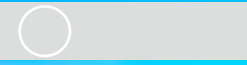




75 YEARS
HONG KONG

A nighttime cityscape of Hong Kong with vibrant light trails in the foreground. The city lights are reflected in the water, and the sky is a mix of blue and purple.

THE ROLE OF PROFESSIONAL SERVICES IN STRENGTHENING HONG KONG AS AN INTERNATIONAL FINANCIAL CENTRE

Insights from an
ACCA Hong Kong
Roundtable Discussion



**GLOBAL ECONOMY
IS SHIFTING WHILE
NEW OPPORTUNITIES
EMERGE.
HOW TO EMPOWER
HONG KONG TO
SEIZE ITS FULL
POTENTIAL?**



INTRODUCTION

Brought together by ACCA (the Association of Chartered Certified Accountants) Hong Kong, a diverse group of representatives from accounting, audit, tax, advisory, legal, mediation, healthcare / insurance and engineering sectors, participated in a roundtable discussion in November 2024, which focused on the role of professional services as a catalyst of economic and client growth while enhancing Hong Kong's status as an international finance centre.

Amid geopolitical shifts, economic uncertainties as well as the way that technology is rapidly redefining traditional business and financial models, roundtable participants agreed that to remain successful, Hong Kong needs to combine existing strengths with new opportunities that reach beyond traditional pillar industries such as finance, real estate and trading and logistics. Defined by an entrepreneurial spirit, participants highlighted how Hong Kong's success has always been fuelled by its openness to embrace opportunities and willingness to try new things. However, while these characteristics remain firmly in place, in some instances the sense of vibrancy has become notably subdued.



CONTRIBUTORS



ACCA

TAKE YOUR **BUSINESS**
TO THE NEXT LEVEL



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The job titles mentioned in this report reflect the positions held by the individuals at the time of the roundtable discussion on 26 November 2024.



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Enhancing Hong Kong's status as an international business and finance centre

Participants agreed that Hong Kong cannot afford to lose its competitive edge, especially in an era where technology is driving change, which in some cases is creating challenges to finance and business advantages. To help tackle the most pressing challenges that have impacted Hong Kong's economy and business sectors in recent years, roundtable participants agreed it is vital to give full-play to the city's unique geographic location, global connectivity and the services offered by the city's wide spectrum of professional services providers. Participants also agreed that Hong Kong's currency which is pegged to the US dollar plays an important role through providing a stable monetary and financial environment for investors by eliminating foreign exchange risk.

Roundtable participants were in agreement that Hong Kong has a well-established professional services infrastructure that is attractive to western corporates running pan-Asian operations as well as entities from Mainland China and the Asia region expanding their regional footprint. **Nicolas Moreau**, CEO at HSBC Global Asset Management noted, in terms of the availability and quality of professional services that Hong Kong is able to offer, the city is second to none. Moreau also pointed out, for investors living in Mainland China there is a lot of investment tool they are not able to access. 'This is why we have so many family offices and life insurance firms in Hong Kong. If you live in Mainland China and you want to invest abroad, then you come to Hong Kong,' **Moreau** said, 'It's a critical advantage, however, the challenge,' **Moreau** added, 'from this standpoint we must find ways to preserve and grow the advantage.' Nevertheless, to forge Hong Kong's future success a great deal will hinge on the ability to embrace new opportunities. This will require fostering an ecosystem where innovation becomes self-sustaining. Central to this effort, participants recommended that Hong Kong should move forward collaboratively and decisively to not only leverage long-standing strengths and advantages, but also explore new markets.

Participants pointed out Hong Kong's unique position as a special administrative region of the People's Republic of China provides unparalleled access to the world's second-largest economy while the city maintains its distinct legal, financial and economic systems. Meanwhile the 'one country, two systems' framework which enables Hong Kong to function with a high degree of autonomy while preserving its own economic and social systems, and common law system is a strategic advantage that allows Hong Kong to serve as a bridge between East and West. As the only city in the world that can capitalise on both the China advantage and the international advantage, participants were in agreement that more needs

“If you live in Mainland China and you want to invest abroad, then you come to Hong Kong. The challenge is, from this standpoint we must find ways to preserve and grow the advantage.”

Nicolas Moreau
CEO, HSBC Global Asset Management





to be done to explain to the international community the benefits and advantages Hong Kong is able to leverage on the strength of 'one country' and the convenience of 'two systems' in reinforcing its status as a leading international finance and business centre. Explaining he believed that trust in the 'one country, two systems' was damaged during the Covid-19 pandemic when Hong Kong implemented strict travel restrictions, **Moreau** said that trust needs to be rebuilt. 'The perception of the system was damaged, it needs to be rebuilt, and when it is, investors will be willing to come back,' he noted.

Maintaining trust, confidence and integrity are areas that **Dr Philip Zhai**, Executive Vice Chairman at the Chinese Financial Association of Hong Kong and President, Ascendent Capital Partners (Asia) noted that professional services practitioners are ideally positioned to play an influential role. **Zhai** pointed out that Hong Kong's professional services practitioners come from different backgrounds, cultures and economic development zones – bringing a blend of Chinese and Western cultures, enriching the city with a wealth of innovative ideas. 'Everyone talks about Hong Kong being a "super connector", therefore, it is definitely worth professional services practitioners using their connections to reach out to capture opportunities and draw business to Hong Kong.' Contrary to viewing competition from mainland China as a threat, **Zhai** proposed that Hong Kong could collaborate with partners from mainland China and even partners from wider markets to forge new alliances, share knowledge, and access a broader talent pool, ultimately adding value to the city. 'The role (of professional services) I see going forward involves connecting, managing and most importantly, innovating,' **Zhai** said. 'We can always improve ourselves, we need to have people involved in these discussions,' he added.

6 The collective wisdom and collective connections developed over time and with different markets could be crystallised to add value to the city. 9

Dr Philip Zhai

Executive Vice Chairman, The Chinese Financial Association of Hong Kong and President, Ascendent Capital Partners (Asia)



Taking a wide lens view, **Ayla Majid**, Global President of ACCA suggested placing focus on developing a collaborative Hong Kong professional excellence-ecosystem. 'Whether it's working with industry, policy makers or investors, professional services build trust while providing a bridge and connection between various stakeholders,' **Majid** noted.

Furthermore, tapping into the expertise of global professionals is a viable strategy. ACCA, a globally renowned professional accountancy body, supports a diverse community of over 252,500 members across 180 countries. By harnessing the knowledge of experts from around the world, we can establish a regional collaborative platform aimed at creating a more sustainable future.

Stanley Lo, Vice Chairman of Hong Kong Mediation Council and Consultant at Deacons, emphasised that maintaining a high level of professional standards and ethics was key to ensuring Hong Kong remains competitive in an ever-changing international market. 'Across the board, whether it is accountants, lawyers or engineers, maintaining the right level of expertise at a reasonable cost is important to keep Hong Kong competitive,' **Lo** said. Nurturing the younger generation takes time yet it is vital to maintaining professionalism and ensuring that Hong Kong professionals remain at the forefront of the industry.



‘Whether it’s working with industry, policy makers or investors, professional services build trust while providing a bridge and connection between various stakeholders.’

Ayla Majid FCCA
ACCA Global President



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Stanley Lo
Vice Chairman, Hong Kong Mediation Council and Consultant, Deacons



Blending expertise with innovation and capabilities

Focusing on the topic of integrating existing skills with innovation, **Natalie Chan**, ACCA Council Member and Banking and Capital Markets Leader (Hong Kong) at Deloitte China said a prime example is the ability to help financial institution clients with their technology and digital transformation projects. From mainly working on initial public offerings a few years ago, **Chan** explained the skills transfer is an example of agility, commitment and resilience. 'We have world class expertise to provide our clients with workable solutions,' **Chan** said. Whether it involves designing and implementing Fintech or Greentech operating models, accounting professionals have the expertise to ensure their clients are able to deploy their resources efficiently and operate their technology systems effectively. **Chan** also pointed out the crucial role professional accountants play in upholding the regulatory resilience required by financial institutions. 'The essence of independent assessment by professional service providers is paramount. It is an integral component in fostering operational resilience within the financial services sector. It serves to affirm to financial services regulators that compliance requirements are stringently adhered to, and that the regulatory framework is robustly implemented and effective. This level of oversight and assurance is not just a necessity but a cornerstone of trust in our financial systems,' **Chan** noted.

With the ability to move across business and cultural frontiers, **Ernest Wong**, ACCA Council Member and CFO at KVB Holdings Limited observed that professional services practitioners could utilise their knowledge and expertise to help clients to navigate blockchain and digital asset regulations including virtual asset and tokenised capital market products. 'As Hong Kong breaks into new areas of finance, professional services can help us to compete with other jurisdictions, by helping clients to understand and comply with regulations faster and more efficiently,' **Wong** said. It is encouraging to note support for Hong Kong's burgeoning Fintech ecosystem includes innovation supportive policies and initiatives such as regulatory sandboxes and professional support services for Fintech start-ups.



Independent assessment is necessary to support operational resilience and reassure the regulators that compliance requirements are being met. 🗨️

Natalie Chan FCCA
ACCA Council Member and Banking & Capital Markets Leader (Hong Kong),
Deloitte China



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Ernest Wong FCCA
ACCA Council Member and CFO, KVB Holdings Limited

Unmatched career advantages

Highlighting how talent has always played a pivotal role in Hong Kong's success and competitive standing on the global stage, roundtable participants noted that Hong Kong is not alone in facing a shortage of talent necessary to future-proof the city's business sectors. Similar to many other countries and jurisdictions, Hong Kong is facing the challenge of adapting to evolving industries, demographic trends, technological innovations and mismatched or under-skilled workforces.

While acknowledging how the Hong Kong Government has taken steps to expand the city's pool of talent with initiatives including the Top Talent Pass Scheme, roundtable participants agreed that professional services practitioners could also contribute to promoting Hong Kong as a 'destination of choice' to live and work. In terms of career experience advancement opportunities, roundtable participants cited Hong Kong's close business and economic ties with the Mainland China, especially the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), as well as the city's time-tested connections and networks with the international business and finance community. Participants stressed the unique opportunities and advantages Hong Kong offers cannot be so easily found in other global cities.

Believing where there is 'good talent good things will happen', **Arthur Shek**, Managing Partner at McKinsey Hong Kong pointed out how professional services practitioners contribute to Hong Kong's economy through generating high-quality GDP, which differentiates Hong Kong from becoming 'just another Chinese city'. With this in mind, **Shek** said for Hong Kong to reach its next horizon it is important that government policies and regulations support substance and innovation. 'To maintain our edge,' he said, 'the answer lies in promoting our capabilities to the international community of businesses and investors; sharing the success stories of Hong Kong's professional services.'

Offering tangential perspective on attracting top talent to Hong Kong, **Fiona Harris**, Managing Director at Bupa Hong Kong said, the opportunities of Hong Kong's healthcare system should not be overlooked. 'One of the things that Hong Kong provides is a very sophisticated healthcare ecosystem', Harris said. When bankers, investors and financial services professionals are considering places to live and work, access to multi-lingual, multi-cultural health services is very important. Within this ecosystem, Harris emphasised, as professional healthcare service providers it is important to uphold high standards and evolve using technology such as AI, while identifying and incorporating best practices taken from around the world. 'By innovating locally and incorporating the best ideas from wherever they come, I do think we can continue to develop high quality, value-for-money healthcare,' **Harris** explained.



“ To maintain our edge, the answer lies in promoting our capabilities to the international community of businesses and investors. ”

Arthur Shek
Managing Partner,
McKinsey Hong Kong



“ By innovating locally and incorporating the best ideas from wherever they come, I do think we can continue to develop high quality, value-for-money healthcare. ”

Fiona Harris
Managing Director,
Bupa Hong Kong



New growth potential

While discussing Hong Kong's current business landscape and future outlook, roundtable participants highlighted the importance of a new generation of businesses that are currently establishing themselves. Citing the development of Hong Kong's low-altitude economy, defined as economic activities in the air space 1,000 meters above ground, **Ir Alice Chow**, Senior Vice President of the Hong Kong Institute of Engineers and Director of Strategic Development and Fellow at Arup, explained that, the emerging sector provides the potential to generate a new era in business opportunities as a catalyst for an entire value chain.

For example, while engineers are able to design and implement the infrastructure, unlocking the potential of a low-altitude economy requires collaboration across the professional services sector. **Chow** also explained how the Hong Kong Institute of Engineers is integrating entrepreneurship into the Institute's training programmes. 'The future of engineering is no longer a standalone profession,' she explained, emphasising the need to be creative and innovative. 'If we are to succeed we have to be creative and innovative, which requires investment and help from different professional services,' **Chow** said. To gain first-mover advantage in the region, there is much to be done to advance collaboration on policies, infrastructure, technological advancements and financing. 'Professional services practitioners should embody the ethos of think fast, work smart, and prioritise efficiency to stay ahead of the game; it is all related,' she said.

Identifying a potential area for export growth, **Lo** explained how innovative homegrown Modular Integrated Construction methods and Building Information Modelling meet ESG and sustainability criteria. 'They are clean, sustainable and environmentally friendly,' he said, noting their potential use in the development of the Greater Bay Area and beyond.

According to **Julia Charlton**, Partner at Charltons, while Hong Kong's comprehensive and conservative legal framework is fundamental to maintaining the ethics and structure of Hong Kong's capital markets, a



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Senior Vice President, The Hong Kong Institute of Engineers and Director of Strategic Development and Fellow, Arup



“In terms of opportunities, the sky is the limit; we just need to embrace more innovation.”

Julia Charlton

Partner, Charltons

regulatory overhaul is needed to attract small and medium-sized enterprises (SMEs) to raise funds on the Hong Kong stock exchange GEM board, formerly known as the Growth Enterprise Market. Citing the example of a stream of small cap enterprises successfully listing on the US Nasdaq index, Charlton advocated for more objective criteria to encourage smaller innovative companies to list on the GEM. In addition to welcoming companies from Mainland China to list in Hong Kong — providing they meet the listing criteria, **Charlton** suggested Hong Kong should adopt a more welcoming stance towards international companies by inviting ‘all comers’ to list in the city. She highlighted the challenge of attracting large listings when there is a limited track record in place. ‘In terms of opportunities, the sky is the limit; we just need to embrace more innovation,’ **Charlton** noted.

Bringing the roundtable discussion to a close, **Stanley Ho**, (moderator of the event) ACCA Hong Kong Chairman and Tax Partner at KPMG, said, participants had delivered a united consensus on the need to embrace challenges, collaborate to seize opportunities and be more proactive in driving diversification and innovation to stimulate growth. He elaborated on the pivotal role of ethics as the foundation of all professional services, accentuating the critical importance of collaboration in elevating professional standards to fortify and empower a more resilient Hong Kong.



“ Ethics must be the foundation of all professional services; and cross-disciplinary collaboration is vital in elevating professional standards and empowering a more resilient Hong Kong. ”

Stanley Ho FCCA
ACCA Hong Kong Chairman and Tax Partner, KPMG





ABOUT ACCA

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in **1904** to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over **252,500** members and **526,000** future members in 180 countries.

ACCA now has over **29,000** members and **125,000** future members in China, with representative offices and contact points in **11** cities including Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Shenyang, Qingdao, Wuhan, Changsha, Hong Kong SAR and Macau SAR.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all.

Find out more at accaglobal.com/hk or follow ACCA Hong Kong on social media: