

## Building on Hong Kong's Solid Foundation as Financial Centre to Foster Development through Collaboration

### Keynote speech at the CFA Society Hong Kong's Annual Dinner 2025

Dr Kelvin Wong  
Chairman

14 March 2025

#### Hong Kong's success as an IFC

Distinguished guests, ladies and gentlemen, good evening. It is a privilege to address such a talented audience at this annual gathering. Each of you has played a vital role in Hong Kong's journey as a leading International Financial Centre (IFC), proudly holding the prestigious Chartered Financial Analyst (CFA) designation.

In 2024, Hong Kong reclaimed its top-three position according to the Global Financial Centres Index (GFCI), demonstrating our resilience and capacity to rebound after the pandemic. Notably, while our global ranking improved by only one spot, our rating score surged more significantly than any other top 30 financial centres. We are also proud to rank No.1 globally in the investment management sector, surpassing New York and London.

This success was hard-won, reflecting our collaborative efforts in navigating all global challenges to ensure Hong Kong remains competitive as an IFC. The GFCI report highlights another key strength: our city's top-three ranking in human capital. Nobel laureate Professor Gary Becker emphasises that human capital, combined with new knowledge, is crucial for economic growth. We should take pride in our world-class professional talents, including all of you in this room.

#### Vision for strengthening Hong Kong's IFC status

Building on this solid foundation and the Hong Kong stock market's strong start to 2025, we must craft a clear vision for elevating our status as a leading IFC. At the Securities and Futures Commission (SFC), we believe **effective regulation** is essential for sustainable capital market development. It promotes market integrity, fairness and resilience, setting the stage for a healthy ecosystem.

Our regulatory efforts aim to provide a stable environment, access to reliable information, sufficient liquidity, and investment opportunities in quality companies. To achieve this aim,

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Note: This is the text of the speech as drafted, which may differ from the delivered version.



stakeholder engagement is pivotal to our regulatory approach. By understanding evolving market trends and industry needs, we foster growth and innovation among market players.

Enhancing market quality and efficiency is a top strategic priority. We work closely with regulatory counterparts, Hong Kong Exchanges and Clearing Limited, and other stakeholders to achieve this. Upholding market quality is fundamental to maintaining investor confidence.

We advocate for strong corporate governance across our capital markets, as our world-class reputation demands world-class standards. Good corporate governance entails competent boards, robust internal controls, and effective risk management. These elements are critical to reducing information asymmetry and attracting international capital.

We also prioritise capital market efficiency as it is essential for market functionality. Our regulatory framework ensures compliance with transparency, fairness, and accountability standards. To enhance efficiency, we are streamlining processes and digitalising operations. Recent improvements in the listing market have significantly shortened application vetting time.

The upcoming transition to an uncertificated securities market and collaboration with the Hong Kong Monetary Authority on tokenisation initiatives further demonstrate our commitment to enhance market efficiency through innovation and reduction in transaction costs.

Liquidity is vital to sustain market development. Bearing this in mind, we encourage cross-listings of overseas securities and strengthen Mainland and regional connectivity to bolster Hong Kong's IFC status. We continuously seek to expand the Mainland-Hong Kong Stock Connect scheme and deepen ties with markets in the Middle East and Southeast Asia to internationalise our funding sources.

## **Roles of financial professionals and our expectations**

In addressing today's geopolitical tensions, technological disruptions, and the imperative for sustainable development, collaboration with financial professionals is crucial. As market intermediaries, you harness new opportunities and manage risks for clients, firms, and yourselves. Your fiduciary duties require a deep understanding of market dynamics and ongoing training.

With great power comes great responsibility. Despite recent challenges, we expect the highest ethical standards from financial professionals to uphold integrity and accountability in our markets.

Financial analysts must provide balanced perspectives, communicate both sides of investment propositions, and maintain professionalism in their recommendations. Compliance with securities laws, disclosure of conflicts of interest, and the prudent handling of non-public information are essential. Continuous professional training is vital to stay informed on regulatory changes and market trends.



As financial analysts, you play critical roles across banks, asset managers, securities brokers, and public companies. Your contributions ensure capital market quality and efficiency and fulfil the aspirations of individuals and organisations.

There are five areas I want to stress:

1. **Price discovery and market stability:** Analysts ensure market prices reflect intrinsic asset values, and foster transparency and stability. This effective functioning of market forces is essential for investor confidence and economic growth.
2. **Wealth management:** You guide individuals in achieving diverse financial goals, from retirement planning to wealth accumulation. Your expertise is crucial in navigating the financial landscape and ensuring clients' financial sufficiency in an aging society.
3. **Monitor corporate behaviours:** By scrutinising corporate operations and governance, you help reduce information asymmetry and mitigate corporate malpractice and misbehaviour. Your insights drive accountability and transparency, thereby contributing to better corporate performance and long-term success.
4. **Drive innovation and value creation:** Analysts advise on strategic planning and innovation, and help businesses capitalise on opportunities and mitigate risks. Your involvement in corporate transactions is vital to the long-term value creation of your clients and the underlying economy.
5. **Fulfil our dreams:** Acting as intermediaries, you connect demand and supply of funds at prices that are fair and trustworthy, nurture aspirations and empower individuals and organisations to realise their potential and explore their boundaries, which may eventually benefit the economy and society at large.

### Closing remarks

In conclusion, I commend the CFA Society for its unwavering commitment to professional development and upholding of ethical standards. Since its establishment in 1992, the Society has been a crucial partner in enhancing our financial talent pool.

Today, the CFA Society boasts over 6,000 members and is part of a global network across 160 markets. As a recognised provider of professional training, your support and collaboration with the SFC has not only strengthened the quality of our financial professionals but also maintained Hong Kong as a competitive and premier IFC.

With all the challenges lying ahead of us, let us work even closer to maintain Hong Kong's foundations of success and strive for a brighter future for our IFC. Thank you.