

Financial Services

Policy Goal

- **To consolidate Hong Kong's position as an international financial centre**
- **To position Hong Kong as the international financial centre of China**

Financial Services

Two Major Policy Directions

- (I) Promoting market development**
- (II) Improving market quality**

(I) Promoting Market Development

- Advancing financial cooperation with the Mainland
- Continuous expansion of RMB business in Hong Kong
- Developing Hong Kong's commodities futures market
- Promoting asset management business
- Developing the Islamic bond market
- Broadening the source of listed companies
- Promoting Hong Kong's position as an international financial centre

(II) Improving Market Quality

- Regulatory reform
 - Legislative exercises
 - Study the setting up of an independent Insurance Authority
 - Rewrite of the Companies Ordinance
 - Review of the Trustee Ordinance
- Investor protection and education

Fiscal Policy

Fiscal Targets

- Keep expenditure within the limits of revenue
- Strive to achieve a fiscal balance and avoid deficits
- Keep the Budget commensurate with the growth rate of GDP
- Make proper use of fiscal surplus after taking account of Hong Kong's long-term interest

Fiscal Policy

Leave Wealth with People

Concessionary measures:

- To reduce the standard rate of salaries tax by one percentage point to 15% in 2008-09
- To reduce the corporate profits tax rate by one percentage point to 16.5% in 2008-09
- To exempt rates for the last quarter of this financial year, subject to a cap of \$5,000 for each tenement