

Hong Kong & Mainland China News – September-2018

HK, Saudi Arabia tax pact to start

By www.news.gov.hk

Friday, August 31, 2018

The agreement between Hong Kong and Saudi Arabia for the avoidance of double taxation will come into force tomorrow, the Government announced today.

The agreement was signed in August 2017.

It will be effective in Hong Kong for any year of assessment beginning on or after April 1, 2019.

Mainland tax pact in force

By www.news.gov.hk

Tuesday, September 11, 2018

The Mainland and Hong Kong have implemented an arrangement for conducting automatic exchange of financial account information in tax matters.

The arrangement came into effect on September 6.

Hong Kong will conduct automatic exchange of financial account information with the Mainland for the first time later this month along with that for 49 jurisdictions.

Such information exchange is a global tax co-operation initiative which mandates financial institutions to identify financial accounts held by tax residents of reportable jurisdictions and collect relevant information for reporting to the tax authority.

The Inland Revenue Department will exchange the information with its counterparts in the reportable jurisdictions concerned on an annual basis.

Hong Kong had earlier activated exchange relationships with 49 other jurisdictions on the basis of bilateral competent authority agreements or a multilateral competent authority agreement under the Convention on Mutual Administrative Assistance in Tax Matters.

The Government said Hong Kong will continue to deliver its obligations to implement the automatic exchange of tax information in accordance with the Common Reporting Standard promulgated by the Organisation for Economic Co-operation & Development.

As of the end of August, 149 jurisdictions, including Hong Kong, have undertaken to implement such an arrangement.

Tax orders to be gazetted

By www.news.gov.hk

Wednesday, September 12, 2018

Two orders made by the Chief Executive in Council under the Inland Revenue Ordinance to implement the Comprehensive Avoidance of Double Taxation Agreements with India and Finland will be gazetted on September 14.

Hong Kong signed the agreements with India and Finland in March and May respectively.

A Government spokesman said the agreements ensure investors will not have to pay tax twice on a single source of income.

The agreements will bring tax savings and a greater certainty on taxation liabilities for the residents of the treaty partners when they engage in cross-border trade and investment activities.

The orders will be tabled at the Legislative Council on October 10 for negative vetting.

The agreements will enter into force after both Hong Kong and the treaty partners have completed their ratification procedures.

HKMA launches faster payment system

By www.thestandard.com.hk

Monday, September 17, 2018

The Hong Kong Monetary Authority has launched the Faster Payment System, which operates on a round-the-clock basis and connects banks and stored-value facility operators on the same platform, enabling the public to transfer funds anytime, anywhere, across different banks or SVFs with funds available almost immediately.

Starting from today, the public can make use of the mobile app of participating banks and SVFs to register their mobile phone number or email address with the FPS as an account proxy for receiving funds.

And from September 30, the public can make transfers or receive funds using the FPS. Currently, a total of 21 banks (including most retail banks) and 10 SVFs in Hong Kong have participated in the system to provide FPS services for their customers at launch

The transaction below HK\$10,000 is not required to be double-certified. Otherwise, it needs a double-certified with a one-time mobile phone verification code or encoder. The market expects that banks will generally not charge any fees.

HK maintains GDP growth forecast

By www.news.gov.hk

Thursday, September 20, 2018

Financial Secretary Paul Chan today said the Government maintains its 2018 economic growth forecast of 3% to 4%, despite the trade dispute between the Mainland and the US.

Speaking to the media in Ho Chi Minh City, Mr Chan said the direct impact on Hong Kong's economy will be mild this year as US tariffs have just taken effect.

However, he cautioned that apart from re-exports, Hong Kong should be vigilant about the impact of the trade dispute on investor confidence, the market and the stability of the financial system.

Mr Chan added a series of stress tests have been conducted, with results showing that Hong Kong's banking and financial systems are stable.

HKMA discusses cross-border payments with China

By www.thestandard.com.hk

Friday, September 21, 2018

The Hong Kong Monetary Authority is in talks with authorities in China on cross-border payment arrangements, the chief executive Norman Chan Tak-lam said. He added that the focus is on remote account opening, while complying with the "know your customer" requirements.

Referring to the US-Sino trade spat, he expects the impact on Hong Kong economy and trade to become evident in the coming one or two quarters.

HK ranked freest economy

By www.news.gov.hk

Wednesday, September 26, 2018

The Hong Kong Special Administrative Region Government today welcomed the Fraser Institute's recognition of Hong Kong as the world's freest economy in its latest report on economic freedom.

Of the five areas of assessment, Hong Kong topped the rankings in freedom to trade internationally and regulation.

In a statement, the Government said the hard-earned results vividly reflect Hong Kong's steadfast commitment to building a free economy with a level playing field.

The Government added it will continue to build a robust institutional framework, uphold the fine tradition of rule of law and maintain an efficient government to provide a level playing field and a favourable environment for the economy to thrive.

On the claim in the institute's press release that there is a concern about the rule of law in Hong Kong, the Government said there are no objective facts showing the rule of law or judicial independence in Hong Kong has been subject to any interference.

Hong Kong IPOs to rake in \$300b

By www.thestandard.com.hk

Thursday, September 27, 2018

A record 220 companies are expected to list in Hong Kong this year, raising about HK\$300 billion, twice as much as last year, according to Deloitte International.

The firm also revealed that HK\$243.4 billion was raised from IPOs in the first three quarters of the year, adding that the city will regain its crown as the world's top IPO destination in 2018.

Edward Au, co-leaders of National Public Offering Group of Deloitte China, said new-economy firms have dominated the IPO market, with three out of top five IPOs this year being new-economy companies.

Dick Kay, co-leaders of National Public Offering Group of Deloitte China, said the weighted-voting right structure implemented this year by Hong Kong Exchanges and Clearing (0388) has been very successful, as the new rule was only implemented early this year but two companies have already listed on the stock exchange.

Meanwhile, another accountancy firm EY said Hong Kong's IPO market experienced sharp spikes in the third quarter this year by both deal number and proceeds, with 18 percent of IPOs and 49 percent of global proceeds during the period.

"We saw the positive impact of new listing regulations on the Hong Kong IPO market," Ringo Choi, EY Asia-Pacific IPO leader said. "However, IPO activity was also negatively impacted by interest rate hikes and investors looking for interest rate-driven investments, a trend which could continue in 2019."