

# HONG KONG

The Smart Choice  
for your Family Office



Invest**HK** 投資推廣署  
The Government of the Hong Kong  
Special Administrative Region



## Hong Kong is Asia's largest cross-border private wealth management centre; second largest globally after Switzerland

- Cross-border wealth amounted to US\$1.9 trillion in 2019
- All top 15 global private wealth managers (by AUM) are present in Hong Kong



## Diversified platform for asset allocation needs of family offices

- Global family offices have allocated their assets to equities, private equity, real estate, bonds, cash or equivalent and hedge funds



## Leading international asset management hub

- Hong Kong's asset under management amounted to US\$3.7 trillion in 2019
- Home to 70 of top 100 global money managers



## No.1 for global IPO raised

- World's No. 1 in IPO for 7 out of the past 11 years, including 2019
- 183 IPOs raised in 2019, with funds raised amounted to US\$40.1 billion



## Comprehensive banking platform

- In 2019, there are over 190 authorised institutions in Hong Kong, coming from around 30 countries including nearly 80 of the world's top 100 banks
- 8 virtual banks formed by financial and non-financial firms



## Ideal platform for private equity investment

- Asia's No.2 private equity market, after Mainland China, by capital under management in 2019
- Mainland China (including Hong Kong) made up close to 40 percent of the Asia Pacific private equity deal flows

# Ideal Environment for Family Office Operations



## Simple and low tax system

- ✗ VAT/GST/Sales tax
- ✗ Capital gains tax
- ✗ Withholding tax on dividends and interest
- ✗ Estate duty
- ✗ Global tax
- ✗ Wine duty



## Tax incentive regimes

- Profits tax exemption for mutual funds, CISs and unit trusts
- Profits tax exemption for qualifying debt instruments
- CTC tax regime
- Unified fund regime
- Offshore fund exemption regime
- Two-tier profits tax rates regime



## A free and competitive economy

- The World's Second Freest Economy in 2020 (Heritage Foundation 2020)
- No.2 in Best Business City in Asia (Business Traveller, 2019 Asia-Pacific Travel Awards)
- World's Second Most Business-Friendly Tax System (PwC and the World Bank, Paying Taxes 2020)
- World's Fifth Most Competitive Economy (IMD World Competitiveness Centre, Competitiveness Yearbook, 2020)



## Unparalleled connectivity to the world

- Over **1,100** flights daily
- Around **220** destinations worldwide by around **120** airlines
- **5** hours from half the world's population
- **71.5** million passengers handled in 2019



## Comprehensive Double Taxation Agreements (DTA) network

- Covers countries with over 80% of total private equity deal flows in APAC including Mainland China and India in 2019
- Better withholding tax rates than many treaty countries of Mainland China and India in APAC



## Plus ...

- Monetary and financial stability
- Robust regulatory framework
- Strong government and industry support
- Largest international school network among Asian cities
- Abundant supply of professional services and talent

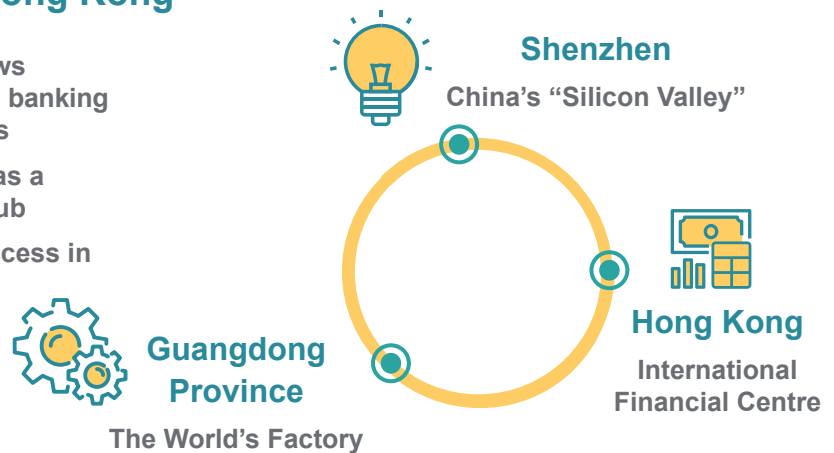


# Unique Greater China Opportunities



## Greater Bay Area (GBA) Initiative creates an integrated financial and innovation zone around Hong Kong

- Population, trade and capital flows create opportunities for payment, banking and wealth management services
- Strengthen Hong Kong's status as a global offshore RMB business hub
- Enjoy mutual financial market access in the GBA



## Greater China is the key wealth creation region in Asia

- 84,000+ UHNW families in Greater China, increasing by around 20% in the past 3 years
- 19,300+ UHNW families are in the GBA (>20% of the entire Greater China)



## Unparalleled access to GBA investment opportunities

- The number of unicorns in GBA and their valuations are growing
- Mainland China supports the engagement of Hong Kong private equity funds in the financing of innovation and technology enterprises in GBA

\*UHNW family is defined as family with assets over US\$30 million.

**Invest Hong Kong is the department of the Hong Kong Special Administrative Region (HKSAR) Government responsible for attracting foreign direct investment, supporting overseas and Mainland businesses 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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