

FINANCIAL SERVICES INDUSTRY NEWS

■ REINSURANCE

Hong Kong Insurance Authority and China Banking and Insurance Regulatory Commission Implement Preferential Treatment to Promote the Development of Hong Kong Reinsurance Industry

The China Banking and Insurance Regulatory Commission and the Hong Kong Insurance Authority (HKIA) of Hong Kong have reached an agreement to allow preferential treatment for qualified reinsurers in Hong Kong.

The preferential treatment is based on the Equivalence Assessment Framework Agreement on Solvency Regulatory Regime (Agreement) signed between the former China Insurance Regulatory Commission and the former Office of the Commissioner of Insurance on 16 May 2017 for the insurance regulators in two places to carry out equivalence assessment on the solvency regulatory regimes.

Hong Kong reinsurers were previously grouped with other offshore reinsurers under C-ROSS. This decreased the attractiveness of Hong Kong as a reinsurance hub for Mainland insurers, as the assigned baseline risk charge factor for credit exposure was significantly higher than that of onshore mainland reinsurers.

Once the new agreement is implemented, Hong Kong reinsurers that meet specific requirements – such as minimum solvency ratios and credit ratings of A- or higher – will be subject to lower charges in general.

According to John Leung, chief executive of the HKIA, “the preferential treatment will help sharpen the competitive edge of the Hong Kong insurance industry and strengthen Hong Kong’s position as a reinsurance hub in Asia”.

Source: www.ia.org.hk





■ ASSET MANAGEMENT

The Asset Management and Fund Advisory Industry Recorded Growth in 2017

On 20 July 2018, the Securities and Futures Commission released the findings of its annual Asset and Wealth Management Activities Survey which shows that the asset and wealth management business in Hong Kong amounted to HK\$24,270 billion (US\$ 3,108 billion) as at 31 December 2017. Some major findings are highlighted as follows:

- The asset management and fund advisory business conducted by licensed corporations and registered institutions grew by 23 percent to HK\$17,511 billion (US\$2,242 billion).
- The number of Hong Kong-domiciled SFC-authorized funds increased seven percent to 755 and their net asset value increased 30 percent to HK\$1,244 billion (US\$159 billion).
- The number of corporations licensed for asset management (Type 9 regulated activity) in Hong Kong increased 14 percent from 1,300 as at 31 December 2016 to 1,477 as at 31 December 2017.
- Overseas investors remained a major source of funding for the asset and wealth management business, accounting for 66 percent.

Source: www.sfc.hk

■ FINANCIAL TALENTS

Hong Kong Set for Academy of Finance

On 17 July 2018, the Hong Kong Monetary Authority (HKMA) announced a plan to set up the Academy of Finance (AoF) to reinforce Hong Kong's competitiveness as an international financial centre.

A group of experts commissioned by the HKMA recommended the AoF should perform as a centre of excellence for promoting financial leadership development and serve as a repository of knowledge and centre for monetary and financial research.

The AoF will closely collaborate with the Government, the financial regulators, the Financial Services Development Council, the financial industry, tertiary institutions and professional training bodies.

The HKMA will set up a preparatory committee to take the initiative forward and launch the AoF in mid-2019.

Source: www.hkma.gov.hk



Talent List to Attract Quality Financial People

The Government promulgated on 28 August 2018 the first Talent List of Hong Kong which aims to attract quality people from around the world in a more effective and focused manner to support Hong Kong's development as a high value-added and diversified economy.

The Talent List, which contains 11 professions, includes the following financial professionals:

- experienced management professionals in asset management including but not limited to trust fund management;
- experienced professionals in marine insurance;
- actuaries

In order to attract relevant world talents to Hong Kong, immigration facilitation is provided to eligible persons under the Talent List through the Quality Migrant Admission Scheme (QMAS). Successful applicants under the QMAS are not required to have secured an offer of local employment for settlement in Hong Kong. For applicants who meet the specifications of the respective profession under the Talent List, bonus marks will be given under the General Points Test of the QMAS.

The Talent List will be regularly updated to ensure that it can keep up with Hong Kong's latest economic development and the changing needs for different talents.

Source: www.talentlist.gov.hk



PAYMENT

The Launch of Faster Payment System

The Hong Kong Monetary Authority announced the launch of the Faster Payment System (FPS) on 17 September 2018.

The FPS is a unique platform as it supports instant payments in the Hong Kong Dollar and the Renminbi with the use of mobile phone numbers, email addresses or Quick Response codes (QR code), and achieves full connectivity among banks and stored-value facility (SVF) accounts. It makes retail fund transfers and payments much quicker and easier. The launch of the FPS signifies a new era for the payment system. It will also bring new opportunities to the retail payment industry.

Starting from 17 September 2018, 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 30 September, 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.

Source: www.hkma.gov.hk

CONTACT US

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