



## KPMG Hong Kong Trust Industry Survey 2021

### Background

Following the release of the *KPMG Hong Kong Trust Industry Survey* in 2017, KPMG and HKTA are jointly producing the 2021 report on the Hong Kong trust industry again. The report endeavours to provide insights into the Hong Kong trust market, explore the current landscape and specifically, the challenges the industry faces and how it might look in the near future. It also aims to provide some high-level recommendations to drive the industry forward.

To ensure equitable representation from the local industry, KPMG will augment our viewpoints and research with an independent survey that solicits direct input from you. We welcome and thank you for your participation in the survey and contribution to this exciting project.

### The survey

This predominantly “multiple choice” style survey forms an integral part of the research and is a channel through which we gather data, information and views from a broad cross-section of the Hong Kong trust market, and in distinct topical areas of interest to you. Individual survey questions contain instructions regarding the response. The survey has been designed to be completed in 15 to 20 minutes. In the unlikely event that you feel a question is unclear, please annotate the question and/or your response, or simply reach out to one of the KPMG contacts below.

### Confidentiality and use of information

The survey is administered by KPMG. The information you provide in this survey will be treated in the strictest confidence and will be handled in accordance with KPMG’s policies on information security. Your individual response will not be shared with any third parties, including the HKTA, other than in the form of report findings. Your data and information, once analysed, will be anonymous and used/ presented in an aggregated manner. Your organisation’s identification is needed for categorisation purposes only, unless you consent to be named as a survey participating organisation. If you have any concerns with regards to confidentiality at any time, please directly get in touch with one of the KPMG contacts below.

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### Participant

Name ( <i>optional</i> )	
Organisation	
Role(s)	

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### A. Your organisation and customers

A1	<p>How long has your organisation participated in the Hong Kong trust industry? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Less than 12 months</li> <li>b. 1 – 5 years</li> <li>c. 6 – 10 years</li> <li>d. 11 – 20 years</li> <li>e. More than 20 years</li> </ul>
A2	<p>What type of organisation do you work for? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Independent trust company</li> <li>b. Bank or subsidiary of a bank</li> <li>c. Insurance company or subsidiary of an insurance company</li> <li>d. Law firm</li> <li>e. Accounting firm</li> <li>f. Corporate services firm</li> <li>g. Family office</li> <li>h. Independent financial advisor</li> <li>i. Charitable trust company</li> <li>j. Other (please specify) _____</li> </ul>
A3	<p>Is your organisation licensed with the Company Registry as a Trust or Company Service Provider (TCSP)?</p> <ul style="list-style-type: none"> <li>a. Yes, my organisation has obtained a TCSP license</li> <li>b. No, my organisation is exempted as it is: <ul style="list-style-type: none"> <li>i. an authorized institution</li> <li>ii. a licensed corporation that operates a trust or company service business in Hong Kong that is ancillary to the corporation's principal business</li> <li>iii. a partnership in which all partners are accounting professionals, or a corporate practice as defined in the Professional Accountants Ordinance, Cap. 50</li> <li>iv. a partnership in which all partners are legal professionals</li> </ul> </li> <li>c. No, (please specify the reason) _____</li> </ul>

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A4	<p>What is the core service of your organisation? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Trust</li> <li>b. Private banking</li> <li>c. Wealth management</li> <li>d. Legal services</li> <li>e. Professional services</li> <li>f. Advisory services</li> <li>g. Other (please specify) _____</li> </ul>
A5	<p>Is your organisation regulated by the following regulators in Hong Kong? Select all options that apply:</p> <ul style="list-style-type: none"> <li>a. Hong Kong Monetary Authority</li> <li>b. Insurance Authority</li> <li>c. Mandatory Provident Fund Schemes Authority</li> <li>d. Securities and Futures Commission</li> </ul>
A6	<p>What is the total number of Hong Kong employees engaged in trust-related business services within your organisation? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Under 20</li> <li>b. 20 – 100</li> <li>c. 101 – 500</li> <li>d. 501 – 1,000</li> <li>e. More than 1,000</li> <li>f. None</li> </ul>
A7	<p>Indicate the significance of the following types of customers to the trust-related business of your organisation (very significant, significant, moderate, insignificant, or none of this type of customer): [The significance is rated for each component below in the electronic survey]</p> <ul style="list-style-type: none"> <li>a. Individuals</li> <li>b. Families / family offices</li> <li>c. Corporates</li> <li>d. Institutions (including fund managers, service providers in relation to MPF schemes and retail funds, etc)</li> <li>e. Charities</li> </ul>

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A8	<p>What is the approximate percentage of your trust-related customers that principally reside in or are incorporated in Hong Kong? Pick one of the following options:</p> <ul style="list-style-type: none"><li>a. Less than 10%</li><li>b. 11% - 20%</li><li>c. 21% - 30%</li><li>d. 31% - 40%</li><li>e. 41% - 50%</li><li>f. 51% - 60%</li><li>g. 61% - 70%</li><li>h. 71% - 80%</li><li>i. 81% - 90%</li><li>j. 91% - 100%</li></ul>
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### B. Jurisdiction

B1	<p>Indicate the significance of the following jurisdictions as a place for trust domiciliation to your organisation (very significant, significant, moderate, insignificant, or no trust domiciled in this jurisdiction). [The significance is rated for each component below in the electronic survey]</p> <ul style="list-style-type: none"> <li>a. Hong Kong</li> <li>b. Singapore</li> <li>c. British Virgin Islands</li> <li>d. Jersey</li> <li>e. Bahamas</li> <li>f. Bermuda</li> <li>g. Cayman Islands</li> <li>h. New Zealand</li> <li>i. Other (please specify) _____</li> </ul>
B2	<p>What are the top 3 reasons for managing trusts using other jurisdictions outside of Hong Kong? Pick and rank the top three of the following options: (1 = highest)</p> <ul style="list-style-type: none"> <li>a. <input type="checkbox"/> Cost</li> <li>b. <input type="checkbox"/> Legacy reasons</li> <li>c. <input type="checkbox"/> Tax effectiveness</li> <li>d. <input type="checkbox"/> Customer demand/ preference</li> <li>e. <input type="checkbox"/> Company expertise</li> <li>f. <input type="checkbox"/> Flexibility</li> <li>g. <input type="checkbox"/> Trust support / developed legal system for trusts</li> <li>h. <input type="checkbox"/> Other (please specify) _____</li> <li>i. Not applicable</li> </ul>

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### C. Trust assets

In this section, the questions are specific to assets held under your trust-related business in **Hong Kong**, regardless of where the assets are geographically situated. This includes offshore trusts administered in Hong Kong. For asset values, please base on year-end 2019 figures or the latest figures that you have.

C1	<p>What types of trusts does your organisation administer and / or offer to clients? Pick all of the following options that apply to your organisation:</p> <ul style="list-style-type: none"> <li>a. Corporate</li> <li>b. Private</li> <li>c. ORSO and/or MPF</li> <li>d. International pension plans</li> <li>e. Charitable</li> <li>f. Other (please specify) _____</li> </ul>
C2	<p>What is the approximate value of <u>total</u> trust assets held under trust by your organisation in Hong Kong? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Less than or equal to USD 20 million</li> <li>b. USD 21 million – USD 200 million</li> <li>c. USD 201 million – USD 500 million</li> <li>d. USD 501 million – USD 1 billion</li> <li>e. USD 1 billion – USD 10 billion</li> <li>f. More than USD 10 billion</li> <li>g. None</li> </ul>
C3	<p>What is the approximate total value of <u>corporate</u> trust assets? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Less than or equal to USD 20 million</li> <li>b. USD 21 million – USD 200 million</li> <li>c. USD 201 million – USD 500 million</li> <li>d. USD 501 million – USD 1 billion</li> <li>e. More than USD 1 billion</li> <li>f. None</li> </ul>
C4	<p>What is the approximate total value of <u>private</u> trust assets? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Less than or equal to USD 20 million</li> <li>b. USD 21 million – USD 200 million</li> <li>c. USD 201 million – USD 500 million</li> <li>d. USD 501 million – USD 1 billion</li> <li>e. More than USD 1 billion</li> <li>f. None</li> </ul>

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C5	<p>What is the approximate total value of <b><u>ORSO and MPF</u></b> assets? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Less than or equal to USD 20 million</li> <li>b. USD 21 million – USD 200 million</li> <li>c. USD 201 million – USD 500 million</li> <li>d. USD 501 million – USD 1 billion</li> <li>e. More than USD 1 billion</li> <li>f. None</li> </ul>
C6	<p>What is the approximate total value of <b><u>international pension plan</u></b> assets? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Less than or equal to USD 20 million</li> <li>b. USD 21 million – USD 200 million</li> <li>c. USD 201 million – USD 500 million</li> <li>d. USD 501 million – USD 1 billion</li> <li>e. More than USD 1 billion</li> <li>f. None</li> </ul>
C7	<p>What is the approximate total value of <b><u>charitable</u></b> trust assets? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Less than or equal to USD 20 million</li> <li>b. USD 21 million – USD 200 million</li> <li>c. USD 201 million – USD 500 million</li> <li>d. USD 501 million – USD 1 billion</li> <li>e. More than USD 1 billion</li> <li>f. None</li> </ul>
C8	<p>What has been the trend in the proportion of asset value held by trusts domiciled in Hong Kong as compared to offshore trusts in the past 3 years? Pick one of the following options:</p> <ul style="list-style-type: none"> <li>a. Increasing</li> <li>b. Relatively static</li> <li>c. Decreasing</li> </ul>

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### Legal & compliance

D1	<p>What was the change in compliance costs for your organisation in the last 12 months?</p> <ul style="list-style-type: none"> <li>a. Increased by more than 15%</li> <li>b. Increased by 5% to 15%</li> <li>c. Little/ no change (changes within 5%)</li> <li>d. Decreased by 5% to 15%</li> <li>e. Decreased by more than 15%</li> </ul>
D2	<p>Do you think that the tax legislation needs to be amended specifically to provide more certainty to taxation of trusts in Hong Kong?</p> <ul style="list-style-type: none"> <li>a. Yes</li> <li>b. No</li> <li>c. Not sure</li> </ul> <p>Reason(s): _____</p>
D3	<p>It has been two years since the introduction of the requirement for trust and company service providers (TCSPs) to be licensed by the Registrar of Companies. What kind of impact has this brought to the industry?</p> <ul style="list-style-type: none"> <li>a. Significant positive impact</li> <li>b. Some positive impact</li> <li>c. Minimal /no impact</li> <li>d. Some negative impact</li> <li>e. Significant negative impact</li> </ul> <p>Reason(s): _____</p>
D4	<p>It is proposed that depositaries operating in Hong Kong would be licensed by or registered with the SFC for a new type of regulated activity, RA 13, and be subject to the ongoing supervision of the SFC or the HKMA. Is your organisation likely going to be licensed or registered for RA 13?</p> <ul style="list-style-type: none"> <li>a. Yes</li> <li>b. No</li> <li>c. Not sure</li> </ul>



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D5	<p>What impact do you think RA 13 would have on the trust industry?</p> <ul style="list-style-type: none"> <li>a. Significant positive impact</li> <li>b. Some positive impact</li> <li>c. Minimal /no impact</li> <li>d. Some negative impact</li> <li>e. Significant negative impact</li> </ul> <p>Reason(s): _____</p>
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### E. Talent

E1	<p>Please select the top 3 roles/functions where the talent gap is most critical? Pick and rank the top three of the following options: (1 = <i>highest</i>)</p> <ul style="list-style-type: none"> <li>a. <input type="checkbox"/> Client relationship management</li> <li>b. <input type="checkbox"/> Trust administration</li> <li>c. <input type="checkbox"/> Portfolio management</li> <li>d. <input type="checkbox"/> Middle and back office functions</li> <li>e. <input type="checkbox"/> Risk management</li> <li>f. <input type="checkbox"/> Legal &amp; compliance</li> <li>g. <input type="checkbox"/> Others (Please specify) _____</li> </ul>
E2	<p>Please rank the top 3 ways you attract talent. Pick and rank the top three of the following options: (1 = <i>highest</i>)</p> <ul style="list-style-type: none"> <li>a. <input type="checkbox"/> In-house development</li> <li>b. <input type="checkbox"/> Referral from existing employees</li> <li>c. <input type="checkbox"/> Acquiring from peer organisations</li> <li>d. <input type="checkbox"/> Acquiring from other industries</li> <li>e. <input type="checkbox"/> Campus recruiting</li> <li>f. <input type="checkbox"/> Others (Please specify) _____</li> </ul>

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E3	<p>What impact has HKTA's Certified Trust Practitioner Accreditation Program/Trust Training Certificate Course had on your organisation's ability to find/hire/nurture the right talent and skills?</p> <p style="margin-left: 40px;">a. Significant impact b. Some impact c. Minimal /no impact</p> <p>Reason(s): _____</p>
E4	<p>How many employees from your organisation: (i) are HKTA's Certified Trust Practitioners and/or (ii) have attended the Trust Training Certificate Courses?</p> <p>(i) _____ (ii) _____</p>
E5	<p>How many employees from your organisation: (i) are the Society of Trust and Estate Practitioners' (STEP's) qualified Trust and Estate Practitioners (TEP) and/or (ii) have attended the STEP courses?</p> <p>(i) _____ (ii) _____</p>
E6	<p>How many employees from your organisation have attended courses organised/accredited by the Mandatory Provident Fund Schemes Authority (MPFA) in the past 12 months?</p> <p>_____</p>

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### F. Challenges and opportunities

F1	<p>Which jurisdiction do you think is the biggest competitor to the Hong Kong trust industry? And why?</p> <ul style="list-style-type: none"> <li>a. Singapore</li> <li>b. British Virgin Islands</li> <li>c. Jersey</li> <li>d. Bahamas</li> <li>e. Bermuda</li> <li>f. Cayman Islands</li> <li>g. Other (please specify) _____</li> </ul> <p>Why? (please briefly detail the reason for your response) _____</p>
F2	<p>How much do you agree or disagree with the following statements: (strongly agree, agree, neither agree nor disagree, disagree, strongly disagree)</p> <ul style="list-style-type: none"> <li>a. My organisation is able to hire enough qualified people to meet our business needs</li> <li>b. Family offices are an increasingly important source of business for my organisation</li> <li>c. Sustainability and ESG are increasingly important to clients</li> <li>d. The China market is a key growth driver for my organisation</li> <li>e. Expectations and needs of Chinese clients are similar to those of other trust industry clients</li> <li>f. Clients have a clear preference for Hong Kong over other trust centres</li> <li>g. Regulatory requirements in Hong Kong are conducive to the conduct of business</li> <li>h. My organisation's business continuity plan (BCP) proved robust enough to deal effectively with recent events</li> <li>i. My organisation's technology / digital offering is able to meet customer expectations</li> <li>j. COVID-19 has caused significant disruption to the business of my organisation</li> <li>k. The outlook of Hong Kong remains promising as a trust centre in the short to medium term</li> </ul>
F3	<p>Compared to the Mainland-Hong Kong Mutual Recognition of Funds scheme initiative, does the Wealth Management Connect scheme in the Greater Bay Area offer better opportunities to the trust industry?</p> <ul style="list-style-type: none"> <li>a. Yes</li> <li>b. No</li> <li>c. Not sure</li> </ul> <p>Reason(s): _____</p>

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F4	<p>Does your company have a strategic plan for the Greater Bay Area?</p> <ul style="list-style-type: none"><li>a. Yes, it is being implemented</li><li>b. Yes, we are in the process of formulating a strategy</li><li>c. No, but we plan to formulate a strategy in the next 12 months</li><li>d. No strategic plan</li></ul>
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**Thank you very much for your participation**