



SECURITIES AND
FUTURES COMMISSION
證券及期貨事務監察委員會

Development of Hong Kong's asset management and trust industry

23 November 2021

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Investment Products Division
Securities and Futures Commission

Agenda

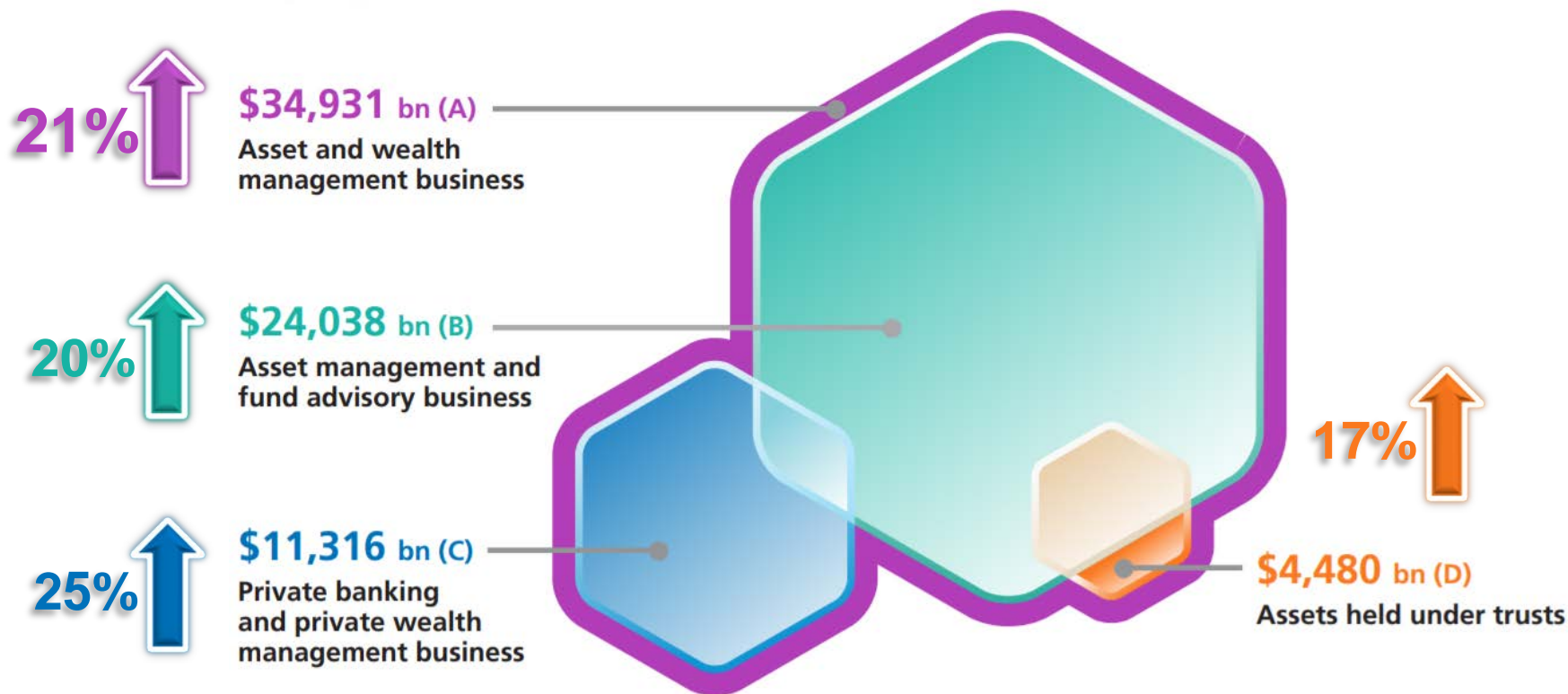
1. **Hong Kong's asset and wealth management industry**
2. **Latest developments of OFCs**
3. **Other initiatives to support industry**
4. **Green and sustainable finance**
5. **The proposed regulatory regime for depositaries of SFC-authorized CIS (RA 13)**



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Hong Kong's asset and wealth management industry

Hong Kong's asset and wealth management business maintained strong growth in 2020



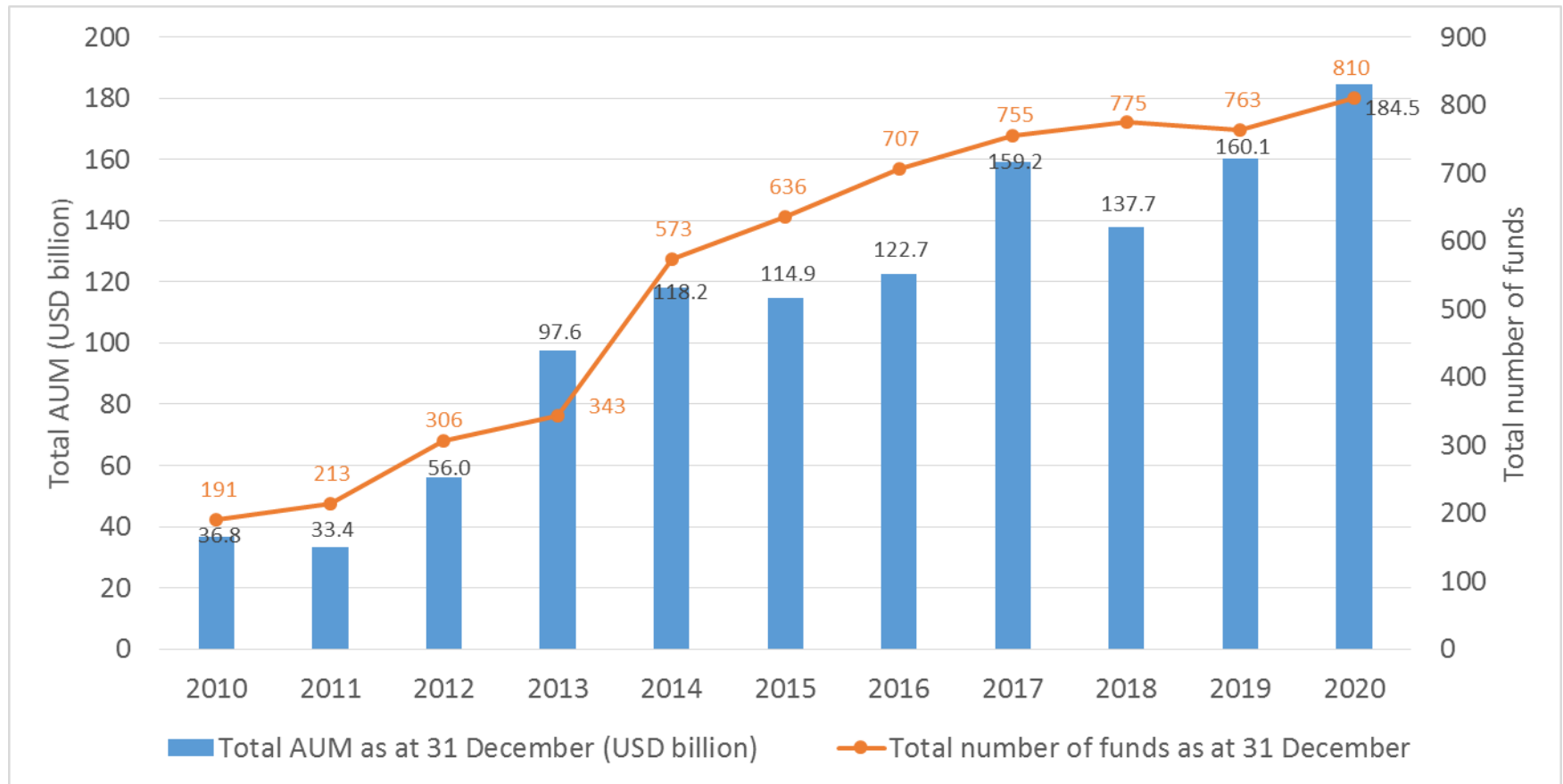
Additional data - AWMAS 2020

1. Net fund inflows during 2020 amounted to \$2,035 billion, accounting for 33% of the y.o.y increase in asset and wealth management business.
2. Total number of staff in asset and wealth management business in 2020 increased by 6% to 48,006.

* Size of the Businesses (in HK\$)

Growth of Hong Kong as an AWM hub

Growth of Hong Kong-domiciled SFC-authorized funds



Source: SFC FMAS reports and AWMAS reports



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Latest developments of OFCs

Major recent milestones

Sep 2020

Enhancement to OFC regime:

- Removal of all investment restrictions for private OFCs
- Expansion of custodian eligibility requirements for private OFCs to allow Type 1 securities brokers

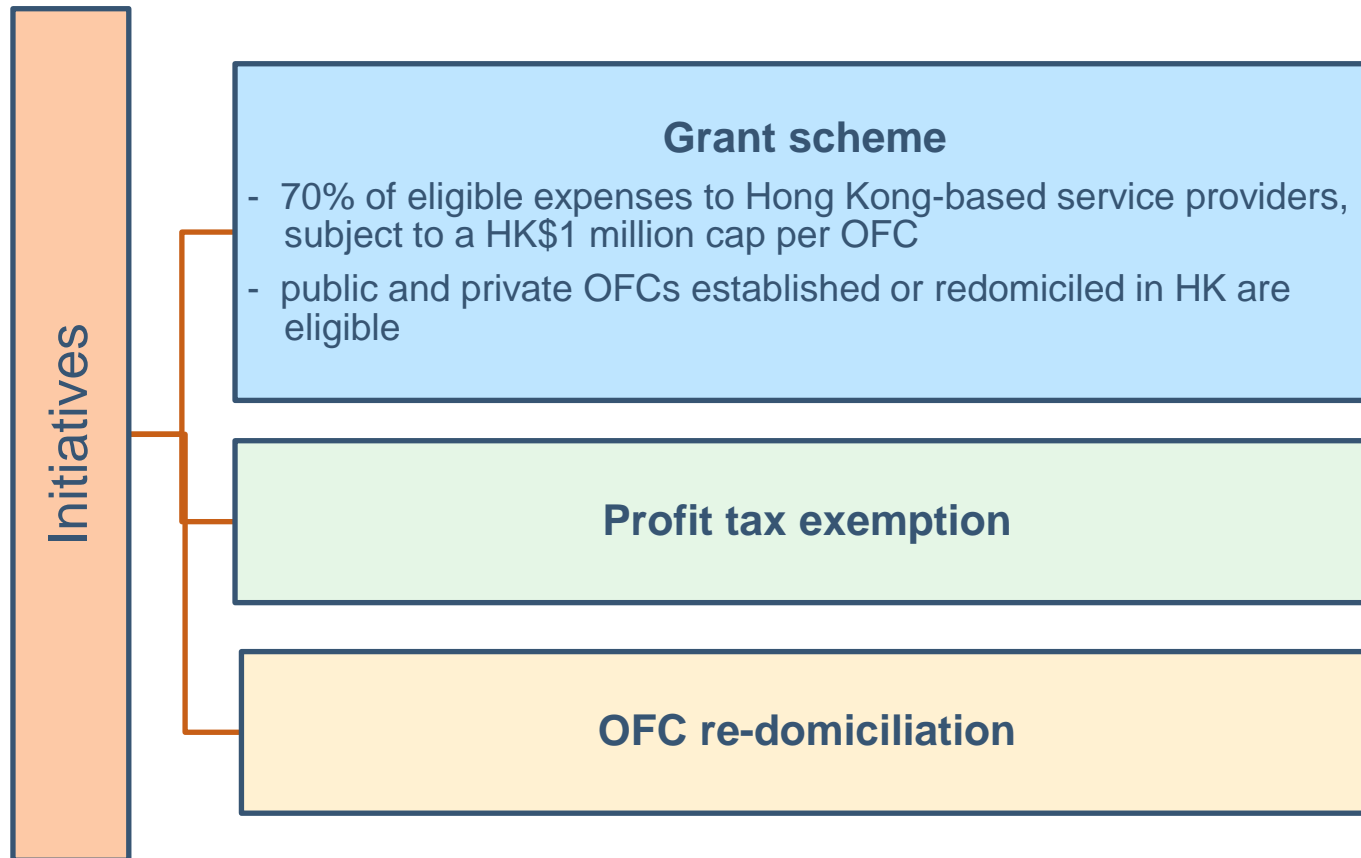
May 2021

- Launch of grant scheme for OFCs

Nov 2021

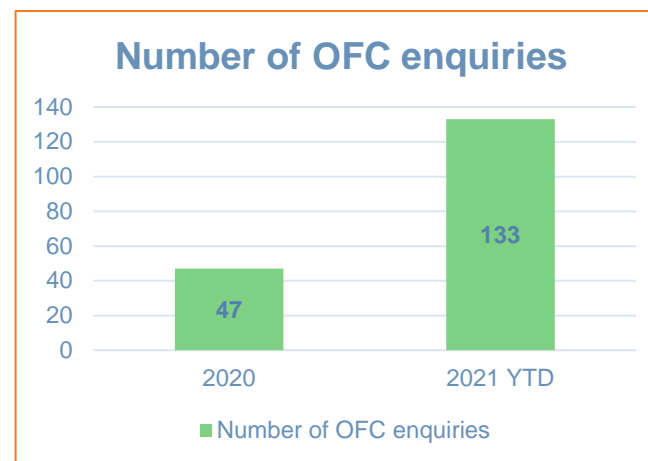
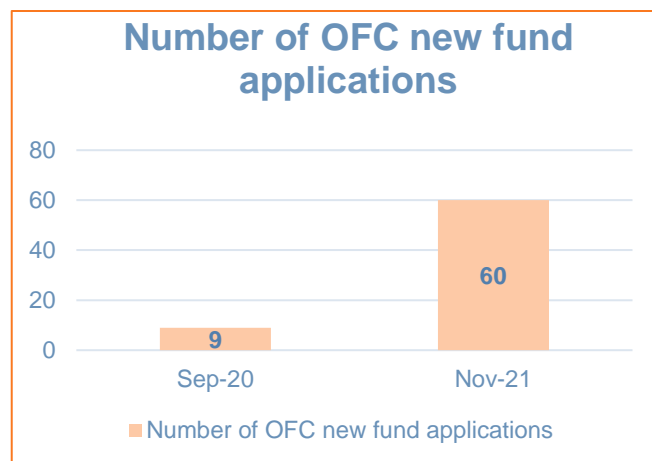
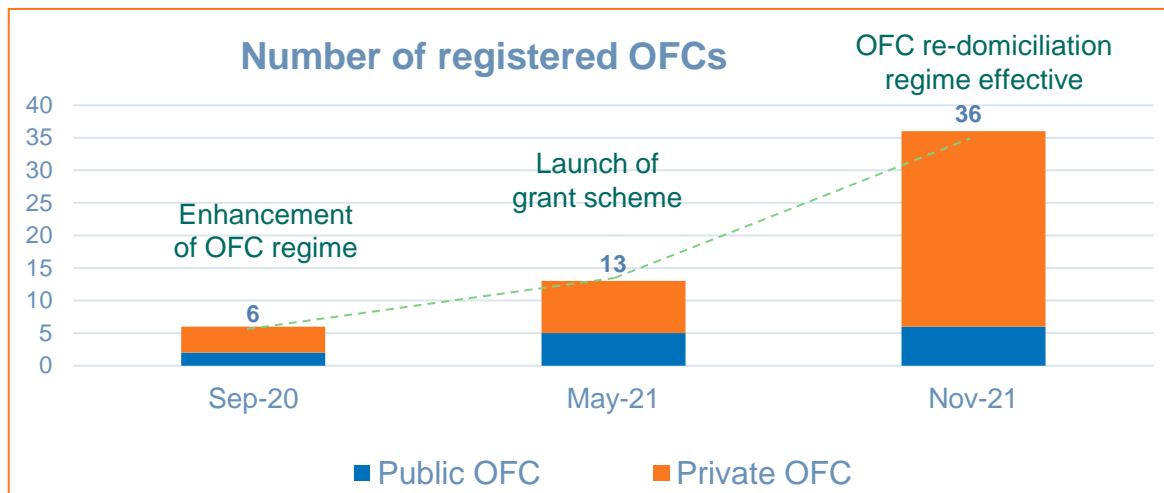
- OFC re-domiciliation regime became effective

Initiatives to support development of OFCs



OFC market overview

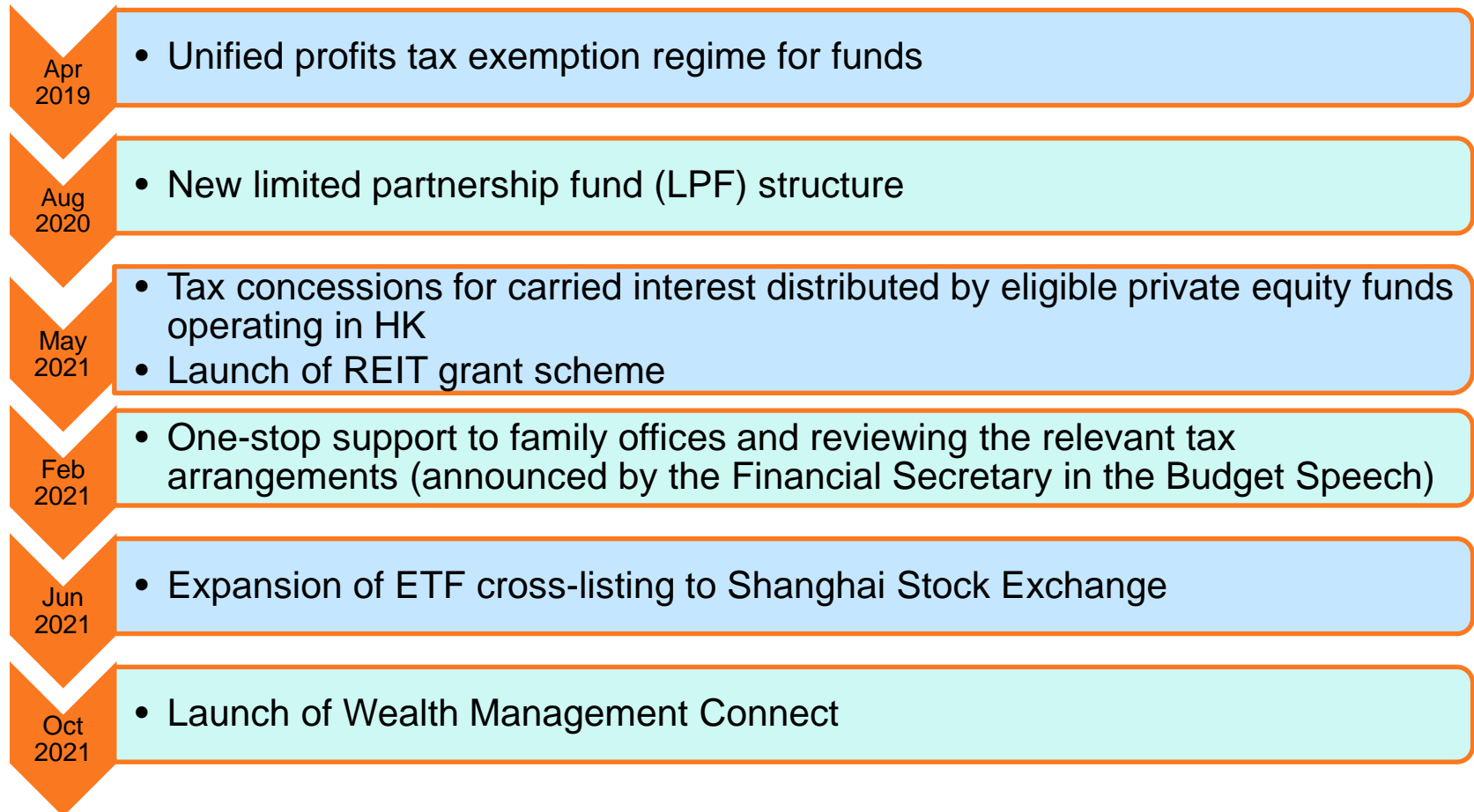
Continuous growth in the number of registered OFCs, OFC new fund applications and enquiries



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Other initiatives to support industry

Active involvement in Government-driven initiatives



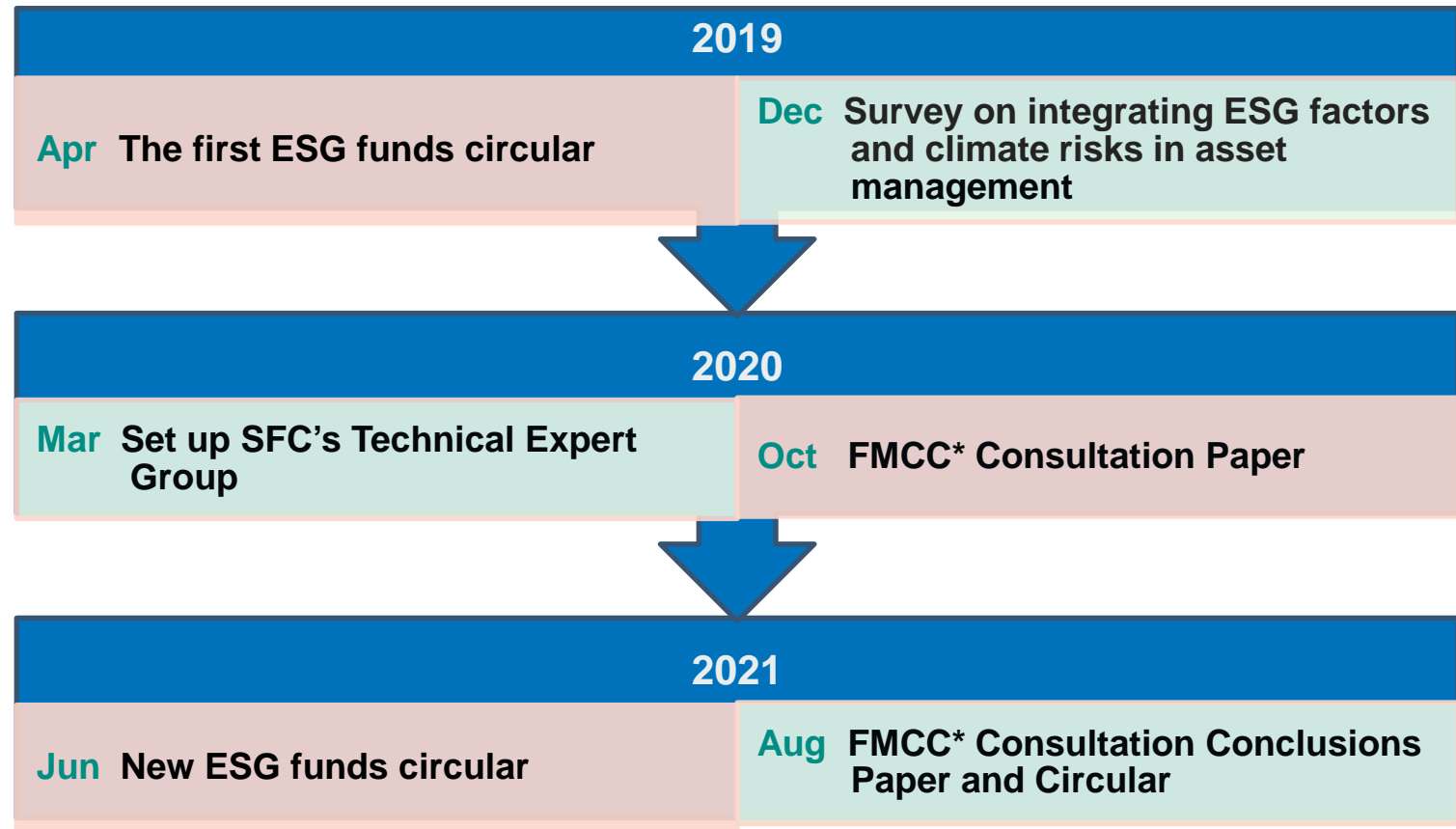


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Green and sustainable finance

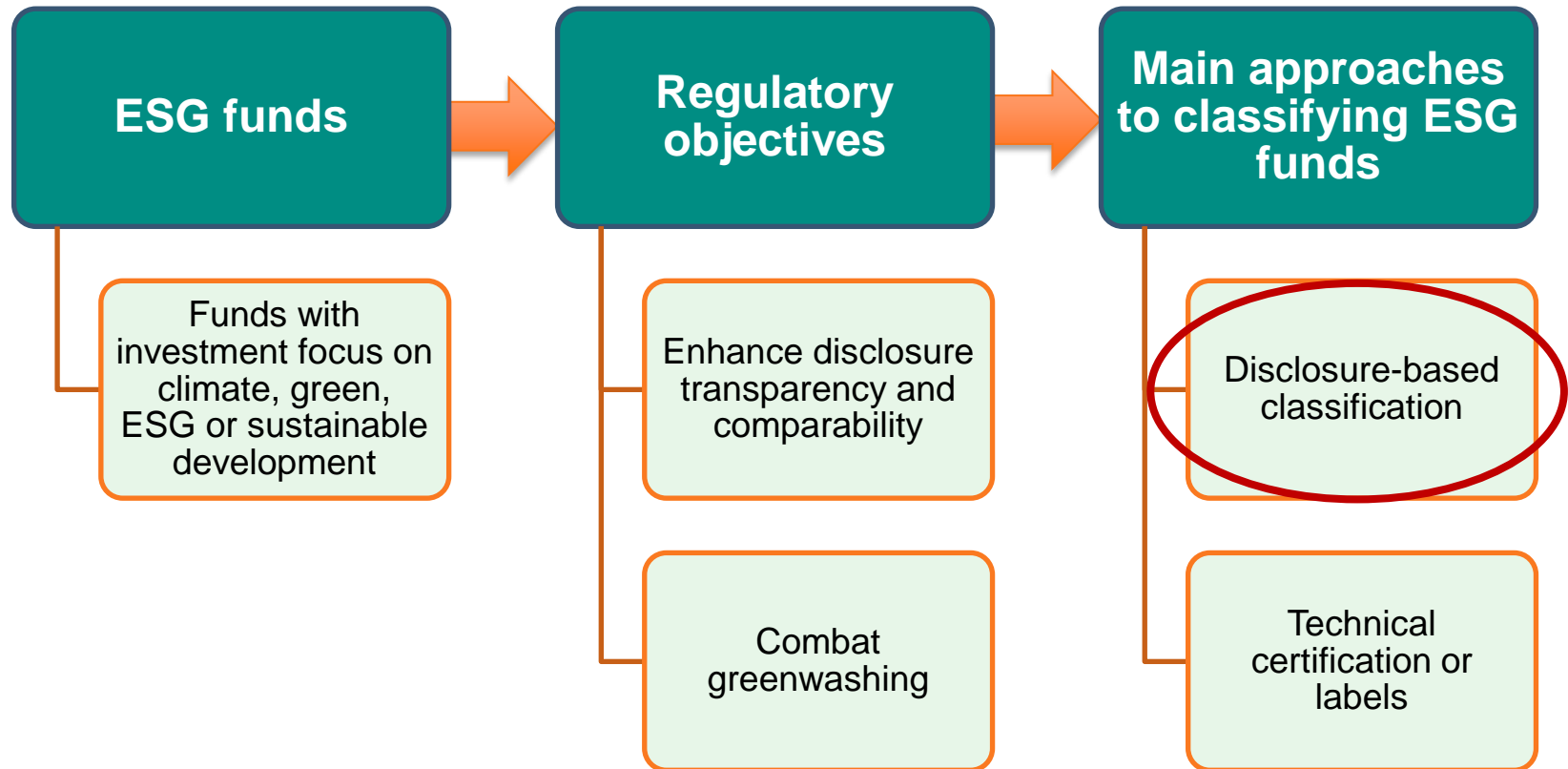
Key milestones

Sustainability, particularly environmental issues, have become a priority of governments and regulators globally



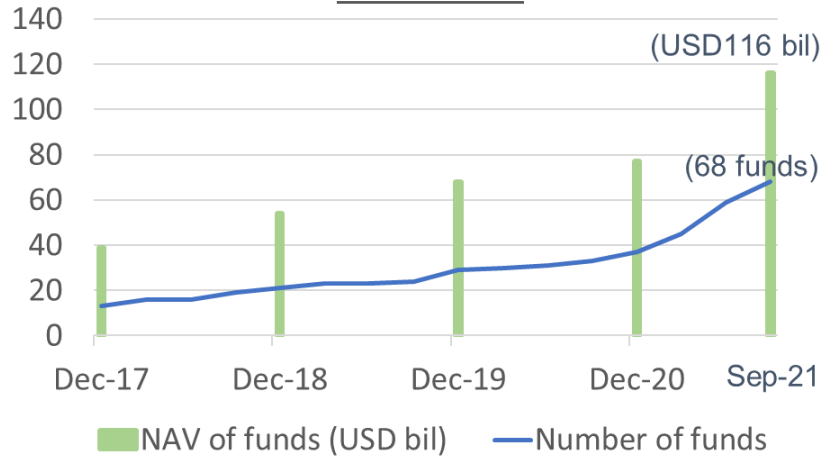
* FMCC – Fund Manager Code of Conduct

SFC's regulatory approach for ESG funds

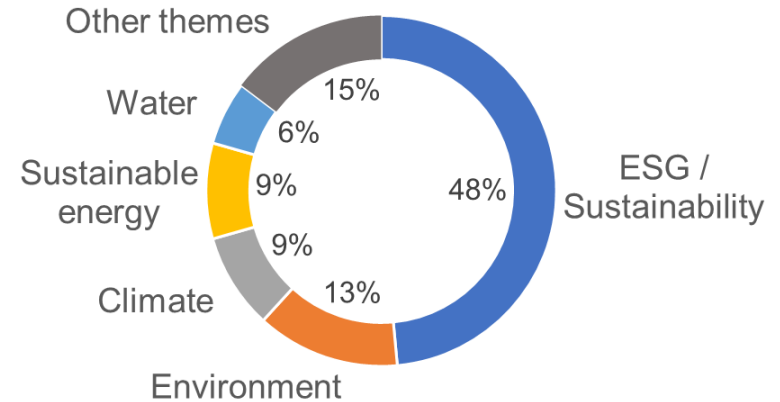


Statistics of ESG funds in Hong Kong

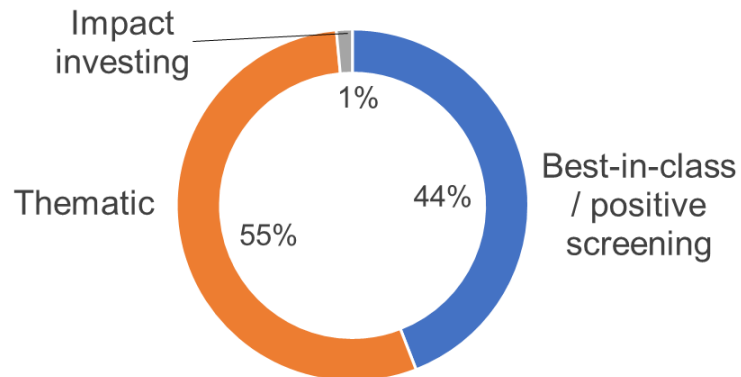
ESG funds



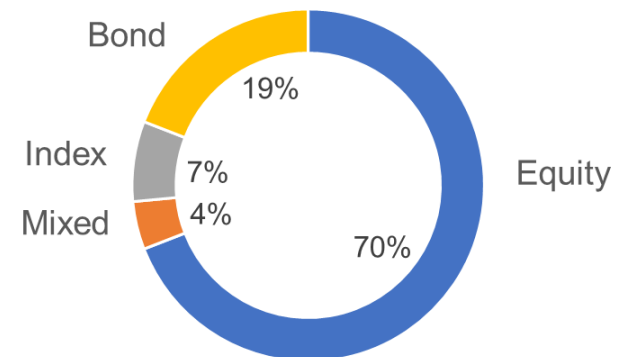
Key investment themes



Key investment strategy



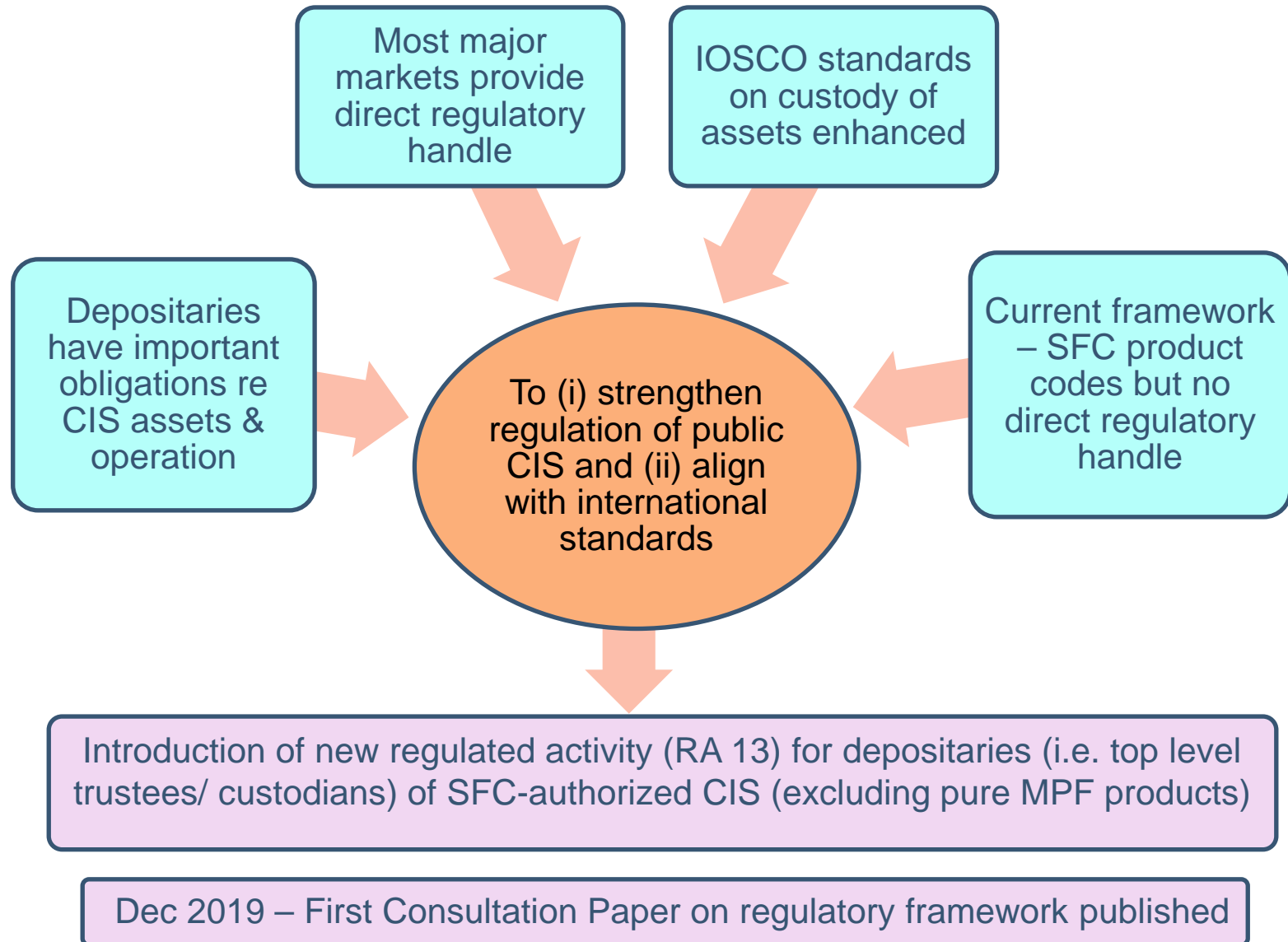
Fund types



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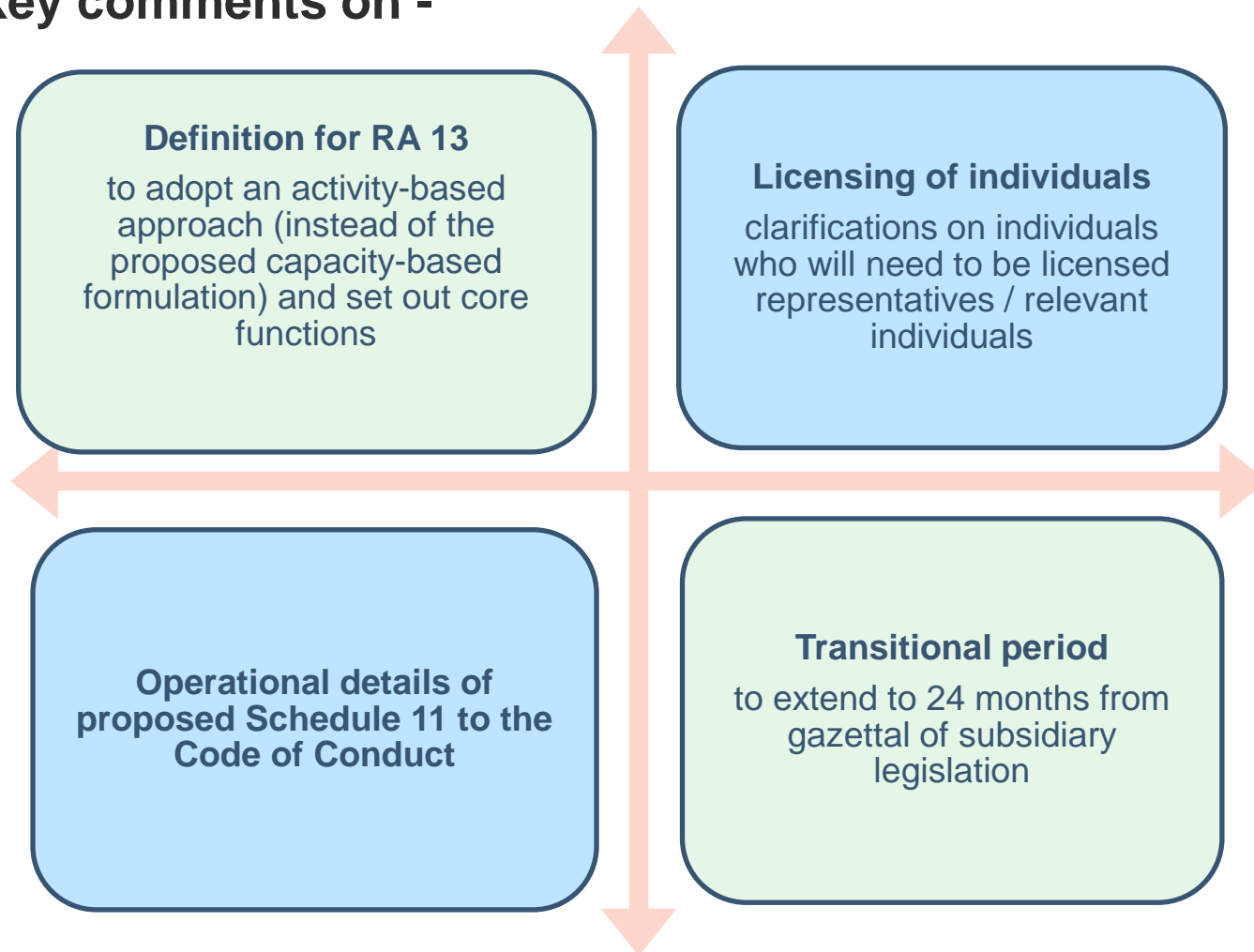
The proposed regulatory regime for depositories of SFC-authorized CIS (RA 13)

RA 13 Overview

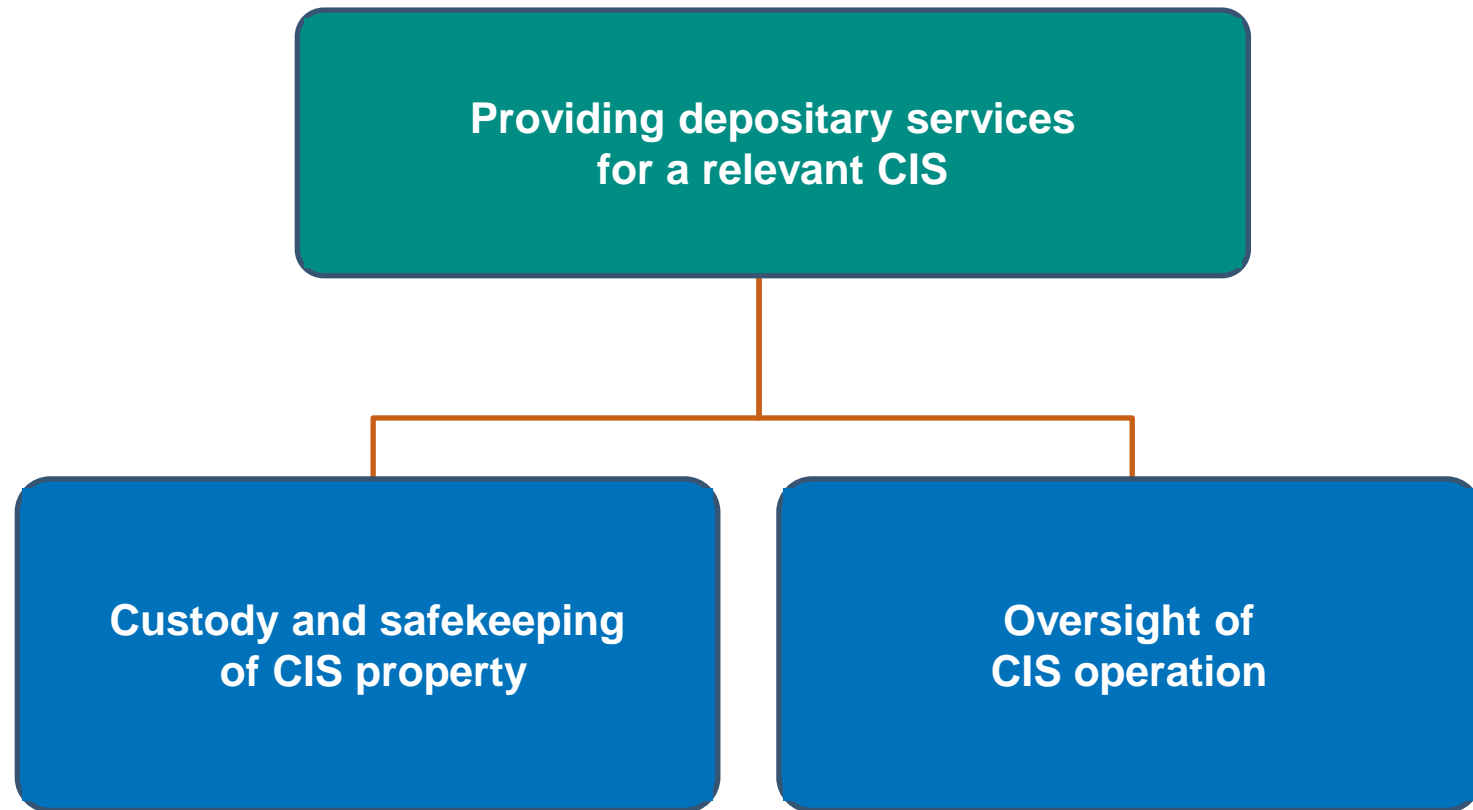


Key comments received from 2019 consultation

- General support for the framework
- Key comments on -



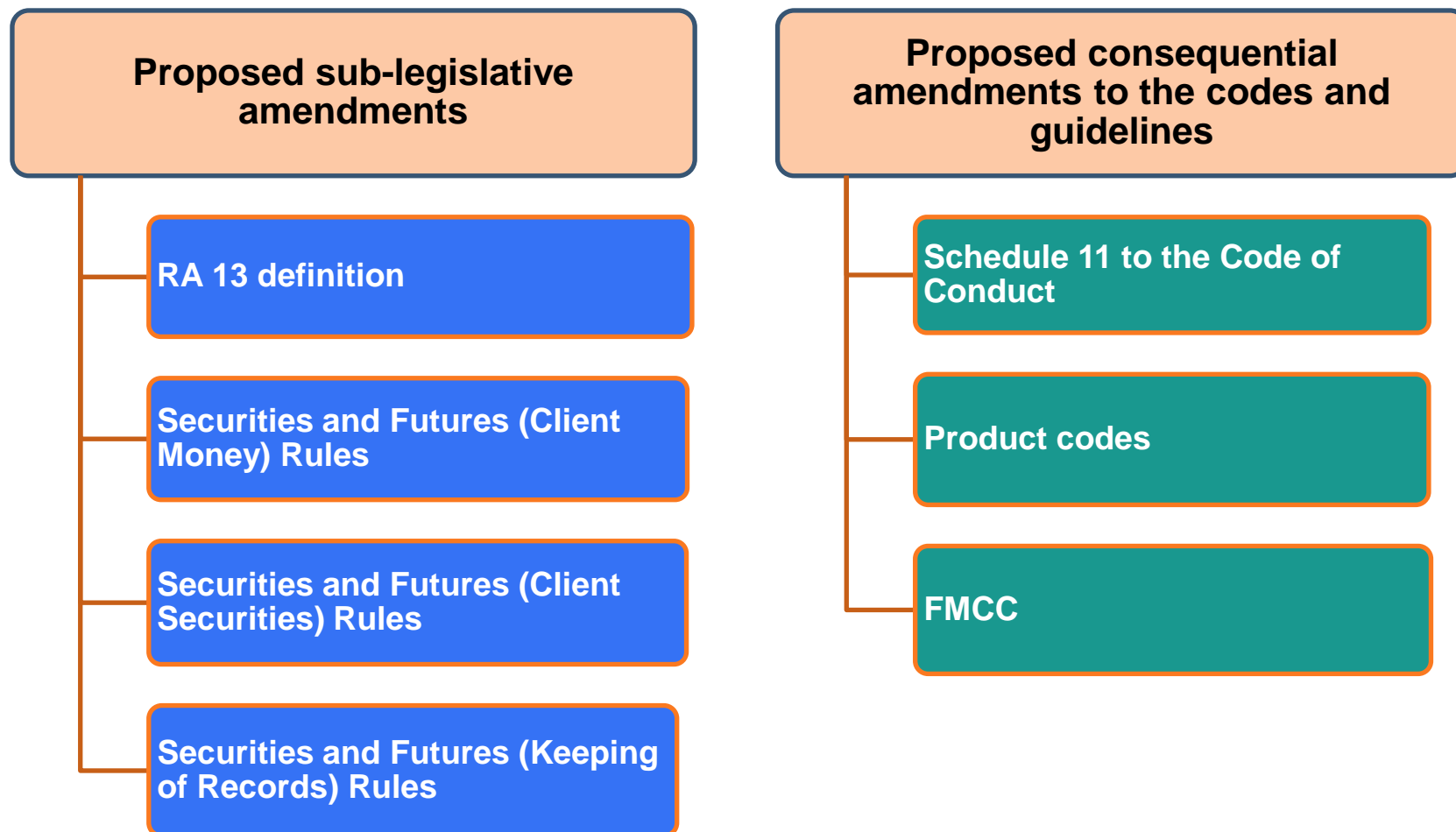
Proposed core functions for RA 13



- Currently there are 23 potential RA 13 entities, out of which 2 are banks

Proposed way forward

- Continued dialogue with industry
- Plan to issue CCP and further CP in Q1 2022
- Key proposals to be covered in the further CP



A large, stylized graphic of a bird, possibly a phoenix, in shades of light blue and teal. The bird is depicted in profile, facing right, with its wings spread wide. The tail feathers are prominent and fan-like. The graphic is positioned on the left side of the slide, with its head and neck extending towards the center.

Thank you.

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