

PWMA

Private Wealth  
Management  
Association

# Private Wealth Management in Hong Kong





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PWMA



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# Introduction

Many factors contribute to creating a successful private wealth management hub. They include ease of doing business, the rule of law, a well-established regulatory framework and free flow of capital. They also include a simple and transparent tax system, deep capital markets and a rich talent pool that supports a flourishing community of financial, legal and accounting professionals.

Hong Kong ranks highly on all these counts. It also offers flexible immigration schemes and a world-class lifestyle, with proximity to nature in a territory that is 70% countryside, world-class universities and international schools, in addition to a thriving arts and sports scene.

On top of all these advantages, Hong Kong stands out with its unique status as a super-connector between Mainland China and the rest of the world. The unparalleled business and investment opportunities this creates further contribute to the city's appeal as a wealth management hub.

This booklet provides insights into why Hong Kong is recognised as one of the premier private wealth management hubs globally, and why it is the ideal location to manage your wealth.

01

# Hong Kong's Wealth Management Landscape: Overview



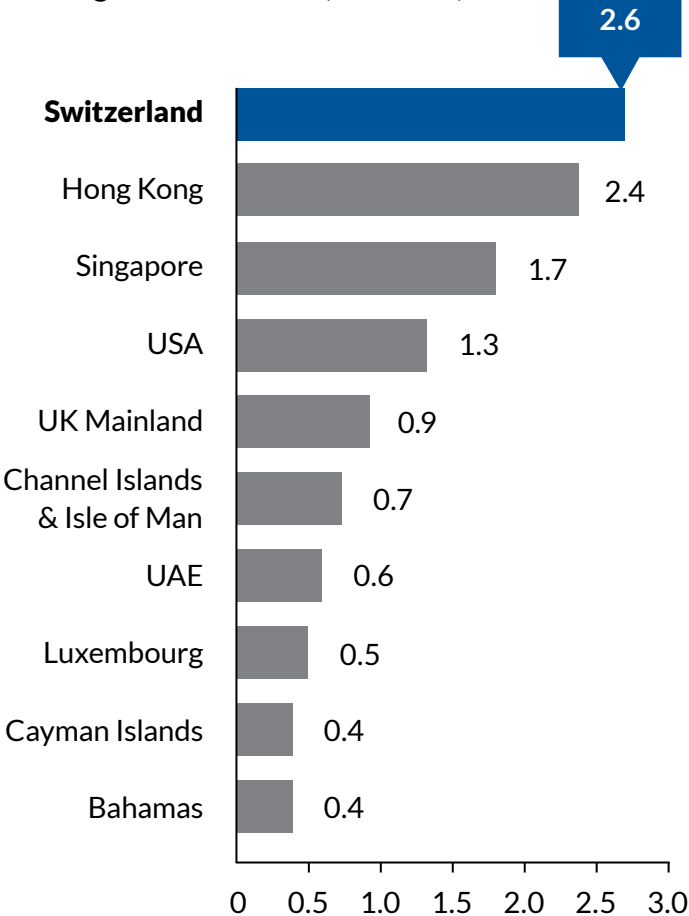
# Riding Asia's wealth creation to become the world's preeminent wealth management hub

Hong Kong is predicted to overtake Switzerland as the world's largest wealth management centre within the next few years, benefiting from enormous wealth creation across Mainland China and the wider Asian region.

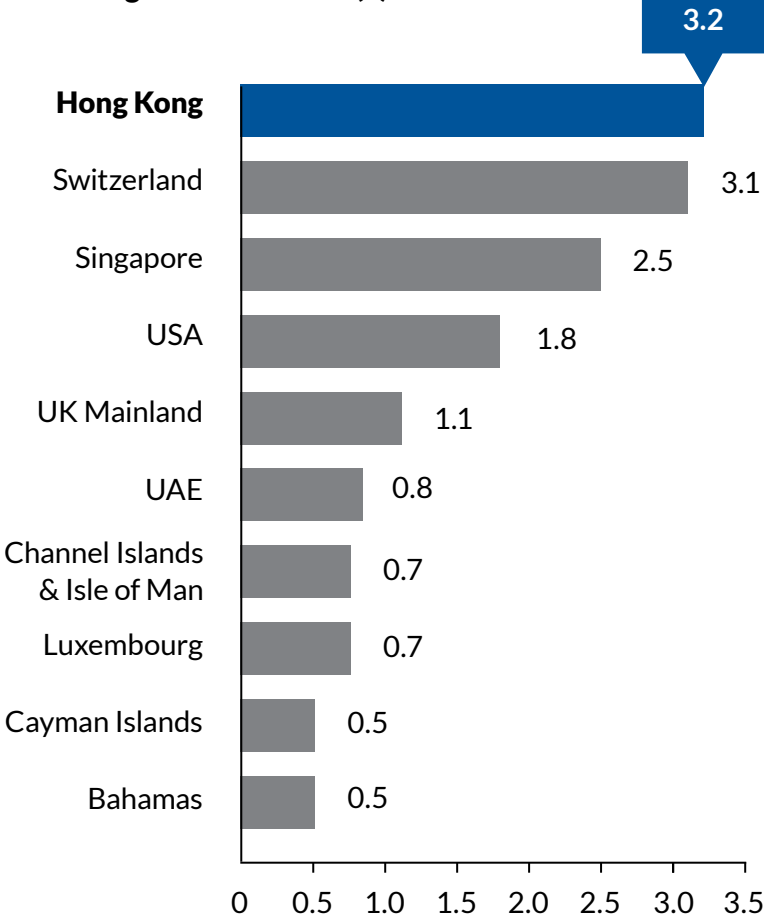
**67%**  
Private Wealth Management AUM sourced from HK and Mainland China

Source: Hong Kong Private Wealth Management Report 2024

Top 10 wealth management booking centres in 2023 (\$ trillions)



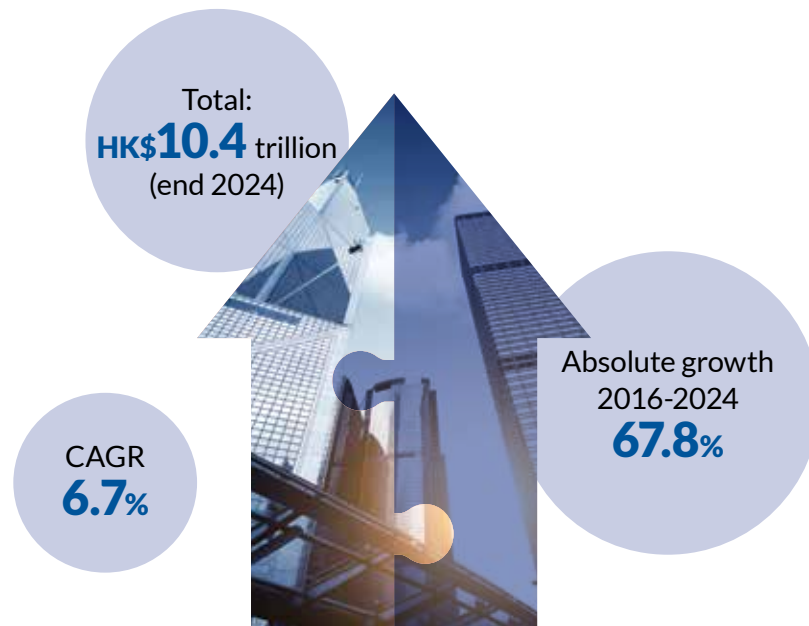
Top 10 wealth management booking centres in 2028 (\$ trillions)



Source: BCG Global Wealth Report 2024

# Private Wealth Management AUM has posted tremendous growth

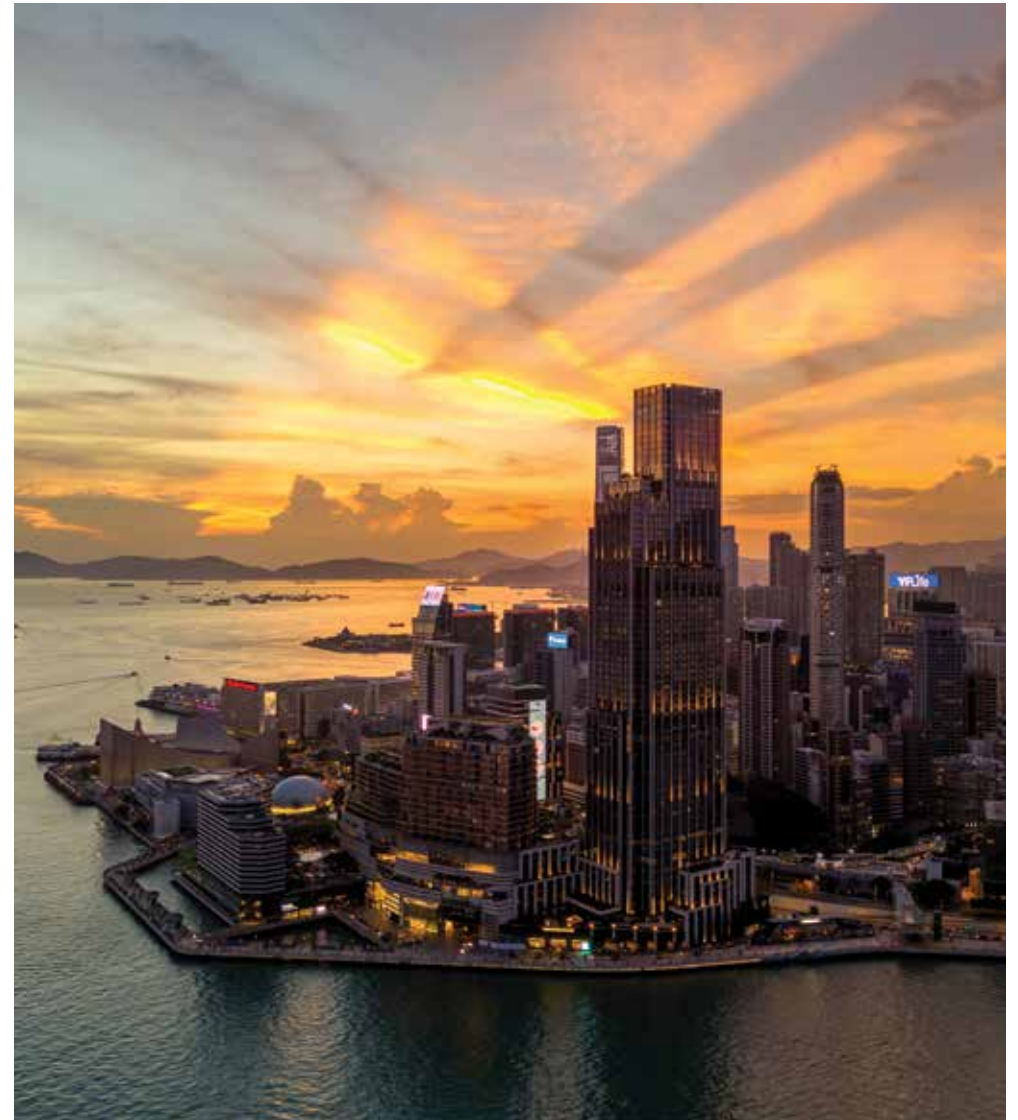
## Hong Kong private wealth management AUM growth



Source: SFC Asset and Wealth Management Activities Survey 2024

*“Growing AUM reflects Hong Kong’s super-connector status with Mainland China, deep capital markets and rich pool of talent.”*

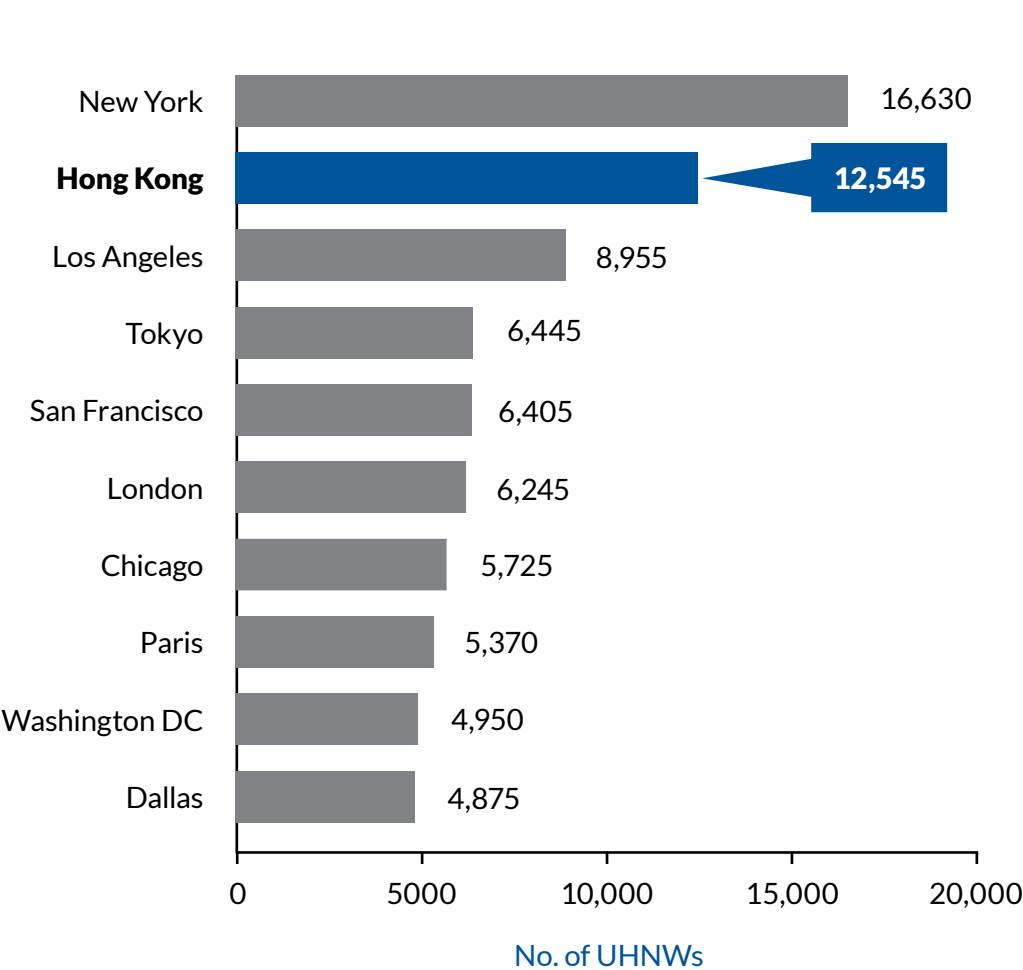
—AMY LO, CHAIRMAN, EXECUTIVE COMMITTEE, PWMA





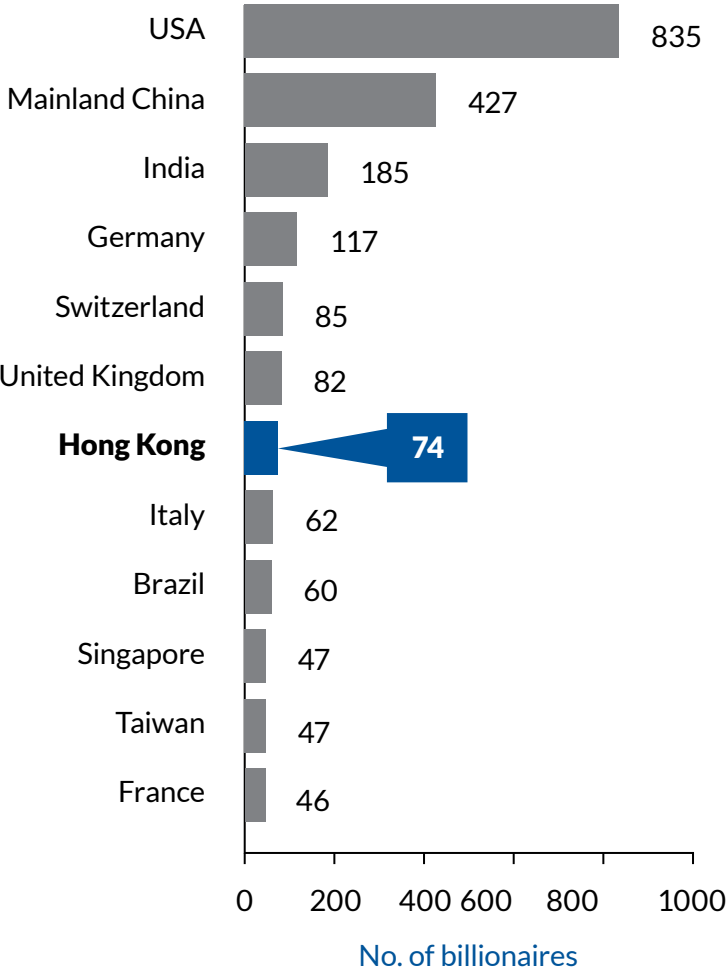
# A deep pool of local wealth supports Hong Kong's private wealth management industry

Cities with the Most UHNW Individuals



Source: Altrata World Ultra Wealth Report 2024

Locations with the Most Billionaires



Source: UBS Billionaires Ambitions Report 2024

02

## Asia's World City



# Hong Kong is where the world's HNW individuals choose to live and work

## Business & Investments

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- Deep financial markets
- Easy residency
- Efficient & entrepreneurial
- Global trade hub
- Low corruption
- Low taxes
- Open economy
- Robust regulation
- Rule of law
- Quality workforce
- Unique Mainland China access

## Lifestyle

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- Convenient transportation
- Cosmopolitan & creative
- Diverse population
- Heritage and history
- Low crime rate
- Packed sports calendar
- Quality housing
- Thriving arts scene
- UNESCO Global Geopark
- Varied international schools
- World class dining

# A global talent hub with straightforward employment laws for locals and foreigners alike

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As the world's most open economy, Hong Kong has always attracted people with a can-do spirit and desire to create their own opportunities.

And the Hong Kong government makes it easy for them.



Length of time for foreigners to gain permanent residency from simply living in Hong Kong — no red tape or further stipulations

Top talent immigration schemes have attracted 380,000 applicants since late 2022 including 49,737 approved applications for Top Talent Pass Scheme (TTPS).

## TTPS Requirements:

Three-year visas for high quality professionals to seek a job or set up a business if they either have:

**an annual income of more than HK\$2.5 million**

or

**a degree from one of the world's top universities (currently 199) and at least three years' work experience over the past five years (quota system for less than three years)**

Source: Immigration Department, Government of Hong Kong



03

## Ease of Business and Investment

# Simple and low tax system

Hong Kong applies a low and simplified tax system with just three taxes on: profits, property, and salaries.



## Profits

Only profits derived in HK are taxed in HK. There is a two-tiered rate of 8.25% for the first HK\$2 million and 16.5% above that. For unincorporated businesses (mostly partnerships and sole proprietorships) the respective rates are 7.5% and 15%.



## Property

Flat rate of 15% on rental income, after standard deduction of 20%



## Salaries

Standard tax of 15% plus generous personal tax allowances



## Tax Deductions

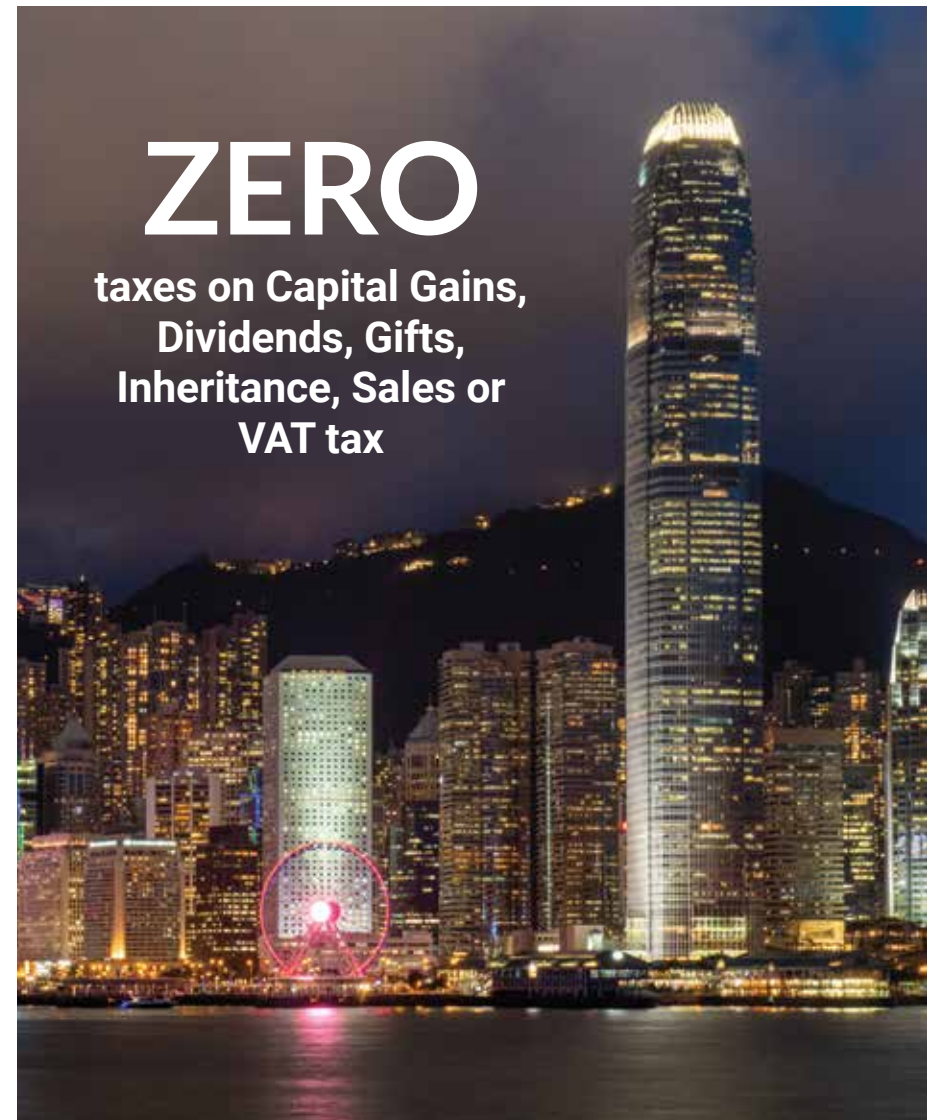
Up to 300% for R&D costs



## Family Offices

Profits tax concession

Source: Inland Revenue Department





# Strong rule of law

Hong Kong enjoys the rule of law backed by an independent, common law legal system.

Through Hong Kong’s constitutional document (the Basic Law), the Territory ranks as the only common law jurisdiction within China.

Strong rule of law protections and a sound legal system are underpinned by:



**Independent Judiciary:** a large and diverse legal community



**Commercial Law Archive:** freedom of contract is well-established

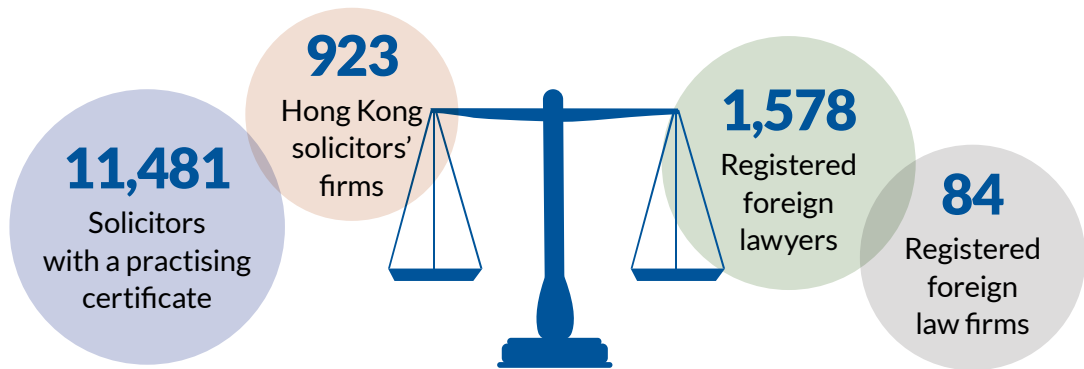


**International and Legal Dispute Resolution:** Asia’s leading centre

Source: Hong Kong International Arbitration Centre

## Number of Solicitors and Firms (as at the end of February 2025)

Over half the Global 100 law firms have a presence in Hong Kong.



Source: The Law Society of Hong Kong

## Number of Barristers (as of January 2025)

Practising Barristers	1,700
• senior counsel	108
• juniors	1,592

Source: Bar Association of Hong Kong

# Protected capital and intellectual property rights

## Intellectual Capital

Hong Kong is fully committed to upholding a robust and effective system of intellectual property (IP) protection covering patents, copyright, trademarks, and designs.



8<sup>th</sup>

**Global Intellectual Property Rights:**  
International Institute for Management Development World Competitiveness Yearbook 2024



## Capital Rights

Hong Kong law provides specific safeguards upholding free flow of capital in and out of the Territory and no foreign exchange controls.



# Abundant financial services professionals and talent



**1<sup>st</sup>**

**Global Financial Centre  
in Asia Pacific:**  
Z/Yen Global Financial  
Centres Index 2024



**24.9%**

**Financial services sector  
contribution to GDP**



**2<sup>nd</sup>**

**Freest Economy Globally:**  
Fraser Institute Economic  
Freedom of the World  
Annual Report 2023



**As Asia's leading  
international financial  
centre, Hong Kong has a  
deep and diverse mix of  
more than 269,000 world  
class financial services  
professionals**



**>10,400**

Private banking  
& wealth managers



**>3,400**

Private wealth managers



**>47,000**

Accounting  
(certified public accountants)



**>53,800**

Asset and wealth  
managers



**>47,800**

SFC Licensees  
and registrants

Source: Institute of Certified Public Accountants, SFC

# Deep and liquid financial markets

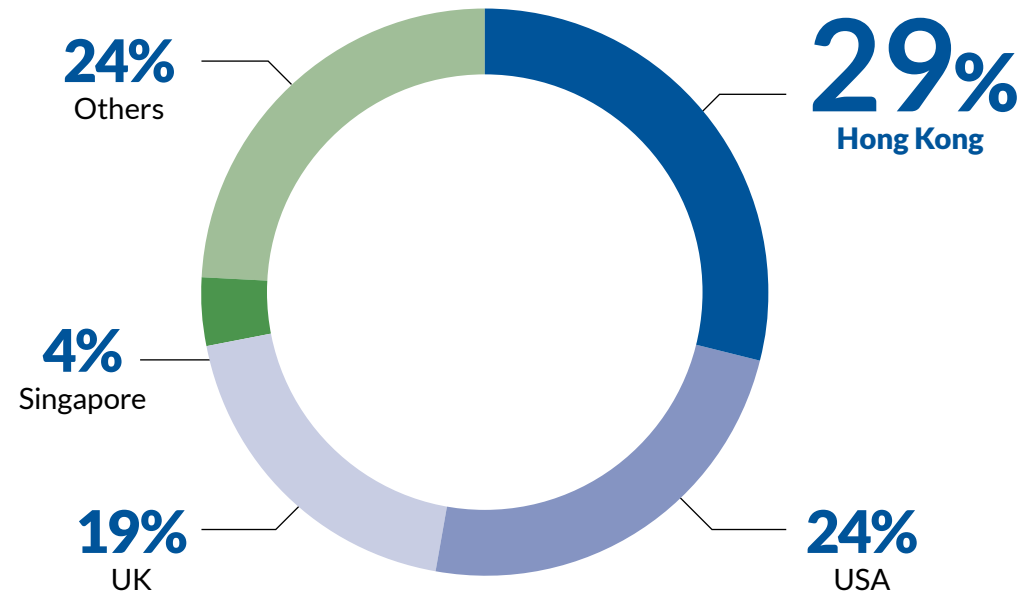
Hong Kong's financial markets are not only a gateway for capital flows in and out of Mainland China but also act as the leading issuance and investment hub for the wider Asian region.

## HKEX Q1 2025



Source: HKEX Monthly Market Highlights

## 2024 International Bond Issuance in Asia



Source: ICMA: The Asian International Bond Markets, Developments and Trends, March 2025

**EQUITIES:** Hong Kong houses the world's seventh largest equities market and ranked fourth globally for IPO fundraisings in 2024 with ongoing momentum driven by a strong pipeline of Mainland Chinese companies.

**BONDS:** Over the past decade, Hong Kong has overtaken non-Asian financial centres to become the most favoured location to arrange international bonds by issuers from across the Asian region.

Source: EY



# Asia's premier fund management centre

Q1 2024

**FUNDS:** A common law-based regulatory system and world class financial infrastructure have long made Hong Kong Asia's natural fund management home, leading to a diverse range of investment options.



2,951

authorised collective investment schemes including 926 Hong Kong domiciled funds



175

ETFs



59

licensed private wealth management businesses



172

new open-ended fund companies



44

registered private wealth management businesses

Source: SFC Annual Report 2023-2024, HKEX



>70%

Hong Kong performs a crucial role handling nearly three-quarters of the world's offshore RMB payments

Source: Hong Kong Monetary Authority

PHOTO: WIKIMEDIA COMMONS

# Regional leader for sustainable finance



Hong Kong keenly embraces financial innovation, whilst upholding responsible regulation and risk management. It is a regional leader for sustainable finance and virtual assets.

## Sustainable Finance



### May

Hong Kong government expands scope of Green and Sustainable Finance Grant Scheme to cover transition bonds and loans

Hong Kong government issues prototype Green Fintech Map to help companies and financial institutions better understand the availability and development of solutions in the Territory's fintech landscape

### February

Hong Kong government announces plans to raise HK\$150 billion to HK\$195 billion per year under its GSBP and Infrastructure Bond Programme (IBP) schemes



2024

### February

Hong Kong government issues the world's first multi-currency digital green bond raising HK\$6 billion



### December

Around US\$28 billion outstanding under the Government Sustainable Bond Programme (GSBP), financing around 110 government green projects

The Territory solidifies its status as the region's green and sustainable financing hub following 2024 issuance of US\$43.1 billion in green and sustainable bonds (45% regional market share) plus US\$413 billion in loans

2025



# Advancing virtual assets, backed by an internationally recognised regulatory regime



## Virtual Assets

**March**

Launch of first tokenised retail gold product based on distributed ledger technology

Stablecoin issuer sandbox launched to test stablecoin-related activities



**July**

Listing of Asia's first Inverse Bitcoin ETF on HKEX

**August**

Launch of Ensemble Sandbox to support experimentation with tokenization and central bank digital currencies (CBDC)



2024

2025



**April**

Listing of Asia's first Virtual Asset Spot ETFs on HKEX



**November**

HKMA launches Digital Bond Grant Scheme (DBGS) of up to HK\$2.5 million for each eligible digital bond issue

HKEX Virtual Asset Index Series launched covering Bitcoin and Ether

**February**

SFC unveils new virtual asset roadmap A-S-P-I-Re with a five pillar framework (Access, Safeguards, Products, Infrastructure and Relationships)

04

## Gateway to Mainland China





# Unique ties make Hong Kong the conduit between Mainland China and the rest of the world

Hong Kong enjoys unrivalled access and connectivity with the world's second largest economy and emerging superpower.

## The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

This free-trade pact (signed in 2003) provides Hong Kong-based businesses with first mover advantages in accessing the Mainland's economy and financial markets across four areas: trade in goods; trade in services; investment; and economic and technical co-operation.

## Cross-boundary Wealth Management Connect Scheme (WMC)

This 2021 scheme has been a boon for the wealth management industry. Residents in the Greater Bay Area (GBA) have been able to buy or sell low- to medium-risk wealth management products distributed by banks in each other's markets. Individual retail investors can operate a cross-boundary investment account. In February 2024, the investment quota was tripled, with RMB-denominated deposits and other funds also added.



# Financial channels between Hong Kong and the Mainland are becoming ever deeper and broader



**2002**

**QFII** Invest in onshore equity and bond markets after opening onshore accounts



**2011**

**RQFII** Extension of QFII to allow RMB

**2015**

**Mutual Recognition of Funds** Mainland Chinese and HK investment funds can be distributed to each other's public after streamlined approval



**2022**

**Swap Connect** International investors can trade onshore RMB interest rate swaps to hedge onshore bonds

**ETF Connect** International investors can trade eligible Mainland listed ETFs via Hong Kong firms

**2024**

**e-CNY** Hong Kong residents allowed to open digital wallets with Mainland China's central bank digital currency

2002

2024

**2003**

Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) preferential trade and investment policies



**2014**

**Shanghai-HK Stock Connect** International investors can trade Shanghai stocks through HKEX and Mainland Chinese investors can trade HK stocks through SSE



**2016**

**Shenzhen-HK Stock Connect** Extension of Stock Connect to cover SZSE

**2017**

**Bond Connect** International investors can trade and clear Mainland China bonds through HK

**2023**

**HKD/RMB Dual Share Counter Trading** The Hong Kong stock exchange begins offering RMB-denominated Mainland Chinese stocks





# Greater Bay Area offers unprecedented business and wealth opportunities

An integrated consumer, finance, innovation, manufacturing and tech zone is taking shape in the Greater Bay Area (GBA) of nine Mainland cities, plus Hong Kong and Macao.

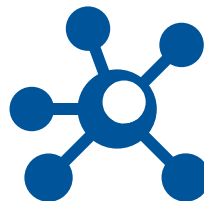
## Leveraging off each other's unique strengths



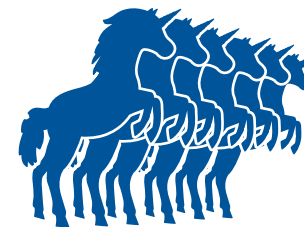
With over 86 million residents, the GBA has a larger population than Germany, the UK and France.



The GBA's combined US\$1.93 trillion GDP makes its economy the 12th largest: between the Russian Federation and Mexico in the 2023 World Bank rankings.



Mutual financial market access places Hong Kong in a strong position as Mainland China's offshore fundraising and wealth management hub.



GBA has 70 unicorns (startups with a US\$1 billion+ valuation) compared to 14 in 2017.

# Advanced GBA infrastructure provides efficient transportation facilitating flow of finance, goods and people

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## High-speed Rail:

the fastest cross-boundary land transport in Hong Kong taking people from West Kowloon station to Guangzhou in just one hour and Shenzhen in less than 15 minutes.

## Hong-Zhuhai-Macao Bridge:

the world's longest sea bridge (55km) reduces travel time from Hong Kong to Zhuhai from four hours to 45 minutes.

## Road Crossings:

four crossings between Hong Kong and Mainland China linking airports, container terminals and other logistics hub ensure smooth flow of goods and people.

05

## Global Connectivity



# The world's trading hub

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A geographical location at the heart of Asia, aligned with first-rate infrastructure and freeport status makes Hong Kong one of the world's leading business and trade hubs.

## 3<sup>rd</sup>

**The world's third busiest container port outside of Mainland China:** World Shipping Council, Top 50 Container Ports 2023

Hong Kong's free market principles are the cornerstone of its global hub status. As a rules-based, free, and open economy, it offers a level playing field for all companies.



# A super-connector to Mainland China and within five hours flying time to half the world's population

## Hong Kong: Central Location in Asia



**4.5**  
million

passengers using  
Hong Kong International Airport  
February 2025

# Connecting the Middle East to growth opportunities in Mainland China and beyond

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Economic diversification across the Middle East, allied to global trade and investment shifts, has led to growing ties with Asia over the past few years. Hong Kong is becoming the Middle East's super-connector financial centre across three key areas: fundraising, asset and wealth management, and sustainable finance.



*PWMA joins Hong Kong Financial Secretary Paul Chan as part of a delegation to Riyadh, Saudi Arabia, 2024*



06

## Lifestyle



# Asia's cosmopolitan melting pot where the wealthy feel at home

PWMA

From high rise duplex apartments to seafront houses, Hong Kong has a variety of housing options ranging from the urban to the rural.



**1<sup>st</sup>**

Global life  
expectancy:  
Worldometer  
2025



**Living in Hong Kong  
often involves a room with a view**



# Varied international school system

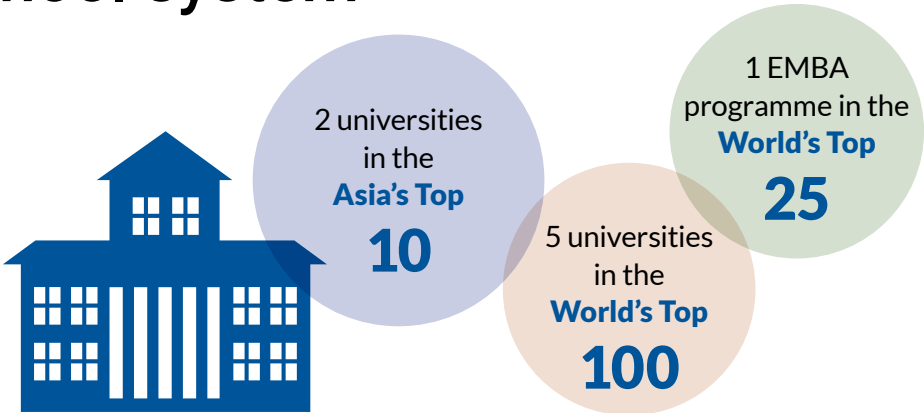
**54** international schools with **22** operated by the **English Schools Foundation**

Students of more than **75** nationalities

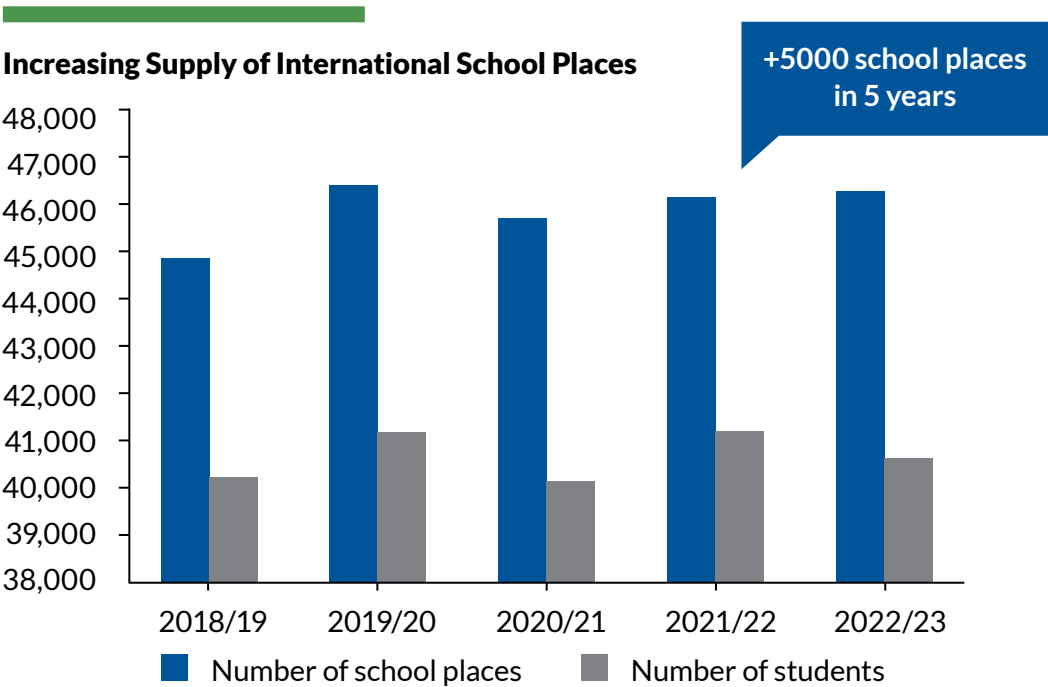


Approx **46,000** primary and secondary school places

Over **10** curricula including **Australian, British, Canadian, French, German, Japanese, Singaporean, South Korean** and **the International Baccalaureate**



Sources: Times Higher Education World University Rankings 2024  
FT Executive MBA Business School Rankings 2024



Source: Secretary for Education, written reply to the Legislative Council

# Thriving arts and sports scene

## Asia's Cultural Hotspot

Hong Kong plays host to major international artists and touring companies in addition to encouraging artistic local talent across a busy social calendar including Art Basel, Art Central, Clockenflap Music and Arts Festival, Hong Kong Arts Festival, Hong Kong International Film Festival and French May Arts Festival.



## Packed Sports Calendar

From the Rugby Sevens to dragon boating, Hong Kong has a sport for all seasons and all abilities for both spectators and competitors.

# Relax and unwind across four seasons

**Temperate weather:** Sub-tropical climate with four seasons, tending towards temperate for nearly half the year.

## The Great Outdoors

25 country parks, 22 special protected areas and a UNESCO Geopark are never more than a few minutes away in a Territory that is 70% countryside.



## World Class Dining

Whether it's at one of Hong Kong's famous dai pai dongs (street food stalls), or a luxury five-star hotel, dining is always a memorable experience in a city renowned for its varied cuisines and 79 Michelin stars.

# Unrivalled shopping destination

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## Global Luxury Brand Hub

Hong Kong is a mecca for luxury brands and shoppers drawn to some of the world's most beautiful shopping malls and high-end districts.



# 1<sup>st</sup>

**Highest Global per  
Capita Expenditure  
on Luxury Goods:**  
Euromonitor World Market  
for Luxury Goods 2023

07

## **Setting Hong Kong Apart as a Leader: Recent and Future Developments**

# Rapid wealth accumulation and shifting investment strategies are prompting growth demand for Family Offices

The Hong Kong government has been applying the same user-friendly rules and low tax philosophy that has made the Territory an economic success to Family Offices too. At the end-2024, Hong Kong had over 2,700 Family Offices with half managing more than US\$50 million.

## Family Office Tax Concession Scheme (2023)

- Package of tax incentives for family-owned investment holding vehicles (FIHVs)
- Applies to single family offices that meet a HK\$240 million minimum asset threshold
- Also available to non-Hong Kong incorporated special purpose entities in proportion to the FIHV's beneficial interest (one of more members must hold at least 95% of direct and indirect beneficial interest in the family for the duration of the tax year)



## Proposed Enhancements

In October 2024, the Hong Kong government announced plans to expand the Family Office Tax Concession Scheme to include a wider range of assets including loans, private credit and virtual assets. It also plans new distribution channels for private equity funds through HKEX listings.



# Deepening and expanding the PWM ecosystem

The Hong Kong government is consistently rolling out initiatives to support the PWM industry.

## Capital Investment Entrant Scheme (CIES) Expansion

In March 2025, an expanded scheme came into place to further encourage high-net-worth individuals to move to Hong Kong. Applicants and their dependents gain the right to reside and work in the Territory subject to the following:

- Investment threshold of not less than HK\$30 million over six-month period preceding the application
- Permissible assets expanded to include net assets or equity jointly owned with the applicant's family member, plus investments in an FIHV, or Family-owned Special Purpose Entity (FSPE)
- Expansion of permissible assets to both Hong Kong dollar and RMB-denominated financial instruments (equities, debt, certificates of deposit, limited partnership funds, eligible collective investment schemes)
- Allowance to invest in residential properties above HK\$50 million

## HKIA Art & Treasures Storage



## HKIA Art and Treasures Storage

In January 2025, the Airport Authority of Hong Kong announced plans to set up Hong Kong's first dedicated stand-alone art storage facility.

# Strong philanthropic spirit



## Hong Kong Academy for Wealth Legacy

Talent development services for industry practitioners and NextGen wealth owners under the auspices of Financial Services Development Council (FSDC) in association with the private wealth industry, professional service providers, universities, and InvestHK's FamilyOfficeHK team.

## Philanthropy Hub

Streamlined processing for charities seeking tax exempt status.

Expand the extent of beneficial interest that an exempted charity can hold in an FIHV\*. Wealth owners will be able to admit exempted charities as FIHV beneficiaries and benefit from proposed tax concessions.

*\*Usually a company, partnership or trust set up by a single family to manage its investments*

08

## Contacts

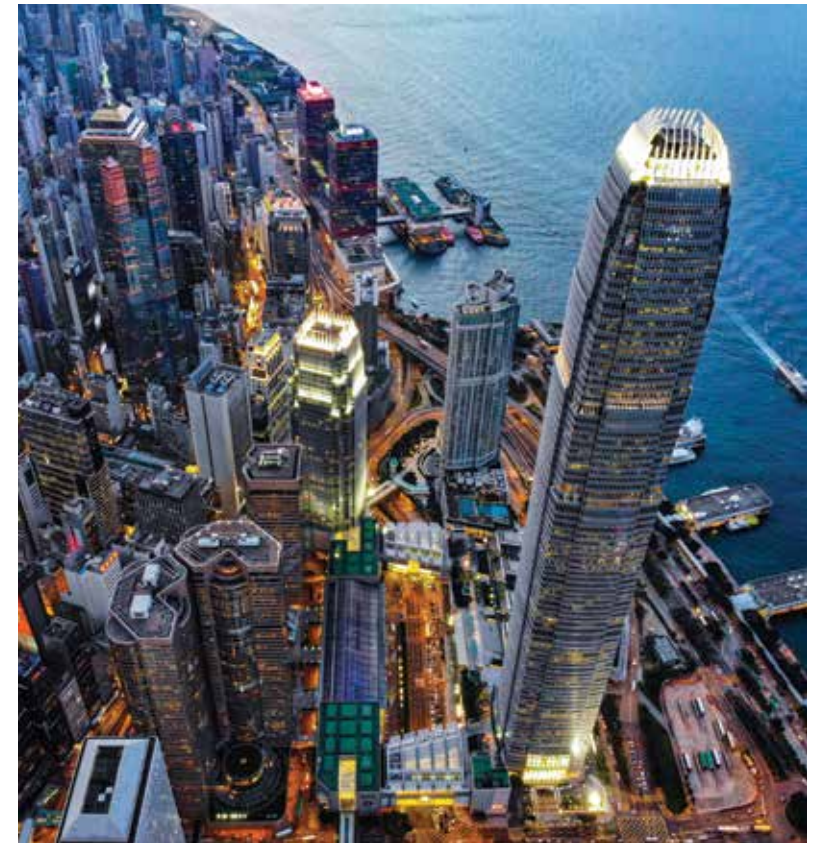
# Serving family offices

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## FamilyOfficeHK

FamilyOfficeHK offers professional guidance and support to local and global family offices wishing to establish or expand their operations in Hong Kong. The government team can help with all enquiries including assisting with education and philanthropic initiatives.

Helping you step-by-step



### Contact

24/F Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong

**T** +852 3107 1000 **E** [enq@investhk.gov.hk](mailto:enq@investhk.gov.hk)



# About PWMA

Established in 2013, PWMA is an industry association whose mission is to foster the growth and development of Hong Kong's private wealth management (PWM) industry and support the city's journey to becoming a leading global wealth management hub.

Starting from a handful of traditional private banks as members, PWMA has expanded to over 60 members, comprising of traditional wealth management firms and a diverse range of ecosystem partners including professional and consulting firms, asset managers, information and technology companies and other service providers.



PWMA aims to continue strengthening Hong Kong's position as a leading private wealth management hub globally through its main objectives of:

- Providing a unified industry voice and representation on PWM related matters, and a channel to maintain ongoing dialogue with government officials, regulators, trade bodies and other industry associations and stakeholders
- Providing professional training and development opportunities to maintain the enhanced level of competence expected of relevant practitioners in the private wealth management industry
- Setting standards to promote proper conduct, integrity and professional competence on the part of PWMA practitioners through the CPWP and CPWPA certifications
- Building the private wealth management community through industry events, forums and committees
- Providing a platform for members to discuss and exchange views on trends, developments and areas of common concern, and work collaboratively to address industry-wide challenges



# Thank You

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For further information or help, please contact  
**Vivien Khoo**, CEO, [vivien.khoo@pwma.org.hk](mailto:vivien.khoo@pwma.org.hk)  
**Cilla Luke**, Executive Director, [cilla.luke@pwma.org.hk](mailto:cilla.luke@pwma.org.hk)

Room 1405-1406, 14/F, Prince's Building,  
Central, Hong Kong  
**T** +852 3758 2291 **E** [info@pwma.org.hk](mailto:info@pwma.org.hk)



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