

Press release

SFST begins Dubai visit

Monday, November 24, 2008

The Secretary for Financial Services and the Treasury, Professor K C Chan, began his official visit in Dubai today (November 24) by speaking at the Dubai International Financial Centre Forum. He introduced to the 250 financial and business leaders at the forum about the development of Islamic finance in Hong Kong.

Professor Chan said the strong economic growth in Middle East countries, the high level of accumulation of wealth and resource in the region, and the increasing variety and sophistication of Islamic financial products had spurred the development of Islamic finance and its integration into the international financial system, bringing about an increasingly international dimension of Islamic finance.

Professor Chan said, “The most important factor supporting the growth in Islamic finance is that the Middle East economies have been developing rapidly on the back of surging oil prices. In addition, the peculiar features of Islamic financial products, which emphasise risk-sharing and partnership, make such products another choice beside the mainstream financial products for market players.”

Professor Chan said that, being an international financial centre, Hong Kong possessed the required credentials to offer a suite of Shariah-compliant products and services to become an Islamic financial hub.

On Hong Kong’s niche in playing the role as an Islamic financial platform, Professor Chan said Hong Kong’s unrivalled position in bridging the Mainland, the world’s fastest growing economic giant, to the international market laid a solid foundation for a role as a two-way springboard, facilitating the intermediation of savings and investments between the Islamic financial communities and the Mainland and acting as the new Silk Road linking the two sides.

He said, “Hong Kong is now actively pursuing technical modifications to the taxation regime to deal with the implications on tax obligations and liabilities arising from the peculiar structures of sukuk, with a view to levelling the playing field for sukuk vis-a-vis conventional bonds.”

Professor Chan said Hong Kong, serving as a centre for international financial intermediation for many years, was fully confident and ready to provide a conducive environment for the Islamic finance industry to expand its horizon of business parameters and arrange offering of innovative products in Hong Kong.

During the day, Professor Chan also met Chief Executive of the Dubai Financial Services Authority, Mr David Knott. He also called on Chief Economist of the Dubai International Financial Centre Authority, Dr Nasser Saidi.

Tomorrow (November 25), Professor Chan will host a networking lunch with key people from the financial sector in Dubai. He will also attend a roundtable discussion on Islamic bond (sukuk) with representatives from leading financial institutions in the city.

Ends