

FSDC releases report on strengthening Hong Kong's ETF regime

The Financial Services Development Council (FSDC) today (October 27) released a report entitled Strengthening Hong Kong as a Capital Formation Centre for Exchange Traded Funds (ETF), with a view to bolstering growth in Hong Kong's ETF market.

The report notes that Hong Kong's ETF market has developed successfully over the past 15 years. There are currently over 100 ETFs listed in Hong Kong with a broad range of local and overseas underlying assets in various classes.

The Chairman of the FSDC, Mrs Laura M Cha, said, "Hong Kong was the first market in Asia, excluding Japan, to list ETFs in 1999. As a regional financial centre with a sophisticated financial infrastructure and talented professionals, Hong Kong is well positioned to support a thriving ETF market. The cross-border co-operation between Mainland China and Hong Kong also opens up major opportunities for the ETF industry in the two places.

"However, leading overseas markets have recently enhanced their ETF platforms. Hong Kong's leadership position within Asia has been overtaken by Tokyo and Shanghai, as they have introduced more innovative products. Action must be taken to enhance the competitiveness of Hong Kong's ETF platform."

To increase Hong Kong's capacity to regain its leadership position in the region, the report sets out recommendations to enhance further growth in Hong Kong's ETF market. Key areas include improving ETF education, promoting the use of ETFs in the Mandatory Provident Fund platform, nurturing local expertise and talent to develop Hong Kong into an ETF manufacturing hub and broadening the ETF product range by way of ETF cross-listing.

The full report can be downloaded from the FSDC website: www.fsd.org.hk.

About the FSDC

The Hong Kong Special Administrative Region Government established the FSDC in 2013 as a high-level, cross-sectoral advisory body to engage the industry in

formulating proposals to promote the further development of Hong Kong's financial services industry and to map out the strategic direction for development.

The FSDC has set up five committees, namely the Policy Research Committee, the Mainland Opportunities Committee, the New Business Committee, the Market Development Committee and the Human Capital Committee, as the five streams of its work.

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