



Views on Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes)
(Amendment) Bill 2012

*Submitted by Evangeline HO, General Manager, Nova Training & Education Institute
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According to the data and information in the links, we are most glad to learn that the Administration has given an in-depth study on the Islamic Capital Market. The proposed amendments and infrastructure to the Hong Kong financial market are indeed appropriate and suitable.

Islamic Finance has been a fast growing business in international finance and the trend is still growing very strong. Hong Kong as one of the most influential international finance centres in the world and has not yet providing Islamic Financial products to serve the investors. Compared to London, New York and Tokyo, Hong Kong is comparatively less reactive. Singapore tries very hard to create its image as the major financial hub and free market in Asia, with Islamic Finance launched some times ago. Hong Kong should therefore work faster in Islamic Finance in light of the fast global development so as to enhance our competitiveness.

Please find below our comments:

1. Introduction of Islamic Bond (Sukuk, or Alternative Bond) is a good start for Hong Kong. However, the Administration should have an overall strategy to introduce a broadly comprehensive Islamic Finance product, such as Takaful (Islamic Insurance), Trade\Business Financing, Wealth Management, and etc in order to give more choices for investors and enhance Hong Kong's world status as a Financial Hub in Asia.
2. According to the Administration, the Bill adopts a religion-neutral approach in the drafting, and the term "alternative bond scheme" (ABS) is used instead of 'sukuk'. In this respect, the Administration should prominently promote this religion-neutral concept to all investors instead of to those Islamic populations. This will help the investors understand more of the benefits of the Hong Kong Islamic Finance investment products and fit into our environment.

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3. Hong Kong is in need of well-trained finance professionals to work on this alternative bond and the subsequent Islamic Finance products, if there is any in the future. Manpower development in this respect should be part of the plan in the introduction of this initiative. The Administration should give recognition to suitable qualification (training and practical).

~ The End ~

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