

Transcript of remarks by SFST at media session

Thursday, June 16, 2016

Following is the transcript of remarks by the Secretary for Financial Services and the Treasury, Professor K C Chan, at a media session after attending the Legislative Council (LegCo) meeting today (June 16):

Reporter: Is the bill (the Inland Revenue (Amendment) Bill 2016) affected (by the suspension of the meeting today)?

Secretary for Financial Services and the Treasury: Well, of course it will delay, hopefully only for one week because we will definitely come back next Wednesday. I hope that we will not meet with this type of surprises. I must say the bill is a very important bill because it is a bill that lays down the groundwork for Hong Kong to engage in automatic exchange of tax information with other jurisdictions. It's really important for Hong Kong to fulfil our international obligations. It means so much to Hong Kong as an international economic and financial centre. So, it's a very important bill. And, I'm very grateful to the LegCo Bills Committee and I believe all the members have broad support for this bill because they recognise how important it is for Hong Kong. Unfortunately, we couldn't pass it today because of these surprises. But I certainly hope that we can come back next week and get it passed.

Reporter: Is there any urgency to pass it?

Secretary for Financial Services and the Treasury: There is urgency, of course, because we have to pass this bill before the LegCo adjourns. It's important for us to pass the bill so that we will give the financial institutions time to set up a system and it also allows us to begin negotiations with other jurisdictions before the end of this year, so that we can collect information in 2017 in order to fulfil our international obligations to engage in exchange in 2018. So, Hong Kong has a very tight schedule. I think the LegCo members understand it. That's why our bill was going through the Bills Committee rather efficiently. With all the broad-based support, I'm very hopeful, of course, that we will get it done next week. Having said that, today is a surprise.

Reporter: What do you think on Hong Kong's market being affected by Brexit?

Secretary for Financial Services and the Treasury: Hong Kong's market is linked to the global market. There is no escaping from it. Hong Kong indeed is a part of the international market. So, whenever there is any type of reallocation of assets, such as what we are seeing now because of the financial uncertainty causing asset managers to go into safer assets, it will undoubtedly affect Hong Kong's financial market because we are a part of the global market. But what I am trying to say is that the potential Brexit itself does not have any direct impact on our economy.

(Please also refer to the Chinese portion of the transcript.)

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