

FINANCIAL SERVICES & FAMILY OFFICES INDUSTRIES NEWS ON OPPORTUNITIES & SUPPORT MEASURES

FAMILY OFFICE

InvestHK Builds FamilyOfficeHK Team to Promote Hong Kong as Leading Hub for Family Offices in Asia

Invest Hong Kong (InvestHK) announced on 29 June 2021 the opening of the independent office of its dedicated FamilyOfficeHK team, which aims to promote family office business in the city. The office in Admiralty, near Central and its cluster of family offices, provides a convenient location for the department to serve its family office clients.

In attendance included the Secretary for Financial Services and the Treasury, Mr Christopher Hui; the Director-General of Investment Promotion at InvestHK, Mr Stephen Phillips; the Chairman of the Financial Services Development Council, Mr Laurence Li; the Chairman of the Financial Reporting Council, Dr Kelvin Wong; and the Head of Financial Services and Global Head of Family Office at InvestHK, Mr Dixon Wong.

The Director-General of Investment Promotion at InvestHK, Mr Stephen Phillips, said, "The family office business has flourished in recent years, becoming an important growth segment in the wealth and asset management industry. The establishment of our FamilyOfficeHK team is a milestone in InvestHK's endeavour in promoting Hong Kong as an ideal location in which Hong Kong and overseas-based enterprises can set up a family office presence. I believe that the team will further promote Hong Kong's unique advantages and offer one-stop services to family offices that are interested in setting up a base in Hong Kong, and consequently reinforce Hong Kong's position as a prime family office hub in Asia."

The FamilyOfficeHK team will work closely with the local industry and relevant government departments. In addition to holding seminars to introduce Hong Kong's advantages in the family office industry, it will also provide customer services and meet with family offices or ultra-high net worth individuals interested in developing a foothold in Asia. The team will listen to their needs and provide customised assistance services.



From left: the Chairman of the Financial Reporting Council, Dr Kelvin Wong; the Director-General of Investment Promotion at InvestHK, Mr Stephen Phillips; the Secretary for Financial Services and the Treasury, Mr Christopher Hui; the Chairman of the Financial Services Development Council, Mr Laurence Li; and the Head of Financial Services and Global Head of Family Office at InvestHK, Mr Dixon Wong.

Apart from members from Hong Kong, the team also has two members in Mainland China and one in Europe. The diversity is aimed at gaining an all-round understanding of family offices in different countries so that the team can provide suitable help for family offices intending to come to Hong Kong.

The Head of Financial Services and Global Head of Family Office at InvestHK, Mr Dixon Wong, said, “We hope that the establishment of FamilyOfficeHK will cement Hong Kong’s position as one of the most sought-after family office hubs in Asia. The unique advantages of Hong Kong – namely our connectivity with China and the world, effective legal system and strong foundation for our private wealth management industry, plus continuous support by the Hong Kong Special Administrative Region Government – add up to create a very conducive environment for family offices to develop in Hong Kong.”

Source: *Invest Hong Kong*

GREEN AND SUSTAINABLE FINANCE



HKMA Announces Guideline on the Green and Sustainable Finance Grant Scheme

On 4 May 2021, the Hong Kong Monetary Authority (HKMA) released a guideline on the Green and Sustainable Finance Grant Scheme (GSF Grant Scheme) as announced in the 2021-22 Budget.

The GSF Grant Scheme provides subsidy for eligible bond issuers and loan borrowers to cover their expenses on bond issuance and external review services. It commenced on 10 May 2021 and will last for three years.

The GSF Grant Scheme consists of two tracks, covering:

- I. General Bond Issuance Costs: covering bond issuance expenses (e.g. arrangement, legal, audit, listing fees, etc.) for eligible first-time green and sustainable bond issuers; and
- II. External Review Costs: covering transaction-related external review fees (e.g. including pre-issuance external review and post-issuance external review or reporting) for eligible green and sustainable bond issuers and loan borrowers, including first-time and repeated issuers and borrowers.

Commenting on the GSF Grant Scheme, Mr Eddie Yue, Chief Executive of the HKMA, said, “The global green bond market has grown from practically non-existent ten years ago to US\$270 billion in 2020. In Hong Kong, we have taken early and proactive steps to strengthen Hong Kong’s position as a regional green and sustainable finance hub, including the issuance of two rounds of Government green bonds since 2019 and the establishment of the Green and Sustainable Finance Cross-Agency Steering Group to coordinate cross-agency market development efforts. The launch of a new Green and Sustainable Finance Grant Scheme to support green and sustainable bond issuance and lending will further enrich the green and sustainable finance ecosystem in Hong Kong.”

Source: *Hong Kong Monetary Authority*

■ INSURANCE

Conduct In Focus Looks at Conduct Issues for Insurance Agents Selling Insurance from Temporary Booths

On 17 May 2021, the Insurance Authority (IA) published its latest issue of “Conduct In Focus” featuring the recent trend of insurance agents promoting insurance products in public places such as temporary booths and vacant retail outlets and related possible conduct issues.

An issue that IA observe is that certain “self-made” marketing materials and banners used in these sale activities to “hook” the customer’s attention, may sometimes not be approved by the insurance agents’ appointing principals, as required by the Code of Conduct for Licensed Insurance Agents. IA also emphasise the importance of providing adequate time and information to prospective customers during these activities, so they can make informed decisions. These street-level sale activities can be an effective way of making potential customers aware of the importance of insurance, but it is imperative that they are conducted professionally and that the customers’ interests always put first.

“Conduct In Focus” also has a new feature called “Policyholder Corner” which provides practical guidance to the public on buying insurance or dealing with insurance matters based on the lessons learned from the complaints which the IA receives. In Policyholder Corner, IA look at problems which could arise when purchasing insurance policies from intermediaries who are family members or friends, and how to avoid such problems. IA also alert the public to certain scams using fraudulent websites to impersonate legitimate insurance broker companies or which create fictional insurers. If in doubt, members of the public are advised to verify the contact information of the broker company or insurer in question using the Register of Authorised Insurers and Register of Licenses Insurance Intermediaries on the IA’s website.

Source: *Insurance Authority*



Details of the Pilot Insurance linked Securities Grant Scheme Announced by the Insurance Authority

On 3 May 2021, the Insurance Authority (IA) announced details of the two-year Pilot Insurance-linked Securities Grant Scheme (the Grant Scheme) promulgated in the 2021-22 Budget.

The Grant Scheme provides an incentive for insurance companies and organisations to issue insurance-linked securities (ILS) in Hong Kong, while efforts are being made in parallel to map out a new regulatory scheme for Special Purpose Insurers set up in this connection. Some relevant information on the eligibility criteria and sum of grants available is at [Annex](#).

Mr Clement Cheung, Chief Executive Officer of the IA, expressed confidence by saying that “The Grant Scheme and new regulatory regime catapult Hong Kong into an attractive domicile for issuance of ILS, which will in turn help to enhance sustainable development of the insurance industry and reinforce our status as a global risk management centre.”

Source: *Insurance Authority*

INVESTMENT PROMOTION AND PROTECTION



Investment Promotion and Protection Agreement between Hong Kong and Mexico to Enter into Force on 16 June 2021

The Investment Promotion and Protection Agreement (IPPA) between Hong Kong and Mexico has entered into force on 16 June 2021. The IPPA with Mexico will enhance the confidence of investors, expand investment flows between Hong Kong and Mexico, and further strengthen bilateral economic and trade ties.

“The 14th Five-Year Plan supports Hong Kong to foster co-operation and exchanges with countries and regions around the world. Indeed, the Hong Kong Special Administrative Region Government has been making full use of Hong Kong’s advantages under the Basic Law and ‘one country, two systems’, and has signed bilateral agreements, including IPPAs, with foreign economies to explore more opportunities for developing bilateral and multilateral co-operation benefits for Hong Kong,” the Secretary for Commerce and Economic Development, Mr Edward Yau, said.

Under the IPPA with Mexico, the two sides undertake to provide investors of the other side with fair, equitable and non-discriminatory treatment of investments; compensation in the event of expropriation of investments; and the right to free transfers abroad of investments and returns. The IPPA also provides for settlement of investment disputes under internationally accepted rules, including arbitration.

The 31 foreign economies with which Hong Kong has signed IPPAs are the 10 ASEAN Member States, Australia, Austria, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, the Netherlands, New Zealand, Sweden, Switzerland, the UAE and the United

Source: <https://www.info.gov.hk/gia/general/202106/06/P2021060400606.htm>

OPEN-ENDED FUND COMPANIES AND REAL ESTATE INVESTMENT

Launch of Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts

On 10 May 2021, the Securities and Futures Commission (SFC) announced the implementation of the Government's grant scheme to subsidise the setting up of open-ended fund companies (OFCs) and real estate investment trusts (REITs) in Hong Kong.

For OFCs successfully incorporated in or re-domiciled to Hong Kong and SFC-authorised REITs successfully listed on the Stock Exchange of Hong Kong Limited, the scheme covers 70 percent of eligible expenses paid to Hong Kong-based service providers, subject to a cap of \$1 million per OFC and \$8 million per REIT.

"By encouraging a broader range of investment vehicles, the grant scheme will reinforce Hong Kong's role as a leading capital raising venue and its status as an international asset and wealth management centre," said Mr Ashley Alder, the SFC's Chief Executive Officer.

The scheme will operate for three years and is now open for applications on a first-come-first-served basis. Details, including the eligibility criteria and application process, are set out [here](#). The SFC also published [frequently asked questions](#) to provide guidance to the industry together with the grant application forms.

Investment managers are welcome to consult the SFC about the scheme before making an application.

Source: *Securities and Futures Commission*



QUARANTINE ARRANGEMENTS



Exemptions for Senior Executives of Licensed Corporations from Compulsory Quarantine Arrangements

On 28 May 2021, the Securities and Futures Commission issued a circular regarding the grant of exemptions for senior executives of licensed corporations from the three-week compulsory quarantine arrangements in Hong Kong under Cap. 599C and Cap. 599E.

The exemption is available to (i) all senior executives, including senior executives of a licensed corporation; and (ii) global or regional heads or senior executives of financial institutions travelling from, returning to and/or visiting Hong Kong, who have been vaccinated. The maximum number of entries into Hong Kong each month for each licensed corporation is two for returning executives and two for visiting executives.

In order to be eligible for the exemption, the executive must:

1. arrive at Hong Kong on or after the 14th day after completing vaccination;
2. produce a COVID-19 vaccination record (the "Record") meeting the following requirements:-
 - the record must be in English or Chinese or translated into English or Chinese by a certified professional;
 - the record must be issued by a healthcare institution or a relevant authority of the government of the place where the vaccine was administered;
 - the record should bear (i) the name of the vaccinated person, which is identical to that in his or her valid travel document showing that he or she received the recommended dose of vaccination; and (ii) the name of the vaccine administered which must be included in the list of vaccines recognised by the Government of the HKSAR.

Source: *Securities and Futures Commission*

CONTACT US

If you would like to know more about how InvestHK's Financial Services and Family Office teams can help you to set up or expand your business in Hong Kong, please get in touch. Our services are free, confidential and tailored to your needs.

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About InvestHK

InvestHK is the department of the Hong Kong Administrative Region (HKSAR) Government responsible for attracting Foreign Direct Investment, supporting overseas and Mainland business to set up and expand in Hong Kong. We partner with clients on a long-term basis and are available at any stage of their business development process.

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