

# Unleash Hong Kong's potential – Think Asia, Think Hong Kong



# Hong Kong-Canada bilateral trade relations

- Hong Kong - one of the priority markets of Canada announced by the federal government in 2013
- Hong Kong is Canada's 6<sup>th</sup> largest merchandise market



# Opportunities in Hong Kong

- International business and trading centre
- International financial centre
- Smarter city
- Greener city

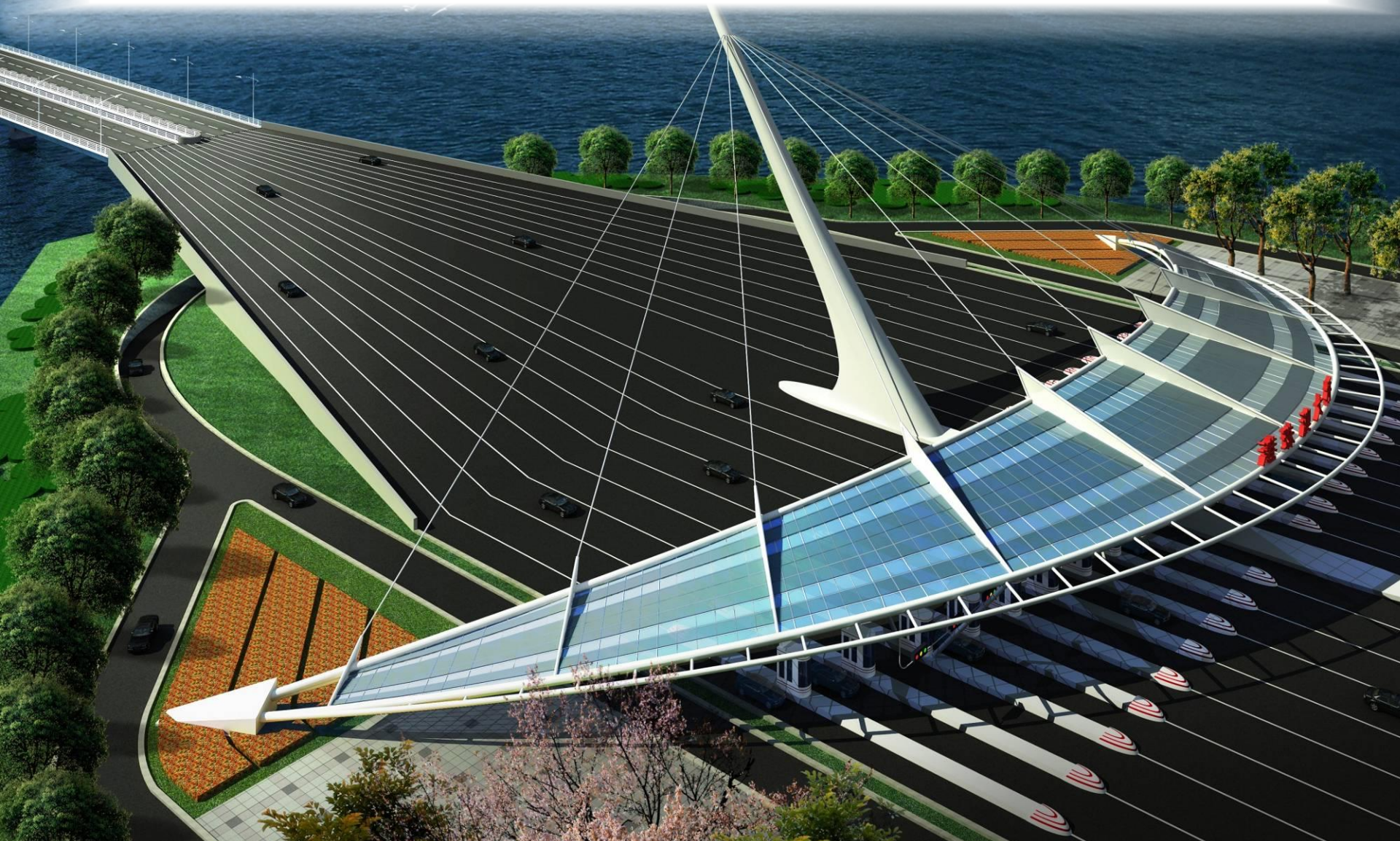


# New facilitating measures

- Infrastructure development
- Introduction of tax benefits
- Facilitate business disputes resolution
- Support for innovation and intellectual property trading
- Deepening of economic ties with other parts of Asia

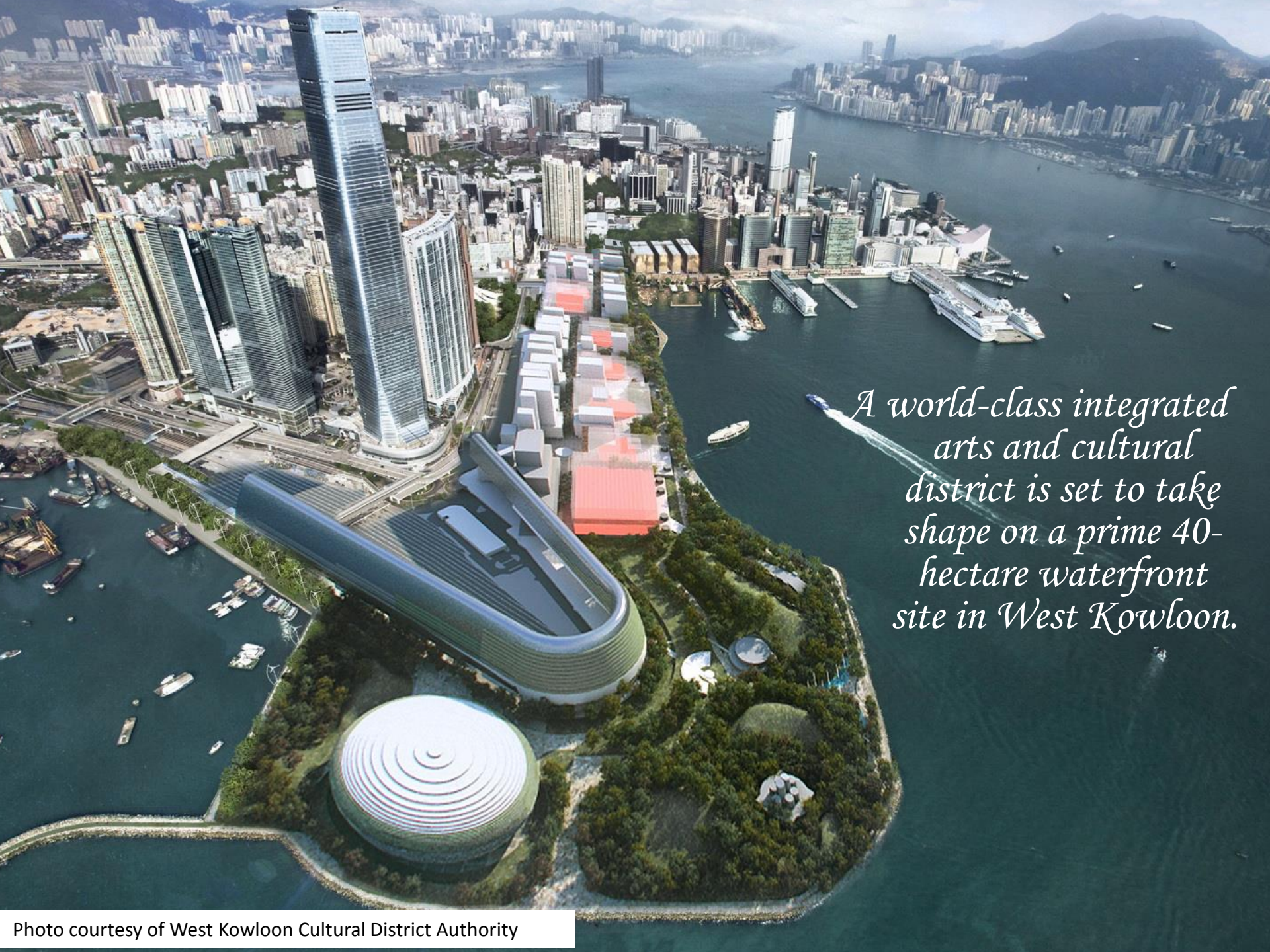


# *Hong Kong-Zhuhai-Macao Bridge*





*West Kowloon Terminus of the  
Express Rail Link (Hong Kong Section)*



*A world-class integrated arts and cultural district is set to take shape on a prime 40-hectare waterfront site in West Kowloon.*

Photo courtesy of West Kowloon Cultural District Authority

*The third runway  
for our airport*







# Maintenance of a low tax regime

## Simple and low taxation

- ❑ Profits tax: 15% for unincorporated businesses and 16.5% for corporations
- ❑ Salaries tax: capped at 15%

## NO

- ❑ Global taxation
- ❑ VAT/GST/Sales Tax
- ❑ Capital Gains Tax
- ❑ Withholding tax on investments
- ❑ Estate duty
- ❑ Wine duty

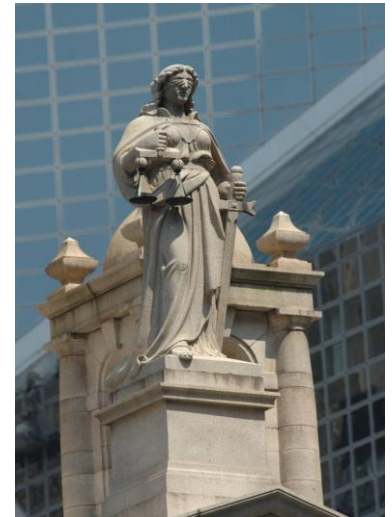
# HK-Canada double taxation avoidance agreement

- Country of residence allow tax relief against its own tax for the tax imposed by the country of source
- Reduction in withholding tax rates

	Canadian domestic	Hong Kong domestic	Hong Kong-Canada agreement
Dividends	25%	0%	5% / 15%
Interest	25%	0%	10%
Royalties	25%	4.95%	10%

# The rule of law

- ❑ Sound legal system based on common law
- ❑ Independent judiciary
- ❑ Strong pool of qualified practitioners
- ❑ Centre for disputes resolution in the Asia Pacific Region
  - Permanent Court of Arbitration
  - Asia Pacific Regional Office of the Hague Conference on Private International Law
  - Secretariat of the International Court of Arbitration, International Chamber of Commerce
  - China International Economic & Trade Arbitration Commission Hong Kong Arbitration Centre
  - China Maritime Arbitration Commission Hong Kong Arbitration Center



# Support for innovation

## Institutional support

### ❑ Cyperport

- Creative digital community comprising 190 companies engaged in ICT, digital content creation, and mobile apps development

### ❑ Hong Kong Science and Technology Park

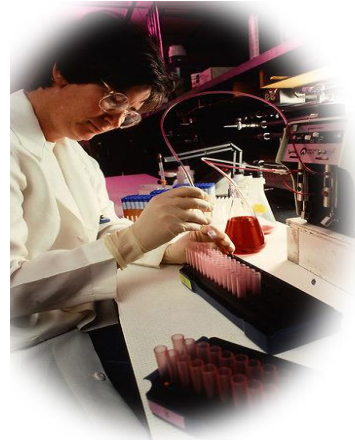
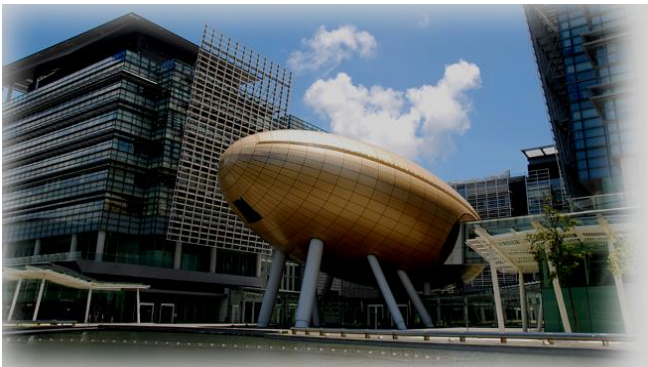
- Home to nearly 500 technology companies with incubation programs for startups
- Phase 3 development underway to provide spaces for additional companies



# Support for innovation

## Funding support

- ❑ Injection of HKD 5 billion to the Innovation and Technology Fund for applied R&D projects.
- ❑ New Enterprise Support Scheme for private sector companies irrespective of size, subject to a ceiling of HKD10 million
- ❑ A corporate venture fund of HKD 50 million by the Hong Kong Science and Technology Park for co-investment, on a matching basis with private funds, in start-ups





# **Support for intellectual property trading**

## **Regional hub for intellectual property trading**

- Strong legal protection for contractual intellectual property rights
- Strong experience in international trade
- Presence of bilingual practitioners and professionals for a wide range of services
- Asia IP Exchange: one-stop online international IP trading platform



# Access to other markets

## Access to Mainland markets

- ❑ Continuous deepening of market liberalisation measures for local and foreign companies based in Hong Kong under CEPA
  - Easier access to the mainland market: e.g. relaxation in equity share restrictions, reduction in entry thresholds such as registered capital and business turnover
  - In December 2014, new agreement signed under the framework of CEPA - opening up of 153 sub-sectors of the service industry in the Guangdong province; national treatment will be applied to Hong Kong in 58 sub-sectors
  - Zero tariff on importation of goods meeting CEPA rules of origin

## Access to other Asian markets

- ❑ Commence formal negotiation for free trade agreement with the Association of South East Asian Nations (ASEAN)

# Financial services

## *Fund raising*

2<sup>nd</sup> worldwide in terms of total funds raised through IPO in 2014

## *Asset management*

Leading asset management centre in Asia

Legislative work in progress to allow private equity funds also to enjoy tax exemption for offshore funds

## *RMB offshore business*

Premier RMB business centre for trade settlement, financing and asset management

Support for development of RMB denominated products, cross border reinsurance, direct cross-border investment from the Mainland

Shanghai-HK Stock Connect further increases the liquidity of offshore RMB market in Hong Kong

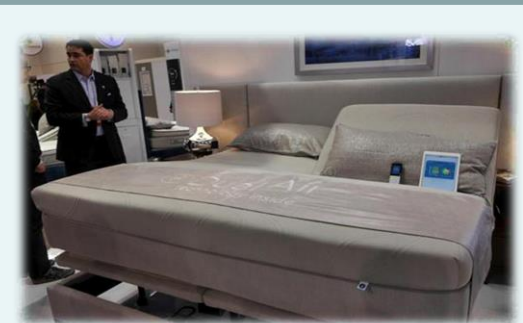




# “Smarter Hong Kong, Smarter Living”

New business potential with the initiatives to

- Double the number of free Wi-Fi hotspots
- Promote wider use of Internet of Things, sensors and big data analytics for municipal management
- Digitalize government operations and release of public information



# Making Hong Kong a greener city

New business potential with the initiatives to -

- ❑ **Improve building efficiency:** legislation and funding schemes
- ❑ **Improve air quality:** phasing out diesel commercial vehicles, extending the exemption of first registration tax for electric vehicles
- ❑ **Modernize municipal waste management:** promote development of recycling technologies, addition of new modern facilities for food waste management





# Hong Kong: an excellent place for business

- Ranked **1<sup>st</sup>** as the world's freest economy by the Heritage Foundation since 1995 and the Fraser Institute since 1970
- Ranked **1<sup>st</sup>** as the best place for business by Bloomberg (2014)
- Ranked **1<sup>st</sup>** as overall Asia-Pacific City for Foreign Direct Investment by the Financial Times (2013-14)
- Ranked **2<sup>nd</sup>** in global IPO funds raised in 2014
- Ranked **2<sup>nd</sup>** in Asia as the most competitive economy by the IMD World Competitiveness Yearbook 2014
- Ranked **2<sup>nd</sup>** in Asia in the World Economic Forum's Global Information Tech Report (2014)
- Ranked **2<sup>nd</sup>** in Asia in the 2014 Global Innovation Index
- Ranked **3<sup>rd</sup>** global financial centre by the Global Financial Centre Index (GFCI 15, 2014)
- Ranked **3<sup>rd</sup>** as the easiest place to do business in the world in the 2015 World Bank's Doing Business Report

# What's next?

## Step 1: Knowing more about HK

- HKETO – (416) 924 - 5544



Hong Kong Economic and Trade Office (Toronto)  
*We work across Canada*



## Step 2: Finding business opportunities

- HKTDC – (416) 366 - 3594

## Step 3: Setting up an office in HK

- InvestHK – (416) 924 - 5544



**Invest**HK

The Government of the Hong Kong  
Special Administrative Region