provisions of Hong Kong's tax laws.

Secretary for Financial Services & the Treasury Christopher Hui said that Bahrain is one of the economies participating in the Belt & Road Initiative and he has confidence the agreement will further promote economic and trade connections between Hong Kong and Bahrain.

He added that the pact will also offer additional incentives for the business sectors of both sides to do business or make investments.

Additionally, Hong Kong will continue to negotiate with trading and investment partners with a view to expanding its CDTA network, so as to enhance the attractiveness of Hong Kong as a business and investment hub and consolidate the city's status as an international economic and trade centre.

This CDTA is the 49th agreement that Hong Kong has concluded.

Secretary for Commerce & Economic Development Algernon Yau, who was on an official visit to Manama, signed the CDTA with Bahrain on behalf of the Hong Kong Special Administrative Region Government.

Click here for details of the CDTA

China's leadership 'confident' economy will improve

by www.thestandard.com.hk
Monday, Mar 04, 2024

China's leadership is confident the economy will improve, an official said Monday, ahead of a key political meeting in which Beijing is expected to unveil one of its most pessimistic growth targets in years.

Armed police and public security workers are ubiquitous on Beijing streets as thousands of delegates descend on the capital for the annual political conclave known as the "Two Sessions".

Front and centre at the meetings will be China's economy, which last year posted some of its lowest growth in decades and is battling a prolonged property sector crisis and soaring youth unemployment.

Tuesday's opening of the National People's Congress is expected to see Premier Li Qiang announce that growth in 2024 will stay largely flat, at around five percent.

But at a Monday press conference, NPC spokesperson Lou Qinjian struck a bullish tone.

China's leaders, he said, had "ample confidence" that the economy would rebound, adding the country has "more favourable conditions than challenges in its economic development".

"The underlying trend of a rebound in the economy and long-term growth remains unchanged."

But in a break with decades-long tradition, he said Premier Li would not be holding a press conference at the end of the NPC meeting next Monday.

Long a rare opportunity for international media to question China's top leaders directly -- with usually pre-approved questions -- Li had used last year's briefing to warn that Beijing's modest growth goals would be "no easy task".

And in 2020, his late predecessor Li Keqiang admitted that 600 million people in China were still living on just 1,000 yuan ($139) a month -- a break from China's official claims to have defeated poverty.

There was also no mention of a press conference with the foreign minister -- currently Wang Yi -- which normally takes place a few days into the NPC meeting.

Lou on Monday also addressed China's hope for this year's presidential election in the United States, with which it has clashed in recent years on flashpoint issues from technology and trade to human rights.

Americans go to the polls this November in an election that will likely pit former leader Donald Trump against President Joe Biden.

"No matter who becomes the president, we hope that the United States can work in the same direction with China and work for a stable, healthy and sustainable China-US relationship," he said.

China's "Two Sessions" officially kicked off Monday at 3 pm (0700 GMT) with the opening ceremony of the Chinese People's Political Consultative Conference (CPPCC) -- attended by President Xi Jinping and other party top brass -- which will last until Sunday, March 10.

Monday's CPPCC is relatively low-stakes compared with the near-simultaneous gathering of the NPC.

At a press conference on Sunday, CPPCC spokesperson Liu Jieyi said that "economic topics" would be "of great concern" to the body's more than two thousand members.

This week's meetings are not expected to see the unveiling of big-ticket bailouts that experts say are needed to stimulate China's economy.

Beijing is also set to double down on national security, with analysts expecting it to increase its military budget, second only to the United States.

China revised a law dramatically expanding its definition of espionage last year and conducted raids on a string of big-name consulting, research and due diligence firms.

The legislature's top body also approved a broad and vaguely worded revision to the country's state secrets law in the run-up to the NPC meeting.

Lynette Ong, a professor at the University of Toronto, told AFP there would "be continued emphasis on security".

"I don't expect any major policy change such as important structural reforms that will change the course of economic trajectory," she added.

On paper, the NPC wields little actual power.

All major decisions will have been made weeks before in closed-door meetings of the Communist Party, far from the international media's cameras.

But the topics that are up for discussion and the tone of the speeches allow for key insights into what's keeping China's rulers up at night, analysts say.

"Balancing security with the need to keep the economy ticking over while other issues are worked out is at the centre of policymaker's minds," said Diana Choyleva, chief economist at Enodo Economics.
(AFP)

HK has a bright future as financial centre: SFC chief

by rthk.hk
Monday, Mar 11, 2024

The chairman of the Securities and Futures Commission (SFC), Tim Lui, has brushed aside claims that Hong Kong is no longer an international financial hub, saying the SAR is still highly attractive to investors.

On the sidelines of the “two sessions” in Beijing, Lui said he is aware of comments that Hong Kong's financial centre is in "ruins", but he believes the sector has a very bright future.

“Our capital market, stock market, in line with the global situation, hasn't been performing well. But if you look at our other elements of the financial industry, Hong Kong is doing exceedingly well, in asset management, in insurance, in banking, in bonds,” he said.

“So it's just a matter of time when the capital market will pick up again, in particular the number of IPOs that will come back to Hong Kong as a capital raising venue. When that happens, I think a lot of these comments will naturally go away.”

Lui noted that Article 23 national security legislation will soon be enacted, adding that a more stable environment will create better investment opportunities for investors.

The SFC chairman said he expects the government to put more effort into reviving the economy once the legislation is passed, with more to be done to boost the confidence of investors.

“We are the bridge between the so-called international capital and the China market, so I think we have to continue to build on this, as well as in terms of the Hong Kong market itself, improve our liquidity, improve the product offerings, secure more IPO listings so that we regain a very high spot internationally in terms of capital raising venue,” he said.

“We are also very keen on attracting new sources of capital into Hong Kong, from Asean countries, as well as Middle East countries. So all these efforts, together with our very buoyant market in other sectors of our financial market, will boost wealth for our future.”

JPMorgan bets on Hong Kong 'bounce back'

by rthk.hk
Thursday, Mar 14, 2024

JP Morgan has high hopes for Hong Kong to recover and live up to its potential as a financial hub when the economic cycle turns.

The New York-based bank says it will continue to invest in the SAR, where it has been doing business for a century.

“We are not the type of company that is going to go fully in one day and fully out the other. These are [business] cycles, and we’ve been navigating cycle after cycle over time," said Daniel Pinto, the company's president and chief operating officer, in an exclusive interview with South China Morning Post.

JPMorgan, which oversees assets of US$2.6 trillion, said it will keep searching to hire in China.

Pinto stressed that there is still room to grow, pointing to the "disproportionate" level of the bank's mainland business and the size of the nation's economy, adding that Hong Kong will continue to be part of the growth.

“China is the second biggest economy in the world and it will create opportunities, how fast or how slow those opportunities will present themselves is a matter of being prudent in that part of the cycle.”

'Hong Kong an attractive place for family offices'

by rthk.hk
Monday, Mar 18, 2024

Accounting firm Deloitte said on Monday it is confident that the SAR will easily achieve its goal of attracting at least 200 family offices by the end of 2025.

Deloitte China's vice chair Patrick Yip noted that there has been growing interest in family offices – or private wealth management companies for the very wealthy – since Hong Kong introduced tax waivers for the sector last year.

He noted that about 30 family offices have signed deals with their department alone.

"Some of them are local ones with 'old money', meaning they are Hong Kong families, some of these are new Hong Kong families from mainland China or Southeast Asia. Most of them are ethnic Chinese," said Yip, adding that there are also some from the Middle East, Africa, and Europe.

Yip's remarks came after the firm published a study which estimated there to be 2,703 single-family offices in the SAR as of December last year.

He pointed out that the estimate was quite "conservative", as it did not include multi-family offices, nor did it count those which are from overseas but have also invested in the territory.

"The actual total number of family offices in Hong Kong could be much higher," Yip said of the results of the report, which was conducted in collaboration with the government's FamilyOfficeHK.

Yip added that he believes the official target of attracting at least 200 new family offices by the end of next year could be achieved much earlier.

Authorities had said there were over 12,500 ultra high net-worth individuals in the city as of the end of 2022, and total wealth managed in the territory had reached HK$30.5 trillion.

HK ranks 4th in global finance index

by news.gov.hk
Thursday, Mar 21, 2024

Hong Kong maintained fourth place in the Global Financial Centres Index 35 Report published today by the UK's Z/Yen and the China Development Institute from Shenzhen.

The Government said under the "one country, two systems" principle, Hong Kong enjoys the unique advantages of being backed by the motherland and connected to the world.

Hong Kong has been striving to align with the national development strategies and serve as an important node in the country's domestic and international dual circulation through proactively integrating into the national development of the reform and opening up of the financial market, while maintaining the internationalised nature of the market and playing the role as the gateway between the Mainland and the world.

A series of policy initiatives have been announced in the 2024-25 Budget, seeking to better integrate capable government with an efficient market and to propel financial markets to new heights.

According to Deloitte's Market Study on the Family Office Landscape in Hong Kong commissioned by Invest Hong Kong, there are over 2,700 single-family offices in the city.

The study sheds light on the flourishing development of the family office sector in Hong Kong, and reaffirms the city as one of Asia's major asset and wealth management centres.

In addition, Financial Mega Event Week will be held in Hong Kong next week, with a series of top-tier international conferences to take place in the city to further showcase the strengths, development potential and investment opportunities of Hong Kong as an international financial centre.

The events include the highly acclaimed Wealth for Good in Hong Kong Summit exclusively for family offices; the inaugural One Earth Summit organised by the Institute of Sustainability & Technology and co-organised by Giving to Amplify Earth Action - a World Economic Forum initiative on global climate and the green economy; and the Milken Institute's Global Investors' Symposium - the first large-scale summit to be held in Hong Kong by the institute since 1998.

FS expects more key enterprises to come to HK

by rthk.hk

Sunday, Mar 24, 2024

Financial Secretary Paul Chan on Sunday said he expects more strategic enterprises to set up operations in Hong Kong, with nearly 50 such businesses already signing agreements with the government.

Writing in his weekly blog, Chan noted the government had just signed agreements with a second batch of strategic enterprises.

“Together with the first batch of enterprises introduced last year, there will be nearly 50 companies, investing more than HK$40 billion in Hong Kong. Over 13,000 jobs will be created, most of them research and management positions,” he said.

The finance minister said one-fifth of these strategic enterprises came from Europe and the United States.

“In the future, we will continue to actively ‘go out’ and proactively contact more frontier technology companies in different regions. It is expected that the number of enterprises introduced will continue to increase,” he said.

Chan also noted that as of February, InvestHK had assisted 58 family offices in setting up or expanding their businesses in Hong Kong, and more than 100 others have expressed interest in establishing themselves in the SAR.

About 2,700 family offices were operating in Hong Kong as of the end of 2023, with nearly 900 boasting wealth exceeding US$100 million each, he added.

Separately, Chan also said the implementation of the Safeguarding National Security Ordinance had further solidified the city’s national security safeguards and allowed the government to concentrate its efforts on economic development and improving people’s livelihoods.

'China to further welcome foreign investment'

by rthk.hk
Thursday, Mar 28, 2024

The nation's top legislator Zhao Leji on Thursday promised to further open China's door to foreign investments by making it easier for foreigners to work, study and travel in the country.

"China's door to the world will never close, but will only open wider," Zhao told participants at the opening plenary of the annual Boao forum.

Making his keynote speech, the Chairman of the National People's Congress Standing Committee also said the nation will align with international economic and trade rules and foster a pro-business environment.

"We will further shorten the negative list for foreign investment, remove all restrictions on foreign investment access in the manufacturing sector, deliver national treatment for foreign businesses and make it easier for foreign nationals to work, study and travel in China."

He also said China's green and low-carbon development will drive economic growth and nurture a US$1.4 trillion market for investment and consumption each year.

Separately, Zhao said China's import and export of goods is expected to exceed US$32 trillion in the next five years, and that Beijing is willing to collaborate with other countries on tech innovation.

With the theme "Asia and the World: Common Challenges, Shared Responsibilities", the four-day Boao event features four sections covering the world economy, technology and innovation, social development, and international cooperation. (Additional reporting by Reuters and Xinhua)