

Hong Kong & Mainland China News – Feb-2013

Company legislation gazetted

by news.gov.hk, Hong Kong
Wednesday, January 30, 2013

The first batch of subsidiary legislation for the new Companies Ordinance's implementation will be gazetted on February 1, the Financial Services & the Treasury Bureau said today.

Five pieces of subsidiary legislation to be introduced are the Companies (Words & Expressions in Company Names) Order, the Companies (Disclosure of Company Name & Liability Status) Regulation, the Companies (Accounting Standards (Prescribed Body)) Regulation, the Companies (Directors' Report) Regulation and the Companies (Summary Financial Reports) Regulation.

The new legislation will set out relevant requirements concerning company names, financial reporting and directors' reports and related matters. It does not include any subsidiary legislation relating to the inspection of the Companies Register under the new Companies Ordinance.

After gathering public views on the matter in 2009-2010, the new arrangement was introduced to satisfy the public need to access information, while protecting the privacy of more than a million existing and former directors. The Administration seeks to strike a reasonable balance between the two.

The new Companies Ordinance, which LegCo passed on July 12, 2012, provides a modernised legal framework for companies' incorporation and operation in Hong Kong. Its objectives are to enhance corporate governance, improve regulation, facilitate business and modernise the law to strengthen Hong Kong's competitiveness as a corporate domicile and enhance its status as a major international commercial and financial centre.

The subsidiary legislation will be brought into operation together with the new Companies Ordinance.

HIBOR fixing mechanism strengthened

by news.gov.hk, Hong Kong
Wednesday, February 6, 2013

The Monetary Authority announced today a package of measures to strengthen the fixing mechanism for the Interbank Offered Rate or HIBOR, enhancing its transparency and robustness.

The authority said it accepted the Association of Banks and Treasury Markets Association proposals, and asked them to take forward the measures in six months.

They include transferring the HIBOR fixing process's administrator function to the Treasury Markets Association; instituting an effective surveillance and governance structure for the administrator function, with broad representation of HIBOR stakeholders; and developing a comprehensive code of conduct, including a clear rate submission guidance, for reference banks to observe.

Other measures include phasing out HIBOR fixings with little market demand, and reviewing the reference banks panel composition every 12 months.

Patent system changes announced

by news.gov.hk, Hong Kong
Thursday, February 7, 2013

The Government announced today the way forward for the development of the patent system in Hong Kong.

It includes introducing an "original grant" patent system with substantive examination outsourced to other patent offices while retaining the current re-registration system; retaining the short-term patent system with suitable refinements; and, developing a fully fledged regulatory regime on patent agency services in the long term.

To ensure the Hong Kong patent system continues to meet present-day circumstances and can facilitate the city's development into a regional innovation and technology hub, the Government launched a comprehensive review of it in October 2011, and conducted a public consultation.

The Advisory Committee submitted a report to the Government on the positioning of Hong Kong's patent system in December, which has been accepted by the Government. It supports the committee's strategic recommendations on the further development of Hong Kong's patent system. It will continue discussions with the committee to work out the details of the implementation plan in the next phase.

China reports better than expected trade data

by bbc.co.uk, Hong Kong
Friday, February 8, 2013

China has reported better-than-expected trade data, fuelling optimism that its economic growth may be rebounding from the recent slowdown.

Exports, a key growth driver, surged 25% in January from a year earlier. Most analysts had forecast a 17% jump.

Imports surged 28.8% indicating a robust pick up in domestic demand.

Separate figures showed that the inflation rate slowed to 2% in January but there was concern over a spike in food prices as vegetable costs soared.

Holiday season distortion?

China's growth rate slipped to 7.8% in 2012, the slowest annual pace since 1999, fuelling worries about the health of the world's second-largest economy.

"China's economic conditions are improving and the trade data confirms the continuation of a recovery trend," said Hirokazu Yuihama, senior strategist at Daiwa Securities.

"Not just the trade data but retail, production and investment flows clearly show that the economy bottomed out in the third quarter last year."

Trust bill gazetted

by news.gov.hk, Hong Kong
Friday, February 8, 2013

The Trust Law (Amendment) Bill 2013, aimed at modernising trust law in Hong Kong, was gazetted today.

The bill would amend the Trustee Ordinance and the Perpetuities & Accumulations Ordinance, enhancing trustees' default powers while providing for appropriate checks and balances - making trusts administration more effective.

Secretary for Financial Services & the Treasury Prof KC Chan said Hong Kong must modernise its trust laws to enhance its status as an international asset-management centre.

Hong Kong trust law is based mainly on common law, supplemented by the Trustee Ordinance and the Perpetuities & Accumulations Ordinance, which have not been substantially reviewed or modified since they were enacted in 1934 and 1970. Some of their provisions are outdated and cannot meet present-day trusts' needs.

Rich nations warned on 'spillover'

by rthk.hk, Hong Kong
Monday, February 18, 2013

China has urged developed nations to take care to avoid "negative spillovers" from their loose monetary policies, amid fears of further asset bubbles and lost export competitiveness.

The need for caution was stressed by Vice-Finance Minister Zhu Guangyao at a news conference in Moscow, after a meeting of the Group of 20 countries.

"Major developed nations (should) pay attention to their monetary policy spillover," he said. The G20 nations declared there would be no currency war and deferred plans to set new debt-cutting targets, underlining broad concern about the fragile state of the world economy.

Japan's expansive policies, which have driven down the yen, escaped direct criticism in a statement thrashed out in Moscow by policymakers from the G20, which spans developed and emerging markets and accounts for 90 percent of the world economy.

After late-night talks, finance ministers and central bankers agreed on wording closer than expected to a joint statement issued last Tuesday by the Group of Seven rich nations backing market-determined backing market-determined exchange rates.

Total exports up 13.9%

by news.gov.hk, Hong Kong
Tuesday, February 19, 2013

The volume of total goods exports rose 13.9% year-on-year in December, and that of goods imports grew 11%, the Census & Statistics Department announced today.

It said the volume of goods re-exports rose 14.1%, while that of domestic exports grew 3.3%.

The prices of goods re-exports rose 0.7% year-on-year in December, while those of domestic exports increased 3%. Taken together, the prices of total goods exports grew 0.7%. Concurrently, the prices of goods imports increased 1.7%.

Comparing 2012 with 2011, the volume of goods re-exports increased 0.1%, while that of domestic exports fell 13%. Taken together, the volume of total goods exports decreased 0.1%. The volume of goods imports grew 1%.

The prices of goods re-exports rose 3.4% in 2012 over a year earlier, while those of domestic exports increased 2.5%. Taken together, the prices of total goods exports grew 3.4%. The prices of goods imports increased 3.3% in the same period.

Mainland curbs on local govt borrowing

by rthk.hk, Hong Kong
Thursday, February 21, 2013

The mainland banking regulator has tightened rules on new lending to local governments in a bid to protect banks from bad loans.

Most local governments are barred from borrowing money directly. But they can set up financing vehicles to get around such rules, and borrow money from banks to support infrastructure projects.

Some of the projects have in the past turned out to be white elephants, leaving the banks to foot the bill. Now, the banking regulator says loans will be granted for projects that generate future returns. Outstanding loans owed by local governments to Mainland banks stood at a total of US\$9.2 trillion.

HK inflation eases in January

by thestandard.com.hk, Hong Kong
Friday, February 22, 2013

Hong Kong consumer price index rose 3 percent in January from a year back, easing from December, mainly due to seasonal reason, the Census and Statistics Department said today.

CPI rose 3.7 percent in December.

"Looking ahead, inflationary pressures are still likely to be largely contained in the near term, given the moderated increase in import prices and the modest local economic growth," a government spokesman said in the statement.

However, the volatility of international food and commodity prices amid the global liquidity glut, coupled with the rise in local housing rentals over the past year, may pose some upside risks to inflation, the spokesman noted.

Property measures will prove effective

by news.gov.hk, Hong Kong
Saturday, February 23, 2013

Secretary for Financial Services & the Treasury Prof KC Chan explained the two new measures introduced yesterday to cool the property market are intended to increase the transaction cost for all properties, and will help to cool the market.

Speaking to the media after attending a television programme today, Prof Chan said the Buyer's Stamp Duty and the enhanced Special Stamp Duty introduced last year achieved their purpose, driving down non-Hong Kong permanent residents' demand.

Prof Chan said in some housing segments, transactions have gone down and prices have been moderated. However, he said the Government realises that prices in certain market segments, particularly in the medium-priced segment, have continued to rise.

The Government announced yesterday the ad valorem stamp duties on both residential and non-residential properties would be doubled across the board, while stamp duty for transactions of \$2 million or below will rise from a \$100 flat fee to 1.5% of the transaction's consideration.