

## Speech

### SFST's speech at the HKICPA spring cocktail reception (English only)

Tuesday, March 5, 2013

Following is the speech by the Secretary for Financial Services and the Treasury, Professor K C Chan, at the HKICPA (Hong Kong Institute of Certified Public Accountants) Spring Cocktail Reception 2013 today (March 5):

Susanna [Chiu], Raphael [Ding], distinguished guests, ladies and gentlemen,

It is my pleasure to be here this evening at the Spring Reception of the Hong Kong Institute of Certified Public Accountants, and to join you all in celebrating the arrival of the Year of the Snake. May I first wish you all a prosperous New Year blessed with good health and much happiness!

The Year of the Dragon was a remarkable year for Hong Kong. We celebrated the 15th anniversary of the return of Hong Kong to China and the assumption of office of the fourth term Government of the Hong Kong Special Administrative Region. Domestic demand remained stable and our economy grew by a respectable if not remarkable rate of 1.4 per cent during the past year, despite some setbacks in external trade. We have a budget surplus and Hong Kong has once again been voted the world's freest economy for the 19th consecutive year.

Moreover, Hong Kong has continued to consolidate itself as a premium asset management centre and offshore Renminbi (RMB) business centre. In 2012, the total remittance of RMB for cross-border trade settlement amounted to RMB2,632 billion. The outstanding amount of RMB loans, at RMB79 billion, was double that of 2011, reflecting Hong Kong's strong position as the largest RMB liquidity pool outside the Mainland. Looking ahead, the Financial Secretary's 2013-14 Budget has outlined steps that the Administration will take to strengthen our position as a premier international asset management centre. We will expand the size of the Government Bond Programme from \$100 billion to \$200 billion, allow private equity funds to enjoy the same tax exemption as offshore funds, and reduce profits tax on the offshore insurance business of captive insurance companies to attract more enterprises to form captive insurance companies in Hong Kong.

Snakes are symbols of swiftness and versatility, which are two of the traits shared by the accounting profession. In the face of economic uncertainties around the globe, we very much rely upon our accounting professionals to adapt to the dynamic economic conditions and to uphold the integrity and quality of Hong Kong's financial reporting with unwavering professionalism and timely disclosure.

Finally, I would like to take this opportunity to thank the Institute's leaders and all the guests here for your hard work and dedication to the development of the accounting profession, as well as your contributions in other capacities in ensuring that Hong Kong has continued to stand out and prosper as an international financial centre in the past year to the envy of the rest of the financial world. With your continued support, we can look forward to an even more successful year ahead.

According to the Chinese zodiac, a snake also signifies charm and wisdom. And so once again I wish you all good fortune and happiness in the Year of the Snake.

Thank you.

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