



A New Era
Stability
Prosperity
Opportunity



中華人民共和國香港特別行政區
Hong Kong Special Administrative Region
of the People's Republic of China
25th 周年紀念
ANNIVERSARY

Secure & Resilient Hong Kong

Overview

Since reunification in 1997, the Hong Kong Special Administrative Region (HKSAR) has evolved as a safe and lively society with a firm commitment to the rule of law. Rights and freedoms enjoyed by Hong Kong people, including freedom of the press and speech, are protected under the Basic Law and the Hong Kong Bill of Rights. Under the principles of “One Country, Two Systems” and “Hong Kong people administering Hong Kong” with a high degree of autonomy, the HKSAR has continued to capitalise on its strengths, maintain stability and prosperity, while contributing to and benefitting from the remarkable development of our Motherland.

With staunch support from the Central People's Government (CPG), the HKSAR has overcome significant challenges, including the Asian financial crisis in 1997-98, the bursting of the global IT bubble in 2001, the Severe Acute Respiratory Syndrome (SARS) epidemic in 2003, the global financial crisis in 2008-09 and social unrest in 2019. Each time, Hong Kong has weathered the storm and rebounded stronger than ever. The city is working hard to bounce back from the COVID-19 epidemic.

Long-term Prosperity and Stability Assured

Stability has always been the cornerstone for Hong Kong's development as a safe, secure and resilient place. The **Constitution of the People's Republic of China** (the Constitution) and the **Basic Law** of Hong Kong form the constitutional basis of the HKSAR to enable the implementation of “One Country, Two Systems”. Upholding the constitutional order established by the Constitution and the Basic Law is the key to society's long-term prosperity and stability, as well as the foundation for Hong Kong's future.

Hong Kong's economy and stability were shaken by social unrest and violence in 2019. Two important pieces of legislation have since been introduced to safeguard security and improve the electoral system:

- **The National Security Law** (NSL) took effect in June 2020. It was an important step to improve the implementation of “One Country, Two Systems” and safeguard national security.

- ▲ The NSL is designed to prevent, suppress and impose punishment for the offences of **secession, subversion, organisation and perpetration of terrorist activities, and collusion with a foreign country or with external elements to endanger national security** in relation to the HKSAR; maintain prosperity and stability of the HKSAR; and protect the lawful rights and interests of HKSAR residents.
- ▲ The NSL only **targets an extremely small minority** of people who **endanger national security**, while protecting the basic rights and freedoms of the overwhelming majority.
- ▲ The NSL clearly stipulates that the HKSAR shall protect in accordance with the law Hong Kong people's **rights and freedoms** under the Basic Law as well as the provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights as applied to Hong Kong, including the freedoms of speech, of the press, of publication, of association, of assembly, of procession and of demonstration.
- ▲ Except under the exceptional circumstances specified, the **HKSAR shall have jurisdiction** over cases concerning offences under the NSL. The NSL and the laws of the HKSAR shall apply to procedural matters, including those related to criminal investigation, prosecution, trial and execution of penalty.
- ▲ The NSL can promptly restore stability in Hong Kong, thereby **improving Hong Kong's business and investment environment**.
- The Decision of the National People's Congress on Improving the Electoral System of the Hong Kong Special Administrative Region passed in March 2021 and the **Improving Electoral System (Consolidated Amendments) Ordinance 2021** took effect in May 2021.
 - ▲ With improvements to the electoral system and full implementation of the principle of “**patriots administering Hong Kong**”, the HKSAR's constitutional order has been restored.



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- ▲ Under the improved system, a **Candidate Eligibility Review Committee** is established to review and confirm the eligibility of candidates in the Election Committee, Chief Executive (CE) and Legislative Council (LegCo) elections, providing an institutional safeguard of implementing “patriots administering Hong Kong”.
- ▲ The 1,500-member **Election Committee**, responsible for the election of the CE and some legislators, is broadly representative, suited to Hong Kong’s actual situation and representative of the overall interests of society.
- ▲ **LegCo** has increased from 70 to 90 **seats**, making the legislature more balanced and representative.

Rule of Law & Independent Judiciary

Hong Kong’s commitment to the rule of law and judicial independence provides the foundation for the city’s prosperity and stability. The Basic Law:

- guarantees the **independence of the Judiciary** and ensures that the exercise of judicial power shall be “free from interference”.
- stipulates that all Hong Kong residents shall be **equal before the law**.
- provides that the provisions of the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and international labour conventions as applied to Hong Kong shall remain in force.
- provides that the laws previously in force and the judicial system previously practised in Hong Kong (i.e. the common law system) shall be maintained.
- entrenches the constitutional principle of **prosecutorial independence**.
- vests the **power of final adjudication** of the HKSAR in the **HKSAR Court of Final Appeal** (CFA).
- maintains the principle of **trial by jury** previously practised in Hong Kong.
- provides that in criminal and civil proceedings, the principles previously applied in Hong Kong and the rights previously enjoyed by parties to proceedings shall be maintained.

- provides that **judges and other members of the Judiciary** shall be chosen on the basis of their judicial and professional qualities and **may be recruited from other common law jurisdictions**.
- sets out that judges are appointed by the CE on the recommendation of an independent commission, which is chaired by the Chief Justice of the CFA with the Secretary for Justice, two other judges, two persons from the legal profession and three lay people as members.

Financial Stability

Hong Kong is a global financial centre with a prudent and robust financial regulatory regime. The city ranked **third in the Global Financial Centres Index** published by UK-based Z/Yen and China Development Institute from Shenzhen in March 2022. Amid the complex and constantly evolving international political and economic landscape, the Government and regulators monitor Hong Kong’s markets to ensure financial stability.

- Three statutory bodies – the Hong Kong Monetary Authority (HKMA), the Securities and Futures Commission (SFC) and the Insurance Authority (IA).
 - ▲ **HKMA**, established in 1993, is responsible for monetary and banking stability by maintaining currency stability within the framework of the Linked Exchange Rate System, promoting the stability and integrity of the financial system, including the banking system, helping to maintain Hong Kong’s status as an international financial centre, including the maintenance and development of Hong Kong’s financial infrastructure, and managing the Exchange Fund.
 - ▲ **SFC**, set up in 1989, regulates Hong Kong’s securities and futures markets. Principal responsibilities include maintaining and promoting fairness, efficiency, competitiveness, transparency and orderliness of the securities and futures industry.
 - ▲ **IA**, established in 2015, regulates insurance companies and insurance intermediaries.



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- The **Linked Exchange Rate System** (US dollar peg) has served Hong Kong well as the pillar of monetary and financial stability since 1983.
- Hong Kong is the first jurisdiction in the Asia-Pacific region assessed by the Financial Action Task Force to have achieved an overall compliant result for having an effective anti-money laundering and counter-terrorist financing regime.
- The **Financial Reporting Council** (FRC) has become an independent oversight body regulating auditors of listed entities under the auditor regulatory regime which commenced in 2019. It is responsible for the inspection, investigation and disciplinary functions with regard to auditors of listed entities.

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