

HKSAR Government welcomes decision to launch cross-boundary wealth management connect pilot scheme

The Government of the Hong Kong Special Administrative Region (HKSAR) welcomes the joint announcement by the People's Bank of China (PBoC), the Hong Kong Monetary Authority (HKMA) and the Monetary Authority of Macao (AMCM) today (June 29) on the decision to implement the two-way cross-boundary wealth management connect pilot scheme (Wealth Management Connect) in the Guangdong-Hong Kong-Macao Greater Bay Area, under which residents in Hong Kong, Macao and nine cities in Guangdong Province could carry out cross-boundary investment in wealth management products distributed by banks in the area.

Promoting mutual access of the financial markets progressively for the establishment of an international financial hub is an important area in the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area. Since the promulgation of the Outline Development Plan in February 2019, the HKSAR Government has been actively putting forward possible measures to the Central Government. Following its third plenary meeting held on November 6, 2019, the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area announced its support for the exploration of the establishment of a cross-boundary wealth management connect mechanism. The HKMA has since then been working closely with the relevant Mainland and Macao authorities on Wealth Management Connect, which is an important measure for the financial development of the Greater Bay Area and marks another milestone in promoting mutual access of financial markets in the area.

According to the joint announcement, relevant regulators in the Mainland, Hong Kong and Macao will discuss and agree on the implementation details including investor eligibility, the mode of investment, the scope of eligible investment products, investor protection and handling of disputes. The date of the formal launch of Wealth Management Connect and implementation details will be separately specified.

The Chief Executive, Mrs Carrie Lam, said, "We are very grateful for the support of the Leading Group and the joint efforts of the PBoC, the China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission and the AMCM to make the launch of this important initiative possible, thereby fostering the collaboration and development of financial services in the Greater Bay Area."

The Financial Secretary, Mr Paul Chan, said, "Wealth Management Connect brings enormous business opportunities to the entire financial industry value chain and other professional services in Hong Kong, opens up a broader market for the financial sectors of the three places and provides more wealth management product choices for the residents in the Greater Bay Area, thereby promoting the cross-boundary flow and use of Renminbi (RMB) and reinforcing

further Hong Kong's position as the global offshore RMB business hub. At the same time, Wealth Management Connect provides more incentives for international financial institutions to have a foothold and invest more resources in Hong Kong so as to serve the large investor base in Greater Bay Area cities, which will in turn strengthen Hong Kong's role as the international asset and management centre and important gateway for capital flowing into and out of the Mainland."

Mrs Lam added, "The launch of Wealth Management Connect demonstrates the strong support of the Central Government and the importance it attaches to financial development in the Greater Bay Area, underlining the solid backing from the country and that Hong Kong continues to play a leading role in the country's economic development and opening up of financial markets. With the formulation of the national security law, Hong Kong will restore its stability, rule of law and sound business environment, thereby securing investors' confidence and further consolidating and enhancing Hong Kong's position as an international financial centre."

The Central Government promulgated the "Opinion on Providing Financial Support for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area" on May 14, introducing various concrete measures, including Wealth Management Connect, in relation to the development of Greater Bay Area finance. The Government will continue to promote and implement in an orderly manner further measures in the Opinion to deepen financial collaboration in the Greater Bay Area.

The HKMA will maintain close communication with the relevant Mainland and Macao authorities to take forward preparations. The date of the formal launch of Wealth Management Connect and implementation details will be finalised as early as practicable.