

Unlocking Potential from Changing Times

釋放變化時期的潛力



While Hong Kong is entering 2024 facing ongoing geopolitical and economic headwinds beyond the city's control, the Publication Sub-Committee of the Hong Kong Institute of Bankers (HKIB) explores scenarios and initiatives that give rise to cautious optimism.

踏進2024年，香港面對持續的地緣政治和經濟逆風，一時難以招架，香港銀行學會出版事務委員會特此撰文探討可審慎樂觀的前景和措施。



Amid Hong Kong's on-going slow-but-steady recovery from the impact of the COVID-19 pandemic, there are some bright spots on the horizon. While the Hong Kong Government has cautioned the annual budget deficit for 2023 would significantly surpass initial estimates and reach HKD100 billion, a number of economists are

predicting that Hong Kong's economy is poised for a soft landing in 2024 as annual real GDP growth moderates to around 2% from 2023's 3.5%. In his New Year message, Chief Executive John LEE Ka-chiu sought to inject confidence by pledging to boost the economy, while Financial Secretary Paul CHAN Mo-po appealed for Hong Kong to adopt "a curious and open-minded" attitude to contend with changing times.

Signals indicate an end to interest rate hikes

After a lengthy monetary tightening campaign to battle high inflation that saw the US implement the most aggressive interest rate-raising cycle in 40 years, indications are now pointing towards interest rate cuts that could come as early as mid-2024. Ending a cycle that had seen 11 consecutive hikes since March 2022, in late December 2023, the US Fed Fund Target Rate was held at 5.25% – 5.50%, prompting Jerome Powell, Chair of the US Federal Reserve (the Fed) to note that inflation was easing faster than expected and rate cuts were coming "into view". While some economists anticipate the Fed will begin cutting interest rates as early as February or March 2024, Eddie YUE, the Hong Kong Monetary Authority's (HKMA) Chief Executive, believes that rate cuts are less imminent, and the Fed will wait until mid-2024 to start lowering interest rates.

香港持續從新冠疫情緩慢而穩定的復甦，未來仍可見亮點。儘管香港政府警告，2023年的年度預算赤字將遠超預期，達到1,000億港元，但許多經濟學家預測，香港的經濟有望在2024年軟著陸，年度實質GDP增長由2023年的3.5%放緩至約2%。行政長官李家超在新年文告中，承諾促進經濟以加強信心，財政司司長陳茂波則呼籲香港採取「保持好奇心和虛心開放」的態度，以應對變幻時刻。

訊息顯示息率將見頂

為抗衡通貨膨脹高企，在一輪漫長的貨幣緊縮行動中，美國實施40年來最果斷的加息周期，現在有跡象顯示，最早可能在2024年中開始減息，結束自2022年3月以來連續11次加息的循環。2023年12月下旬，美國聯邦儲備局（聯儲局）基金目標利率穩企於5.25厘至5.5厘，使得聯儲局主席鮑威爾表示通貨膨脹的紓緩比預期快，減息在望。儘管一些經濟學家預計聯儲局最早會在2024年2或3月調低利率，但香港金融管理局（金管局）總裁余偉文認為減息未必是近期的事，聯儲局會等到2024年中才開始減息。

In place since 1983 — even if the cycles of the two economies differ — the Hong Kong dollar’s peg to the USD means that Hong Kong’s monetary policy is conducted in lockstep with the Fed to preserve the mechanism. As such, Hong Kong’s base rate was raised by 525 basis points since March 2022. A decrease in interest rates, coupled with an anticipated weakening of the US dollar, could pave the way for global capital to find its way back to Asian markets, especially Hong Kong.

Expected revival of initial public offering listings

Following a global trend, in spite of a fall in new initial public offering (IPO) listings, Hong Kong Exchanges Clearing (HKEX), which operates Asia’s third-largest stock market, reported strong growth in derivatives and Exchange Traded Funds trading. Total derivatives trading rose by 4% as of the end of November 2023 to 1.4 million contracts a day. HKEX also maintained its title as host to the world’s most traded securities derivative and warrant markets, with total turnover of USD307.26 billion in the first 10 months of 2023; considerably higher than the second-placed Stuttgart bourse on USD42.15 billion.

While Central Bank interest rate cuts are unlikely to be as sharp as the hikes made in recent months, a relaxation of interest rates could help resuscitate IPO listings in Hong Kong as well as rekindle investor sentiments. A rebound in IPO activity in Hong Kong could see the more than 90 IPO applications currently in the pipeline list on the city’s stock exchange, including a few potential “blockbuster listings”. Big four firm, PwC, expects that total funds raised for the full year of 2024 in Hong Kong will rebound and reach over HKD100 billion. With IPO activities rejuvenated, PwC also predicts the redirection of liquidity, including funds from Europe, the US and the Middle East, which will boost market liquidity and improve valuations.

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自1983年以來，即使港、美兩個經濟體的周期有所不同，因港元與美元掛鉤，意味香港的貨幣政策須緊跟聯儲局以維繫掛鉤機制。因此，自2022年3月以來，香港的基本利率已調高525個基點。利率下滑，加上預計美元轉弱，可能為全球資本回歸亞洲市場—尤其是香港—鋪平道路。

預期初次公開招股回復活躍

在全球大勢所趨下，新的首次公開招股 (IPO) 雖然有所減少，但位列亞洲第三大股票市場的香港交易所 (港交所) 報稱衍生產品和交易所買賣基金交易增長強勁。截至2023年11月底，衍生產品交易額增長4%，達每天140萬份合約。港交所也保住全球交易最多的證券衍生產品和認股證市場的稱號，2023年前十個月期間，總交投額錄得3,072.6億美元，遠高於第二位只有421.5億美元的斯圖加特交易所。

儘管各國中央銀行的減息速度不大可能像近幾個月來的加息一樣急遽，但放寬利率有助重振香港的IPO活動，以及提振投資者的情緒。香港IPO活動反彈，從目前在證券交易所輪候



Regulatory regime on stablecoin issuers to be introduced in 2024

As Hong Kong continues with its drive to develop the city into a global hub for virtual assets, the Financial Services and the Treasury Bureau and the HKMA recently published a public consultation paper to gather views on a legislative proposal to regulate issuers of stablecoin – digital tokens that are pegged to an existing currency or commodity. With fiat-referenced stablecoins considered an important measure for facilitating a Web3 ecosystem development in Hong Kong, the consultation paper includes legislation proposals to implement regulatory guardrails in the form of a licensing regime requiring all fiat-referenced stablecoin issuers that meet certain conditions to be licensed by the HKMA. To obtain an HKMA license, stablecoin issuers will be required to meet several criteria, including full backing of all circulating stablecoins with reserves “at least equal to the par value”, segregation and safekeeping of reserve assets and disclosure and regular reporting processes. The framework reflects Hong Kong regulatory authorities’ intention to set a high bar for fiat-referenced stablecoins.

的九十多個首次公開招股申請可見一斑，其中更包括一些「大型股」。四大公司之一的普華永道估計，2024年香港全年籌集的資金總額將反彈至1,000億港元。隨著IPO活動復甦，普華永道還預測流動資金將重新定位，來自歐洲、美國和中東的資金將提高市場流動性並提高估值。

2024年將推出加密貨幣監管架構

隨著香港繼續致力發展成為全球虛擬資產中心，財經事務及庫務局和金管局最近發表公眾諮詢文件，以收集有關立法規管穩定幣發行人的意見 — 穩定幣是一種與現有貨幣或商品掛鉤的數碼代幣。由於參考法幣的穩定幣被視為促進香港Web3生態系統發展的重要措施，諮詢文件包括立法建議，規定發行人若要在香港發行參考法定貨幣的穩定幣，必須向金管局申請相關牌照。要獲得金管局發牌，穩定幣發行人須符合幾個條件，包括所有流通的穩定幣須具備「至少等於其面值」的儲備資產，儲備資產與其他資產須分隔保管，以及定期披露和匯報。有關框架反映香港監管當局為參考法幣穩定幣設定相當高的標準。



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The introduction of stablecoins could have a significant and positive impact on the economy. For example, the use of stablecoins could streamline capital market transactions by making instantaneous real-time delivery versus payments (DvP, the transfer of asset occurs if and only if the transfer of payment also occurs) possible. Instantaneous real time DvP is also known as atomic settlement, whereby DvP settlement can be done immediately and instantaneously once the relevant trade is executed. The change in settlement time atomic settlement makes is significant. From the settlement cycle a few decades ago which took T+32 (the transaction date; plus the number of days after the transaction date the settlement takes place) due to the need to deliver scripts, settlement cycle had shortened to T+2 due to immobilisation and dematerialisation of assets and further to T+0 instantaneous real time, due to digitalisation, with both the digitalised assets and digitalised cash on the same settlement platform.

From a monetary policy perspective, the issuance of stablecoins could increase the money supply in Hong Kong as well as speed up the velocity of money in circulation. Both scenarios could have a stimulating influence on Hong Kong's economy. However, it should be kept in mind that the use of stablecoins would be a new phenomenon, and in all likelihood, it will take time for users to become familiar with the processes and the potential. Nevertheless, it is worth considering the possibilities ahead. For instance, the issuance of stablecoins denominated in currencies other than HKD; for example, stablecoins denominated in RMB could help the offshore development of RMB as an international currency. RMB denominated stablecoins issued in Hong Kong could also be used for settling RMB denominated capital market transactions in Hong Kong as well as the wider Guangdong-Hong Kong-Macao Greater Bay Area.



穩定幣的引入可能會對經濟產生重大和積極的影響。例如，使用穩定幣可以通過實時貨銀對付 (DvP, 在及僅在作出付款時資產同時轉移) 來簡化資本市場交易。即時實時DvP也稱為原子結算，即進行交易時，可以即時及同時進行DvP結算。原子結算所需的結算時間差異顯而易見。數十年前，由於文件來往，結算周期需時T+32 (交易日期; 再加上交易日期之後結算所需的天數)，由於資產固定化和非物質化，結算周期縮短至T+2，再由於數碼化，數碼化資產和數碼化現金處於同一結算平台，實現T+0即時實時結算。

從貨幣政策的角度來看，發行穩定幣可以增加香港的貨幣供應，並加快貨幣流通的速度。兩者都可能刺激香港的經濟，但應注意，使用穩定幣是一種新事物，使用者很可能需要時間來熟習有關程序和發掘其中潛力。儘管如此，值得考慮未來的可行性。例如，發行以港元以外貨幣計價的穩定幣。如以人民幣計價的穩定幣，可以幫助人民幣作為國際貨幣的離岸發展。在香港發行的人民幣計價穩定幣，也可用於結算香港以至粵港澳大灣區的人民幣計價資本市場交易。



Launch of a new Capital Investment Entrant Scheme

First announced in “The Chief Executive’s 2023 Policy Address”, and flagged as one of the eight policy measures designed to promote the growth of family offices in Hong Kong, the Capital Investment Entrant Scheme (CIES) has been established to attract asset owners to set up in Hong Kong where they can leverage advantages by tapping into the diverse investment and wealth management opportunities the city offers.

According to a policy statement on developing family office businesses in Hong Kong issued by the Financial Services and the Treasury Bureau, the new CIES would help strengthen the development of the asset and wealth management, financial and related professional service sectors in Hong Kong, and bring more business opportunities and high-quality job prospects to all segments of the industry’s service chain. With updated details of the scheme announced on 19 December 2023, CIES will be implemented in mid-2024.

The new CIES will accept applications from eligible persons aged 18 or above (including foreign nationals, Chinese nationals who have obtained permanent resident status in a foreign country, Macao Special Administrative Region

推出新資本投資者入境計劃

新資本投資者入境計劃(新計劃)在《行政長官2023年施政報告》中率先公布,列為發展家族辦公室的八大政策措施之一,以吸引資產擁有人士在香港居留,並通過調配和管理財富,發掘本港多元的投資機會。

據財經事務及庫務局公布的發展香港家族辦公室政策聲明,新計劃將有助加強香港資產和財富管理、金融和相關專業服務界別的發展優勢,並為業界服務鏈的各個環節帶來更多商機和高質素就業機會。新計劃的詳情於2023年12月19日公布,並於2024年中實施。

新計劃將接受18歲或以上符合資格的人士申請(包括外國國民、中國籍而已取得外國永久性居民身份的人士、澳門特別行政區居民和台灣華籍居民)。政府表示,申請人須證明在提出申請前的兩年絕對實益擁有不少於3,000萬港元的淨資產,這數目是較早前提出的1,000萬港元的三倍,該計劃於2015年暫停,因參與者的房地產投資促使樓價飛漲,影響香港居民。

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residents and Chinese residents of Taiwan). According to the government, applicants must demonstrate that he or she has been “absolutely beneficially entitled to net assets of not less than HKD30 million throughout the two years preceding application.” The sum is triple the HKD10 million threshold in an earlier CIES scheme, which was suspended in 2015 as property investments from CIES participants contributed to skyrocketing home prices, affecting Hong Kong residents.

Under the terms of the new scheme the applicant must also invest a minimum of HKD30 million in permissible investment assets, including a minimum of HKD27 million in assets such as equities, debt securities, certificates of deposit, subordinated debt, eligible collective investment schemes, limited partnership funds or non-residential real estate, and HKD3 million that will be invested in a new CIES investment portfolio. The Portfolio will be set up and managed by the Hong Kong Investment Corporation Limited to make investments in companies/projects with a Hong Kong nexus, with a view to supporting the development of innovation and technology industries and other strategic industries that are beneficial to the long-term development of Hong Kong’s economy.

A successful applicant may bring his/her dependants (including spouse and unmarried dependent children aged under 18 years) to Hong Kong. Permission to stay will normally be granted to the applicant and his/her dependants for not more than two years. Upon expiry of the two-year period, they may apply for an extension of stay for not more than three years, and may subsequently apply for further extensions of stay for not more than three years upon the expiry of each three-year period. They may, upon a period of continuous ordinary residence in Hong Kong of not less than seven years, apply to become Hong Kong permanent residents in accordance with the law.



新計劃還規定申請人必須投資最少3,000萬港元於獲許投資資產，包括投資最少2,700萬港元於獲許金融資產如股票、債券、存款證、後償債項、合資格集體投資計劃、有限合夥基金或非住宅房地產，並向全新成立的資本投資者入境計劃投資組合投入300萬港元。該投資組合由香港投資管理有限公司成立和管理，投資於與香港有關連的公司或項目，以支持創新及科技行業和其他有助香港經濟長遠發展的重點行業。

成功的申請人可以帶同家屬（包括配偶和18歲以下的未婚及受養子女）來港，一般可獲准在港逗留不超過兩年，期滿後可申請延長不超過三年，隨後在每個三年期屆滿後可申請再延長不超過三年。申請人及其受養人如在港連續通常居住不少於七年，可依法申請成為香港永久性居民。基於香港的財產繼承手續簡單，沒有資本增值稅和遺產稅，沒有增值稅和香港股息和利息收入稅，新計劃為超高淨值家庭提供具吸引力的機會，在香港管理其金融資產。

為使新計劃更具吸引力，政府將提供機制，暫免外來人才在港購置住宅物業時需繳付買家



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Taking into account Hong Kong's straightforward processes for the transfer of wealth between generations, the absence of capital gains tax, no estate duties, no value-added tax and no tax on dividend and interest income in Hong Kong, CIES provides an attractive opportunity for ultra-high-net-worth families to have their financial assets managed in Hong Kong.

To make the CIES scheme more attractive, a mechanism will be introduced for the suspension of payment of Buyer's Stamp Duty and New Residential Stamp Duty on the purchase of residential property in Hong Kong. The Suspension Mechanism of payment of Buyer's Stamp Duty and New Residential Stamp Duty already applies to those who come to Hong Kong via the Admission of Mainland Professionals Scheme.

While Hong Kong may not as yet have bounced back to its pre-COVID highs, a drop in interest rates, an influx of high-net-worth investment migrants, the introduction of stablecoins and a rejuvenated IPO market could be positive game changers. To avoid missing the opportunities these new initiatives could offer, as the Financial Secretary recommends, it will be important to adopt “a curious and open-minded” attitude to contend with changing times. **BT**

印花稅及新住宅印花稅。這機制也適用於通過「輸入內地人才計劃」來港的人士。

雖然香港尚未反彈到疫情前的高位，隨利率下調，高淨值投資移民湧入，引入穩定幣，以及IPO市場重拾活力，都可能帶來積極的轉變。為免錯失這些新措施帶來的機會，正如財政司司長所建議，採取「保持好奇心和虛心開放」的態度，在變化中與時並進。 **BT**

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