

Press Release

HK, Shanghai hold meeting to enhance financial co-operation (with photos)

Thursday, April 3, 2014

Representatives of governments, financial regulators and exchanges of Hong Kong and Shanghai today (April 3) held the fourth Working Meeting of Hong Kong-Shanghai Financial Co-operation in Shanghai so as to enhance financial co-operation between the two places.

The Secretary for Financial Services and the Treasury of the Hong Kong Special Administrative Region Government, Professor K C Chan, and the Director-General of the Shanghai Municipal Government Financial Services Office, Mr Zheng Yang, gave accounts of the latest financial developments in Hong Kong and Shanghai. Representatives of the two places discussed financial issues of mutual concern, including ways to strengthen links in financial services and products, and reinforce training and exchanges of financial talents.

Shanghai representatives updated the meeting on the implementation progress of financial measures in the China (Shanghai) Pilot Free Trade Zone (SHFTZ). Both sides exchanged views on financial co-operation opportunities arising from the establishment of the SHFTZ, especially on ways to enhance co-operation between the SHFTZ and Hong Kong on cross-border Renminbi (RMB) business, as well as facilitative measures for Hong Kong financial institutions to enter the SHFTZ.

On bolstering the co-operation of financial services and products, both sides agreed to encourage Hong Kong subsidiaries of Shanghai financial institutions to take part in the RMB Qualified Foreign Institutional Investor (RQFII) scheme and the Qualified Foreign Institutional Investors (QFII) programme, and to launch more diversified investment products with a view to expanding the asset management business.

In addition, the two sides also concurred to advocate qualified financial institutions and enterprises in Shanghai to issue negotiable securities in Hong Kong such as RMB bonds and H-shares. Bilateral agreement was also reached on encouraging financial institutions in the securities sector to set up branches in Hong Kong, with a view to fully utilising Hong Kong as a financing

platform and opening up international business. On insurance, both sides will boost co-operation in cross-border RMB reinsurance and encourage the development of Hong Kong's RMB insurance business, thereby fostering cross-border RMB reinsurance business between the two cities. The exchanges of the two places explored the way forward in further collaboration in information exchange, talent training and business co-operation.

On the training and exchange of financial talents, the two sides agreed to continue to organise exchange programmes, such as the Pilot Scheme for Cross-border Study Tour for Post-secondary Financial Talents, in a bid to foster talent exchange and enhance mutual understanding of the monetary systems and financial markets of the two places. The Pilot Scheme has diversified programmes, including visits to government bodies, regulators and exchanges, as well as work attachment in financial institutions.

The Hong Kong representatives also met with the Vice Mayor of the Shanghai Municipal Government, Mr Tu Guangshao, today, and will visit the SHFTZ tomorrow (April 4) before returning to Hong Kong.

The Financial Services and the Treasury Bureau of Hong Kong and the Shanghai Municipal Government Financial Services Office signed a Memorandum of Understanding Concerning Advancing Hong Kong-Shanghai Financial Co-operation (MoU) in 2010. Under one of the co-operation directives of the MoU, financial representatives of the two places hold bilateral meetings regularly with a view to improving mutual dialogue and exchanges. The first three working meetings were held in July 2010, January 2012 and March 2013.

Ends

