

Speech by FS at HKAWL Legacy Summit Fall Edition (English only) (with photos)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the HKAWL Legacy Summit Fall Edition today (September 13):

Adrian (Chairman of Hong Kong Academy for Wealth Legacy, Dr Adrian Cheng), distinguished guests, ladies and gentlemen,

Good afternoon. I am delighted to join this Fall Edition of the Legacy Summit organised by the Hong Kong Academy for Wealth Legacy.

Let me first join Adrian to extend a very warm welcome to all our guests coming from the ASEAN (Association of Southeast Asian Nations) countries and beyond.

I'm sure this gathering, featuring insightful panel discussions and dialogues on the governance and investment strategies of family businesses and family offices, will enrich our perspectives and inspire new thoughts on how family offices like yours may thrive.

The global growth of family offices is evident, with Asia emerging as both a source of family offices and a destination of their investments. Some estimates suggest that 42 per cent of global wealth resides in Asia. In fact, according to a UBS Report released earlier this year, more than a third of the family offices worldwide intend to boost their asset allocation in the Asia-Pacific region in the next five years.

Hong Kong is committed to fostering a vibrant ecosystem for family offices. We host around 2 700 single family offices in the city, over half of which manage assets of over US\$50 million. And we are working to attract more.

Hong Kong's strategic location and unique value proposition make it an ideal gateway for family offices looking to capture the opportunities in this part of the world. Under the "one country, two systems" arrangement, we practise common law, with a judiciary exercising powers independently; maintain the free flow of capital, talent, goods and information, and a freely convertible currency pegged to the US dollar; we adhere to the best international business practices. Together with our proximity to rapidly growing Asian markets, a robust regulatory framework, a rich talent pool, an open and multicultural environment, rich cultural offerings and top class education, we are attracting investors and executives from near and far.

Hong Kong also offers a competitive tax regime for family offices. We have no sales taxes, no value-added tax, no capital gains taxes, no estate

duties, no taxes on dividends or interest earned, and no withholding tax on investments. Simply put, doing business in Hong Kong is not a taxing situation at all.

To facilitate the activities of family offices, we have also put in place tax concessions for family-owned investment holding vehicles managed by single family offices in Hong Kong.

Most, if not all, family offices aim for more than just financial returns. Having met many family principals and executives in person, I understand how deeply you care about the collective good of our society and the well-being of our planet. You are keenly interested in making impact investments. Globally, 44 per cent of family offices are taking sustainability or impact into account in their liquid investment portfolios, while 45 per cent are making direct investments in green tech or other sustainability-related ventures. However, Asia receives just 14 per cent of global impact investments.

Yes, each of you holds a unique position of influence and power to drive positive change through your philanthropic endeavours. It is about leaving a lasting legacy, making a tangible difference in the world, and shaping a better future for generations to come. Here in this city, international foundations, charitable organisations, and NGOs gather, forming a vibrant philanthropy network. We are committed to partnering with you to advance this worthy cause.

In this connection, I'm pleased to note that the Academy will launch the "Impact Link" later this year, which will serve as a dynamic repository platform of high-potential and high-social impact charitable programmes accessible to philanthropists from around the world. For this, I extend my gratitude to the Academy, and our partners at home and from abroad, for delivering this project.

Ladies and gentlemen, with our institutional advantages, favourable government policies, a vibrant asset and wealth management sector, talent, lifestyle, and an extensive philanthropic network and projects, Hong Kong stands as the premier platform to realise your aspirations and legacies.

I would like to thank the Hong Kong Academy for Wealth Legacy for hosting this Summit. I wish you all a rewarding event and the best of health and business in the years to come. Thank you very much.

