

## **Companies Ordinance Gazetted Today**

by Press Release, Companies Registry, Hong Kong

Friday, August 10, 2012

The new Companies Ordinance was gazetted today (August 10) following the passage of the Companies Bill by the Legislative Council on July 12.

A Government spokesman said that the new ordinance, comprising 921 sections and 11 schedules, provides a modernised legal framework for the incorporation and operation of companies in Hong Kong. He also pointed out that the objectives are to enhance corporate governance, improve regulation, facilitate business and modernise the law with a view to strengthening Hong Kong's competitiveness as a corporate domicile and enhancing its status as a major international commercial and financial centre.

The new ordinance will commence operation on a date to be appointed by the Secretary for Financial Services and the Treasury. Before its commencement, the Government will submit various implementing subsidiary legislation to the legislature for vetting and enactment in 2013. The spokesman noted that they aim to consult relevant stakeholders on the proposed subsidiary legislation in the coming months.

## **Exchange Fund Foreign Assets Up \$7b**

by news.gov.hk, Hong Kong

Tuesday, August 14, 2012

The Exchange Fund's foreign assets stood at \$2.2402 trillion at the end of July, up \$7 billion, the Monetary Authority announced today.

The monetary base at the end of July was \$1.0861 trillion. Claims on the private sector in Hong Kong amounted to \$134 billion. Foreign liabilities were \$200 million.

## **Chinese Businesses 'Booming' in Italy**

by RTHK News, Hong Kong

Sunday, August 19, 2012

Chinese businesses are booming in Italy, where their numbers rose 26 percent from 2008 to 2011, a study said Saturday.

At the end of 2011, Italy had 58,238 Chinese-owned businesses, concentrated especially in the retail, manufacturing, and hotel and restaurant sectors, said the study published by the CGIA business association, which got its figures from the country's chambers of commerce.

The number of Chinese businesses rose 7.7 percent in 2010-2011 alone, and Chinese nationals in Italy sent 7.87 billion euros (US\$9.7 billion) back to China during the four years from 2008 to 2011, the study found.

But CGIA secretary Giuseppe Bortolussi accused Chinese entrepreneurs of many cases of violating workers' rights, evading taxes, breaking sanitation rules and damaging local industry.

## **Visa-free District Envisioned**

by The Standard, Hong Kong

Thursday, August 23, 2012

Establishment of a visa-free economic zone along the border in which mainlanders can travel freely is being considered by the government.

The special district could be set up within five years if everything goes according to plan, according to Fang Zhou, assistant chief research officer at the pro-establishment think-tank One Country Two Systems Research Institute.

The zone will encompass 2,400 hectares and include part of the northeast New Territories. It will incorporate the Liantang/Heung Yuen Wan Boundary Control Point, which is being built.

Fang said Chief Executive Leung Chun-ying plans to create a visa-free area for mainlanders which could be used for high-end production, service industries and retail business.

The central government and the SAR government will offer special concessionary policies to allow mainlanders, raw materials and products to move freely in the area.

## **Tourism Fears After Visa Clamp**

by The Standard, Hong Kong

Thursday, August 23, 2012

China has tightened visa rules for visitors, and now requires a letter of invitation and proof of hotel reservations.

Travelers applying for tourist visas must submit a letter from an "authorized tourism unit," company or person inviting them to China, along with a photocopy of their round-trip ticket and hotel reservation, according to rules posted on the Chinese embassy's website in the United States.

The rule changes come as authorities scrutinize the status of foreigners in the country and clamp down on people entering China illegally.

The World Tourism Organization has predicted that China may become the world's biggest destination for tourists by 2015.

The mainland overtook Spain in 2010 to become the world's third-biggest tourist draw, with 55.7 million visitors that year.

It lies behind only France and the United States, according to data from the World Bank.

## **Ernst & Young in SFC cross hairs**

by The Standard, Hong Kong

Tuesday, August 28, 2012

The Securities and Futures Commission has taken a rare legal action against a big four accounting firm for failing to provide audit documents of a mainland company that was interested in listing in Hong Kong in 2009.

The security watchdog said it has commenced proceedings in the Court of First Instance against Ernst & Young Hong Kong, whose "failure" to produce the documents is a "serious concern."

The court could order the firm to comply with the request, the regulator added.

The SFC earlier issued a formal notice to EYHK seeking the audit papers and accounting documents of Standard Water, which has 50 water facilities in the mainland and had applied for listing in November 2009.

But EYHK declined to comply, claiming the documents were held by its mainland joint venture, Ernst & Young Hua Ming.

Citing restrictions under mainland law, EYHK claimed the accounting records may be classified as state secrets since all Hong Kong accountants are required to obtain the consent of mainland authorities before handing over the documents to regulators in Hong Kong. EYHM also declined to produce the records.

In March 2010, EYHK resigned as auditor of Standard Water after discovering "inconsistencies" in its documentation. The firm later withdrew its listing application.

The SFC stressed accounting and audit papers must be provided to the local and mainland regulators, especially when a firm is under investigation of suspected misconduct.

## **FS Promotes HK in Russia**

by news.gov.hk, Hong Kong

Tuesday, August 28, 2012

Two-way trade between Hong Kong and Russia recorded 44% growth in the first half of this year, Financial Secretary John Tsang says.

Speaking at a lunch with Russian business representatives who attended a seminar co-organised by Invest Hong Kong and the Zhuhai Municipal People's Government in Moscow, he said he hoped more Russian companies will invest and set up businesses in Hong Kong.

This would reduce Hong Kong's reliance on traditional markets, and strengthen Hong Kong's protection against fluctuations in the external economic environment in the long run.

The seminar demonstrates the combined advantages and competitiveness of the Pearl River Delta and the synergy of collaboration, he said, and reinforces Hong Kong's position as the premier location for foreign enterprises seeking to tap business opportunities in the Mainland market.

Mr Tsang is visiting Moscow until August 31 for the Asia-Pacific Economic Cooperation Finance Ministers' Meeting.