

Hong Kong's Capital Market Leadership 2.0: A Shared Action Agenda for Building Hong Kong's Global Capital Nexus

**A Follow-Up
to the FSDC Concept Paper Published in December 2025**

September 2026

From Super-Connector to Global Capital Nexus: A Shared Action Agenda for Market Leadership

Capital Market Leadership Concept Paper (Dec 2025)

Sets out Hong Kong's ambition to become an interoperable, multi-asset, multi-currency capital formation hub in Asia

- Organised around the 4Is framework
- Strategic multiplier includes (i) redefining connectivity for innovation-led growth; (ii) recalibrating global linkage as competitive moats; (iii) supercharging institutional capital flows; and (iv) Digitalisation as an enabler.

The Concept Paper generated strong market interest and constructive feedback from across Hong Kong's capital market ecosystem:

The 2.0 Report reflects this industry dialogue and sharpens the agenda from strategic vision to practical execution priorities:

- Developed against the backdrop of the Government's public consultation on the **First Five-Year Plan for Economic and Social Development of the HKSAR**.
- Convened **30+ closed-door roundtables**, engaging **600+ market practitioners** to further validate Hong Kong's capital market strengths and weaknesses.



Capital Market Leadership 2.0 Report (Sep 2026)

Transforms the Concept Paper vision into an action-oriented roadmap for strengthening Hong Kong's position as a Global Capital Nexus



- As capital rebalances, it will favour centres that are genuinely international, which makes **deepening our global appeal** — regimes, infrastructure, talent and capital alike — a continuing task.
- Sustaining a Hong Kong Dream** in which ambition, wherever it originates, can find capital, partners and a market that carries it forward.
- Elevate **Infrastructure as the fifth pillar** of competitiveness alongside Issuers, Investors, Intermediaries and Instruments.

Strategic lens	Core question
Issuers	Who raises capital here?
Investors	Who allocates capital here?
Intermediaries	Who connects issuers and investors?
Instruments	What do they invest in and raise capital from?
(New) Infrastructure	What underpins the efficient functioning of markets?

Connectivity as Hong Kong's Strategic Multiplier

2.0: From Super-Connector to Compounding Nexus

Turning Hong Kong's super-connector advantage into a global capital nexus

- Hong Kong's existing connectivity provides a strong platform. Further progress will depend on how effectively this platform supports market depth, issuer engagement, institutional participation and infrastructure development.
- A deliberate commitment to interoperability, ensuring our rules, infrastructure, and instruments are inherently designed to connect with global counterparts.



Reasserting International

(Why now?)

Global Fragmentation Rewards Trusted Access

Hong Kong's competitive environment is being reshaped by economic statecraft, investment restrictions and the search for resilient capital pathways. Openness, legal certainty, multi-currency capability and cross-border connectivity now command a premium — positioning Hong Kong uniquely to intermediate between Mainland and international capital flows.

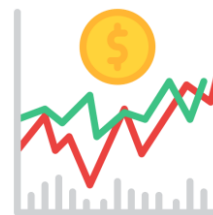


Mobilising Capital

(What we need?)

From Listing Venue to Capital Formation Centre

Competitiveness is no longer defined by IPO activity alone. Companies increasingly seek markets that can support financing, refinancing, restructuring and long-term growth. Hong Kong must deepen patient capital, strengthen index and fixed-income ecosystems, and broaden capital access across the full lifecycle.



Anchoring Market Benchmarks

(What we need?)

Benchmarking the multi-asset ecosystem built for a changing landscape

Index products now steer global capital flows, yet conventional review cycles lag shifting risk premia and industrial change. Faster, event-responsive maintenance would tighten the primary-secondary link. Indices and underlying assets reinforce each other — predictable HKD and RMB yield curves enable credible fixed-income benchmarks.



Digitalisation & Infrastructure

(How to enable?)

Building the Next Generation Market Architecture

Infrastructure is no longer a supporting function but a source of competitive advantage. Settlement efficiency, collateral mobility, custody, structured data and digital market rails increasingly determine market resilience, scalability and international relevance.

Strategic Roadmap for Hong Kong's Capital Market Advancement

Key Recommendations at a Glance

Short-term Priorities <i>Capturing the Inflection</i>	Medium-term Priorities <i>Building Architectural Depth</i>	Long-term Priorities <i>Completing the Indispensable Nexus</i>
Carry the in-flight reform through to structural outcomes Intermediaries - Align T+1 implementation to HKEX's 4Q 2027 milestone with feasibility and resource support across stakeholders' cohorts	Consolidate listing competitiveness gains Issuers - Publish extensive interpretive guidance on the refined "innovation" test and preserve regulatory discretion, and streamline IPO timelines and costs through peer-benchmarked process improvements Design a fit-for-purpose corporate rescue framework Issuers - Reform court-supervised regime with automatic moratorium, debtor-in-possession financing, and cramdown for a full-lifecycle capital formation framework	Develop CMU OmniClear as a regionally significant, international central securities depository Infrastructure - Support its development through ongoing market engagement and phased implementations, positioning it as a credible alternative amid concentration risk in established global infrastructures; With scope to evolve into a broader multi-asset platform under unified governance over time
Reduce capital market lifecycle executive friction Issuers - Calibrate bookbuilding mechanics ; connected-party requirements in secondary placements and liability management procedures	Build a dual/multi-currency benchmark yield curve Issuers Instruments - Build on the Government's existing debt issuance framework, to enhance continuity and maturity coverage across HKD and RMB bonds ; ensure broad participation by coordinating a pipeline of issuers to anchor a deeper debt market	Integrate the digital and traditional market architecture Instruments - Embed digital instruments in mainstream workflows ; Close gaps between Hong Kong's digital asset perimeter and broader market architecture across investor classification, and cross-jurisdictional connectivity
Recalibrate investor access Investors - Modernise the definition for Professional Investor to recognise digital asset holdings custodied with SFC-licensed platforms		
Begin the mobilisation of patient capital Investors Instruments - Enable MPF eligibility for alternatives and infrastructure investment through ring-fenced category; ensure investable local product supply, including longevity-finance instruments such as indexed universal life insurance ; engage Mainland pension capital on access conditions for international deployment in / through Hong Kong	Rebuild intermediary economics Intermediaries Infrastructure - Develop a structured analysis of how Hong Kong's clearing architecture interacts with the capital usage of cross-product intermediations ; Initiate a proportionality review for smaller intermediaries managing compounded reform burdens from the rollout of USM, T+1, and trading unit reforms ; Adopt an iXBRL or comparable structured-data standard for HKEX issuer financial reporting, aligned with practice in peer markets	Complete the institutional foundation Intermediaries - Trusteeship, custody, legal assurance, restructuring and dispute resolution as differentiating market components
Recalibrate Connect for the next decade Issuers Investors - Refine eligibility methodologies to better recognise dual primary listed foreign issuers where index constituency understates scale ; extend criteria-based access to secondary-listed companies of demonstrated quality ; further broaden product eligibility under Wealth Management Connect and ETF Connect		

The 2.0 Mandate for Change: Strategic Priorities Across the 5Is



Issuers — From listing venue to full-lifecycle capital formation centre

To compete for global and regional issuers, we must serve companies beyond IPO and across their full capital journey:

- Carry listing competitiveness reforms through to structural outcomes, including clearer innovation tests, recalibrated WVR parameters and more accessible specialist regimes under Chapters 18A and 18B.
- Review Stock Connect eligibility to better accommodate dual-primary and high-quality secondary-listed foreign issuers.
- Reduce lifecycle transaction frictions in follow-on offerings, placements, block trades, convertibles and liability management.
- Advance a modern statutory corporate rescue framework to support restructuring, recapitalisation and distressed M&A.
- Deepen issuer breadth in debt markets through government-related, multilateral, infrastructure-linked and corporate issuance.

Investors — Mobilising the full depth of the capital base

Hong Kong's challenge is not the absence of capital, but the conversion of capital presence into systematic deployment:

- Mobilise patient capital from insurance balance sheets, pension capital, MPF, sovereign funds, family offices, etc.
- Broaden MPF and insurance eligibility for infrastructure, alternatives and long-duration assets, with appropriate prudential and governance safeguards. For MPF, through a ring-fenced category distinct from the existing general unlisted-asset cap and PI opt-in pathways.
- Strengthen index architecture, ETF products and benchmark quality to enable scalable fiduciary allocation.
- Recalibrate investor access through differentiated professional and sophisticated and retail pathways.
- Deepen Connect, Wealth Management Connect, ETF Connect and Bond Connect eligibility to expand investable opportunities.

Intermediaries — Restoring the economics of active intermediation

A deeper market requires intermediaries that can originate, distribute, make markets, manage risk and support complex transactions:

- Review barriers to market-making viability, including targeted stamp duty relief and segment-specific liquidity support.
- Examine cross-product clearing and margin arrangements across HKSCC, SEOCH, HKFE Clearing and OTC Clearing to improve capital efficiency.
- Conduct a proportionality review for smaller and mid-sized intermediaries facing compounded reform burdens, such as USM, T+1 and trading-unit reforms.
- Integrate corporate treasury centre policy into the broader capital market strategy to deepen multi-currency funding, hedging and liquidity activities

The 2.0 Mandate for Change: Strategic Priorities Across the 5Is (cont'd)



Instruments — Completing the multi-asset, multi-currency product architecture

Hong Kong should move from just having many products to having complete, liquid and internationally relevant markets:

- Build HKD and CNH benchmark yield curves through predictable issuance, long-tenor coverage and diversified issuer participation.
- Develop private credit, securitisation, trade finance, infrastructure-linked products and structured finance for insurers, family offices and sophisticated investors.
- Position longevity finance and retirement-linked savings instruments as a coherent area of product innovation, including a clearer and more coordinated regulatory dialogue between the IA and the SFC for Class C linked long-term products such as IUL
- Sequence digital finance around real market frictions, including settlement efficiency, collateral mobility, distribution reach and intraday liquidity.

Infrastructure — Making market infrastructure a strategic advantage

Infrastructure as the foundation of market performance and international competitiveness:

- Develop a market-wide roadmap for settlement, clearing and post-trade advancement across CCASS, CMU and OmniClear.
- Prepare for T+1 implementation through structured readiness workstreams and operational support across stakeholder cohorts.
- Position CMU OmniClear as a regionally significant international CSD with a milestone-based execution plan.
- Strengthen collateral mobility and interoperability across CMU, Euroclear, RTGS and related systems.
- Integrate digital settlement, tokenised collateral management and programmable post-trade functionality into mainstream infrastructure reform.
- Adopt an iXBRL or comparable structured-data standard for HKEX issuer financial reporting.

Thank you

Contact us

Financial Services Development Council

Unit 502, 5/F, Nexxus Building, No. 41 Connaught Road Central
Hong Kong

Tel: (852) 2493 1313

Email: enquiry@fsdc.org.hk

Website



LinkedIn

