



**Global Islamic Finance Forum 2010
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**Development of Islamic
Finance in Hong Kong**



**Mr. Edmond Lau
Executive Director (Monetary Management)
Hong Kong Monetary Authority**



Why is HK interested in Islamic finance?

Islamic finance

- Becoming an integral part of the global financial system
- Add to the breadth and depth of financial markets



What can HK contribute to the global Islamic finance industry?

- Existing strengths in conventional finance
- Unique role as a gateway to Mainland China



**Wholesale
Islamic capital
market**

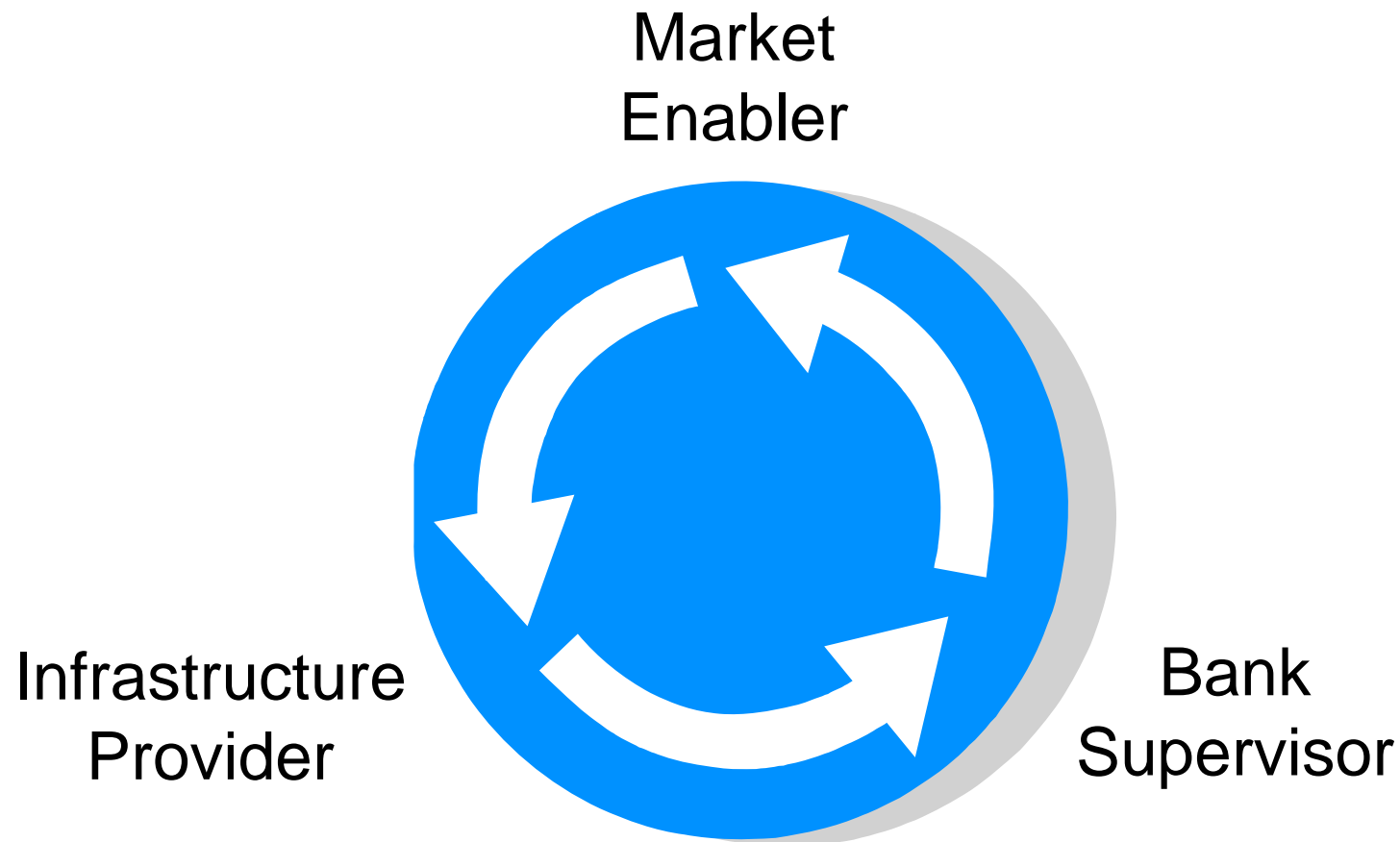


Hong Kong as a gateway to Mainland China



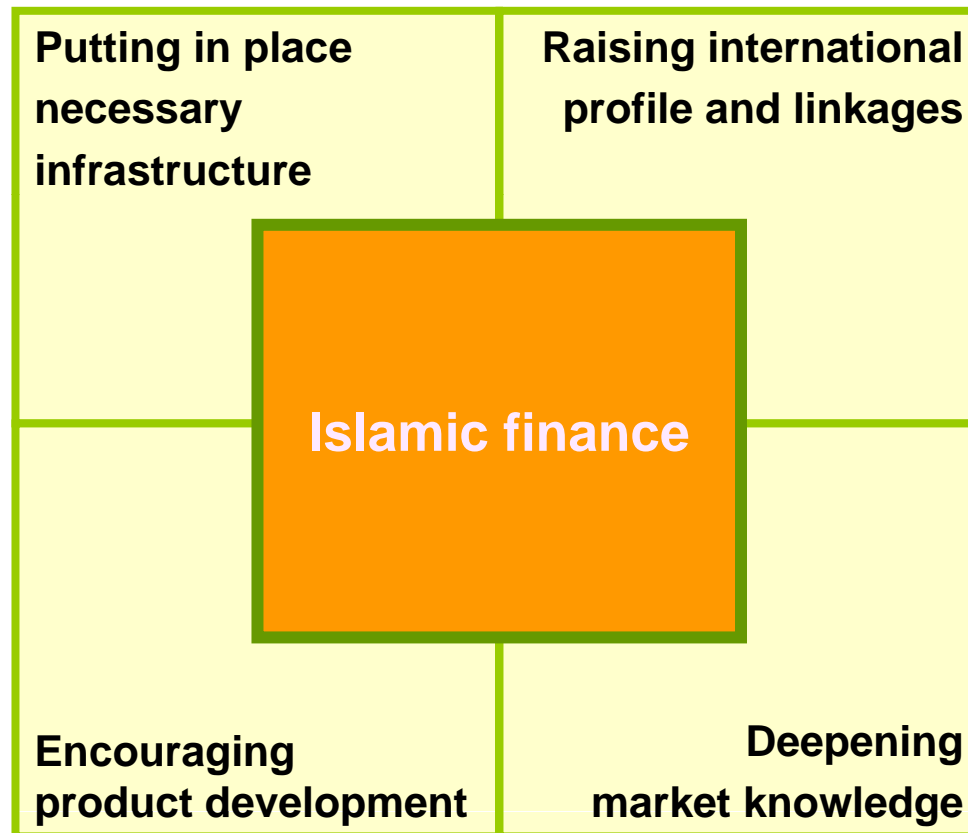


What is the role of HKMA in developing Islamic finance?





What are our strategies in developing Islamic finance?





Putting in place necessary infrastructure

Islamic equities and funds

- Existing regulatory and taxation framework can readily support their development in HK

Islamic bonds (sukuk)

- Administrative mechanisms available under existing legislative framework for granting tax exemption
- Information package disseminated to market in November 2009



Raising international profile and linkages

Forging closer ties with major Islamic financial centres

- Signing of Memorandums of Understanding to enhance mutual co-operation on development of Islamic finance:
 - April 2008: Securities and Futures Commission (“SFC”) and Dubai Financial Services Authority
 - May 2008: HKMA and Dubai International Financial Centre Authority
 - September 2009: HKMA and Bank Negara Malaysia
 - November 2009: SFC and Securities Commission Malaysia
- Development of Islamic finance not a zero-sum game



Deepening market knowledge

- **Aim to nurture a larger talent pool**
- **Treasury Markets Association (TMA) providing education programmes and workshops/seminars on Islamic finance**



Encouraging product development

- **Government facilitates, market leads**
- **Availability of an array of products:**
 - **Islamic funds**
 - **Islamic syndicated loans**
 - **Islamic equity indices**
 - **Islamic bonds**
 - **Islamic banking windows**



Thank You