

**For discussion  
on 16 April 2020**

**Legislative Council Panel on Financial Affairs**

**Work of the Financial Services Development Council**

**PURPOSE**

This paper updates Members on the work of the Financial Services Development Council (“FSDC”) for 2019-20 and its work plan for 2020-21.

**BACKGROUND**

2. The Government established the FSDC in 2013 as a high-level and cross-sectoral advisory body to engage the industry and formulate proposals to promote the further development of Hong Kong’s financial services industry. To enable the FSDC to better discharge its functions with more flexibility, the FSDC has been incorporated as a company limited by guarantee with effect from September 2018. The Government provides funding to the FSDC in the form of annual subvention.

**PROGRESS UPDATE**

**Work of the FSDC for 2019-20**

3. The year 2019-20 was the first full year that the FSDC performed its role as an incorporated entity with staff of its own. Under the leadership of the Board<sup>1</sup>, the FSDC has been able to commence

---

<sup>1</sup> The work of the FSDC is directed by its Board of Directors which includes the non-executive Chairman, 16 non-official directors and the Secretary for Financial Services and the Treasury as an ex-officio Director. There are six committees under the FSDC, including Policy Research Committee, Mainland Opportunities Committee, New Business Committee, Market Development Committee, Human Capital Committee, and Corporate Governance Committee.

planning for the longer term and foster synergy across its different functions.

4. On research, a total of six reports and other papers on different areas of financial services were issued in 2019-20, for example –

- (a) a report on disclosure of interests regime which recommended measures to enhance the regime to make it easier to comply and subject the sector to a lower risk of inadvertent and technical breach;
- (b) a survey report on private wealth management (“PWM”) which studied how Hong Kong can leverage its fundamentals to further develop its PWM business;
- (c) a report with tax recommendations to enhance and grow Hong Kong’s insurance industry; and
- (d) consultation responses on uncertificated securities market and environmental, social and governance (“ESG”) reporting.

5. On market promotion, the FSDC played an important role in promoting Hong Kong and its unique advantages as an international financial centre locally, on the Mainland and overseas. It participated in a total of 21 events in 2019-20 including hosting discussion panels at events such as the Belt and Road Summit, Think Asia Think Hong Kong, Asian Financial Forum and the Hong Kong FinTech Week, etc. It delivered keynote speeches at various industry events such as the Hong Kong Investment Funds Association’s Annual Conference and World Green Organisation’s United Nations Climate Finance & Sustainable Investing Conference. The FSDC also continued to engage local, Mainland and overseas industry associations and development bodies with a total of 35 outreach luncheons and liaison meetings held over the past 12 months.

6. On human capital development, the FSDC organised eight events in 2019-20, including seminars under the Practitioner Speakers Series, on the latest industry trends and career opportunities in the financial services sector. The FSDC’s 6<sup>th</sup> Career Day, with the CV Clinic

and one-on-one advisory services offered by human resources professionals, drew over 400 tertiary students and young graduates.

## **WORK PLAN FOR 2020-21**

7. The FSDC's research in 2020-21 will focus on key broad themes, namely (i) wealth and asset management; (ii) ESG; (iii) innovation and technology; and (iv) business opportunities arising from the connectivity with Mainland China. Topics to be explored under the themes will include cybersecurity and FinTech infrastructures of Hong Kong, financial collaboration within the Guangdong-Hong Kong-Macao Greater Bay Area, the further expansion of PWM and family office sector, the development of Hong Kong as the regional ESG investment hub, etc. The FSDC's policy recommendations will focus on regulatory affairs, product development, talent supply and tax arrangement. The FSDC will step up efforts in exchanging views with related organisations in Hong Kong and overseas through engagement meetings, roundtables and thematic forums, with a view to mapping out the strategic directions for the development of the financial services industry of Hong Kong.

8. Leveraging its unique position as a cross-sectoral advisory body in the financial services industry of Hong Kong, the FSDC will deepen its engagement with various stakeholders and accelerate its market promotion efforts through different means in the coming year. The FSDC will collaborate with local and overseas stakeholders such as partnering with InvestHK as well as World Alliance of International Financial Centers and its members to strengthen ties and exchanges between Hong Kong and other financial markets. To raise external parties' understanding of the market situation of Hong Kong, and their awareness of the competitive advantages and latest developments of Hong Kong as an international financial centre, the FSDC will continue to host or join various high-profile events taking place locally, on the Mainland and internationally. Events planned for the coming year include Belt and Road Summit, Hong Kong FinTech Week and Asian Financial Forum in Hong Kong, Private Wealth Forum Asia in Singapore and International Financial Services Forum of City Week 2020 in London. In addition, the FSDC will extend the use of digital channels to broaden the reach to

different target segments, enhance publicity on social media, and engage stakeholders via regular e-newsletters. FSDC will also revamp its website to facilitate users in obtaining information about Hong Kong's financial services industry.

9. The FSDC will continue to support human capital development and capacity building of home-grown professionals through collaboration with tertiary institutions and other relevant bodies to connect tertiary students and young graduates to the actual job market of the industry. Apart from the Career Day and Practitioner Speakers Series, the FSDC will launch a "Talent Amplifier Programme" to afford local students' opportunities to job-shadow FSDC members as well as an internship programme to equip students with practical working experience in financial institutions. The FSDC will also conduct a study with a view to formulating recommendations and implementation plans in enhancing the finance talent development landscape in Hong Kong.

10. The budget for 2020-21 is \$34.3 million, covering staff costs, accommodation expenses, administrative costs and expenses on implementation of its work initiatives on research, market promotion and human capital development. Details of the budget are at **Annex**.

## **ADVICE SOUGHT**

11. Members are invited to note the progress and work plan of the FSDC as set out in the paragraphs above.

**Financial Services Development Council**  
**Financial Services and the Treasury Bureau**  
**April 2020**

**Annual Budget of the FSDC for 2020-2021**

	(\$ Million)	Notes
<b>Research</b>	2.1	A
<b>Market Promotion</b>	6.1	B
<b>Human Capital Development</b>	0.5	C
<b>Staff, Accommodation and Other Administrative Costs</b>	25.6	D
	<hr/> <b>34.3</b> <hr/>	

**Notes**

- A For commissioning/ conducting/ disseminating sector-wide studies, attendance/ participation in industry conferences/ roundtables/ forums with invited experts to develop strategic directions, and subscriptions to market data and intelligence.
- B For participating/ organising/ sponsoring promotional activities in Hong Kong, the Mainland and overseas, and conducting outreach meetings with local market practitioners, chambers, industry bodies, as well as overseas organisations.
- C For organising Practitioner Speakers Series, Career Day, job shadowing/ internship programme and other human capital initiatives.
- D For staff costs and benefits based on an establishment of 16 staff members, office rental and related expenses, as well as administrative costs.