



財經事務及庫務局

Financial Services and the Treasury Bureau

Hong Kong's latest development as an International Financial Centre

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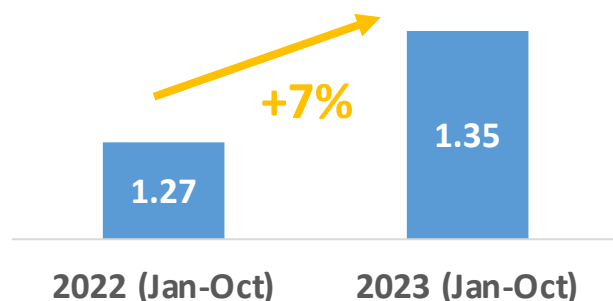
Secretary for Financial Services and the Treasury



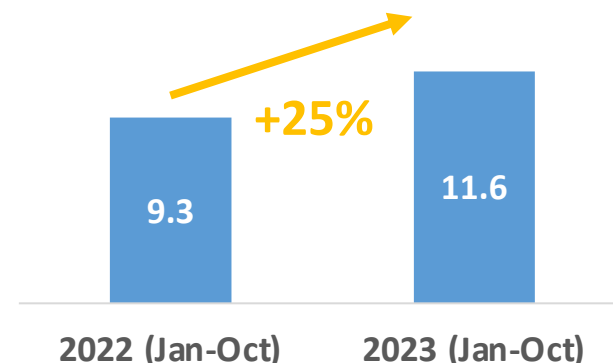
Resilience of Hong Kong's Financial Sector

Securities and Futures Market

■ Average daily turnover of futures and options (million)



■ Average daily ETF turnover (HK\$ billion)



Asset and Wealth Management¹

- ❖ Total assets under management exceeded \$30.5 trillion and recorded a net capital inflow of **\$88 billion**
- ❖ Assets under management of funds domiciled in Hong Kong start to rebound in Q3 2022, growing by 15% to over **\$1.3 trillion** at end-Jun 2023
- ❖ 17% increase in the number of Mainland-related organisations in 2022, recording a net capital inflow of **\$132 billion**
- ❖ The number of licensed corporations for asset management in Hong Kong increased by 5% year-on-year (**2,069**)

Insurance

- ❖ New office premiums for long-term business² in 1H 2023 were **\$103 billion** (+25.9%)
- ❖ New business premiums from Mainland visitors surged to **\$31.9 billion** (surpassed 2019)
- ❖ Gross premiums for general insurance business amounted to **\$37 billion** (up 5.1%)

Banking

- ❖ In 1H 2023, average liquidity coverage ratios were **169.8%**, well above the statutory requirement of 100%
- ❖ Aggregate pre-tax operating profit of retail banks increased by **120.5%** y-o-y for 1H2023³

Hong Kong's financial sector demonstrated resilience amidst global interest rate hikes, macroeconomic downturns and geopolitical tensions, with strong growth in some sectors

1: SFC Asset and Wealth Management Activities Survey 2022;
3: HKMA

2: excluding retirement scheme business;

2023 Policy Address: Policy Measures of the FSTB

International financial centre

- Enhance stock market competitiveness
 - Lower the rate of stamp duty on stock transfers payable
 - Review bid-ask spread of stocks
 - Reduce relevant costs in obtaining market data
 - Reform on GEM Market
 - Continue to promote stock market development
- Solidify the Competitiveness as the Financial Centre
 - Strengthen the offshore Renminbi (RMB) business
 - Deepen financial co-operation in the Greater Bay Area
 - Set up a new platform to expand the fund distribution network
 - Promote the development of green and sustainable finance in Hong Kong

Developing “headquarters economy”

- Entice overseas companies to set up headquarters/branch offices in Hong Kong

Competing for and retaining talent

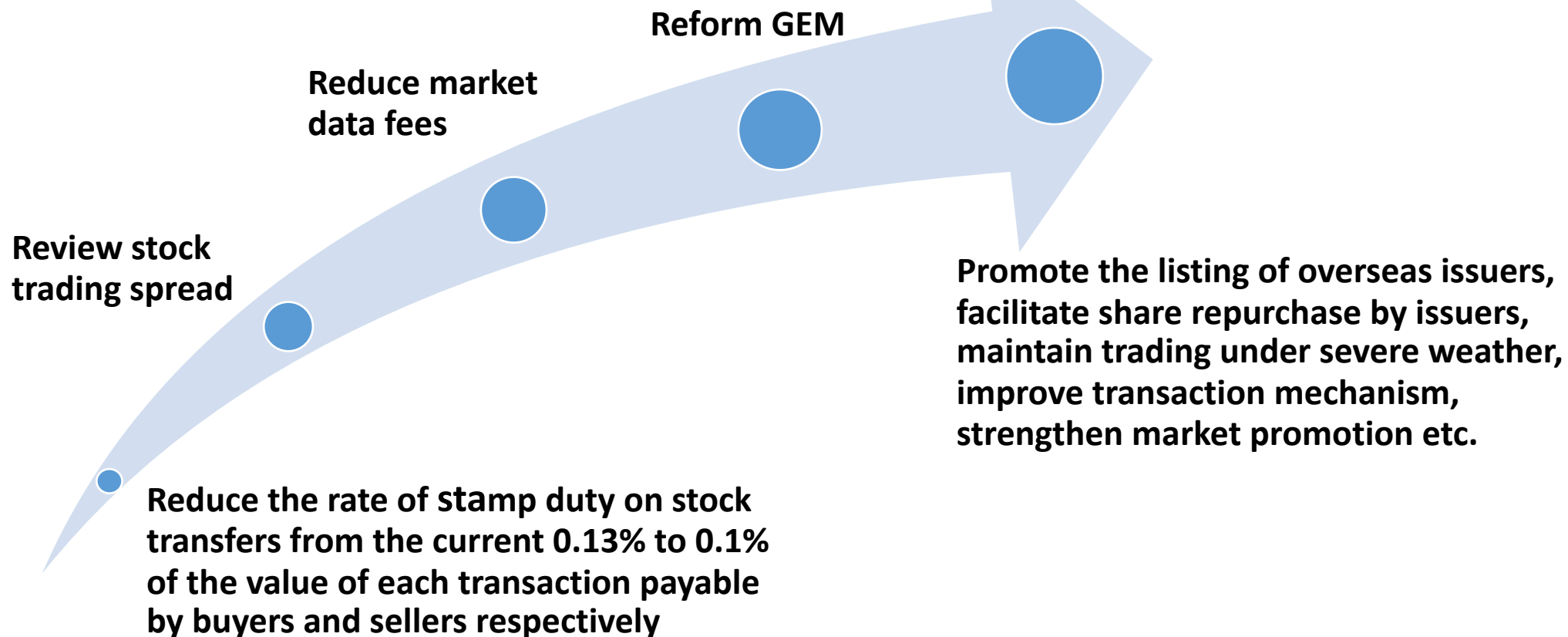
- Implement the Capital Investment Entrant Scheme

Enticing companies to re-domicile in Hong Kong

- Introduce a mechanism to facilitate companies domiciled overseas, in particular those with a business focus in the Asia-Pacific region, for re-domiciliation to Hong Kong

Strengthen the Competitiveness of the Stock Market

Recommendations on enhancing stock market liquidity



Reinforce our Competitiveness as a Financial Centre

Strengthen the offshore RMB business

- Press ahead with the inclusion of RMB counters under the Southbound Trading of Stock Connect
- Take forward the introduction of offshore Mainland government bond futures
- Enrich the variety of RMB investment products

Deepen financial co-operation in the Greater Bay Area

- Take advantage of the financial reform and innovation measures in the Qianhai Co-operation Zone
- Facilitate Hong Kong's limited partnership funds to be qualified under the Qianhai Qualified Foreign Limited Partnerships (QFLP)
- Co-establish the Shenzhen-Hong Kong Financial Co-operation Committee with the Shenzhen authorities in the first half of 2024

Establish a new platform to expand fund distribution network

- Establish a new integrated fund platform within next year to expand Hong Kong's fund distribution network

Promote the development of green and sustainable finance in Hong Kong

- Launch a dedicated proof-of-concept subsidy scheme for green fintech in the first half of 2024

Develop “Headquarters Economy”

Develop “Headquarters Economy”

- The HKSAR Government will explore with the relevant central authorities feasible measures to facilitate Mainland enterprises in setting up headquarters and/or corporate divisions in Hong Kong, such as arrangements for investments relating to capital account

Attract companies to re-domicile in Hong Kong

- The Government will introduce a mechanism to facilitate companies domiciled overseas, in particular those with a business focus in the Asia-Pacific region, for re-domiciliation to Hong Kong. We aim to introduce the legislative amendments into the LegCo in the first half of next year
- InvestHK and HKEX will reach out to major Hong Kong listed companies domiciled overseas and encourage them to re-domicile to Hong Kong

Implement the Capital Investment Entrant Scheme

Eligible investors who make investments of \$30 million or above in assets such as stocks, funds, bonds, etc. (excluding real estate) can apply for entry into Hong Kong. This will strengthen the development of our asset and wealth management business, financial services and related professional services. Details of the scheme will be announced by the end of this year.



Consider including RMB-denominated assets

Explore the expansion of the scope of investment to cover not only financial assets but also other classes of investment conducive to Hong Kong's long-term development

New initiatives announced in 2023 Fintech Week

Enhancing Hong Kong's financial infrastructure

- New integrated fund platform (“IFP”)

Welcoming cross-boundary e-CNY usage

- e-CNY applications to benefit inbound and outbound visitors between the Mainland and Hong Kong

Promoting sustainable development of virtual assets (“VA”) and Web3.0

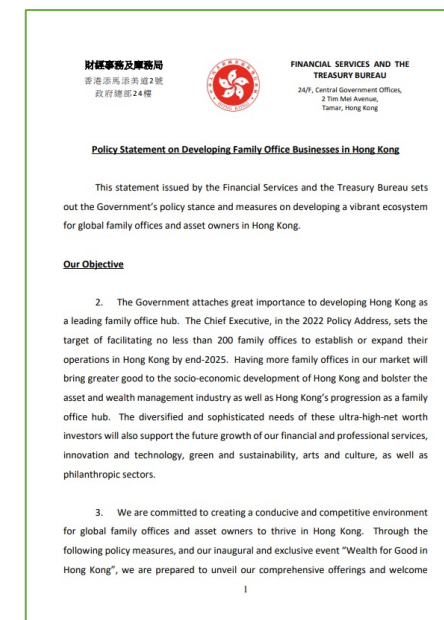
- Real economy applications and innovations
- Further development of regulatory framework

Policy Statement on Developing Family Office Businesses in Hong Kong

8 new measures

- to create a conducive and competitive environment for the businesses of global family offices and asset owners to thrive in Hong Kong

1. Introducing a new Capital Investment Entrant Scheme (“CIES”)
2. Offering tax concessions
3. Providing market facilitation measures by regulators
4. Establishing the Hong Kong Academy for Wealth Legacy
5. Promoting art storage facilities at the Hong Kong International Airport
6. Developing Hong Kong into a philanthropic centre
7. Further expanding the role of the dedicated FamilyOfficeHK team in Invest Hong Kong
8. Launching a new Network of Family Office Service Providers



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Thank You

We will continue to work closely with market participants to capitalise on every opportunity for our financial services sector