

China to further expand VAT reform

By rthk.hk
Friday, July 04, 2014

Mainland authorities say they will expand a value-added-tax programme to cover more sectors, with the aim of completing reforms by the end of 2015.

The official Xinhua news agency cited Finance Minister Lou Jiwei as saying that the scheme, aimed at reducing companies' tax burden and curbing double taxation, will also cover finance, real estate, living services and the construction sectors.

HK, Korea sign tax treaty

By news.gov.hk
Tuesday, July 08, 2014

Hong Kong and Korea have signed an agreement for the avoidance of double taxation and prevention of income tax evasion.

Secretary for Financial Services & the Treasury Prof KC Chan signed the agreement with Korean Consul-General Cho Yong-chun today.

Prof Chan said the agreement, which sets out the allocation of taxing rights between the two jurisdictions, will help investors better assess their potential tax liabilities from cross-border economic activities. It will bolster the economic and trade connections between the two places and offer added incentives for companies in Korea to do business and invest in Hong Kong.

Under the agreement, double taxation will be avoided in that any Korean tax paid by Hong Kong companies doing business through a permanent establishment there will be allowed as a credit against the tax payable in Hong Kong in respect of the income, subject to the provisions of Hong Kong's tax laws.

Tax paid in Hong Kong by Korean residents will be allowed as a credit against tax payable in Korea.

The agreement also set out rules on handling interest, royalties, airline and shipping profits.

The agreement is the 30th of its kind Hong Kong has concluded with its trading partners. It will come into force after the completion of ratification procedures in both places.

PBoC to reduce intervention in yuan

By rthk.hk

Friday, July 11, 2014

China's central bank said on Thursday that it will reduce its intervention in the currency market.

Speaking on the sidelines of annual high-level talks between the US and China, the governor of the People's Bank of China, Zhou Xiaochuan, said the bank will significantly reduce its intervention when conditions are ready.

His comments came as a conciliatory note a day after the Finance Minister Lou Jiwei said it was difficult for China to take its hands off the yuan.

Mr Zhou also reiterated the goal of liberalising interest rates in two years.

New companies hit record high

By news.gov.hk

Sunday, July 13, 2014

A total of 95,408 local companies were newly incorporated in the first half of this year, up 7.16% on the second half of last year, the Companies Registry announced today.

Registrar of Companies Ada Chung said the number of newly registered local companies hit a record high in the first six months of this year, with 21,978 companies incorporated online via e-Registry.

As at the end of June, the total number of live local companies registered was 1,233,780, up 70,849 from the figure at the end of 2013.

For non-Hong Kong companies that have established a place of business in Hong Kong, 393 companies were newly registered in the first half of this year, down 8.18% on the second half of 2013. The total number of non-Hong Kong companies registered reached 9,432 by the end of June.

On the new Companies Ordinance that launched on March 3, Ms Chung said the new law will enhance corporate governance, facilitate business, ensure better regulation and modernise the law.

China's growth quickens to 7.5% in Q2

By rthk.hk

Wednesday, July 16, 2014

The mainland's economy grew 7.5 percent between April and June from a year earlier, slightly above expectations and quickening from the 7.4 percent pace in the first quarter, reinforcing hopes that a recovery is under way after a flurry of government stimulus measures.

Other data released alongside the gross domestic product report showed factory output rose 9.2 percent in June from a year ago, beating expectations of a 9.0 percent increase.

Fixed asset investment, a mainstay driver of the mainland's economy, climbed 17.3 percent in the first six months compared with a year earlier, above forecasts for a 17.2 percent rise.

Retail sales rose 12.4 percent in June from a year ago, in line with analysts' predictions.

China's economy got off to a weak start this year as unsteady foreign and domestic demand dragged on exports, investment and industrial output, prompting the government to announce a slew of stimulus measures.

Many economists believe more policy support may be needed in coming months to sustain any recovery, particularly if the already cooling property market begins to deteriorate more sharply.

China, Switzerland in currency swap deal

By rthk.hk

Tuesday, July 22, 2014

The Swiss and Chinese central banks signed a currency swap agreement in Beijing on Monday marking an important step in the development of a market for yuan in Switzerland, the Swiss central bank BNS said.

The agreement, highlighting steps towards the international use of the yuan, ensures that Swiss francs will be available in China and that yuan, also known as renminbi, will be supplied to financial centres in Switzerland.

A statement by the Swiss central bank said the agreement was "an important step" for the yuan business in Switzerland.

The agreement permits the two central banks to buy up to a maximum of 150 billion yuan or 21 billion Swiss francs.

The Swiss central bank also obtained a quota of investment in yuan which opens the way for it to invest part of its currency reserves on the Chinese bond market.

Under this arrangement, the Chinese central bank would allow the Swiss central bank a quota of 15 billion yuan or about two billion Swiss francs to invest on the Chinese interbank bond market.

China manufacturing at 18-month high

By rthk.hk

Thursday, July 24, 2014

HSBC says a key measure of Chinese manufacturing activity hit an 18-month high in July.

Its preliminary purchasing managers index - which tracks activity in China's factories and workshops - hit 52 this month, the highest since January 2013.

It was 50.7 in June, which was the first time since December the index climbed above the 50-point level - suggesting expansion in the sector.

GDP rise seen on target

By thestandard.com.hk

Wednesday, July 30, 2014

The mainland economy will show stronger impetus in the second half, with annual growth likely at 7.5 percent, the People's Daily said.

That came as Hong Kong-based analyst Kenix Lai at Bank of East Asia told Bloomberg: "A better economic outlook is attracting funds into Chinese assets from the yuan to stocks."

The economy will remain under pressure from risks in local financing, property, shadow banking and excess capacity in many industries, the People's Daily said.

But State Information Center chief economist Fan Jianping told the paper that gross domestic product growth will be faster than in the first half as directional fine-tuning launched in May and June take effect. He is hopeful of meeting the goal of 7.5 percent annual growth.

He attributed the optimism to increases in investment and foreign trade, coupled with improved domestic consumption.

The paper said China is seeing a "new normal" where growth is slowing and structure optimizing, leading to a period of moderately high growth with a better economic structure.

The GDP growth rate was 7.4 percent in the first quarter but rebounded to 7.5 percent in the second.