

# SFST's opening remarks at Accounting and Financial Reporting Council Regional Regulatory Forum 2024 Dinner Reception (English only)

Following are the opening remarks by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, at the Accounting and Financial Reporting Council Regional Regulatory Forum 2024 Dinner Reception today (December 2):

Vice Minister Guo Tingting (Vice Minister of the Ministry of Finance), Kelvin (Chairman of the Accounting and Financial Reporting Council (AFRC), Dr Kelvin Wong), Janey (Chief Executive Officer of the AFRC, Ms Janey Lai), distinguished guests, ladies and gentlemen,

Good evening. It gives me great pleasure to join you all at this dinner reception. To begin with, I thank each and every one of you for travelling from across the world to lend support to the Accounting and Financial Reporting Council (AFRC)'s first ever regional event. Your enthusiastic turnout and active participation have given us a boost of confidence in affirming that Hong Kong's accounting sector under the reformed regulatory and development regime, with the AFRC at its helm, continues to be widely recognised in the global professional arena.

Earlier today, our prominent speakers and panellists took us on a deep dive into a range of meaningful topics on resilience, integrity and credibility, innovation and sustainability, as well as talent of the financial services and accounting sectors. Standing in between a day of much food for thought and an evening of more food for our stomach, I will keep my remark brief, in which I wish to echo the Financial Secretary's opening speech for the forum this morning by talking a little more on Hong Kong's readiness and actions to expand market connectivity across the globe, in turn creating new opportunities for the accounting profession.

Leveraging existing strengths

Asset and wealth management

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Hong Kong prides itself on many things, among which the investment management sector is under the spotlight. This year, Hong Kong ranked third globally in the Global Financial Centres Index, with our ranking in investment management advanced to first globally.

With a robust financial infrastructure and world-class professional services support, family office business has become one of the important

growth segments in our investment management sector. Currently, Hong Kong is home to around 2 700 single family offices. Determined to enhance Hong Kong's status as a family office hub, we have rolled out a series of measures to create a conducive and competitive environment for the businesses of global family offices and asset owners to thrive in Hong Kong, including the introduction and enhancement of the New Capital Investment Entrant Scheme to provide a clear avenue for asset owners to reside and pursue development in Hong Kong, as well as the launch of the Network of Family Office Service Providers and the establishment of a dedicated team under Invest Hong Kong to provide one-stop services support for family offices from outside Hong Kong.

Following the successful conclusion of the second Wealth for Good in Hong Kong Summit, which drew over 400 influential decision-makers from global family offices around the world, we are preparing for the third Summit to be held in late March 2025 to bring leaders and professionals from the world's leading family officers together to have in-depth dialogues on the promising prospects of family offices in Hong Kong.

We are at the same time sharpening our competitive edge on asset and wealth management. Among other things, we have enhanced the Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to enable more eligible Mainland, Hong Kong and Macao residents in the GBA to invest in wealth management products in Hong Kong. As of end-September 2024, over 124 000 individual investors have participated in the Scheme, and cross-boundary funds remittances totalled about Renminbi (RMB) 91.4 billion.

## Securities

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Our vibrant stock market is also key to Hong Kong's long-standing status as an international financial centre. In order to expand the securities market and deepen our overseas networks, we are opening up new foreign capital sources through a variety of channels. In October 2024, two exchange-traded funds (ETF) that track Hong Kong stocks were listed on Saudi Exchange, which is an important milestone of capital market connectivity between Hong Kong and Saudi Arabia.

In tandem, we have been leveraging our unique position under "one country, two systems" and pursuing further expansion of the mutual access with the capital markets of the Mainland. Earlier this year, the eligible product scope of equity ETFs under Stock Connect has been expanded, enabling investors to diversify their assets across the Hong Kong and Mainland markets in an efficient and cost-effective manner.

## Bonds

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Hong Kong continues to be a major bond issuance hub in Asia, and has ranked first in the region for seven consecutive years in terms of the volume of international bond issuance. Playing the important role as a "super

connector" and "super value-adder", Hong Kong also serves as a global offshore RMB business hub. Over the past 16 years until October this year, the Ministry of Finance has issued RMB sovereign bonds totalling RMB360 billion in Hong Kong. The People's Governments of Shenzhen, Hainan and Guangdong Provinces have issued their first offshore RMB bonds in Hong Kong as well, which is a testimony of Hong Kong's position at the intersection of global finance for the facilitation of RMB internationalisation.

## Forging new connections

### Headquarters economy

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In addition to strengthening existing connections, we are set to reinforce our position as a two-way springboard for Mainland enterprises to expand abroad and for foreign enterprises to tap into the Mainland market through introduction of new initiatives. In 2023, we announced the development of "headquarters economy" to attract Mainland and overseas companies to set up headquarters or corporate divisions in Hong Kong. We are currently exploring potential measures to address cross-boundary funding needs of these companies so as to incentivise them to establish in Hong Kong.

A legislative exercise is currently being pursued to introduce a company re-domiciliation regime in Hong Kong, which will enable companies incorporated overseas to transfer their domicile to Hong Kong while maintaining their legal identity and business continuity.

### Sustainability

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And allow me to mention once again, after the Financial Secretary's remarks this morning, our determination in developing the sustainability disclosure ecosystem in Hong Kong. As recognised in the IFRS Foundation's 2024 progress report, we are making good progress towards our goal of being among the first jurisdictions to align the local sustainability disclosure requirements with the ISSB Standards (International Financial Reporting Standards – Sustainability Disclosure Standards). With the comprehensive roadmap on Hong Kong's strategy in sustainability reporting soon to be released, we are fully confident to be an active and leading player in the global green and sustainable finance community.

## Closing remarks

Ladies and gentlemen, I hope that from what I have outlined in the past couple of minutes as well as what you have observed during your stay in Hong Kong, we have demonstrated the ambition, vitality and commitment of Hong Kong in further bolstering Hong Kong's financial prowess through optimising market connectivity.

The accounting sector, being an important cornerstone of the city's monetary and financial stability, has an indispensable role to play in the

implementation of the many strategic and forward-looking initiatives in the pipeline. These initiatives will in turn be fodder for professional advancement of the sector, providing it with opportunities and motivation to diversify its skills and experiences in response to the changing needs of the markets.

On that exciting note, I would like to wrap up by congratulating the AFRC on the successful forum and thanking you all again for the support. Let us raise our glasses and toast to the fruitful outcomes that today's event will bring in the future. Have a great evening with good company all around us.