

Press release

Hong Kong and Shanghai sign MOU to advance financial co-operation

Tuesday, January 19, 2010

The Financial Services and the Treasury Bureau of the Hong Kong Special Administrative Region Government and the Shanghai Municipal Government Financial Services Office today (January 19) signed a Memorandum of Understanding Concerning Advancing Hong Kong-Shanghai Financial Co-operation (MOU).

The aim of the MOU is to actively promote dual development and co-operation between financial services in Hong Kong and Shanghai.

Witnessed by the Financial Secretary, Mr John C Tsang, the Vice-Mayor of Shanghai, Mr Tu Guangshao, and other guests, the Secretary for Financial Services and the Treasury, Professor K C Chan, and the Director of the Shanghai Municipal Government Financial Services Office, Mr Fang Xinghai, signed the MOU at the Central Government Offices.

Speaking at the signing ceremony, Professor Chan said, "Hong Kong and Shanghai should step up co-operation for the country's financial development. As a highly international, liberal and institutionalised international financial centre, Hong Kong has relatively rich experience and advantages in facilitating Mainland financial institutions to go international step by step, attracting foreign capital and introducing financial innovation. On the other hand, Shanghai enjoys a prestigious position in mobilising capital, talent and financial institutions on the Mainland."

Professor Chan said he believed Hong Kong and Shanghai could capitalise on their respective strengths to contribute to financial reform on the Mainland.

He said that according to the MOU, the two cities would strengthen financial co-operation under the framework of the Hong Kong/Shanghai Economic and Trade Co-operation Conference and with the advice and support of the state's financial authorities.

Professor Chan said the MOU outlined three directions for advancing co-operation. Firstly, the MOU set out the overall objectives for advancing financial co-operation between Hong Kong and Shanghai. Under the framework of the "Mainland and Hong Kong Closer Economic Partnership Arrangement", with reference to the State Council's "Advice" of developing Shanghai into an international financial centre and following the principle of "complementing the edges, benefiting each other and achieving a win-win situation", the two cities would enhance co-operation, facilitate each other and prosper together.

"This would also strengthen the international competitiveness of our country's financial services industry," he said.

Secondly, the MOU set out priority areas for advancing financial co-operation between Hong Kong and Shanghai. These included enhancing co-operation in the development of financial markets, encouraging and supporting mutual establishment of financial institutions, and stepping up training and exchange of financial talent.

Hong Kong and Shanghai will also strengthen ties between their financial organisations under their respective regulatory frameworks. The MOU encourages the Shanghai Stock Exchange and Hong Kong Exchanges and Clearing Limited to foster closer links over the listing of enterprises, development and collaboration of products as well as sharing of information.

Professor Chan said the third area for advancing co-operation concerned improving the dialogue and exchanges between the financial services of Hong Kong and Shanghai. The Financial Services and the Treasury Bureau of the Hong Kong Special Administrative Region Government and the Shanghai Municipal Government Financial Services Office would jointly take the lead to co-ordinate representatives of government departments, financial regulators and financial market organisations of the two cities to meet annually. Hong Kong and Shanghai would take turns to host the annual meetings.

Professor Chan said that with the signing of the MOU between Hong Kong and Shanghai today, he hoped both places could make joint efforts, advance exchanges, further complement each others' competitive edges and advance strategic collaboration, to promote the development of the country's financial services industry.

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