

Speech by Acting FS at grand opening ceremony of FamilyOfficeHK (English only)

Following is the speech by the Acting Financial Secretary, Mr Christopher Hui, at grand opening ceremony of FamilyOfficeHK today (June 29):

Stephen (the Director-General of Investment Promotion at InvestHK, Mr Stephen Phillips), ladies and gentlemen,

Good afternoon and welcome to the grand opening ceremony of the FamilyOfficeHK.

I'm a fan of the word "grand". But for me, it speaks not of today's ceremony, which is eminently practical, as it should be. Rather, the word neatly captures the far-reaching promise of the family-office business for Hong Kong as highlighted by Stephen just now.

Our ambitions are indeed, in a word, "grand".

After all, the family-office business is flourishing. It has become an important growth segment in our asset- and wealth-management industry.

Asia's ultra-high-net-worth investor population expanded by 12 per cent last year, according to Knight Frank's 2021 "Wealth Report". That's five times more than the global average (2.4 per cent), I'm delighted to say, that is grand too.

And Hong Kong is the natural home for Asia's family-office business. We are the only city in the world that offers a secure, dynamic environment for business and unrivalled access to the Chinese economy.

A leading international financial centre, Hong Kong is blessed with professional services prowess. We have what it takes to serve the wide-ranging financial and investment needs of family offices. And our continuing development of green and alternative investments is proving attractive to family offices and their diverse interests.

Our deepening economic integration with the Mainland offers much for family offices. We are, after all, the world's largest offshore Renminbi business hub. We are also the largest source of overseas direct investment in the Mainland and, no less important, the leading destination for China's FDI (Foreign Direct Investment) outflow.

When it comes to IPOs (initial public offerings), Hong Kong has topped the world for seven of the past 12 years. Our premier listing is a viable exit option for family offices with private equity investments.

And now, thanks to InvestHK, we have FamilyOfficeHK. More than a new brand and a logo, we have a dedicated and experienced team centred right here. FamilyOfficeHK, with professionals in Beijing, Guangzhou and Brussels, will extend its reach, and its offerings, internationally.

Together, they will prove indispensable to family offices – in their planning, management and expansion, as in their communications with regulators, government departments, relevant professional associations and other critical stakeholders. They will, in short, champion Hong Kong as Asia's family-office hub.

This Government is committed to that grand goal. Last August, we launched the Limited Partnership Fund regime, boosting Hong Kong's status as an international asset- and fund-management centre. Indeed, more than 200 funds registered in the first eight months.

In April this year, we passed legislation offering tax concessions for carried interest of private equity and venture capital funds, and we are also looking at creating a mechanism to help foreign funds re-domicile here in Hong Kong.

And, as mentioned in this year's Budget, we're considering tax incentives as well. Indeed, a task force is now reviewing relevant tax arrangements. We're determined to boost Hong Kong's attractiveness as a family-office hub.

I'm also pleased to note that our country's 14th Five-Year Plan underlines Hong Kong's status as an international financial capital, global offshore Renminbi business hub, and international asset-management and risk-management centre.

The Plan recognises, too, the Guangdong-Hong Kong-Macao Greater Bay Area development. Measures to enhance connectivity among the Area's 11 cities will give Hong Kong a clear advantage in expanding our private wealth-management and family-office sector.

To that, let me add that our regulatory regime is recognised, and respected, internationally. And that can only inspire trust among family offices looking to Asia, Hong Kong in particular, for a place to call home.

My thanks to our regulators and industry leaders and players for creating an enabling environment for family offices in Hong Kong. And my gratitude goes out to InvestHK for bringing FamilyOfficeHK to promising life and taking on its management responsibilities, with ambitious KPIs (Key Performance Indicators) as highlighted by Stephen. Working together, we will make it a grand success, of that I am confident.

Ladies and gentlemen, I wish you, and your family, the best of health and business in 2021. And among other things, do get vaccinated.

Thank you.