Tax data bill gazetted

By archive.news.gov.hk
Friday, January 08, 2016

The Inland Revenue (Amendment) Bill 2016 which seeks to provide a legal framework for Hong Kong to implement the new international standard for automatic exchange of financial account information in tax matters, was gazetted today.

In 2014, Hong Kong pledged support for the new standard which was promulgated by the Organisation for Economic Co-operation & Development.

Subject to the passage of the law, the standard will be implemented on a reciprocal basis with partners who meet standards on privacy protection and confidentiality of information exchanged and ensuring proper use of the data.

Under the standard, a financial institution is required to identify financial accounts held by tax residents of reportable jurisdictions, meaning those who are liable to tax by reason of residence in the jurisdictions with which Hong Kong has entered into an arrangement.

The institutions are required to collect the accounts' reportable information and send it to the Inland Revenue Department, which will exchange it with partner jurisdictions annually.

Hong Kong will only conduct the exchange with jurisdictions that have signed comprehensive avoidance of double taxation agreements or tax information exchange agreements with Hong Kong on a bilateral basis, the Financial Services & the Treasury Bureau said.

The bill will be tabled at the Legislative Council on January 20. The Government will fully support the council in its scrutiny and to secure its early passage, so that Hong Kong can commence the first information exchanges by the end of 2018.

Nearly 1.3m local companies registered

By archive.news.gov.hk
Sunday, January 10, 2016

The total number of live local companies registered was 1,288,666 at the end of 2015, up 15,973 on the end of 2014, the Companies Registry announced today.

The total number of local companies newly registered in 2015 was 139,209, among which 35,448 companies were incorporated online using the e-Registry.

Registrar of Companies Ada Chung said the full-scale electronic filing service launched last March facilitated company information reporting and disclosure, and delivered efficiency improvements for companies.

For non-Hong Kong companies that have established a place of business in Hong Kong, 894 were newly registered last year, an increase of 10.23% from 811 in 2014. The total number of registered non-Hong Kong companies reached 10,029 by the end of 2015.

Extra $4.8b clicks with tech sector

By www.thestandard.com.hk
Thursday, January 14, 2016

At least HK$4.8 billion will be poured into boosting start-ups, expanding wi- fi and use of technology in daily lives to make Hong Kong a "smart city."

The plan driven by the new Innovation and Technology Bureau that was three years in the making before being set up last month will include a HK$2 billion Innovation and Technology Venture Fund to encourage private investment.

A source said the ratio between government and venture capital funds will be one to two.

"The ratio of investment between government and private sector is 6:4 now, but we want to make it to 4:6 sooner," the source said.

How long the fund will be running would "depend on market responses."

Another HK$2 billion will be granted by the University Grants Committee to encourage midstream applied research projects.

The source said most university research focus on theory and basic research, but turning them into practical products for robotics, healthy aging or smart city uses will be more useful to society.

A HK$500 million Innovation and Technology Fund for Better Living will be set up "to finance projects that make use of innovation and technology to improve our daily life," Leung Chun-ying said.

Cyberport will be allocated HK$200 million to launch a Cyberport Macro Fund for investment in its information and communications technology start-ups.

The government will spend at least HK$100 million to increase the number of wi-fi hotspots to 34,000 within three years and raise speeds to 3-4 megabits per second, from 1-2 Mbps.

Wi-fi will be expanded to hospitals, public housing estates, markets, parks, sitting-out areas, promenades, tourist spots, public transport interchanges and land boundary control points. "Hong Kong will then have one of the highest wi-fi densities in the world," Leung said.

The bureau will formulate a digital framework and policies on big data application, following last year's launch of the Public Sector Information portal (data.gov.hk) to provide more than 5,000 datasets.

It will continue to encourage public service bodies and commercial organizations to open up more data.

Leung said a "smart city" includes providing free wi-fi services, opening up more public data to facilitate development of user-friendly mobile applications for the public, and developing intelligent homes.

HK, Russia sign tax plan

By archive.news.gov.hk
Monday, January 18, 2016

Secretary for Financial Services & the Treasury Prof KC Chan has signed a comprehensive agreement for the avoidance of double taxation (CDTA) with Russia, signifying the Government's ongoing efforts to expand its CDTA network, particularly with Belt & Road economies.

He signed the deal today with Russia's State Secretary and Deputy Minister of Finance Yuriy Zubarev. Financial Secretary John Tsang and Russian Deputy Prime Minister Arkady Dvorkovich witnessed the signing.

It is the 34th CDTA Hong Kong has signed with its trading partners, Prof Chan said, adding that it clearly sets out the allocation of taxing rights between the two jurisdictions and will help investors better assess their potential tax liabilities from cross-border economic activities.

The agreement will bolster economic and trade connections between the two places and offer added incentives for companies in Russia to do business or invest in Hong Kong and vice-versa, Prof Chan said.

Under the agreement Russia's withholding tax rate on royalties, currently at 20% for companies or 30% for individuals, will be capped at 3%. Russia's dividend withholding tax rate on Hong Kong residents will be reduced from the current rate of 15% to 5% or 10%, depending on the percentage of their shareholdings.

Hong Kong airlines operating flights to Russia will be taxed at Hong Kong's corporation tax rate and will not be taxed in Russia. Profits from international shipping transport earned by Hong Kong residents that arise in Russia, which are currently subject to tax there, will not be taxed in Russia under the agreement.

The deal will come into force after the completion of ratification procedures on both sides. In the case of Hong Kong, it will be implemented by way of an order to be made by the Chief Executive in Council under the Inland Revenue Ordinance. The order is subject to Legislative Council scrutiny.

China wins WTO trade dispute with EU

By news.rthk.hk
Tuesday, January 19, 2016

China could demand trade sanctions against the European Union after winning an appeal on Monday in a dispute at the World Trade Organisation over EU tariffs imposed on Chinese imports of screws, nuts and bolts made of iron or steel.

China has never before asked the WTO to impose trade sanctions since it joined the organisation in 2001, but the end of the seven-year battle leaves the way open to a claim for compensation.

"The measures have negative effect on exports from China around US$1 billion and more than 100,000 jobs from thousands of fastener producers in China," the Ministry of Commerce said in Beijing.

"It has resulted in huge economic losses to the Chinese industry, which has expressed strong dissatisfaction and firm opposition to the measures."

The EU must now comply with the ruling and remove its illegal tariffs or China would take "further steps", the statement said.

The value of the mainland's exports of the products to the EU peaked at over US$1 billion in 2008, but averaged about US$200 million after the EU imposed punitive tariffs on the mainland exports in 2009, according to a Reuters analysis of data from the International Trade Centre, a UN-WTO joint venture.

FS hails IMF report

By archive.news.gov.hk
Wednesday, January 20, 2016

Financial Secretary John Tsang today hailed the International Monetary Fund's latest report which reinforces its assessment of Hong Kong's economic and financial positions published last month.

Releasing its endorsed Staff Report today, the IMF reaffirmed strong support for Hong Kong's pre-emptive fiscal and financial policies.

The IMF noted that the Government's proactive fiscal policy, robust regulatory regime for the financial system, and demand-side management measures for the property market, have built up strong fiscal and financial buffers in Hong Kong to minimise the impact of any near-term shocks, and to secure the healthy growth of the economy in the medium term.

It also reiterated its continued support for the Linked Exchange Rate System.

"The United States interest rate normalisation has begun and the global markets will likely be subject to volatility, but I am confident that our sound economic fundamentals and robust financial system will enable us to embrace the challenges ahead," Mr Tsang said.

Monetary Authority Chief Executive Norman Chan said the IMF's long-standing support for the Linked Exchange Rate System reaffirms the system's importance to financial stability.

He also welcomed the IMF's endorsement of macroprudential measures in enhancing the banking system's resilience.

New record in InvestHK projects

By archive.news.gov.hk
Friday, January 22, 2016

Invest Hong Kong helped 375 overseas and Mainland companies to set up or expand their businesses in Hong Kong last year, up 5.6% year-on-year, setting a new record.

Those 375 completed projects came from 36 economies, with the Mainland continuing to lead with a total of 78 projects, followed by the US with 49, the UK with 36, Japan with 31, and France with 20.

For the first time InvestHK helped two companies from Latvia and the Seychelles to set up in Hong Kong.

In terms of emerging subsectors, there was a growing number of companies in the IOT (Internet of Things) and FinTech (financial technology) industries set up in Hong Kong last year.

Director-General of Investment Promotion Dr Simon Galpin said that despite ongoing challenges in the global economy, Hong Kong continues to attract overseas and Mainland investors because of its enduring advantages and emerging business opportunities.

He noted that InvestHK will continue to reach out to potential clients, particularly in priority markets including the Mainland and those in the Association of Southeast Asian Nations, adding that he is optimistic of meeting the annual target of assisting 390 companies this year.

Don't worry about China, Lagarde tells Davos

By news.rthk.hk
Saturday, January 23, 2016

IMF chief Christine Lagarde on Saturday said the slowdown in China would not bring catastrophe for the global economy and that the jolts hitting financial markets were "very normal".

Lagarde spoke on the last day of the World Economic Forum in the Swiss ski resort of Davos where news this week of decreasing growth in China, the world's second biggest economy, spooked attendees from the global financial elite.

But Lagarde told a panel: "We are not seeing a hard landing... We are seeing an evolution, a big transition which is going to be bumpy.

"We have to get used to it and it's a very normal and proper way to actually move towards a more sustainable and a more quality growth we all hope," she said.

Beijing announced this week that the mainland economy grew by 6.9 percent in 2015, the slowest rate in a quarter century.

Worries about mainland growth were a major factor in a weak start to global markets this year, with share prices plummeting since January 1.