

Cover Story | 封面故事

The Wealth Management Connect scheme will provide a significant boost for Hong Kong's financial sector and broaden the investment options for people across the Greater Bay Area

「跨境理財通」計劃將大大提振香港金融業，並擴闊大灣區居民的投資選擇

The Chinese Mainland's middle-class continues to grow, as does the nation's ranks of high-net-worth individuals. Many of these wealthy citizens are located in Guangdong, and therefore present a potentially deep source of new clients for Hong Kong's financial firms, thanks to the latest step in the opening up of the Greater Bay Area (GBA).

The Wealth Management Connect scheme, announced on 29 June, will enable residents in Hong Kong, Macao and the nine cities in Guangdong Province to invest in wealth management products across the whole GBA. The biggest impact of the scheme is likely to be southbound, with Mainland citizens expanding their investment horizons through financial companies based in Hong Kong.



Wealth of Opportunities

投資理財先機在握

As Peter Churchouse, Managing Director of Portwood Capital, points out, there is a lot of money up for grabs.

“Financial assets held in private hands in China are in the region of US\$3.25 trillion,” he said. “So you can imagine what the impact of that might be if the whole country was able to buy mutual funds through a Hong Kong broker or bank. There could be quite a substantial impact for the financial service industry in Hong Kong.”

Looking at the GBA, according to last year’s Hurun Report, there are 285,000 high-net-worth

households (with more than 10 million RMB) in Guangdong Province, and more than 679,000 “affluent” households, with at least 6 million RMB.

“So you’ve basically got a million households with 6 million RMB or more to invest. It is quite a sizeable market,” Churchouse said. “I think you’ll find quite a lot of people in China will want to participate in the Wealth Management Connect programme when they find out how it works.”

Angel Ng, CEO, Citi Hong Kong & Macau, also anticipates that the scheme will open new prospects for the financial sector in Hong Kong.

“With the creation of the Wealth Management Connect scheme, there are tremendous opportunities for banks and financial services companies in Hong Kong to make available for sale



a wide range of wealth products, including mutual funds and insurance products, in the Greater Bay Area – an economically wealthy region that contributes 12% of China’s GDP,” she said.

Sally Wong, CEO of the Hong Kong Investment Funds Association, said that China is at an “inflection point” when it comes to investing. Affluent residents in the Greater Bay Area probably already own property at home, and will be looking for new opportunities.

“Domestically, the choices are rather limited, so the need to look offshore becomes more pertinent,” Wong said. “And Hong Kong is best placed to serve these needs because we have a robust platform, offering a wide array of products, and that are easily accessible. And we have a deep pool

of expertise – from investment management to advisory, from risk management to safekeeping of assets – who can render the necessary support to help meet their investment needs.”

The full details of eligible products have not been released yet, but they are expected to be relatively simple and low risk products to start. Wong said that she hoped all “plain-vanilla funds” offered by Hong Kong Securities and Futures Commission will be included – not just Hong Kong-domiciled funds. A wider range of fund products will not only give GBA investors more choice, but it will foster greater market competition and greater economies of scale, which will again benefit investors, she added.

The banks and asset managers in Hong Kong that offer the eligible financial products will be the immediate beneficiaries of the new scheme, but many areas could see growth.

The additional flows of capital into Hong Kong will create “more jobs and more opportunities in the financial services for all sorts of people,” Churchouse said. “Not just stockbrokers, but also for hedge fund managers, mutual fund managers, insurance people, accountants and lawyers.”

Hong Kong’s crucial role

Providing the solid foundation to the Wealth Management Connect is Hong Kong’s long experience in financial services and as the gateway between the Mainland and the rest

of the world. This role as the financial centre of the region was reinforced in the Greater Bay Area blueprint, released in April last year.

"With the launch of this scheme, we can see the plans laid out in the GBA blueprint continuing to come to fruition," said Chamber CEO George Leung. "The Wealth Management Connect will provide many more opportunities for residents across the whole GBA to expand their investment horizons, as well as boosting Hong Kong's financial service sector."

The city's status as a world-class financial hub will underpin the success of the Wealth Management Connect, Leung added. "Hong Kong is uniquely placed to serve the financial needs of investors from both sides of the border and beyond, with the knowledge and skilled professionals required to make the scheme a success."

Agnes Chan, Managing Partner, Hong Kong & Macau, at Ernst & Young China, said that although the Mainland's financial sector is gradually opening up, Hong Kong will continue to be an essential stepping stone. "It also acts as a global offshore RMB business hub, as an international asset management centre, and a risk management centre."

The Wealth Management Connect could also provide good reasons for overseas firms to expand their base in Hong Kong, Chan added.

"We expect that the scheme will attract more global private banks and fund managers to set up subsidiaries



Northbound turnover in the Stock Connect reached 9,757 billion RMB in 2019, up 109% from 2018, and the Southbound turnover also reached 2,481 billion RMB.

「股票通」的北向交易成交額於2019年達到人民幣97,570億元，較2018年增加了109%，而南向交易成交額亦錄得人民幣24,810億元。

in Hong Kong, to tap into the GBA market with its population of over 70 million people," Chan said.

Citi's Ng also said that the Wealth Management Connect could reinforce the city's financial-hub credentials around the world.

"With its well-established infrastructure and financial system, as well as attractive tax incentives for corporates, Hong Kong's position as an ideal location for foreign

companies to set up regional headquarters and corporate treasury centres will only be further strengthened as a result of the Greater Bay Area master plan," she said.

"The city will continue to serve as a hub for firms that are looking to tap the opportunities arising from GBA; and for emerging GBA companies looking to expand in overseas markets."

Building on Stock and Bond Connect success

The Wealth Management Connect scheme follows on from the Stock Connect, launched in 2014, and Bond Connect in 2017, which have already enhanced regional capital markets even in their short time of operation, explained Chan.

"Both schemes have resulted in increased capital flows in recent years, especially following the successful inclusion of A shares into various major international stock indices," she said.

Northbound turnover in the Stock Connect reached 9,757 billion RMB in 2019, up 109% from 2018, and the Southbound turnover also reached 2,481 billion RMB, Chan explained, while the Bond Connect also saw significant growth in 2019. So it seems reasonable to assume that the Wealth Management Connect will attract investors once it is up and running.

It seems likely that most of the flow will be southbound, as Mainland investors take advantage of the wider range of investment products here in Hong Kong. But Hong Kong and overseas investors will also find opportunities north of the border.

Portwood Capital's Churchouse remarked that the northbound aspect may prove to be interesting as the scheme develops. "It might allow Hong Kong investors to put money into tech stock start-ups and private equity ventures in the Greater Bay Area, which could be attractive for a lot of investors in this part of the world."

Limits in place

Despite the amount of capital potentially available, Churchouse pointed out that there will be restrictions, such as on the amount of cash that is allowed to cross the border. The products will also be available only to investors with a certain level of funds.

"They will have to determine eligibility criteria for people taking their money out of China, as China does not have an open capital account," he said.

Chan agreed, saying that the most critical barrier is the restriction of funds flow. "Although currently there are special zone areas like in Henquin or Qianhai, and tailor-made channels like via Stock Connect or Wealth Connect, this remains an important factor which limits the potential of a full-gear enablement of the cross-border business."

Some of the hurdles in place are the same as those that impact all cross-border GBA issues – the fact that the Mainland, Hong Kong and Macao have different legal systems, infrastructure, customs and regulatory systems.

Talent flow is a continuing issue, and if the GBA is to fulfil its potential, people from across the region will need to be able to move and work more freely, Chan said. To aid this, reciprocal recognition of qualifications will need to be expanded, or a common set of qualifications for professionals in specific industries established.

"One example would be to establish a single qualification for Wealth Management people in the Bay

Area, so that they can be endorsed for conducting their work within the region, thus allowing and facilitating the Bay Area connectivity initiatives."

Gradual impact

Although the Wealth Management Connect scheme offers tremendous potential, it will not have an overnight impact. Financial firms will have to develop new products and then market them, which will take time, while the various restrictions will limit the scope of the programme at first.

However, the scheme may well be expanded beyond the GBA in the future, greatly increasing its potential.

"Once Wealth Connect starts to operate smoothly and bring in benefits for Hong Kong, Macao and Guangdong Province, we hope the scheme can be extended to other cities of Mainland China," Chan said.

And besides a bigger geographical span in the future, it is also likely that, over time, the eligibility criteria and quotas will be relaxed, allowing the Wealth Management Connect scheme to gradually grow and develop.

"It is not going to suddenly open the floodgates," Churchouse said. "But the scheme is going to add to the investment management part of the economy here in Hong Kong that has already been growing. And you can imagine this is going to be a big job creator, and a big income creator."

中國內地中產階級持續增長，國內的高資產淨值人士亦然。這些富戶不少居於廣東，在粵港澳大灣區（大灣區）新一輪開放措施下，可望成為香港金融企業的新客源。

在6月29日公布的「跨境理財通」業務試點計劃（「理財通」），將容許港澳兩地及廣東九市的居民在大灣區內跨境投資理財產品。隨著內地市民正透過香港的金融企業擴展投資領域，預料計劃的影響將在南方最為顯著。

正如博善有限公司執行董事卓百德指出，區內有大量資金有待競逐。

「國內的私人金融資產總值約為3.25萬億美元。」他說：「所以可以想像得到，當全國都能透過香港的經紀或銀行購買互惠基金，將帶來何等效應，尤其對香港的金融服務業而言，更是影響巨大。」

放眼大灣區，去年的胡潤報告顯示，約28.5萬戶高淨值家庭（資產值超過1,000萬人民幣）及逾67.9萬「富戶」（資產值不少於600萬人民幣）落戶廣東省。

卓百德說：「簡言之，區內有100萬個家庭坐擁600萬人民幣或以上的投資資金。這無疑是個龐大的市場。我認為很多內地居民在洞悉『理財通』的運作原理後，會有意參與這個計劃。」

花旗集團香港及澳門區行長伍燕儀亦預料計劃將為本港的金融業開創新景象。

她說：「隨『理財通』計劃開展，香港的銀行和金融服務企業將迎來巨大機遇，向經濟蓬勃、佔全國生產總值12%的大灣區銷售各式各樣的財富產品，包括互惠基金和保險產品。」

香港投資基金公會行政總裁黃王慈明表示，中國在投資方面正處於「轉捩點」。大灣區內的富戶可能已在原區置業，並正尋求新機遇。

「當地的選擇有限，因此尋求離岸產品的需求便應運而生。」黃王慈明說：「而香港正是滿足這些需求的最佳地點，因



為我們具備健全的平台，提供林林總總的產品，而且投資程序簡便。我們還擁有充裕的專業人才，涵蓋投資管理、顧問、風險管理，以至資產保管等各個範疇，能提供一切所需的支援，迎合投資者的不同需要。」

計劃涵蓋的合資格產品詳情仍有待公布，預計將從相對簡單及低風險的產品開始。黃王慈明表示，期望計劃涵蓋香港證券及期貨事務監察委員會旗下的所有「普通基金」，而不止於在香港註冊成立的基金。她解釋，更多元的投資產品不僅能給予大灣區投資者更多選擇，還可促進市場競爭和發揮更大的規模經濟效益，令投資者受惠。

提供合資格金融產品的本港銀行和資產經理是從計劃直接受惠的一群，然而不同界別也將錄得增長。

卓百德表示，流入香港的額外資金將創造「更多金融服務職位和機遇，受惠的除了股票經紀外，還有對沖基金經理、互惠基金經理、保險從業員、會計師和律師等不同人士」。

香港的重要角色

香港豐富的金融服務經驗，以及作為通往內地與世界各地的門戶，為「跨境理財通」奠下了堅實的基礎。去年4月發布的大灣區藍圖，更進一步鞏固了香港作為區內金融中心的角色。

總商會總裁梁兆基表示：「隨著這項計劃出台，我們可以看到大灣區藍圖訂下的計劃持續取得成果。」他續說：「『跨境理財通』將為整個大灣區的居民帶來更多機遇，擴大他們的投資領域，以及推動香港的金融服務業。」

梁兆基補充，香港作為世界級金融樞紐的地位，是「跨境理財通」賴以成功的根基。他又說：「香港擁有得天獨厚的優勢，具備所需的知識和熟練的專才，能夠滿足跨境和海外的理財需要，令計劃得以成功。」

安永會計師事務所香港及澳門地區主管合夥人陳瑞娟表示，儘管內地金融業正逐步開放，但香港將繼續是重要

的跳板。「香港還擔當全球離岸人民幣業務樞紐、國際資產管理中心和風險管理中心的角色。」

她補充，「跨境理財通」的推出，亦讓海外企業有充分理由拓展在港的基地。

陳瑞娟說：「我們預料計劃將吸引更多環球私人銀行和基金經理來港設立分公司，以進軍人口超過7,000萬的大灣區市場。」

花旗銀行的伍燕儀還表示，「跨境理財通」可加強本港作為國際金融樞紐的資格認證。

她說：「憑藉完善的基建和金融體系，以及具吸引力的企業稅務優惠，香港作為外國公司設立地區總部和企業財資管理中心的理想選址的地位，只會隨著大灣區總體規劃的發展而進一步加強。」

「香港將繼續充當樞紐角色，讓企業把握大灣區的機遇，同時讓大灣區的新興企業拓展海外市場。」

建基於股票債券互聯互通機制之成功

陳瑞娟解釋，「跨境理財通」是繼2014年推出「股票通」和2017年啟動「債券通」後開展的另一項計劃；而上述的股票債券互聯互通機制投入運作不久，便已促進了區內資本市場的開放發展。

她說：「近年，兩項計劃都令資本流動有所增加，尤其是在A股成功納入多個主要國際股票指數之後。」

陳瑞娟解釋，「股票通」的北向交易成交額於2019年達到人民幣97,570億元，較2018年增加了109%，而南向交易成交額亦錄得人民幣24,810億元；「債券通」在2019年也取得了顯著增長。因此，有理由相信「跨境理財通」一旦投入運作，將可吸引投資者的興趣。



由於內地投資者將來港尋求更多元的投資選擇，大部分資金似乎會朝南向流動。然而，香港和海外投資者也可北上尋找機遇。

博善有限公司的卓百德又稱，隨著計劃日漸發展，北向流動可能會引起市場的興趣。他說：「計劃或驅使香港投資者把資金投入大灣區的科技股初創企業和私募股權投資公司，皆因大灣區對這裡的許多投資者來說甚具吸引力。」

現有限制

儘管計劃將打通龐大的資金流，惟卓百德認為亦存在限制，例如跨境現金流動的額度。產品亦只會提供予持有若干水平資金的投資者。

他說：「由於中國沒有開放資本賬戶，他們需要決定內地人士投資境外的資格條件。」

陳瑞娟認同指最大的障礙是資金流動限制。「雖然目前設有橫琴或前海等經濟特區，以及兩地股票通、理財通機制等專用管道，但這一點仍然是重要的因素，限制了跨境業務全面開通的潛力。」

當下面對的障礙與大灣區涉及的其他跨境問題一樣：內地、香港和澳門各有不同的法律制度、基礎建設、海關和規管制度。

陳瑞娟認為人才流通仍然是問題所在；大灣區要發揮其潛力，就要促進區內人口的自由流動和就業。為此，當局有需要擴大資格互認制度，又或為特定行業建立一套通用的專業資格。

「例如劃一大灣區內財富管理人員的資格，讓他們獲認可在區內各市工作，從而促進地區的互聯互通措施。」

成效漸見

儘管「跨境理財通」潛力龐大，但計劃的成效不會一蹴即至。金融公司將需時開發和推廣新產品，而計劃的種種規定本身亦局限了其適用範圍。

然而，計劃未來可能會擴展至大灣區以外的地區，大大增加其潛力。

陳瑞娟表示：「當理財通開始運作順暢，為粵港澳三地帶來效益，我們希望計劃可擴大至涵蓋中國內地其他城市。」

除了未來有更大的地域覆蓋範圍，「跨境理財通」的資格條件和配額也可能會逐步放寬，讓計劃日漸發展和壯大。

卓百德指出：「閘門不會一下子打開，但計劃將進一步推動本港日益增長的投資管理業務。可以想像，這將為我們創造大量的職位和收入。」