

Calendar of Events of Significance for the Hong Kong Economy in 2012

- 1 Jan The number of products with rules of origin agreed under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) was increased to 1 732.
- 5 Jan The Chief Executive (CE) attended the Second Plenary Session of the Hong Kong/Shanghai Economic and Trade Co-operation Conference in Shanghai. At the Conference, the two sides discussed co-operation in various areas and signed four co-operation agreements.
- To ensure adequate protection for investors, the Hong Kong Monetary Authority (HKMA) issued a circular to authorized institutions (AIs) to provide further guidance on conduct-related issues in relation to the sale of investment products.
- 9 Jan The Government announced the tendering of 10-year Government Bonds, totalling \$1.5 billion, through the re-opening of an existing 10-year Government Bond issue under the Institutional Bond Issuance Programme of the Government Bond Programme.
- 12 Jan The Heritage Foundation and the Wall Street Journal released the 2012 Index of Economic Freedom. Hong Kong was rated the freest economy in the world for the 18th consecutive year.
- 15 Jan The Chief Secretary for Administration (CS) officiated at the opening ceremonies of the HKSAR Government Chongqing Liaison Unit and the “Chongqing-Hong Kong Week 2012” held in Chongqing.
- 16 Jan The HKMA and the UK Treasury announced the launch of a joint private-sector forum, to be facilitated by both authorities, to enhance cooperation between Hong Kong and London on the development of offshore renminbi (RMB) business.
- 16 – 17 Jan The Government and the Hong Kong Trade Development Council (HKTDC) co-organised the 5th Asian Financial Forum, a high-level platform which brought together influential members of the global financial community to discuss developments and trends in the dynamic markets of Asia. Carrying the theme “Asia: Driving Sustainable Growth”, the Forum attracted an audience of over 2 000 from 32 countries and regions.
- 17 Jan The Government announced the adoption of a set of proposed new Air Quality Objectives, together with a package of air quality improvement measures, to better protect public health.
- The HKMA announced the relaxation of two supervisory requirements on RMB business of AIs with immediate effect, including the calculation of RMB risk management limit and an increase in the limit for RMB net open position (NOP).
- 27 – 29 Jan CE attended the World Economic Forum Annual Meeting in Davos, Switzerland. During his stay in Switzerland, CE met with political and business leaders and the Director-General of the World Trade Organization to discuss the global economic condition and outlook and update them on Hong Kong’s latest developments.

- 30 Jan The Government announced the consultation conclusions and detailed proposals for the establishment of a Policyholders' Protection Fund.
- 1 Feb The Financial Secretary (FS) presented the Budget for the financial year 2012-13 to the Legislative Council (LegCo), focusing on supporting enterprises to preserve employment and promoting economic development to protect people's livelihood.
- To support enterprises by lowering their operating costs and to promote development of industries, FS proposed a number of measures, including increasing the maximum loan guarantee ratio to 80% under the SME Financing Guarantee Scheme, waiving business registration fees for 2012-13, reducing profits tax for 2011-12 by 75% subject to a ceiling of \$12,000, issuance of inflation-linked retail bond (iBond) worth not more than \$10 billion and providing \$1 billion to help Hong Kong enterprises tap the Mainland market. To provide suitable employment support and training for the working population, FS also proposed to earmark additional funding to enhance various employment and training programmes.
- To safeguard people's livelihood, FS put forward a number of one-off relief measures, including providing an extra month's allowance to recipients of various social security schemes, paying two months' rent for public housing tenants, granting each residential electricity account a subsidy of \$1,800, waiving rates for 2012-13 (subject to a ceiling of \$2,500 per quarter for each rateable property) and reducing salaries tax and tax under personal assessment for 2011-12 by 75% (subject to a ceiling of \$12,000). FS also proposed a number of measures to enhance education, social welfare, medical and health services, including, among others, injecting \$10 billion into the Samaritan Fund to assist patients in need.
- FS confirmed the Government's intention to maintain a steady and adequate supply of Grade A offices, and strived to develop new high-grade office clusters through land use planning, urban design, area improvement and the provision of better transport networks. FS also invited the Urban Renewal Authority (URA) to launch redevelopment projects of industrial buildings in the form of a pilot scheme.
- To reinforce the research culture among business enterprises and encourage co-operation between enterprises and local public research institutions, FS announced an increase in the level of cash rebate under the Research and Development (R&D) Cash Rebate Scheme from 10% to 30%. Enhancements would also be made to the Small Entrepreneur Research Assistance Programme under the Innovation and Technology Fund with effect from April 2012.
- The 2011 Economic Background and 2012 Prospects were published along with the 2012-13 Budget. Hong Kong's Gross Domestic Product (GDP) was forecast to grow moderately by 1-3% in real terms in 2012, as the expected setback in external demand should be cushioned by a resilient domestic sector. The headline and underlying Composite Consumer Price Indices (CPI) were forecast to increase by 3.5% and 4.0% respectively for 2012.
- 2 Feb The Government launched a public engagement exercise on Environmentally Friendly Linkage System for Kowloon East to enhance the connectivity of Kowloon East and facilitate its transformation into another attractive Central Business District.
- The Government announced the 2012-13 Land Sale Programme. The Programme offers a total of 47 residential sites with a capacity to produce about 13 500 units. In addition, it contains four commercial/business sites and two hotel sites.

- 4 – 5 Feb The HKMA co-hosted an informal meeting of central bank governors with the Bank for International Settlements in Hong Kong, participated by a total of 22 central banks and monetary authorities. The meeting provided an opportunity for central bank governors to review the global economic and financial situation, with specific emphasis on developments in Asia and the Pacific.
- 6 Feb The Government successfully conducted an auction of a total of 90 MHz of radio spectrum in the 2.3GHz band, with spectrum acquired by two existing mobile network operators and one new entrant.
- 8 Feb The Financial Stability Board (FSB) published the peer review report on deposit insurance systems (DIS), showing that the key features of the Deposit Protection Scheme in Hong Kong compared favourably with other major DIS. Chaired by the HKMA, the peer review took stock of DIS in FSB member jurisdictions and drew lessons on the effectiveness of reforms in response to the global financial crisis.
- 13 Feb The preparatory team of the Kowloon East Development Office (now renamed as Energizing Kowloon East Office) under the Development Bureau was set up to embark on the immediate tasks of transforming Kowloon East into another attractive Central Business District.
- 14 Feb The Government extended the Information and Consultation Agreement (ICA) with The Hong Kong and China Gas Company Limited (Towngas) for a period of three years with effect from 3 April 2012. The ICA was first signed in April 1997 to increase transparency in the Towngas' tariff setting mechanism and provide justification in the event of tariff adjustments, and had been extended five times since then.
- The first RMB-denominated gold Exchange Traded Fund (ETF) was listed in Hong Kong.
- 22 Feb The HKSAR Government and the Government of Jersey signed an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income.
- 27 Feb To capitalise on opportunities in the Haixi Economic Zone on the West Coast of the Taiwan Strait, the HKSAR Government established a Fujian Liaison Unit in Fuzhou.
- The Government announced the tendering of 2-year Government Bonds, totalling \$3.5 billion, under the Institutional Bond Issuance Programme of the Government Bond Programme.
- 29 Feb The Airport Authority unveiled the \$2.2 billion West Apron development project to bolster Hong Kong International Airport's capacity in meeting medium-term demand for additional parking stands.
- 1 Mar Hong Kong International Airport ranked top in the "Airports Asia – 1 000 000 or more tonnes" category of the "Air Cargo Award of Excellence" for the third time.
- Hong Kong International Airport was named "Best Airport in Asia" by financial publication "FinanceAsia".

- 2 Mar The Hong Kong Association of Banks (HKAB) announced the industry's implementation of the third, and the last, batch of credit card reform measures to further improve consumer protection and promote good credit card practices.
- 5 Mar The Central Government announced a 7.5% growth target for 2012, lower than the 8% target in the previous year, mainly to tally with the National 12th Five-Year Plan promulgated in March 2011.
- 8 Mar The Government announced the award of the tenancy for operating and managing the Kai Tak Cruise Terminal to Worldwide Cruise Terminals Consortium. The terminal building and the first berth are expected to be commissioned in mid-2013.
- 9 Mar The Banking (Amendment) Ordinance 2012 was gazetted, providing for the framework for implementing in Hong Kong the revised regulatory capital and liquidity standards promulgated by the Basel Committee on Banking Supervision, commonly known as "Basel III".
- 13 Mar The HKMA, Bank Negara Malaysia and Euroclear Bank jointly announced the launch of a pilot platform for the cross-border investment and settlement of debt securities on 30 March to enhance cross-border debt securities settlement efficiency and strengthen the capacity for debt securities issuance activities in the Asian region.
- 19 Mar – 15 Apr The eighth edition of Entertainment Expo Hong Kong, Asia's leading entertainment industry gathering, was held and featured 9 events covering films, television, music and digital entertainment.
- 20 Mar The Government gave in-principle approval for the Airport Authority to adopt, for planning purposes, the three-runway option as the future development direction for Hong Kong International Airport.
- 22 Mar The Hong Kong Mortgage Corporation Limited (HKMC) hosted a signing ceremony for the successful launch of its inaugural public issue of 5-year AUD500 million notes, making it the first Hong Kong issuer of a public Kangaroo bond.
- The Government launched public consultation on the detailed legislative proposals for the trust law reform.
- 23 Mar "Hong Kong Design Year @ apm" event was held to formally kick-start the promotion of Hong Kong Design Year 2012, a year-long programme with an array of signature events and promotional activities to propel the development of Hong Kong as Asia's design hub.
- 30 Mar The existing frequency assignments in the 1.9 – 2.2 GHz band for the provision of 3G mobile services will expire in October 2016. The Secretary for Commerce and Economic Development and the Communications Authority jointly issued a consultation paper on arrangements for the spectrum re-assignments. The decision on the way forward will be made by October 2013.
- 1 Apr To meet the regulatory challenges brought about by rapid technological advancements and the convergence of telecommunications and broadcasting, the Communications Authority (CA) was established under the Communications Authority Ordinance as an independent statutory unified regulator for the entire electronic communications sector in

Hong Kong.

The liberalisation measures under Supplement VIII to CEPA came into effect. Hong Kong service suppliers (HKSS) enjoyed preferential access to the Mainland market in 47 service areas, including 23 new liberalisation measures in 16 service sectors. Both sides also agreed to enhance origin criteria under trade in goods, and relax the definition and related requirements of HKSS.

The Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance came into effect.

- 2 Apr The HKMA, after taking into account the HKAB's suggestions, issued a guidance note on the key elements of the know-your-customer and due diligent procedures for RMB position squaring by AIs participating in RMB business in Hong Kong to ascertain the genuineness of the underlying cross-border merchandise trade transactions.
- 3 Apr The Office of the Government Chief Information Officer, in collaboration with the information and communications technology (ICT) industry, organised the Awards Presentation Ceremony of the Hong Kong ICT Awards 2012. The Awards encouraged local ICT professionals and organisations to develop innovative ICT solutions and helped uplift the image of Hong Kong's ICT industry both locally and internationally.
- 4 Apr Data centre solution provider Savvis and Digital Realty Trust announced to launch a new data centre in Hong Kong.
- 9 – 18 Apr CE visited New Zealand, Chile and Brazil. During the visit, CE met with political and business leaders to advance Hong Kong's economic and trade relations with the three countries, promote Hong Kong's advantage as China's global financial centre and encourage businesses there to use Hong Kong as a platform to develop their renminbi portfolios, as well as to tap business opportunities in the Mainland.
- 23 – 26 Apr Led by the Chief Executive of the HKMA, the HKMA conducted in Brazil and Chile its fifth in a series of overseas roadshows to showcase Hong Kong as the offshore RMB business centre.
- 23 – 27 Apr FS visited Vietnam, Malaysia and Thailand to strengthen economic and trade ties between Hong Kong and these three countries.
- 24 Apr The Government granted new ten-year franchises to New World First Bus Services Limited, Long Win Bus Company Limited, and Citybus Limited in respect of its franchise for the Airport and North Lantau bus network.
- 25 Apr Cushman & Wakefield and hurleypalmerflatt published the Data Centre Risk Index 2012 Report. Hong Kong continued to be the lowest risk location for data centres in Asia Pacific for two consecutive years, and ranked the seventh lowest in the world.

The Securities and Futures (Amendment) Bill 2011 was passed by the LegCo. The Securities and Futures Commission (SFC) was empowered to implement various new regulatory initiatives, including the establishment of a statutory disclosure regime; the authority to directly institute proceedings before the Market Misconduct Tribunal; and the establishment of the Investor Education Centre by SFC. Provisions establishing a statutory regime for disclosure of price sensitive information by listed corporations would commence operation on 1 January 2013.

The HKSAR Government and the Government of Malaysia signed an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income in Putrajaya.

27 Apr The Government announced the tendering of 3-year Government Bonds, totalling \$3 billion, under the Institutional Bond Issuance Programme of the Government Bond Programme.

3 May The Finance Ministers and Central Bank Governors of the ASEAN Member States, China, Japan and Korea (ASEAN + 3) agreed to enhance the Chiang Mai Initiative Multilateralisation, including an increase of its total size from US\$120 billion to US\$240 billion and the introduction of a crisis prevention function. Hong Kong's commitment would increase from US\$4.2 billion to US\$8.4 billion, and the amount that Hong Kong is eligible to borrow would increase from US\$2.1 billion to US\$6.3 billion accordingly.

The European Commission published its 14th report on Hong Kong, affirming the continued development of relations and co-operation between the European Union (EU) and Hong Kong in terms of trade, investment and dialogue on issues of common interest as well as recognising Hong Kong's strategic importance as a trading and investment partner for the EU.

5 May The Kowloon East Development Office organized its first public forum to engage the stakeholders and the public on the initiatives of Energizing Kowloon East.

7 May The 8th meeting of the Hong Kong-Shenzhen Joint Task Force on Boundary District Development (JTF) was convened in Shenzhen. The JTF noted the marked progress of the Liantang/Heung Yuen Wai Boundary Control Point project and the study on the development of the Lok Ma Chau Loop.

8 May The Airport Authority and 40 business partners pledged to make Hong Kong International Airport the world's greenest airport – the first commitment of its kind worldwide.

11 May The Government released the preliminary GDP figures for the first quarter of 2012. The Hong Kong economy slowed further to post a slight year-on-year growth of 0.4%, mainly dragged by the lull in exports amid a difficult external environment.

In the May update of the economic forecast for 2012, the forecast growth rate in real terms of GDP was maintained at 1-3%. The forecast rates of increase in the headline and underlying Composite CPI were also maintained at 3.5% and 4% respectively.

The Finance Committee of the LegCo approved an additional funding of \$275.3 million to extend the operation of four R&D centres. It also approved the funding application for the Shatin to Central Link project.

14 – 16 May FS, in his capacity as the Honorary Chairperson of the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council (ECCPC), led a delegation to visit Taipei and officiated at the opening ceremony of the Hong Kong Economic, Trade and Cultural Office.

- 15 May The HKMA, together with the HKTDC, conducted in Tokyo its sixth in a series of overseas roadshows to showcase Hong Kong as the offshore RMB business centre, attracting over 200 representatives from corporates, banks, fund managers and government agencies in Japan.
- 18 May The Banking Ordinance (Amendment of Seventh Schedule) Notice 2012 was gazetted. The Notice sought to remove the licensing requirements under which an applicant for a bank licence must have total customer deposits of not less than \$3 billion and total assets of not less than \$4 billion, and the impediments which restrict foreign banks from entering the Hong Kong market through establishing a locally incorporated subsidiary. The amendments came into operation on 12 July.
- 21 May The Hong Kong/Guangdong Joint Liaison Group on Combating Climate Change held its first meeting in Guangzhou. Both sides agreed on the work plan on combating climate change for 2012-13.
- 22 May The HKMA announced the replacement of the 20% standard RMB NOP limit applicable to AIs with a mechanism whereby AIs are allowed to set their own internal RMB NOP in consultation with the HKMA, taking into account the nature and scale of their RMB businesses. The HKMA also reminded all AIs to continue to adopt prudent measures in managing their foreign exchange and liquidity risk when engaging in RMB activities.
- The SFC became a member of the Board of the International Organization of Securities Commissions (IOSCO). The SFC was appointed as Chair of IOSCO's Asia Pacific Regional Committee commencing May 2013.
- 23 – 25 May CS visited Sichuan to officiate at a ceremony to commemorate the completion of post-quake reconstruction projects funded by the HKSAR and the signing of cooperation agreements between Hong Kong and Sichuan, to co-host a high-level meeting with officials of the Sichuan Provincial Government and to inspect reconstruction projects funded by the HKSAR.
- 25 May The HKMA released the report of the mystery shopping programme on compliance with the Code of Banking Practice and required AIs to give due regard to the issues identified when monitoring sales process and providing training to frontline staff. The Programme covered 21 AIs' services to retail customers in respect of savings accounts, unsecured personal loans and credit cards.
- The Government announced the tendering of 5-year Government Bonds, totalling \$1.5 billion, through the re-opening of an existing 5-year Government Bond issue under the Institutional Bond Issuance Programme of the Government Bond Programme.
- 27 – 29 May FS attended the opening ceremony and summit forum of the China (Beijing) International Fair for Trade in Services held in Beijing and spoke at the opening ceremony of the Mainland-Hong Kong Services Industry Symposium organised by the HKTDC.
- 29 – 31 May Vinexpo Asia-Pacific, a major international wine exhibition, was successfully held in Hong Kong for the fifth time. It attracted more than 1 050 exhibitors and 15 000 trade visitors.

- 31 May The HKMC introduced an 80% loan guarantee product under the SME Financing Guarantee Scheme at a concessionary level of guarantee fee, with an application period of nine months. The product was launched as part and parcel of the package of support measures for small and medium-sized enterprises announced in the 2012-13 Budget.
- 1 Jun Hong Kong started the implementation of Euro V vehicle emission standards for newly registered vehicles in two phases.
- The maximum level of relevant income for making Mandatory Provident Fund (MPF) mandatory contributions was increased from \$20,000 to \$25,000 per month.
- The Companies Ordinance (Amendment of Eighth Schedule) Order 2012 which abolishes capital duty levied under the Companies Ordinance on Hong Kong companies came into effect. The initiative would encourage investors to set up companies in Hong Kong to raise capital and expand their business.
- 7 Jun The Energizing Kowloon East Office under the Development Bureau was formally set up to steer, supervise, oversee and monitor the transformation of Kowloon East into another attractive Central Business District. Conceptual Master Plan 2.0 was published.
- 12 Jun The HKMA issued a circular to provide further guidance and clarification to facilitate the private banking industry's compliance with regulatory requirements for the sale of investment products whilst ensuring an appropriate degree of investor protection following consultation with the SFC and the HKAB.
- FS attended the fifth Hong Kong Macao Co-operation High Level Meeting in Macao to review the progress and future direction of co-operation between the two places.
- 13 Jun The Hong Kong Science and Technology Parks Corporation (HKSTPC) Board approved the Main Works Contract for the construction of Hong Kong Science Park Phase 3. The development of Phase 3, valued \$4.9 billion, is one of Hong Kong's major technology infrastructure developments in recent years. The facilities, which will be available between 2014 and 2016, could accommodate 150 additional firms and provide 4 000 jobs.
- 14 Jun The HKMA announced the replacement of the risk management limit with an RMB liquidity ratio for monitoring AIs' RMB liquidity position.
- The Competition Bill was passed by the LegCo. The Competition Ordinance provides a legal framework to curb anti-competitive conduct in various sectors, and to set up the Competition Commission and the Competition Tribunal responsible for enforcement of the legislation.
- 15 Jun With the gazettal of the Fisheries Protection (Amendment) Ordinance, the Government introduced a series of fisheries management measures to protect fisheries resources in Hong Kong and promote sustainable fisheries development.
- The HKMA launched an RMB liquidity facility to provide RMB term funds to individual AIs participating in RMB business in Hong Kong at their request against eligible collaterals. The facility makes use of the currency swap arrangement between the People's Bank of China and the HKMA.
- 16 – 21 Jun FS attended the G20 summit in Los Cabos as a member of the Chinese delegation.

- 18 Jun The Government announced two incentive measures to encourage the conversion of industrial buildings for data centre use and the development of high-tier data centres on industrial lots respectively.
- The Securities and Futures (Short Position Reporting) Rules took effect. In order to increase transparency of short selling activities, market participants are required to report short positions to the SFC. The SFC started to post weekly on its website the aggregated reportable short positions of specified shares from September 2012.
- The HKSAR Government and the Government of the United Mexican States signed an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income in Los Cabos.
- 19 Jun The Financial Dispute Resolution Centre, aimed at resolving financial disputes between financial institutions and their clients, opened in Hong Kong to further improve investor protection in the wake of the global financial crisis.
- 20 Jun The HKMA signed bilateral agreements with Euroclear Bank and J.P. Morgan Worldwide Securities Services respectively, to cooperate in delivering an innovative cross-border collateral management service on 25 June. The arrangement aims to develop and promote a cost effective and efficient repo market in Hong Kong, which helps enhance financial stability through the greater use of collateral to cover exposures in secured lending and borrowing. It also opens an efficient channel for financial institutions to widen their liquidity sources and obtain offshore RMB liquidity from Hong Kong.
- The Government announced the receipt of a total of 332 467 valid applications for a total of \$49.83618 billion in principal amount in launching a further issuance of iBond under the Retail Bond Issuance Programme of the Government Bond Programme, both setting records in the local retail bond market. A total of \$10 billion of iBond, with a tenor of three years, was issued on 22 June and listed on the Stock Exchange of Hong Kong on 25 June.
- 21 Jun The Ministry of Science and Technology approved the establishment under the Applied Science and Technology Research Institute (ASTRI) the “Hong Kong Branch of the National Engineering Research Centre for Application Specific Integrated Circuit System” in collaboration with the Southeast University in Nanjing.
- “The Issuance of PRC RMB Sovereign Bond and the Development of Hong Kong Bond Market” seminar, jointly organised by the Ministry of Finance of the Central Government, the Financial Services and the Treasury Bureau and the HKMA, and co-organised by the Bank of Communications Co., Ltd. Hong Kong Branch, was held in Hong Kong.
- 22 Jun Ground breaking ceremony for the Shatin to Central Link project was held. The project was scheduled for completion in 2020.
- 25 Jun The Environment Bureau, the Guangdong Province Housing and Urban-Rural Development Department and the Macao Secretariat for Transport and Public Works jointly announced the Regional Cooperation Plan on Building a Quality Living Area. This is the first regional plan jointly compiled by Hong Kong, Guangdong and Macao to transform the Greater Pearl River Delta region into a low-carbon, high-technology and

low-pollution city cluster of quality living, with a view to enhancing the overall competitiveness and attractiveness of the region.

The operating hours of the RMB Real Time Gross Settlement (RTGS) system in Hong Kong was extended from 10 hours a day to 15 hours, i.e. from 8:30 a.m. to 11:30 p.m. Hong Kong time. The extended operating window covers both the Asian and European business hours and the early US business hours, bolstering the competitiveness of the RMB clearing platform in Hong Kong and enabling it to better serve different regions.

The Government launched the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) of \$1 billion to encourage Hong Kong enterprises to move up the value chain through developing brands, upgrading and restructuring as well as promoting domestic sales, so as to enhance their competitiveness and facilitate their business development in the Mainland.

27 Jun The Personal Data (Privacy) (Amendment) Ordinance 2012 was passed by the LegCo. The Amendment Ordinance introduced a number of amendments to the Personal Data (Privacy) Ordinance, inter alia, to regulate the use of personal data in direct marketing and the provision of personal data for use in direct marketing; to create a new offence against disclosure of personal data obtained from a data user without the data user's consent; and to increase the penalty for non-compliance with an enforcement notice.

The Government announced the establishment of the Preparatory Task Force (PTF) on the Financial Services Development Council to recommend on the goals, terms of reference, operational model and composition of the proposed Financial Services Development Council (FSDC) which will aim to enhance and consolidate the status of Hong Kong as a globally significant international financial centre and promote the long term development of the financial services industry in Hong Kong. After months of study, consultation and deliberation, PTF submitted a report on setting up FSDC to the Chief Executive by the end of 2012.

28 Jun The Ministry of Finance launched the fourth issue of RMB sovereign bonds in Hong Kong, including the use of a new channel of issuance — placement to central banks and monetary authorities outside Mainland China through the “HKMA CMU Central Bank Placement Co-ordinating Window”.

Representatives of 12 Hong Kong higher education institutions and 17 Mainland higher education institutions signed a Letter of Intent on behalf of the participating institutions of the two places, to further strengthen exchange and collaboration between the higher education institutions of the two places.

29 Jun The HKMC collaborated with six banks and five non-governmental organisations to launch the Microfinance Scheme on a self-sustaining basis for a trial period of three years. The Scheme offers three categories of loans, i.e. Micro Business Start-up Loan, Self-employment Loan and Self-enhancement Loan.

The HKSAR Government and the Central People's Government signed Supplement IX to CEPA.

The Residential Properties (First-hand Sales) Bill was passed by the LegCo. The Ordinance will come into operation by end of April 2013.

The SFC authorized the world's first Renminbi Qualified Foreign Institutional Investors Scheme (RQFII) A-share ETF for listing in Hong Kong.

The China Securities Regulatory Commission (CSRC) approved two Hong Kong Stock ETFs. The two ETFs were subsequently listed on Shenzhen Stock Exchange and Shanghai Stock Exchange separately on 22 October.

30 Jun President Hu Jintao led a delegation to visit Hong Kong. The Central Government announced 39 supporting policies and measures to further strengthen co-operation between Hong Kong and the Mainland, covering a wide range of economic areas including economic and trade co-operation, tourism, financial co-operation and Hong Kong-Guangdong co-operation.

In particular, the Central Government announced a series of measures that support the development of offshore RMB business in Hong Kong. They include further issuing RMB sovereign bonds in Hong Kong; arranging for Mainland banks and enterprises to issue further RMB bonds in Hong Kong; further expanding the use of RMB outside the Mainland; supporting the use of the Hong Kong platform by parties from other places to settle trade and investment transactions in RMB, developing the offshore RMB lending market and further enriching the variety of offshore RMB products in Hong Kong; and further increasing the investment quotas, enlarging the range of participating entities, enriching the product variety and relaxing the investment restrictions in relation to be RMB Qualified Foreign Institutional Investors scheme.

1 Jul The HKSTPC commissioned a study in July 2012 to explore the feasibility of expanding the Yuen Long Industrial Estate by about 16 hectares. A decision on whether to proceed with the extension will be made by mid-2014.

The number of products with CEPA rules of origin agreed was increased to 1 739.

The Financial Reporting Council (FRC) completed the first review cycle of its risk-based financial statements review programme and commenced the second review cycle. In the second review cycle, the FRC selects 75 sets of financial statements of Hong Kong listed entities for review. The programme aims at promoting high quality financial reporting and sound corporate governance in Hong Kong by proactively identifying possible non-compliance with accounting requirements on the part of listed entities.

6 Jul Hong Kong was ranked the world's fourth largest recipient of Foreign Direct Investment (FDI) flows in 2011, according to the World Investment Report 2012 released by the United Nations Conference on Trade and Development (UNCTAD). Hong Kong had been ranked second in Asia, after Mainland China, for 14 consecutive years.

9 Jul Equinix, Inc., a provider of global data centre services, announced that it has completed the acquisition of Hong Kong-based data centre provider Asia Tone Limited.

11 Jul The HKMA and the SFC jointly published the Consultation Conclusions on the Proposed Regulatory Regime for the Over-the-counter (OTC) Derivatives Market in Hong Kong. Respondents were generally supportive of the proposed regulatory regime and recognised the need for Hong Kong to develop and implement measures in line with the G20 Leaders' objectives of improving transparency, regulatory monitoring and reducing counterparty and systemic risk in the OTC derivatives market. The HKMA and the SFC also issued a supplementary consultation paper on the proposed scope of the new and expanded regulated activities and the oversight of systematically important players. The consultation period ended on 31 August.

Hong Kong and Australia jointly announced the launch of a private-sector led annual dialogue to consider how to capture opportunities in relation to the wider use of RMB in trade and investment among Mainland China, Australia and Hong Kong. The dialogue, to be facilitated by the HKMA, the Australian Treasury and the Reserve Bank of Australia, would comprise representatives from the banking sector and firms participating in cross-border trade and investment.

12 Jul The \$5.55 billion Master Redevelopment Plan of the Ocean Park was completed upon the opening of its last new attraction “Polar Adventure”. The Park is now a world-class marine themed park featuring more than 70 attractions.

The LegCo passed the Companies Bill, which was subsequently published in the gazette on 10 August as the new Companies Ordinance to provide a modernised legal framework for the incorporation and operation of companies in Hong Kong. Its objectives are to enhance corporate governance, improve regulation, facilitate business and modernise the law with a view to strengthening Hong Kong's competitiveness as a corporate domicile and enhancing its status as a major international commercial and financial centre.

13 Jul The Finance Committee of the LegCo approved the 2012-13 Civil Service Pay Adjustment. The adjustment rates ranged from 5.26% to 5.80%, and took retrospective effect from 1 April 2012.

16 Jul The HKMA assumed the chairmanship of the Monetary and Financial Stability Committee of the Executives’ Meeting of East Asia-Pacific Central Banks (EMEAP) for a two-year term. The Committee is the main EMEAP platform for reviewing economic and financial developments in the region, identifying areas of vulnerability and recommending broad policy options in the areas of regional macro-monitoring and crisis management.

To address the pressing home ownership needs of the community, CE announced an interim measure to allow people with White Form status, with an annual quota of 5 000, to purchase Home Ownership Scheme (HOS) flats with premium not yet paid on the HOS Secondary Market before the completion of the first batch of new HOS flats in 2016-17. The Subsidised Housing Committee (SHC) of the Hong Kong Housing Authority (HA) approved the interim measure on 12 September.

17 Jul The Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012, which prohibits commonly seen unfair trade practices, was enacted by the LegCo. It enhances the protection of consumer interests.

The “Hong Kong/Guangdong Expert Committee on Cloud Computing Services and Standards” was established to facilitate expert exchanges between Hong Kong and the Mainland to develop good practices and guidelines in respect of security and privacy on the provision and use of cloud services and to drive cloud computing adoption.

The first RQFII A-share ETF was listed in Hong Kong.

18 Jul Octopus Cards Ltd and Lingnan Tong Co Ltd launched a co-named card “Octopus-Lingnan Pass”.

The Securities and Futures Ordinance (Amendment of Schedule 1) Notice 2012 came into effect. The lists of recognized stock exchanges and futures exchanges under the

Securities and Futures Ordinance have been updated so as to extend the application of tax exemption for offshore funds engaged in futures trading.

19 Jul The Treasury Markets Association (TMA) held the Treasury Markets Forum on cooperation between Hong Kong Shenzhen and Qianhai and the ensuing business opportunities, attracting more than 60 participants from regulatory bodies, banks and financial institutions in both Mainland China and Hong Kong.

24 Jul The Hong Kong Institute of Certified Public Accounts (HKICPA) and the Chinese Institute of Certified Public Accountants (CICPA) signed an implementation agreement to specify the detailed arrangements for Hong Kong certified public accountants to apply for exemption from four examination papers of the Uniform Certified Public Accountants Examination of the People's Republic of China, in accordance with the Agreement on the Mutual Examination Paper Exemptions for Mainland and Hong Kong Accountants and its Supplements under the CEPA framework.

25 Jul The HKMA issued a circular setting out that AIs would be allowed to open RMB accounts for non-Hong Kong residents and offer them a full range of RMB services starting from 1 August.

31 Jul Readers of online publication "Frequent Business Traveller" voted Hong Kong International Airport as the "Best Airport in Asia Pacific".

The Political Bureau of the Communist Party of China Central Committee reaffirmed the priority towards stable economic growth. The Central Government would continue to implement a pro-active fiscal policy and a prudent monetary policy, expand domestic demand, optimise investment structure while increasing effective investment, pursue further reforms in areas such as taxation and finance, and to unswervingly implement the property market control policy.

10 Aug The Government released the preliminary GDP figures for the second quarter of 2012. While merchandise exports remained sluggish in the second quarter amid the severe external headwinds, the domestic sector was still relatively resilient, thereby providing a buffer to overall economic performance. Real GDP increased slightly by 1.1% in the second quarter over a year earlier.

In the August update of the economic forecast for 2012, the forecast growth rate in real terms of GDP was revised to 1-2%. The forecast rates of increase in the headline and underlying Composite CPI were slightly revised upwards to 3.7% and 4.3% respectively.

The Office of the Government Chief Information Officer of Hong Kong and the Economic and Information Commission of Guangdong Province jointly announced the standing arrangement for the "Mutual Recognition of Electronic Signature Certificates Issued by Hong Kong and Guangdong". This would facilitate secure cross-boundary electronic commerce.

14 Aug China Mobile, China's largest mobile operator, laid the foundation stone for its Global Network Centre in Hong Kong.

17 Aug The HKMA announced the re-appointment of the Standard Chartered Bank (Hong Kong) Limited as the Settlement Institution for the Euro RTGS system in Hong Kong for a third five-year period commencing in March 2013.

Standard & Poor's Financial Services LLC affirmed Hong Kong's long-term local-currency and foreign-currency sovereign ratings at "AAA", with "Stable" outlook.

- 21 Aug After considering TVB Pay Vision Limited's commitments to improve and further develop its pay television service, CE in Council accepted the recommendations of the former Broadcasting Authority and approved the application for renewal of the domestic pay television programme service licence of TVB Pay Vision Limited for a validity period of 12 years from February 2013 to February 2025.
- 22 Aug Invest Hong Kong organised a major conference entitled "Going Global Seminar - Sharing the Business Advantages of Hong Kong" in collaboration with the Central People's Government Liaison Office Economic Affairs Department to promote Hong Kong as the ideal platform for Mainland companies to "go global".
- 27 Aug The Government announced the tendering of 2-year Government Bonds, totalling \$3.5 billion, through the re-opening of an existing 5-year Government Bond issue under the Institutional Bond Issuance Programme of the Government Bond Programme.
- 28 – 31 Aug FS attended the APEC Finance Ministers' Meeting in Moscow.
- 30 Aug CE announced a package of ten short and medium term housing and land supply measures, with a view to addressing community aspirations.
- 1 Sep A new facilitation arrangement was launched to allow Taiwan visitors who wish to make leisure or business trips to Hong Kong to make online pre-arrival registration free of charge.
- The New Academic Structure was smoothly implemented in the tertiary education sector under which undergraduate study has changed to a 4-year curriculum. With the parallel development of the publicly-funded and self-financing sectors, it is expected that in two years, over one-third of the relevant age cohort will have the opportunity to pursue degree-level education; taking sub-degree places into account, nearly 70% of young people will have access to post-secondary education.
- 4 Sep The HKMA announced the strategy of enhancing the retail payment infrastructure and instruments in Hong Kong. The strategy include moving from paper-based and semi-electronic payment instruments (such as bill and cheque payments) to a fully electronic platform; exploring the possibility of developing a common interface for Near Field Communication mobile payment; and enhancing the legislative framework to cover innovative payment instruments.
- 5 Sep Japan Credit Rating Agency, Ltd. affirmed Hong Kong's long-term local-currency and foreign-currency sovereign ratings at "AA+", with "Stable" outlook.
- The Pacific Economic Co-operation Council published its State of the Region Report 2012-2013. The Report recognised Hong Kong as one of the economies most highly integrated with the Asia-Pacific region.
- The World Economic Forum released its Global Competitiveness Report 2012-13. Hong Kong ranked ninth, advanced by two places over the last year.
- 5 – 11 Sep FS attended, on behalf of CE, the APEC Economic Leaders' Meeting and APEC CEO Summit held in Vladivostok.

- 6 Sep CE announced the implementation of the Hong Kong Property for Hong Kong People (HKPHKP) scheme through land sale conditions. This will be implemented as pilot in two land sale sites at Kai Tak, which are targeted for sale in the first quarter of 2013.
- 7 Sep Hong Kong and Chile signed a Free Trade Agreement (FTA). The FTA is the first one Hong Kong signs with a Latin American economy. It is comprehensive and of high quality, encompassing trade in goods and services, investment, and other related areas. The FTA will provide Hong Kong with better access to the Chilean market which may potentially serve as a gateway to the Central and South American markets.
- 8 – 9 Sep FS attended the 20th Economic Leaders’ Meeting of the Asia-Pacific Economic Cooperation in Vladivostok, Russia, amongst Leaders of 20 other Asia-Pacific economies. Leaders’ discussions focused on issues including supporting the multilateral trading system, trade and investment liberalisation, regional economic integration, strengthening food security, establishing reliable supply chains, intensive co-operation to foster innovative growth, and enhancing emergency preparedness.
- 11 Sep Octopus Cards Ltd and Shenzhentong Co Ltd launched a co-named card “Hu Tong Xing”.
- 12 Sep The SHC of the HA decided to release all of the remaining 832 Surplus HOS flats for sale in early 2013.
- 14 Sep In order to strengthen risk management in property mortgage lending business, the HKMA issued guidelines requiring AIs to lower the maximum loan-to-value ratio and debt servicing ratio for mortgage applicants with multiple property mortgages, and limit the maximum loan tenor of all new property mortgage loans to 30 years.
- CE and the Governor of Guangdong Province co-chaired the 15th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference in Guangzhou. At the meeting, the two sides agreed to focus on the promotion of the early achievement of liberalisation of trade in services between Hong Kong and Guangdong in 2014. The two sides also agreed to enhance the overall competitiveness of the region through closer co-operation in various aspects, including commerce and trade, financial services, innovation and technology, cross-boundary infrastructure, travel facilitation, cross-boundary clearance, environmental protection, education and culture.
- 17 Sep The Hong Kong Exchanges and Clearing Limited (HKEx) launched the first RMB currency futures.
- 18 Sep Hong Kong remained the freest economy in the world, according to the 2012 Annual Report on the Economic Freedom of the World jointly released by the Fraser Institute of Canada, CATO Institute of the US and more than 80 other research institutes around the world.
- 24 Sep Fitch Ratings affirmed Hong Kong’s long-term local-currency and foreign-currency sovereign ratings at “AA+”, with “Stable” outlook.
- 25 Sep The ECCPC and its Taiwanese counterpart, Taiwan-Hong Kong Economic and Cultural Co-operation Council, held their third joint meeting in Taipei. Both sides agreed to take forward new co-operation areas in environmental protection, heritage conservation, testing and certification industries and notification of unsafe consumer goods, and

exchanges between investment promotion agencies of both places.

- 26 Sep The Government launched a three-year Port Facilities and Light Dues Incentive Scheme, under which ocean going vessels that switch to the use of low sulphur fuel while berthing in Hong Kong would enjoy a 50% reduction in port facilities and light dues.
- 28 Sep To prepare for implementation of the new Companies Ordinance, the Government published consultation documents to seek public views on the draft provisions of the subsidiary legislation to be made under the new Ordinance.
- 1 Oct The FTA between Hong Kong and the Member States of the European Free Trade Association entered into force in relation to the part between Hong Kong, Iceland, Liechtenstein and Switzerland.
- 4 Oct Hong Kong International Airport was named the “Best Airport” in the annual TTG Travel Awards.
- 11 – 13 Oct FS attended the Annual Meetings of the International Monetary Fund and the World Bank Group held in Tokyo as a member of the Chinese delegation.
- 12 Oct The HKMA and the TMA jointly organised the Treasury Markets Summit 2012 in Hong Kong, attracting over 300 participants, including representatives from regulatory authorities, treasury markets practitioners, and senior executives and professionals from banks and other financial institutions from different geographic locations.
- 17 Oct The HKMA and Clearstream jointly announced their cooperation in providing cross-border collateral management and liquidity services in Hong Kong, with a plan to launch them in the first quarter of 2013.
- Financial Action Task Force recognized Hong Kong’s efforts in improving our local anti-money laundering and counter financing of terrorism regime to better align with the relevant international standards, and unanimously agreed to remove Hong Kong from its regular follow-up process.
- 26 Oct Rating and Investment, Inc. affirmed Hong Kong’s long-term local-currency and foreign-currency sovereign ratings at “AA+”, with “Stable” outlook.
- The Government announced the introduction of further demand-side management measures to address the overheated property market. The Government will amend the Stamp Duty Ordinance to introduce the relevant measures. They include the adjustments to the duty rates and extend the coverage period to three years in respect of the Special Stamp Duty; and the introduction of a Buyer’s Stamp Duty on residential properties acquired by any person (including companies) except a Hong Kong permanent resident.
- The Government launched a 3-month public consultation on the key legislative proposals for the establishment of an independent Insurance Authority.
- 27 – 30 Oct The Environment Bureau, together with the HKTDC, co-organised the Eco Expo Asia 2012, which attracted more than 270 exhibitors from 14 countries and regions, and showcased a wide range of environmental technologies, services and products at the event.

- 29 Oct The Government announced the tendering of 3-year Government Bonds, totalling \$3 billion, through the re-opening of an existing 5-year Government Bond issue under the Institutional Bond Issuance Programme of the Government Bond Programme.
- The first offshore RMB shares were listed in Hong Kong.
- 29 Oct – 1 Nov FS led a government delegation to visit Beijing and Tianjin and meet with Central Government officials responsible for financial and monetary matters to discuss issues of mutual concern.
- 31 Oct – 8 Dec The InnoTech Month 2012 was launched with the aims to enable the community to experience the achievements of Hong Kong in innovation and technology, and to appreciate the importance of these achievements to the future development of Hong Kong into a regional hub for innovation and technology. A roadshow and a 9-day InnoCarnival held at Hong Kong Science Park has drawn a total attendance of over 200 000.
- 1 Nov A two-year pilot run of the Customer Complaint Settlement Scheme (CCSS), sponsored by OFCA, was launched by the telecommunications industry. The CCSS aims at resolving billing disputes in deadlock between the telecommunications service providers and their customers through mediation.
- The FTA between Hong Kong and the Member States of the European Free Trade Association entered into force in relation to the part between Hong Kong and Norway.
- The Employee Choice Arrangement came into operation, giving employees greater autonomy in choosing MPF trustees and schemes. A statutory regime to regulate MPF intermediaries' activities, including sales and marketing of MPF schemes, also came into operation.
- 6 – 8 Nov The HKTDC held the fifth Hong Kong International Wine and Spirits Fair. The number of exhibitors increased to 957, attracting over 20 000 traders.
- 7 Nov With a view to benefitting from experts' views in the Government's deliberations on population policy, the Steering Committee on Population Policy was revamped with an expanded membership to include non-official members. Apart from 14 ex-officio members, CS appointed 11 non-official members from different sectors to serve the Steering Committee on a two-year term from 1 December 2012 to 30 November 2014.
- 8 Nov In his report to the 18th National Congress of the Communist Party of China, President Hu Jintao announced the goal of doubling the GDP and per capita income for both urban and rural residents by 2020 compared with the levels in 2010.
- The Government and the HKTDC jointly hosted the second Asian Logistics and Maritime Conference, attracting about 1 300 business leaders and industry practitioners from 21 countries.
- 9 Nov As pledged in his Election Manifesto, CE reinstated the Commission on Poverty with appointment of 18 non-official members and four ex-officio members, with CS as the Chairperson, for a term of two years from 1 December 2012 to 30 November 2014.

- 11 Nov The HKSAR Government and the Government of Canada signed an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income in Hong Kong.
- 13 Nov Global Switch, a London-based owner and operator of wholesale and carrier-neutral data centres in Europe and Asia Pacific, announced its plan for the establishment of a data centre in Hong Kong.
- 14 Nov Hong Kong International Airport clinched the “Best Airport in China” award from leading travel publication “Business Traveller China” for the sixth time in seven years.
- 15 Nov The first batch of Hong Kong Dollar denominated RQFII A-share ETF warrants was listed in Hong Kong.
- 16 Nov The Government released the preliminary GDP figure for the third quarter of 2012. The Hong Kong economy grew modestly by 1.3% in real terms in the third quarter over a year earlier.
- In the November update of the economic forecast for 2012, the forecast growth rate of GDP in real terms was revised to 1.2%. The forecast rates of increase in the headline and underlying Composite CPI were slightly revised upwards to 3.9% and 4.5% respectively.
- The enhancements to the HKMC’s Reverse Mortgage Programme came into effect. They include increasing the maximum specified property value for payout calculation; lowering the minimum age of borrowers; and increasing the maximum lump-sum payout amount.
- 20 Nov The Environmental Protection Department (EPD) and the Economic and Information Commission of Guangdong Province jointly held the fourth “Hong Kong - Guangdong Cleaner Production Partners” presentation ceremony. A total of 109 Hong Kong-owned manufacturing enterprises, 3 sourcing enterprises and 24 environmental technology service providers were commended as “Hong Kong - Guangdong Cleaner Production Partners”.
- The Investor Education Centre commenced its operation. It is dedicated to its investor education mission covering a broad range of financial products and services.
- 21 Nov The LegCo passed the “Third Technical Memorandum for Allocation of Emission Allowances in Respect of Specified Licences” (TM) for the power sector under the Air Pollution Control Ordinance. The TM will further tighten the emission caps of the sector starting 2017 by 6% to 17% from the 2015 levels.
- 23 Nov The Hong Kong-Guangdong Joint Working Group on Sustainable Development and Environmental Protection held its 12th meeting in Guangzhou, and endorsed the air pollutant emission reduction plan for the Pearl River Delta region up to 2020.
- The Government published the consultation conclusions on the detailed legislative proposals for the trust law reform.
- 26 Nov Commissioned by the HKAB which initiated a review of Hong Kong Interbank Offered Rate (HIBOR) in July in light of the increasing market attention to the fixing process of

financial market benchmarks, the TMA submitted a report on the review of HIBOR to the HKAB, copied to the HKMA. The Report recommended measures to enhance the governance and robustness of the regime.

30 Nov –
1 Dec CE attended the Eighth Pan-Pearl River Delta (PPRD) Region Co-operation and Development Forum in Sanya, Hainan. He exchanged views with leaders of the PPRD region on how to further strengthen co-operation at the PPRD platform.

3 Dec With the completion of the representation consideration process under the Town Planning Ordinance, the Town Planning Board submitted the draft West Kowloon Cultural District Development Plan to the Executive Council for consideration.

The sixth annual structured dialogue meeting between the HKSAR Government and the EU was held in Brussels. The two sides had fruitful exchange on a number of issues including innovation and technology, education and competition policy and agreed to continue to strengthen co-operation in these areas.

3 – 8 Dec “Business of Design Week 2012”, the largest annual design event in Asia and one of the leading design events in the world, was held. Denmark was the partner country for the event. Over 100 000 persons participated in the “Business of Design Week” and its concurrent events.

5 – 7 Dec The EPD, together with Clean Air Asia and the Hong Kong Polytechnic University, held an international Conference – “Better Air Quality 2012 (BAQ2012)”, which is a biennial event for policy and decision makers as well as experts and NGO representatives to build network, learn from each other, and share experience.

In parallel, EPD, in collaboration with Ministry of Environmental Protection, China, and the Hong Kong Polytechnic University held “Motor Vehicle Emissions Control Workshop 2012 (MoVE2012)”, which is held biennially in Hong Kong to enable its participants from Hong Kong, the Mainland and overseas to share experience and keep abreast of the latest technological developments on motor vehicle emissions control.

7 Dec The Finance Committee of the LegCo approved the proposal of the Old Age Living Allowance. This allowance aims to supplement the living expenses of Hong Kong elders aged 65 or above who are in need of financial support. The amount is pitched at \$2,200 per month and the estimated number of beneficiaries is over 400 000. The Social Welfare Department plans to introduce the new Allowance in April 2013.

CE attended the HK-Pearl River Delta Industrial & Commercial Circle Goodwill Gathering 2012 in Guangzhou.

10 Dec The West Kowloon Cultural District Authority announced the winning design team for the architectural design of the Xiqu (Chinese opera) Centre, the first core arts and cultural facility to be open to the public within the West Kowloon Cultural District.

The new Civil Aviation Department Headquarters commenced its full operations, with all technical divisions housed under one roof, to provide one stop service to aviation stakeholders and the public.

The 9th meeting of the Hong Kong-Shenzhen JTF was convened in Hong Kong. The JTF was briefed on the progress of the Liantang/Heung Yuen Wai Boundary Control Point project and the development of Lok Ma Chau Loop, and discussed the work in the

next stage.

- 12 Dec The Government accepted the recommendation of the Minimum Wage Commission to adjust the statutory minimum wage rate from \$28 per hour to \$30 per hour and decided to implement it on 1 May 2013.
- In its Preliminary Conclusions following the 2012 Article IV consultation discussions, the International Monetary Fund Staff Mission to Hong Kong reaffirmed the long-standing support for the Linked Exchange Rate System and commended the Government's proactive policies to support growth and preserve financial stability.
- Following the gazettal of the Banking (Amendment) Ordinance 2012 in March, the LegCo completed negative vetting of relevant subsidiary legislations. They will come into operation on 1 January 2013 to provide for the first-phase implementation of Basel III.
- 13 – 14 Dec The HKMA, the SFC and the Organisation for Economic Co-operation and Developments jointly organised the Asian Seminar "Evolution of Financial Consumer Protection and Education in Asia" in Hong Kong. Following the Seminar, the organisers hosted the Asia Financial Consumer Protection Roundtable, the first high-level international conference on financial consumer protection held in Asia.
- 15 – 16 Dec The Annual Central Economic Work Conference determined that the priority in 2013 would be to strengthen and improve macro-prudential measures to ensure the healthy and sustainable development of the Mainland economy.
- 18 Dec After public consultation, the Government affirmed the direction of introducing quantity-based charging on municipal solid waste to help induce behaviour changes and to promote waste reduction. A second-stage public engagement on implementation arrangements is being pursued.
- 19 Dec The first batch of RMB-denominated RQFII A-share ETF warrants was listed in Hong Kong.
- The first Mainland enterprise converted its B share to H share and listed in Hong Kong.
- 20 Dec The HKMA issued a circular to AIs, setting out the enhanced measures applicable to the sale of investment products to corporate customers.
- 21 Dec The Government published the reserve price and an information memorandum in respect of the auction of 50 MHz of radio spectrum in the 2.5/2.6 GHz band. The auction is expected to take place in March 2013 and serves to meet the industry's demand for additional radio spectrum for further development of fourth generation mobile telecommunications services.
- The launching ceremony of the Next Generation Government Wi-Fi Programme was held to signify the continuation of provision of free public Wi-Fi Internet access service in government premises for another five years till December 2017. The new programme will extend free public Wi-Fi coverage to more than 440 government premises.
- 28 Dec The Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 was gazetted, providing a comparable taxation framework for

some common types of Islamic bonds (sukuk) vis-à-vis conventional bonds, with a view to promoting the development of a sukuk market in Hong Kong.

31 Dec By virtue of the Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011, the statutory ban on trawling activities in Hong Kong waters came into operation on 31 December 2012.

The number of visitors to Hong Kong in 2012 reached 48.62 million, setting a new record.