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Private Wealth Management Association

Hong Kong Private Wealth Management Report 2026





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Executive summary

Hong Kong became the world's largest cross-boundary wealth centre in 2025, supported by record assets under management (AUM), strong net inflows and rising demand for Hong Kong booking. Sustaining this leadership through 2030 will require the industry to translate that momentum into deeper client relationships, greater connectivity with Chinese Mainland investors, more effective portfolio use, and technology-enabled, increasingly personalised advice for a broader and more diverse client base.



The 11th annual Hong Kong Private Wealth Management report, jointly authored by the Private Wealth Management Association (PWMA) and KPMG China, examines the industry's growth drivers and the priorities for the years ahead. The findings are based on a survey of PWMA members, supplemented by interviews with senior executives in Hong Kong. The research was conducted between June and August 2026, with 35 (approximately 80%) of the Association's Private Wealth Management Institution members and 17 asset management ecosystem members responding.

Strong momentum and sustained confidence

24% Record AUM growth
Hong Kong became the world's largest cross-boundary wealth centre in 2025, as private banking and private wealth management AUM rose 24% to a record HKD12,945 billion – a ten year high.

94% Confidence remains resilient
Firms remain moderately or highly optimistic about Hong Kong's prospects over the next five years.

77% Stronger Hong Kong booking demand
Firms reported increased demand for Hong Kong accounts or asset booking, up from 59% last year. None reported a decline.

91% A supportive regulatory environment
Nearly all firms agreed or were neutral that regulatory requirements support business. Clear, consistent implementation remains important to competitiveness.

Connectivity and product breadth underpin the growth opportunity

79% Connectivity remains a growth priority
Firms expect Greater Bay Area initiatives, including Wealth Management Connect, to be critical or moderately important to their offshore Hong Kong business over the next five years.

#1 Product breadth drives inflows
Firms ranked product breadth as Hong Kong's strongest positive inflow driver, underscoring the value of broader access and continued innovation.

91% Strong support for wider A-share access
Firms advocate extending STAR Market and ChiNext eligibility to Professional Investors, with appropriate safeguards, to support broader participation in China's innovation-driven growth sectors.

75% Competitive speed to market for new clients
Firms can activate straightforward individual accounts within four weeks, broadly in line with other wealth hubs. Greater consistency for complex structures could further improve the client experience.

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Turning momentum into sustainable growth

Hong Kong's wealth management industry is entering a new era with strong momentum. Record AUM, growing booking volumes and solid investor confidence reflect not just market performance, but sustained and expanding client activity.

Broadening regulated access to capture demand

Deepening regulated connectivity will be critical to sustaining Hong Kong's future growth trajectory. Expanding Wealth Management Connect could help meet clients' diversification needs while maintaining appropriate suitability, investor protection and closed-loop controls. In parallel, extending access to STAR Market and ChiNext stocks for qualified Professional Investors could provide more direct access to Mainland equities, while positioning Hong Kong as a unique gateway for northbound investment.

Organising advice around clients' wider wealth needs

Deepening relationships with next-generation clients and family offices requires firms to connect information and expertise across portfolios, businesses, entities, jurisdictions and generations.

91% of firms have increased their focus on next-generation wealth. However, data and talent capabilities have not developed at the same pace. Only 24% of firms describe their "One bank collaboration" capability as advanced or largely integrated, and they are less confident than last year that they can hire enough qualified people to support growth.

Without stronger capabilities in both areas, firms will struggle to connect information across relationships, entities, portfolios and generations, bring the right specialists into the relationship and identify needs and risks across a family's wider wealth.

Moving beyond AI tools to integrated workflows

Technology will be critical in closing this gap, but AI adoption has yet to transform operating models. While 88% of firms report moderate or significant progress, most applications still focus on accelerating existing tasks. The greater opportunity lies in redesigning end-to-end workflows, from source-of-wealth reviews and onboarding to periodic reviews and tax monitoring, allowing relationship managers to focus more on judgement, advice and complex client needs.

Product availability must translate into portfolio value

Hong Kong's broad investment offering remains a strength, but capabilities are expanding faster than portfolio utilisation. Alternatives rank second among clients' investment themes, yet none of the surveyed asset managers and fund houses consider private banks to be fully utilising these opportunities.

Digital assets show a similar gap: product offerings are expanding, but almost all firms report allocations below 5% of their Hong Kong AUM. Stronger education, portfolio-construction support, liquidity planning and governance could help translate availability into more purposeful client allocations.

Tokenisation offers longer-term potential to bring selected private and real assets into the advisory relationship, but wider adoption depends on liquidity, interoperability and reliable valuation standards.

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Industry pulse

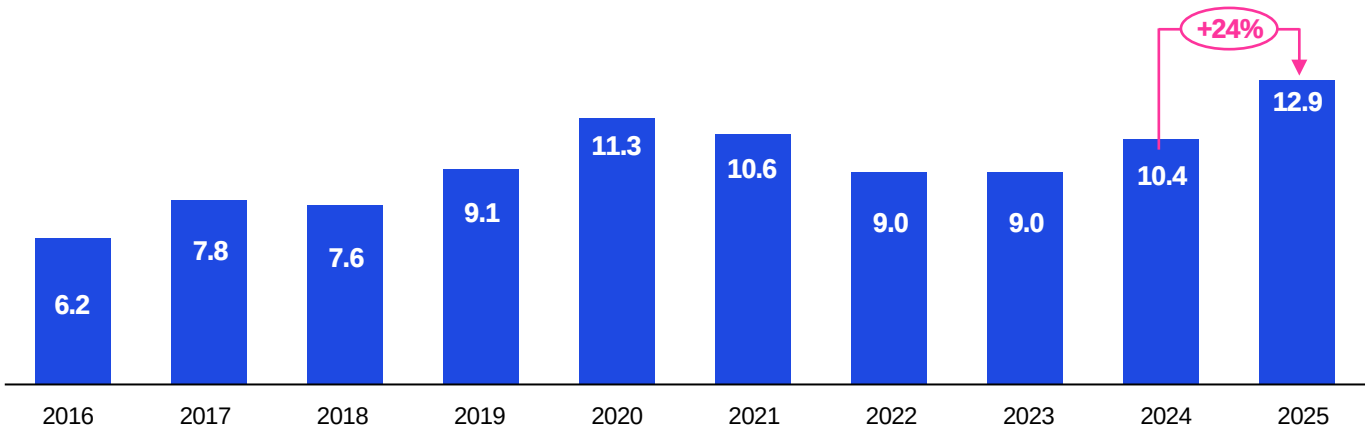
A record year for assets under management (AUM), a surge in net inflows and stronger booking centre demand underlines Hong Kong's continued momentum. However, geopolitical tensions and an evolving cross-boundary tax and regulatory landscape are creating a more complex operating environment.

2025 was the strongest year on record for Hong Kong's private banking and private wealth management business. Total AUM reached HKD 12,945 billion (approximately USD 1.7 trillion) as at the end of 2025, a 24% increase on the previous year and comfortably surpassing the previous peak of HKD 11,316 billion in 2020[1].

Importantly, this growth was supported by strong net inflows, rather than on asset appreciation alone. Net fund inflows rose 79% to HKD 686 billion, contributing around 6.6 percentage points of the 24% increase, with the balance attributable to the appreciation in the value of client portfolios.

Figure 1

Private Wealth Management AUM in Hong Kong (HKD trillion)



Hong Kong's position as an international wealth management centre also strengthened. According to the Global Wealth Report 2026[2], Hong Kong narrowly overtook Switzerland in 2025 to become the world's largest cross-boundary booking centre for the first time, supported by Chinese Mainland wealth flows, strong equity market performance and renewed IPO activity. The Hang Seng Index gained 28% in 2025, its best annual performance since 2017, while the Hang Seng China Enterprises Index and the Hang Seng TECH Index rose 22% and 24% respectively[3].

1 SFC Asset and Wealth Management Activities Survey 2025: https://www.sfc.hk/-/media/EN/files/COM/Reports-and-surveys/AWMAS-report-English.pdf?rev=355c352ea18b409f8bef3388ae259d7f&hash=2FD55F1DF15EDBEBC0375F08B63CA0B9
2 BCG 2026 Global Wealth Report: https://www.bcg.com/publications/2026/global-wealth-growth-in-an-era-of-reordering?utm_source=linkedin&utm_medium=social&utm_campaign=none&utm_description=organic&utm_topic=none&utm_geo=global
3 HSI 2025 Year-end Market Report: https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/other_materials/20251231e.pdf

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Taken together, record AUM, strong net inflows and improved market conditions provide a solid foundation for future growth. Family offices and private trusts recorded the strongest growth, with assets rising 37% to HKD 2,125 billion.

External pressures rise, but confidence in Hong Kong remains strong

Member firms continue to operate against a complex external backdrop. Trade wars and tariffs were ranked as having the greatest impact on the industry over the past 12 months, while global conflicts rose sharply from fourth to second place. AI and digital transformation also moved higher as firms accelerated investment in new technology. (Figure 2)

Interviewees nonetheless cautioned against overstating the longer-term impact of geopolitical events. Initial market reactions often moderate over time, while underlying trade and wealth flows continue to be shaped by economic fundamentals, which remain strong across Asia.

This confidence is reflected in firms' longer term outlook. Despite the more complex operating environment, 94% remain moderately or highly optimistic about Hong Kong's prospects as a private wealth management centre over the next five years.

The broader market picture supports this optimism. Global financial wealth grew 10.7% in 2025 to USD 333 trillion, its fastest pace since 2021. Over the same period, financial wealth in the Chinese Mainland rose 15%, reinforcing the region's role as a major driver of global wealth creation[4].

Looking ahead, macroeconomic conditions and market volatility narrowly lead geopolitical instability among member firms' concerns for the next 12 months. Regulatory and compliance pressures remain the third-ranked concern, with a higher weighted score than last year (Figure 3). Although external developments remain the most prominent concerns, Hong Kong's future competitiveness will be shaped in large part by the effectiveness and responsiveness of its regulatory framework.

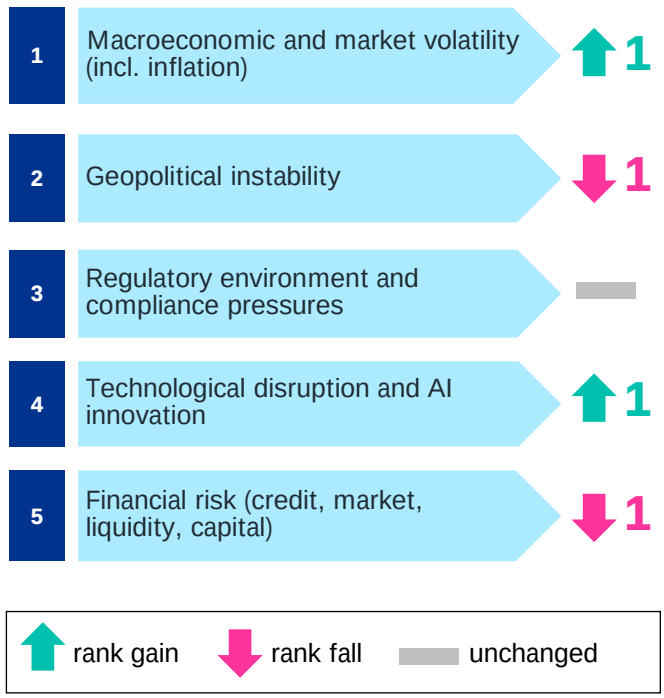
Figure 2

What affected firms over the past 12 months



Figure 3

What firms are watching looking ahead



4 BCG 2026 Global Wealth Report: https://www.bcg.com/publications/2026/global-wealth-growth-in-an-era-of-reordering?utm_source=linkedin&utm_medium=social&utm_campaign=none&utm_description=organic&utm_topic=none&utm_geo=global

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Hong Kong's ability to combine robust regulation with a competitive international business environment has been central to its success. Maintaining this balance – and a level playing field with other wealth management centres – remains important to member firms.

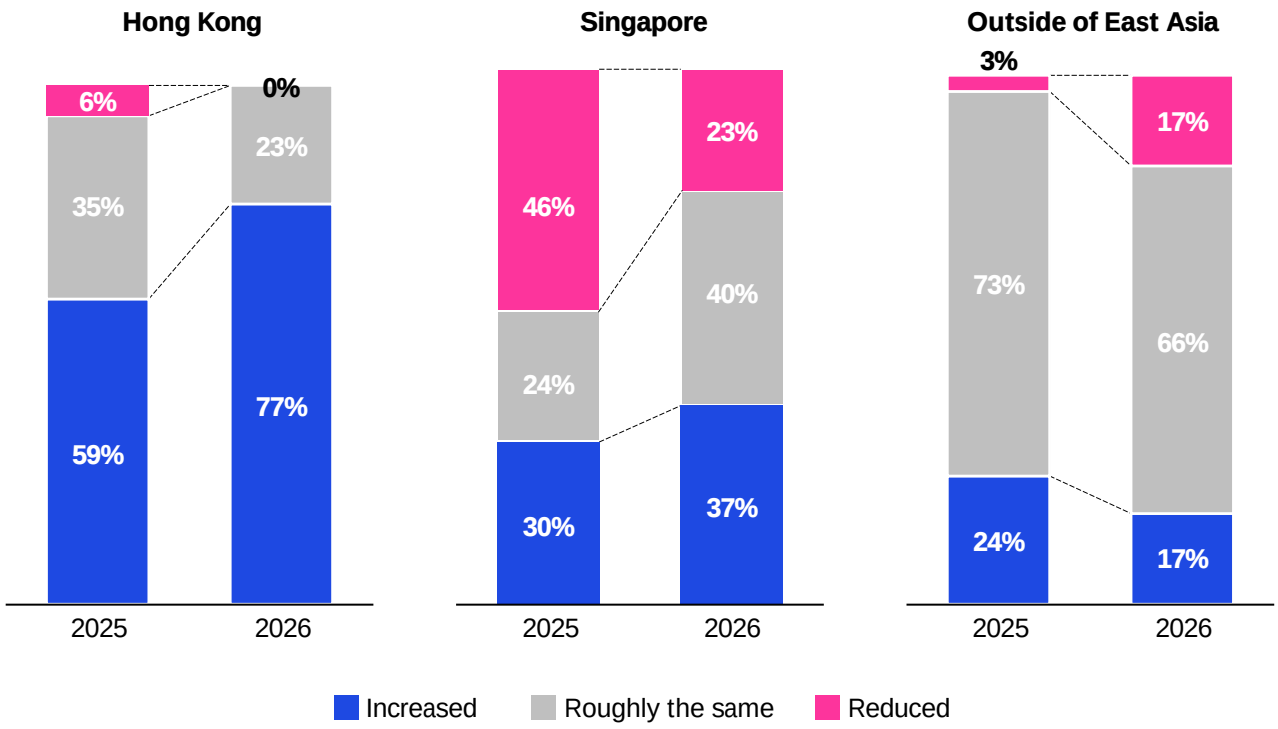
Hong Kong pulls ahead as a booking centre

Multi-shoring, where clients maintain accounts or assets in two or more jurisdictions to diversify risk, has been a recurring theme of this report since 2023 and remains an established feature of the market.

Over the last year, 77% of member firms reported increased demand for new accounts to be opened, and/or client assets to be held in Hong Kong, up from 59% a year earlier, and no member firm reported a decline, while demand for booking centres outside East Asia softened (Figure 4).

Figure 4

Client demand for new accounts and/or client assets to be held in selected booking centres



Client allocation activity supports this trend. Among surveyed member firms, Hong Kong led by a wide margin for net new assets from their Asia cross-boundary client books, ahead of Singapore, Switzerland and the UAE. This measure is based on the allocation bands reported by respondents rather than the precise market share of total industry flows.

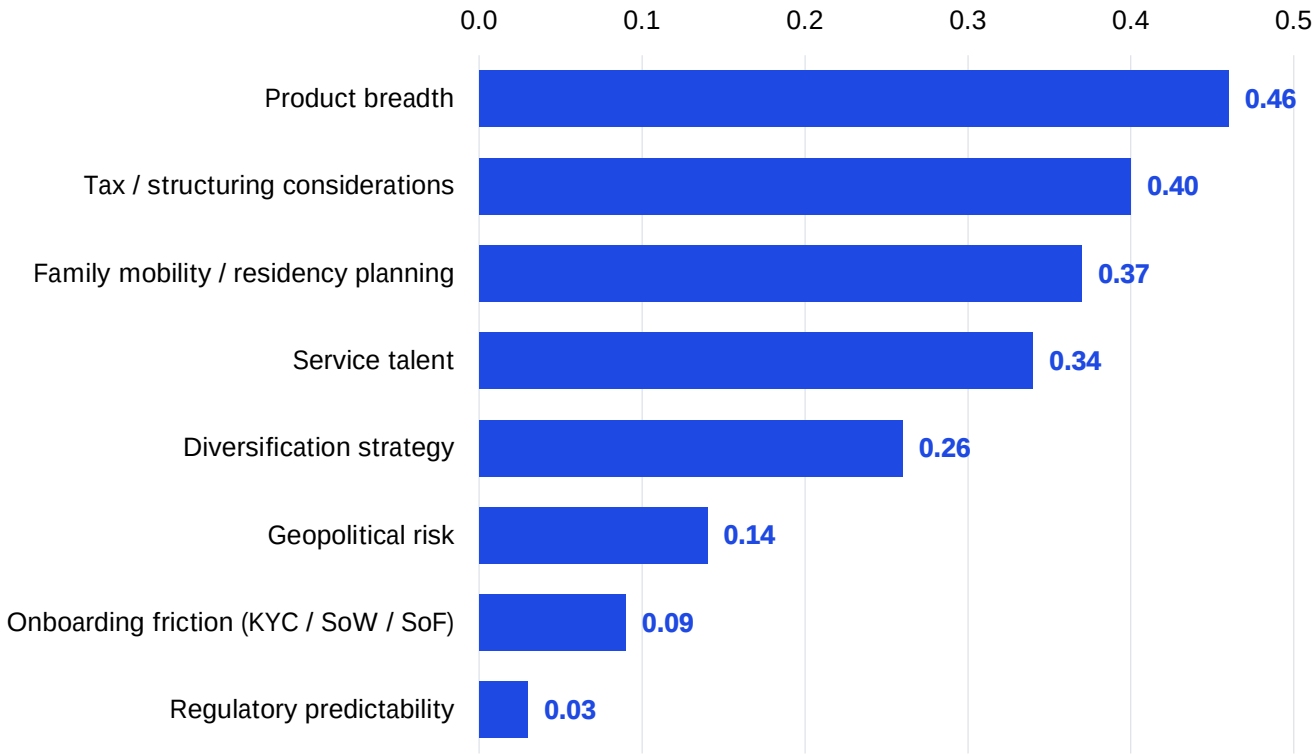
Most firms also reported either no material relocation of assets from Hong Kong or only limited outflows. Taken together, the findings suggest that multi-shoring is primarily supporting clients' diversification objectives, while Hong Kong remains central to their wealth management relationships.

The factors attracting cross-boundary wealth to Hong Kong are also becoming clearer. Member firms identified product breadth as the strongest positive driver of inflows, followed by tax and structuring considerations, and family mobility and residency planning. Sustaining inflows will depend both on the strength of Hong Kong's investment and wealth-planning capabilities and on how easily clients can access them. The next chapter examines these factors in more detail.

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Figure 5

Factors driving net fund inflows into Hong Kong



Key takeaways

- Record AUM, strong net inflows and rising booking demand reinforce Hong Kong's position as a leading cross-boundary wealth management hub.
- Industry confidence remains strong despite greater geopolitical, regulatory and cross-boundary complexity.
- Product breadth and tax and structuring capabilities are the leading drivers of cross-boundary inflows into Hong Kong.



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Growing the market



Demand for cross-boundary wealth services continues to accelerate, yet the regulated channels available to serve clients have not kept pace. Sustaining Hong Kong's leadership as the world's premier cross-boundary wealth centre will require broader market access, while maintaining the regulatory safeguards that underpin trust and confidence.

Broadening regulated access

Chinese Mainland wealth: translating growth into Hong Kong opportunity

Technology-led businesses are creating new fortunes, established wealth is passing between generations, and more families are considering diversification, succession and international investment solutions. However, changes in capital-flow rules and greater tax transparency mean that firms cannot assume new wealth or listing activity will translate directly into wealth managed in Hong Kong.

Three shifts shaping Chinese Mainland wealth flows

Shift	What is changing	Implications & opportunities
01 New wealth creation	New wealth creation is moving towards hard technology, AI, advanced manufacturing, robotics, renewable energy and biotechnology.	Support founders and families with international investment, diversification and succession.
02 Changing capital flows	While A+H listings continue to support Hong Kong's capital markets, the PBOC–SAFE rules issued in December 2025 and effective from April 2026 provide that proceeds from listings outside the Chinese Mainland, and from sales of such listed shares by Mainland shareholders should, in principle, be repatriated to the Mainland. Qualifying enterprises may, however, retain proceeds offshore with prior approval.	Liquidity generated through listing activity may not translate directly into assets booked in Hong Kong, potentially reducing the wealth management impact of IPO activity where offshore retention is not approved.
03 Transparent cross-boundary diversification	Demand for legitimate offshore diversification remains substantial, with Mainland wealth projected to grow by approximately 9% annually through 2030[5]. At the same time, greater tax transparency[6] and more rigorous reporting requirements are increasing the complexity of cross-boundary wealth arrangements and the need for coordinated advice.	Wider Connect schemes could channel demand through regulated routes while increasing supervisory visibility. Institutions with strong tax transparency, source-of-wealth and KYC capabilities may be better positioned to capture future demand.

Greater transparency can reinforce trust
Interviewees emphasised that greater tax transparency[6] may increase complexity in the near term, but it can strengthen confidence in Hong Kong over time. The advantage will lie with firms that combine robust governance with coordinated investment, tax and legal advice.

5 BCG 2026 Global Wealth Report: https://web-assets.bcg.com/84/95/538c1f4b439a91d3ef8ae90b6e89/2026-gwr-may-2026.pdf
6 On 24 July 2026, new Chinese individual income tax rules for offshore trusts took effect under MOF and STA Announcement No. 21 of 2026 and STA Announcement No. 15 of 2026. The framework provides for taxation at a 20% rate on relevant taxable gains and income at different stages of the trust lifecycle, subject to the circumstances and applicable provisions.

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Cross-boundary schemes are the top priority for member firms' engagement with the Government, ahead of simplifying suitability requirements and strengthening Hong Kong's family office proposition (Figure 6). This reflects a practical consideration: demand for regulated diversification is growing, but firms believe the existing channels could better accommodate the needs of private wealth clients. The 2026 Policy Address acknowledged this need, confirming that discussions with Mainland authorities on further enhancements are ongoing.

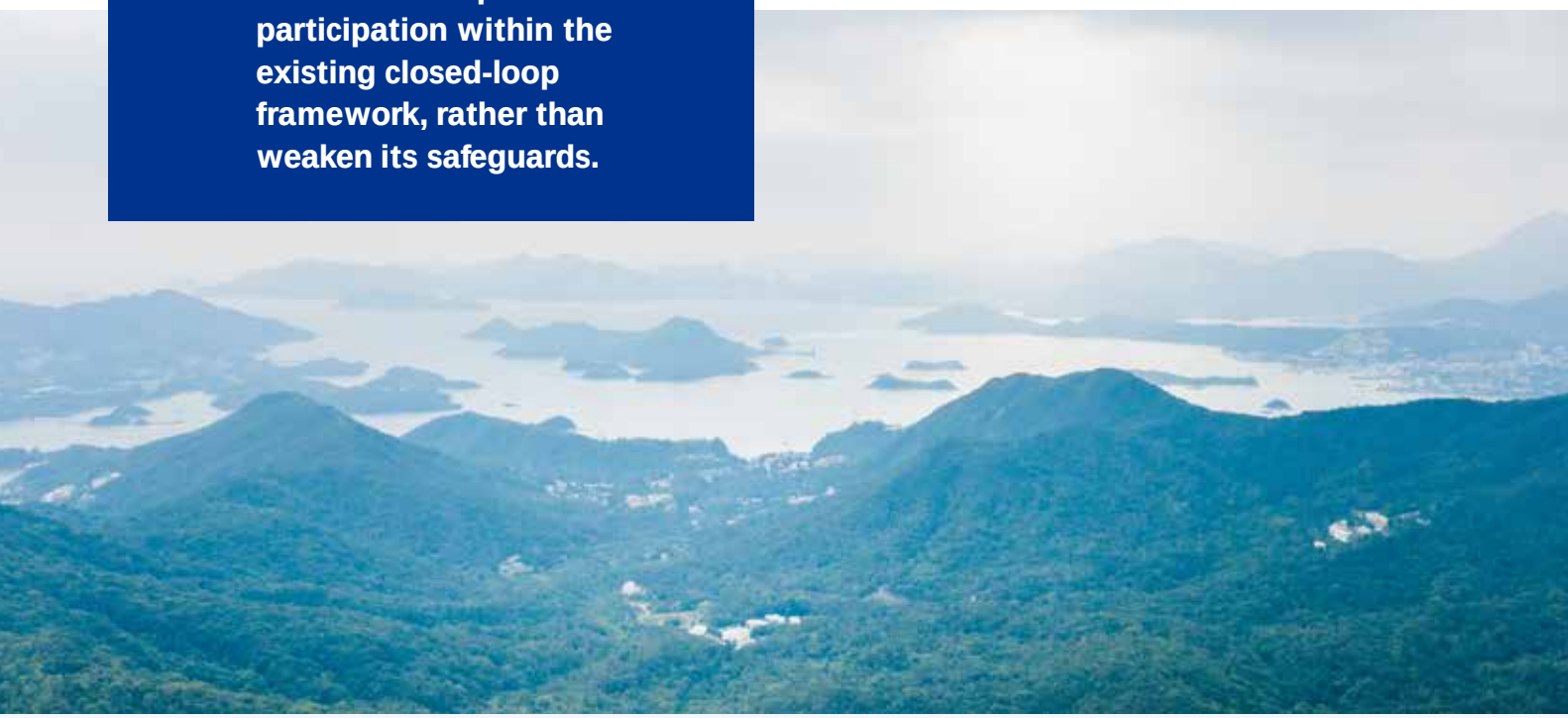
Figure 6

Measures firms want policymakers to prioritise

1	Further develop cross-boundary schemes (e.g. Wealth Management Connect, private equity)	—
2	Simplify Hong Kong's investment suitability rules	—
3	Making Hong Kong more attractive as a family office destination	—
4	Promoting Hong Kong as an IPO destination	—
5	Establishing Hong Kong as a risk management hub	↑ 1
6	Establishing Hong Kong as a Web3 hub	↓ 1
7	Promoting Hong Kong as a centre for ESG / sustainable finance	—

↑ rank gain ↓ rank fall — unchanged

The case for wider access extends beyond the commercial opportunity. A broader compliant channel, supported by appropriate advice and suitability controls, would give clients more regulated options for diversification while improving supervisory visibility, transaction data quality and AML/CFT coverage. The opportunity is therefore to expand participation within the existing closed-loop framework, rather than weaken its safeguards.



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WMC has proved the channel works. The next opportunity is to broaden what it can deliver.

Five years after launch, WMC has demonstrated that its closed-loop operating model can function at scale. By the end of August 2026, cumulative cross-boundary remittances had reached RMB 143.63 billion, with 187,100 participating investors. Transactions between the Mainland and Hong Kong accounted for 88.8% of total cross-boundary remittances, while banks continue to act as the primary channel for processing transactions. Overall, the scheme has recorded steady growth in participation and cumulative remittances, while Southbound quota utilisation remains below capacity[7].

79%

Of firms expect GBA initiatives, including WMC, to be critical or moderately important to their offshore Hong Kong business over the next five years

Three proposals to enhance WMC

01

Build a cross-boundary retirement and pension allocation platform

Retirement finance has been elevated to a national strategy in the Mainland. As population ageing accelerates and retirement needs evolve, Hong Kong can support cross-boundary retirement wealth management through:

- **Expanding eligible products:** Subject to Mainland regulatory approval, include eligible Hong Kong wealth management products within Mainland individual pension accounts, and jointly develop retirement solutions with institutions in both markets.
- **Creating a Silver-hair Wealth Management Connect / Pension Fund Connect:** Under the Southbound Connect framework, provide eligible Mainland clients with diversified retirement investment and asset allocation options, including foreign-currency deposits, overseas bonds and dividend-paying funds.

02

Broaden the product range to support Mainland enterprises going global

WMC could also support the internationalisation of Mainland enterprises by:

- **Enhancing investment options:** Encourage eligible Wealth Management Connect funds to invest in bonds, REITs and thematic funds issued overseas by Mainland enterprises.
- **Supporting enterprises going global:** Channel Mainland residents' wealth towards overseas projects of Mainland enterprises, enabling cross-boundary finance to better support the "going global" strategy.

03

Increase WMC quotas to support Greater Bay Area financial reform

As Greater Bay Area integration accelerates and demand for cross-boundary wealth management grows, the individual transaction quota of RMB3 million no longer meets the practical needs of private-banking clients. It would be beneficial to:

- **Increase individual investor quota:** Study raising the individual Wealth Management Connect quota from RMB3 million to RMB10 million for clients meeting the Mainland private-banking and Hong Kong professional-investor thresholds.
- **Expand overall capacity:** Correspondingly increase the aggregate Southbound and Northbound Connect quotas to support growing cross-boundary investment demand.

7 People's Bank of China, Guangzhou Branch, Wealth Management Connect statistics: https://guangzhou.pbc.gov.cn/guangzhou/129196/4332364/4332376/2026091511072785348/index.html

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Extending A-share access through proportionality

Member firms also identified access to STAR Market and ChiNext stocks as a priority. At present, direct trading is limited to Institutional Professional Investors. Where direct access is unavailable, eligible clients may instead use synthetic wrappers, which can increase counterparty risk, costs and structural complexity. The issue is not whether investor protections should apply, but whether the same objectives can be achieved through a more proportionate access framework.

A-share access: member-firm priorities

91% **Support extending STAR Market and ChiNext eligibility from Institutional Professional Investors to Professional Investors.**

89% **Expect the change to have an immediate positive impact on their business.**

Other priorities

- Physical delivery of A-share-linked structured product
- Better English-language market data and research
- Simpler onboarding and trading
- Higher daily quota limits

One option would be to extend access to individual and corporate Professional Investors who meet additional knowledge and experience requirements. Any changes could be introduced gradually, supported by appropriate trading controls and ongoing monitoring. This approach would give qualified clients more direct access to STAR Market and ChiNext stocks while retaining proportionate investor safeguards. It would also strengthen Hong Kong's unique position as a gateway for northbound investment into China, enabling the city to capture more opportunities arising from growing demand for Chinese Mainland equity exposure.



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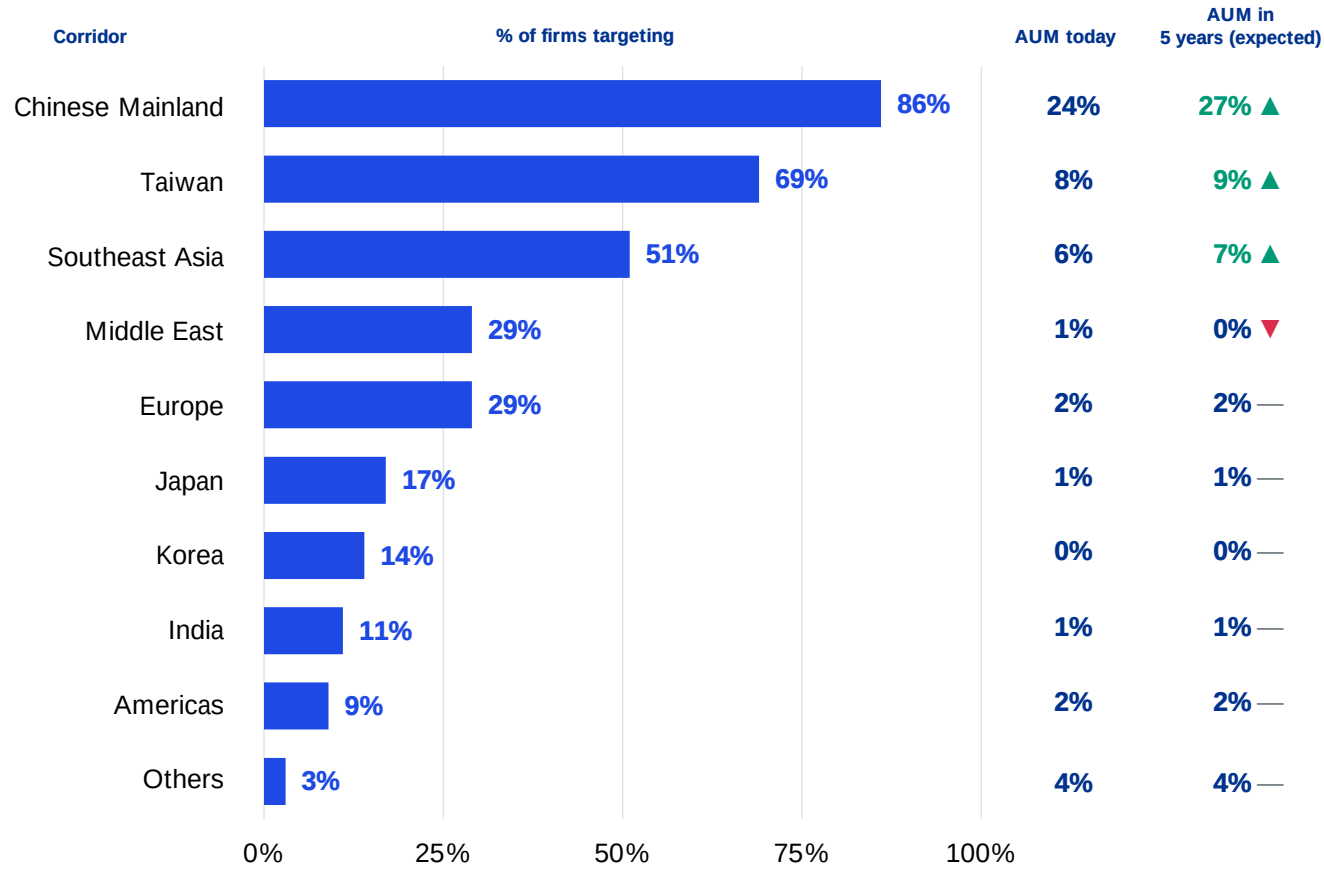
Developing selected growth corridors

The Chinese Mainland will remain the principal source of AUM, but member firms are also looking to Southeast Asia, Europe and the Middle East as potential sources of international growth (Figure 7).

The near-term contribution from these markets is nevertheless expected to remain modest, with Southeast Asia currently accounting for an estimated 6% of Hong Kong-based AUM, compared with 2% for Europe and 1% for the Middle East, and firms expect only marginal changes over the next five years. The findings therefore support a selective, corridor-based strategy rather than broad-based expansion, with firms prioritising markets where client needs, competitive conditions and servicing capabilities align. This selectivity in turn puts a premium on how effectively firms convert the relationships they do win into durable, deepening engagements.

Figure 7

Sources of non-Hong Kong-based wealth currently targeted, or planned to be targeted, by Hong Kong booking centre



Previous editions of this report have shown that promotional visits can generate interest and raise Hong Kong's profile, but converting that interest into AUM requires sustained investment. Unlike in the Chinese Mainland, firms cannot rely on cultural and physical proximity. Before committing to a corridor, they will need a clear view of the required coverage talent, product proposition and language capability – and of the time needed to build trusted local relationships.

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Making fuller use of Hong Kong's product strengths

Member firms identified product breadth as the strongest positive driver of inflows into Hong Kong (Figure 5). Maintaining that advantage will require continued innovation, but also greater use of capabilities that are already available.

Building on the 2025 report's call for deeper collaboration between private banks and asset managers, this year's findings show that the execution gap remains. Alternatives, including private equity, hedge funds, private credit and infrastructure collectively rank second among member firms' client investment themes. Yet none of the surveyed asset managers and fund houses considered private banks to be fully utilising the opportunities in alternatives.

This points to the need for closer collaboration on product design, education and portfolio construction. The 2026 Policy Address reinforces this direction, with measures to promote fund-product innovation, broaden investor choice and expand mutual-market access, supporting the continued development of Hong Kong's product proposition.

2nd

Alternatives' ranking among member firms' client investment themes

Including private equity, hedge funds, private credit and infrastructure

Turning established partnerships into portfolio use

Five opportunities identified by asset managers and fund houses

01

Develop more wealth-oriented products

Design innovative, evergreen and wealth-centric fund structures tailored to private banking product shelves and clients' risk, return and portfolio needs.

02

Strengthen RM and client education

Deliver broad-based, multi-firm educational programmes on emerging asset classes, private-market dynamics, investment risk and long-term portfolio construction.

03

Move beyond individual product distribution

Develop long-term strategic partnerships in which asset managers combine their investment expertise with private banks' understanding of clients and actively support portfolio construction.

04

Improve product approval and onboarding

Engage regulators on clearer and faster approval pathways for emerging asset structures and evergreen funds, alongside simpler point-of-sale and product-onboarding requirements.

05

Align commercial models with client outcomes

Develop long-term economic models that prioritise portfolio construction and client outcomes over commission-based, short-term product sales.

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An established foundation for growth

47% of surveyed asset managers and fund houses maintain eight or more strategic partnerships with private banks or wealth managers.

Alternative opportunities remain underused

0% Rated private banks' use of alternative investment opportunities as fully utilised

76% consider these partnerships somewhat effective in distributing products and capturing demand

Key takeaways

- WMC's operating architecture has been proven, but its product and conduct design has kept utilisation and portfolio diversification below potential.
- Proportionate access – through qualified-investor tiers, suitability-based advice and calibrated product eligibility – can improve client outcomes without weakening the closed loop.
- A broader WMC could help Mainland households build more diversified portfolios for long-term needs, including retirement, while increasing demand for renminbi investment products and supporting specialist product and risk capabilities across the Greater Bay Area.
- Alternatives remain underused despite established distribution partnerships; stronger product design, education and portfolio-construction support could help convert access into more purposeful allocations.



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Deepening client relationships



Wider market access and a broader investment offering can help attract more wealth to Hong Kong. Converting that opportunity into lasting relationships will require firms to understand clients more fully, coordinate advice across the organisation and respond to needs across family structures, jurisdictions and generations.

Meeting the needs of next-generation clients and family offices

Next-generation wealth is member firms' leading business priority, and confidence is improving. Almost two-thirds of firms (63%) said current industry practices are well suited to next-generation clients, up from 42% a year earlier, while 91% have increased their strategic focus on this segment.

A more complete client view is the common foundation

Delivering on this focus will require further development of firms' people and operating capabilities. Only 58% of firms said they can hire enough qualified people, while 24% described their "One bank" collaboration[8] capability as advanced or largely integrated. Most client data remains partially integrated or siloed (Figure 8).

Figure 8

Focus on next generation clients is increasing, while operational readiness remains uneven

Strategic focus

#1 Capturing next-generation clients is member firms' highest-ranked business priority

91% Have increased their strategic focus on next-generation wealth

Operational readiness

63% of firms say industry practices suited to next-generation clients

58% Can hire enough qualified people

24% Have an advanced or largely integrated One bank capability

8 One bank collaboration refers to an integrated view of client data across relationships, entities, portfolios and interactions.

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These constraints are closely linked. Serving the next-generation requires firms to connect information across relationships, entities, portfolios and life stages, and to bring in specialists when succession, governance, philanthropy, mobility or long-term portfolio questions arise. A more integrated client view could support more relevant advice, smoother intergenerational handovers and a more consistent experience across investment management and wealth planning.

Family offices reinforce the need for coordinated advice

These capabilities are also relevant to serving family offices, which remain among member firms' key growth priorities. Family office mandates often combine the same demands that firms are grappling with elsewhere in the next-generation segment: multi-entity structures, cross-boundary assets, and a need for coordinated advice spanning investment management, tax, governance and succession planning. Without an integrated One bank collaboration view, firms risk servicing these relationships in a fragmented way, precisely at the point where family offices expect the opposite.

This need for coordinated advice also plays to Hong Kong's established strengths. Industry participants noted that, alongside policy initiatives, Hong Kong's established professional services network and expertise in areas such as wealth planning, governance and succession will remain important elements of its appeal as a family office destination.

Service and front-office talent remain key differentiators

The competition to serve these relationships is also evolving. As traditional boundaries between private banks, asset managers, advisers and insurers become less distinct, firms face a broader range of competitors for the client relationship.

Member firms continue to identify independent financial advisers and external asset managers as their leading competitive threat (Figure 9). Insurance companies are also becoming more prominent.

Figure 9

Ranking of biggest competitors

1	Independent financial advisers / external asset managers	–
2	Robo-advisers and fintechs	–
3	Insurance firms offering wealth management	↑ 1
4	Big Tech expanding into financial services	↓ 1

↑ rank gain ↓ rank fall – unchanged



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The rise of insurance companies is worth noting. Insurance-linked revenue is now material for some member firms, raising a structural question the industry will need to confront: as asset management, private wealth management and insurance business models converge, and as insurers build out their own wealth management capability, who ultimately owns the client relationship?

Asked how they differentiate themselves, member firms pointed overwhelmingly to service and expertise (Figure 10). These strengths are particularly relevant to next-generation and family office relationships. A broad investment offering may help establish a relationship, but the ability to provide continuity, understand family circumstances and coordinate advice is important to retaining it.

This places a premium on client-facing talent. Yet only 58% of member firms said they can recruit enough qualified people to meet business needs, down from 68% last year. More than nine in ten firms ranked client coverage talent first among their hiring needs (Figure 11).

Interviewees identified Hong Kong's depth of talent as one of its most durable competitive advantages. Retaining this experience will be important as firms support more complex cross-boundary, family office and intergenerational relationships.

The industry's talent priorities are consistent with the direction set out in the Chief Executive's 2026 Policy Address. As firms compete for increasingly specialised client-facing talent, ongoing support for talent-attraction channels, such as the talent admission scheme and the Capital Investment Entrant Scheme, would complement industry efforts to expand the pipeline of private banking and specialist advisory talent.

Figure 10

Ranking of key differentiators from competitors

1	Superior client service
2	Strong brand reputation
3	Specialist investment expertise / advice
4	Access to exclusive investment opportunities
5	Advanced technology and digital platforms

Note: Weighted average ranking per survey results

Figure 11

Ranking of talent priorities over the next 12–24 months

1	Recruiting front office talent
2	Sourcing investment and advisory specialists
3	Upskilling existing staff in functions being reshaped by AI
4	Attracting wealth planning and structuring talent
5	Hiring technology and data talent
6	Recruiting from adjacent industries

Note: Weighted average ranking per survey results

Creating a smoother, trusted onboarding experience

Onboarding is an early test of the client experience. Hong Kong has a competitive foundation for straightforward accounts, but there remains scope for improvement. For simple individual-name accounts with an easily identifiable source of wealth, three-quarters of member firms said that they can activate the account within 4 weeks. More complex account structures can take significantly longer and is an area that Hong Kong should continue to optimise to further enhance its competitiveness.

Source-of-wealth verification is the leading bottleneck

Delays are concentrated in specific areas. Source-of-wealth verification was identified by 94% of firms as a leading bottleneck, ahead of client responsiveness, documentation legalisation, screening, beneficial ownership checks and internal approvals.

Greater clarity and consistency around information and evidence requirements could help firms explain documentation needs earlier, reduce repeated requests and improve the client experience, while preserving each institution's responsibility to make its own risk-based decisions.

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Member firms are already investing in capabilities that could support these improvements. Over the past 12 months, 86% of firms have enhanced their AML and KYC technology, while 60% integrated external data sources into their AML frameworks and a further 12% were evaluating or planning to do so.

Interviewees also noted the regulator's increasing use of technology. Further industry-regulator engagement could explore how AI-assisted KYC review may support more consistent source-of-wealth assessment, reduce duplication, and focus human judgement on complex cases, while maintaining existing standards and controls.

Protecting the relationship as financial crime evolves

As financial crime becomes more sophisticated, member firms have continued to strengthen their prevention capabilities over the past year.

The findings show broad investment in technology, training and industry cooperation, with further scope to strengthen client communication and escalation protocols. This will become increasingly important as fraud threats continue to evolve, with AI increasingly used to create falsified KYC documents, bank impersonation websites, multilingual phishing campaigns and deepfake investment scams[9]. An effective response will require a combination of technology, client awareness, relationship-manager judgement and timely intervention. Continued industry coordination could strengthen client confidence and reinforce Hong Kong's reputation as a safe and trusted wealth management centre.

Respondents	Implemented or enhanced the following measures
86%	Enhanced AML/KYC technology
83%	Strengthened staff AML training
77%	Enhanced identity checks for high-value or unusual transactions
63%	Collaborated with regulators or industry bodies on AML intelligence
57%	Invested in client education and awareness
54%	Introduced dedicated communication protocols addressing impersonation and social engineering risks

Key takeaways

- Firms are increasing their focus on next-generation clients, but fragmented data and talent constraints continue to limit operational readiness.
- More consistent source-of-wealth assessments, supported by technology and industry dialogue, could improve onboarding.
- Trust remains paramount, making continued investment in financial crime technology, employee training and client communication essential as threat risks evolve.

9 KPMG Hong Kong Banking Report https://kpmg.com/cn/en/insights/2026/06/hong-kong-banking-report-2026/financial-crime-compliance.html

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Digital Assets

A larger proportion of PWM firms now have concrete plans to develop and offer digital assets. Product offerings are expanding and the supporting market infrastructure continues to develop. Regulated products are leading near-term expansion, while liquidity, suitability and operating requirements continue to constrain wider use.

The longer-term prize

Moving from product access to whole-balance-sheet advice

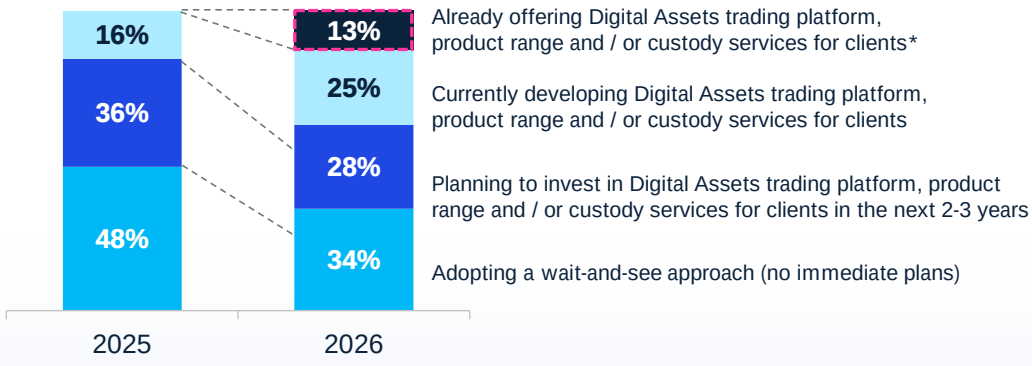
The longer-term opportunity is for digital assets to become a more established part of portfolio construction and, over time, for tokenisation to bring selected private and real assets into the advisory relationship. Progress will depend on deeper liquidity, connected market infrastructure and operating models that allow firms to integrate these assets within established portfolio and risk governance.

Today	Next five years	Longer-term prize
Product access	**Portfolio allocation**	**Whole-balance-sheet advice**
Regulated offerings are expanding, but allocations remain small and largely opportunistic.	A deliberately sized digital asset sleeve, supported by a house view, allocation ranges and portfolio governance.	Tokenised real and private assets - including unlisted assets, property, infrastructure and real-world assets – become more visible, investable and financeable within the client's total wealth.

Most firms remain at the product-access stage noted above. The firms actively developing a digital asset trading platform, product range or custody service increased from 16% to 25% over the past year, while 13% reported already offering these services in 2026 (Figure 12).

Figure 12

Firm-wide plans for digital assets following Hong Kong's increased regulatory clarity



* New question in 2026 survey

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This chapter considers the industry's progress across three pillars: **Product**, where deployment is visibly accelerating; **Tokenisation**, where the more transformative opportunity lies but adoption remains constrained; and **Infrastructure**, where Hong Kong's regulatory and operational settings will shape how far and how fast the industry can scale.

Product

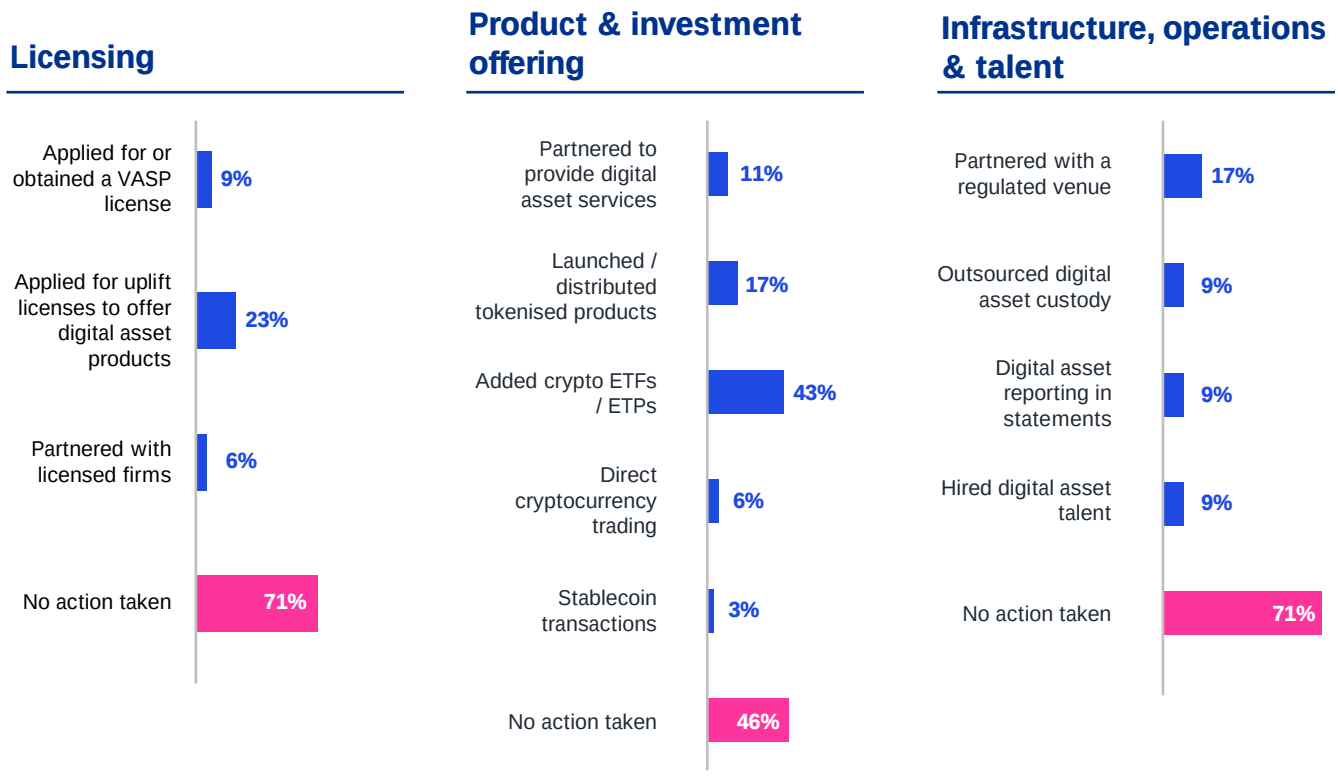
Product momentum is building, but firms remain selective

Across licensing, infrastructure and product categories, a meaningful share of firms have already taken concrete steps in the past 12 months (Figure 13). On the product side specifically, 43% have added crypto ETFs/ETPs, 17% have launched or distributed tokenised products, and 6% have enabled direct crypto investing or trading.

Interviewees confirmed this trajectory in more granular terms, describing a shift from crypto ETFs and third-party funds – the primary offering as recently as last year – into tokenised bonds, tokenised money market funds and, in some cases, early tokenised precious metals. Several firms are building these offerings from existing treasury and fixed income franchises, rather than creating a wholly new business line.

Figure 13

Actions taken by private banks across licensing, product offering and operating capability in relation to digital assets



* Multiple responses permitted within each survey category; percentages are not additive.

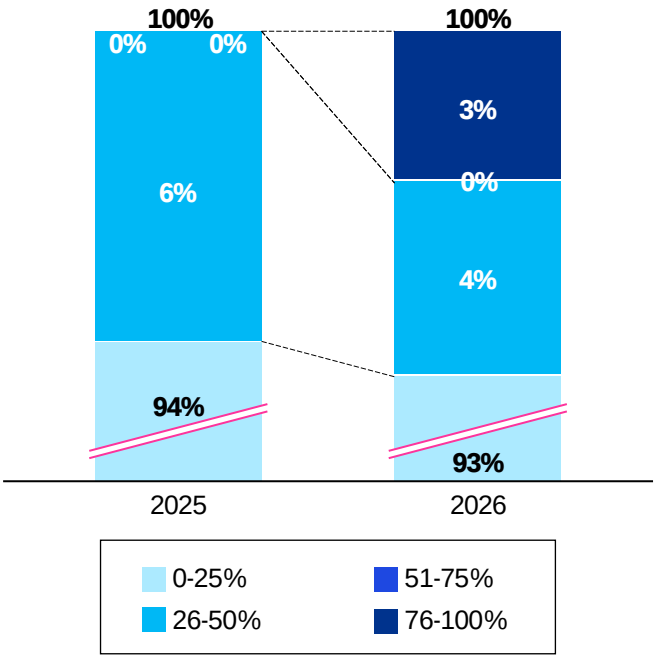
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Client demand has held steady, but allocation remains shallow

Nearly all firms (93%) report that up to a quarter of their clients have expressed interest in digital assets, broadly unchanged from 94% last year (Figure 14). Interest has therefore remained widespread, but has not broadened meaningfully across firms' client bases.

Figure 14

Percentage of clients that have expressed interest in investing in digital assets



This broad interest has not yet translated into significant investment. 94% of firms hold less than 5% of their Hong Kong AUM in digital assets, up from 85% a year ago, while the remaining 6% allocate between 5% and 10%. These small allocations suggest that digital assets are still treated mainly as individual products rather than as part of wider portfolio construction. Most firms remain focused on giving clients product access and education

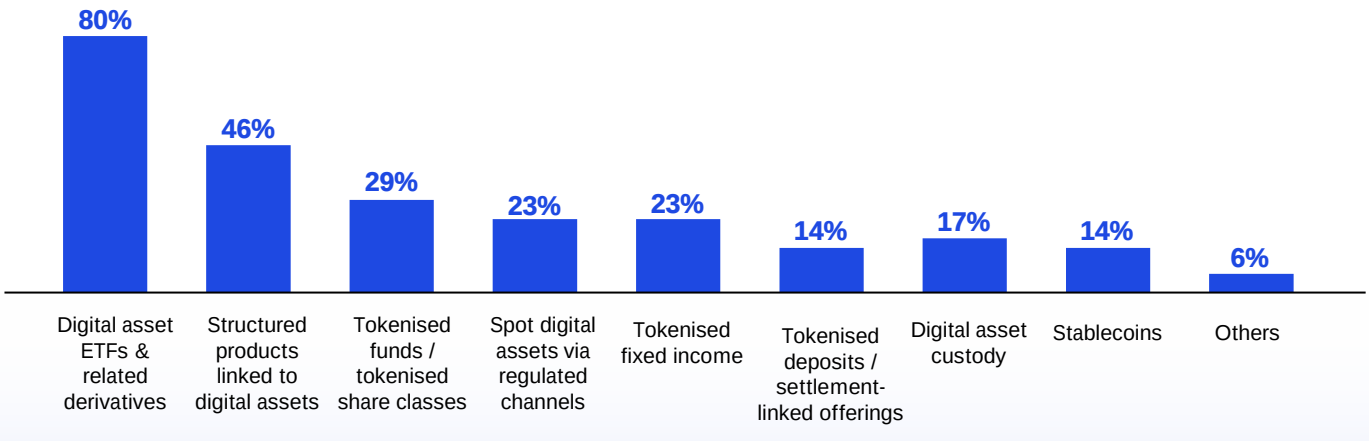
Firms are broadening their product range, while remaining focused on regulated formats

Digital asset ETFs and related derivatives are expected to remain the main focus for firms over the next 12 months, with 80% citing them as a priority (Figure 15). Tokenised products form a second tier of priorities, with 29% of firms citing tokenised funds or share classes, 23% tokenised fixed income and 14% tokenised deposits or settlement-linked offerings. However, participants noted that limited secondary-market liquidity and the continued development of supporting market infrastructure may constrain wider adoption in the near term.

Firms are taking a more measured approach to Stablecoins. Only 14% of firms currently list stablecoins as a near-term product priority. Several interviewees noted that while stablecoins could meaningfully reduce settlement friction, most private banking flow remains USD-denominated, while some of Hong Kong's own initiatives are HKD-focused - leaving firms still working through how stablecoins fit within their operating and balance sheet models.

Figure 15

Types of digital asset offerings firms are prioritising or most likely to offer or expand in Hong Kong



* Multiple responses permitted within each survey category; percentages are not additive.

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Tokenisation

The wider ecosystem will determine how far tokenisation can scale

A small but growing group of firms has expanded its tokenised product offering over the past 12 months. Focus group participants nevertheless noted that the commercial case remains challenging where secondary-market liquidity is limited, as tokenised products may offer little near-term advantage over traditional equivalents if they are more difficult or costly to trade. They viewed this primarily as a limitation of the market's current infrastructure, rather than of tokenisation's longer-term potential.

Case study:

Tokenising private credit - lessons from an early mover

A global alternative asset manager interviewed for this report tokenised one of its private credit funds last year, attracting significant investment from a new group of clients that the firm described as distinctly younger and more digitally native than those reached through its traditional distribution channels.

Within a matter of months, and without any additional engineering investment by the manager itself, third-party participants in the broader digital asset ecosystem had independently built the infrastructure to enable secondary trading of the fund and its use as collateral to borrow stablecoins. This shared infrastructure made liquidity easier to develop by allowing multiple participants to build around the same assets, rather than requiring each firm to fund the innovation alone.



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The opportunity: moving from a fragmented balance sheet to a more complete wealth view

What tokenisation could enable:

Divisible ownership, more consistent transaction data and recognised transfer mechanisms could bring selected private and real assets into a more standardised framework for reporting, valuation and financing.

A more complete view of wealth

A consistent framework across bankable and private holdings could support better analysis of concentration, liquidity and risk.

Financing against more assets

Selected holdings could become easier to assess as collateral, subject to reliable valuation, legal certainty and appropriate risk controls.

Partial liquidity without a full sale

Fractional ownership and secondary trading could allow founders to release part of a concentrated holding for diversification, succession or philanthropy.

Broader next-generation access

Private and real assets could become available at smaller ticket sizes and through interfaces more familiar to digitally native investors.

What needs to be in place for tokenisation to scale in Hong Kong?

Secondary-market liquidity	Robust secondary-market liquidity will be critical to scaling tokenisation. Investors need confidence that positions can be traded efficiently and exited at reasonable cost. Without sufficient liquidity, tokenised products may struggle to demonstrate a clear advantage over conventional alternatives.
Interoperability	Common protocols for ownership, clearing, settlement and disclosure will be needed to connect assets, tokenised deposits and stablecoins across platforms and avoid fragmented pools of liquidity. Strategic programmes involving regulators and the industry can help establish these foundational rails.
Valuation integrity	A token is not, by itself, a reliable price. Fractionalising an illiquid asset may make it transferable, but does not automatically make it capable of being marked to market. Independent valuation standards, transparent methodologies and consistent disclosure will become increasingly important as private assets reach a broader investor base.
Lower operating friction	International firms need operating models that allow them to use established global infrastructure where equivalent safeguards are in place, while continuing to meet Hong Kong's licensing, custody and investor-protection requirements.

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> Banks are often developing innovation in silos. Open architecture allows multiple participants to build around the same assets without each firm having to fund and develop every capability itself.
>
> **- interviewee, global alternative asset manager**

The Chinese Mainland opportunity

One of the most significant longer-term opportunities for Hong Kong's tokenisation ecosystem is its potential role in connecting eligible Chinese Mainland assets with international capital. Recent tokenised product launches have demonstrated Hong Kong's ability to support institutional-grade issuance, while policy developments on the Mainland, including the Notice on Further Preventing and Dealing with Cryptocurrencies and Related Risks[10] issued by eight Mainland authorities, have provided greater clarity around the distinction between approved real-world asset tokenisation activities and prohibited cryptocurrency-related activities. Together, these developments could support a future role for Hong Kong as a regulated venue through which eligible Mainland assets connect with international investors, subject to the relevant approvals and regulatory requirements. This would represent a natural extension of the cross-boundary financial architecture that Hong Kong has developed through initiatives such as Stock Connect and Bond Connect.



A ten- to fifteen-year transformation

The broader integration of traditionally illiquid wealth into investable and financeable portfolios is unlikely to occur within a single five-year cycle. It is more appropriately viewed as a ten- to fifteen-year transformation, broadly aligned with the intergenerational wealth transfer horizon discussed elsewhere in this report.

The next five years should therefore be treated primarily as a period for developing standards, infrastructure and a limited number of credible reference transactions – rather than as a race towards mass adoption.

10 Notice on Further Preventing and Dealing with Cryptocurrencies and Related Risks: https://www.csrc.gov.cn/csrc/c100028/c7614318/content.shtml

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Infrastructure

Regulatory constraints and suitability requirements remain the key challenges

Regulatory constraints remain the leading challenge for private banks integrating digital assets or tokenised investment products, followed by suitability and conduct risk (Figure 16).

Interviewees said that these requirements continue to shape how firms bring digital asset products to market. Many banks remain focused on execution-only access, supported by client eligibility checks, concentration limits and educational material, rather than providing portfolio advice. Firms are also weighing whether to obtain local permissions, partner with licensed providers, or build capability through acquisitions and joint ventures.

Figure 16

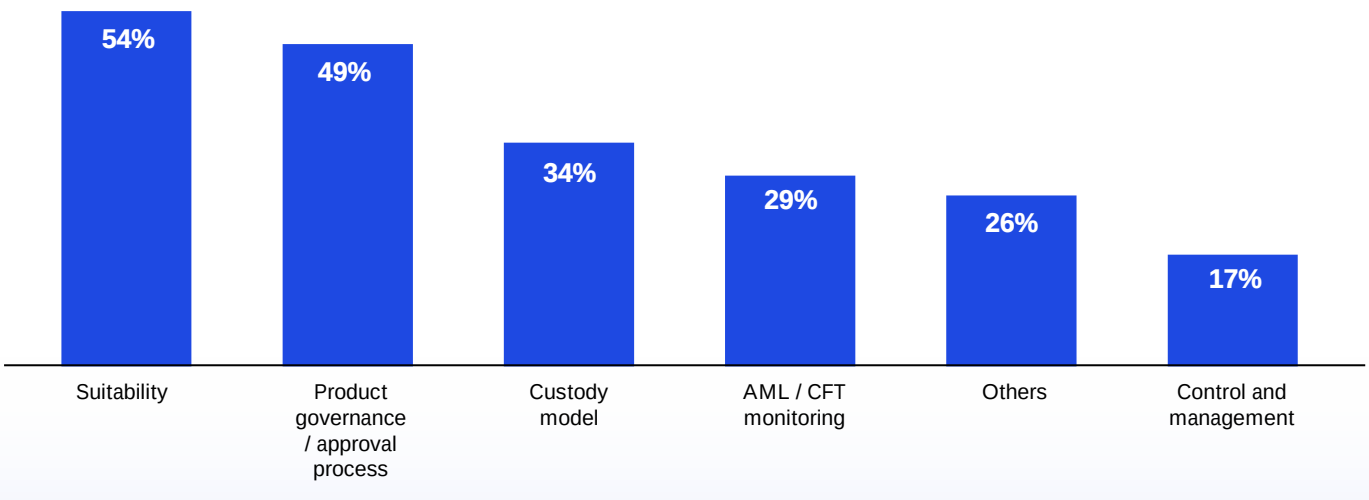
Private banks' primary concerns regarding integrating digital assets and/or tokenised investment products

1. Regulatory constraints
2. Suitability / conduct risk
3. Volatility / valuation risk
4. Market integrity risk
5. Security & custody risk
6. Technology/integration gaps
7. Liquidity risk
8. Reputational risk

Firms' control upgrades are consistent with these concerns. Suitability accounts for 54% of the measures being implemented, followed by product governance and approval processes at 49%, custody models at 34%, and AML/CFT monitoring at 29% (Figure 17). The focus is on adapting existing private banking controls to digital assets, rather than creating a separate framework.

Figure 17

Infrastructure upgrades and control measures implemented, or being implemented, to support digital asset offerings



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The VATP requirement is shaping firms' operating strategies

Participants noted that the requirement for banks to execute virtual asset trades through a locally licensed Virtual Asset Trading Platform (VATP) has practical implications for international firms. Many firms use common trading and custody infrastructure across markets, and adding a separate local platform increases integration work and operating costs. Interviewees did not expect the requirement to change in the near term, and firms are adjusting their strategies accordingly.

Some firms are seeking local licenses, while others are investing in licensed businesses through acquisitions or joint ventures. These approaches allow the banks to retain the client relationship while licensed infrastructure operates behind the service.

This issue will become more important as the advisory model develops. Clients are unlikely to view trading, custody, tokenised investments and conventional portfolios as separate relationships. Firms that can coordinate these services within a single client experience, while meeting the relevant licensing and control requirements, will be better placed to retain ownership of the overall relationship.

> "Clients want a single relationship rather than visibility into the licensed platform behind the trade. This is one reason firms are pursuing acquisitions and joint ventures."
>
> **- interviewee, global bank**

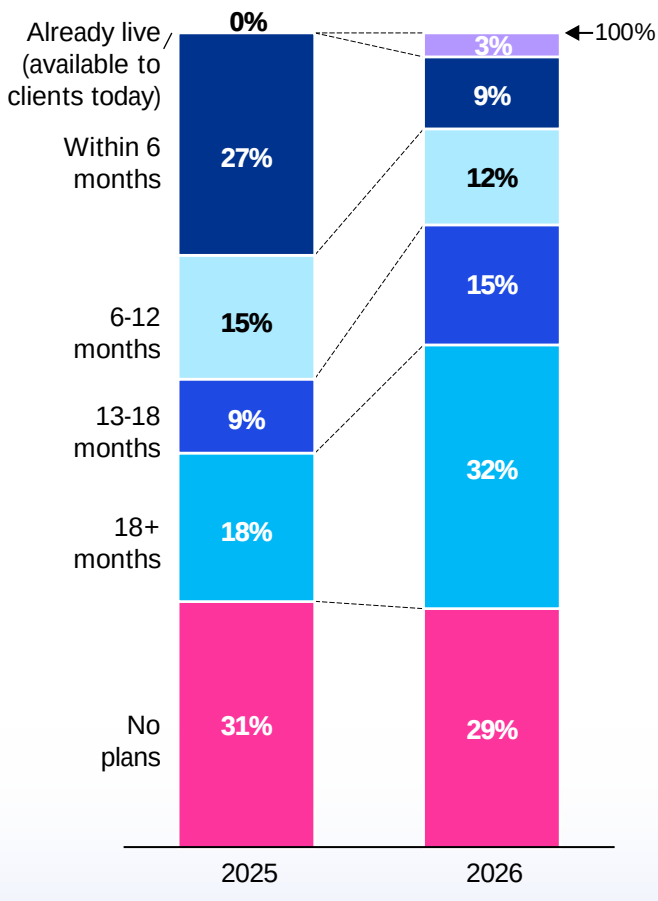
Firms remain focused on delivery, even where timelines have lengthened

Despite the frictions outlined above, firms continue to indicate concrete timelines for expanding their digital asset capabilities, with 21% planning to have launched and/or materially expanded their offering within the next 12 months, while a larger portion are working to longer timelines (Figure 18).

Firms continue to benchmark Hong Kong's digital asset framework against those of other financial centres, particularly Singapore. Interviewees acknowledged the progress made in establishing a clearer regulatory framework in Hong Kong, but placed greater emphasis on how the rules operate in practice, rather than on headline rankings. Interviewees identified three areas for further development: more proportionate licensing requirements, clearer approval pathways, and greater flexibility to use established overseas custody and trading infrastructure where equivalent safeguards are in place.

Figure 18

Estimated timeline for launching or materially expanding digital asset capabilities for clients in Hong Kong



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Key takeaways

- Client appetite for digital assets remains high, but allocations remain small, largely static and not yet deliberately sized.
- A meaningful share of firms have taken concrete steps across licensing, infrastructure and product offerings.
- Tokenisation could give relationship managers visibility over assets that currently sit outside the private banking relationship.
- Secondary-market illiquidity, fragmented interoperability and limited independent valuation standards remain the main constraints on scaling tokenisation.
- The requirement to execute VA transactions through Hong Kong-licensed VATPs remains a frequently cited operational friction for international firms. Participants observed that the ability to leverage established overseas licensed entities in a list of comparable jurisdictions, where appropriate safeguards are in place, remains an area of interest as firms continue to expand their digital asset capabilities.

Artificial intelligence



Firms report significant advances in AI adoption over the past year. The next phase of value creation will rely less on model capabilities and more on how effectively firms integrate data, re-engineer workflows, and operationalise proven use cases at scale.

The longer-term prize

Moving the relationship manager from processing to judgement

The longer-term opportunity is more anticipatory and personalised service at scale, supported by integrated client data and tools designed around the way relationship managers work. Research suggests that AI-first wealth managers could unlock capacity gains of 25–30% and achieve 15–20% higher revenue per adviser[11].

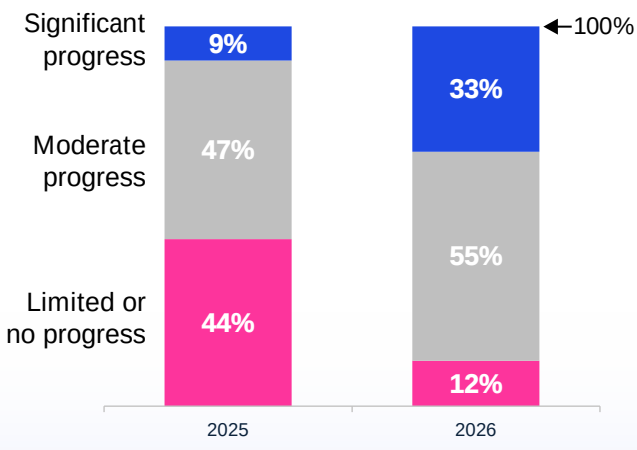
Today	Next five years	Longer-term prize
Task acceleration	**Optimised workflows**	**Scaled judgement**
AI helps employees retrieve information, prepare materials and draft content.	Relationship managers spend more time on complex advice, supported by earlier and more personalised client insights.	AI, data, controls and human oversight are designed together across all front-to-back processes.

AI adoption has increased markedly over the past year. 88% of member firms reported moderate or significant progress in adopting AI, generative AI or agentic AI, up from 56% a year earlier. The proportion reporting limited or no progress fell to 12%, from 44% in 2025.

Adoption alone, however, is not a reliable measure of maturity or value. The more important distinction is between firms using AI to make existing activities faster and those beginning to redesign processes around the technology. Most current applications remain in the first category, although investment plans suggest that firms are preparing for the second.

Figure 19

Firms' progress in AI adoption



11 AI and the Future Economics of Wealth Management
https://www.bcg.com/publications/2026/ai-and-the-future-economics-of-wealth-management

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The challenge is shifting from prototypes to production

The cost and speed of prototyping have changed significantly over the past year. Focus group participants noted that work that might previously have required a team of twenty over six months can now be prototyped by a team of three in two months.

As a result, technology is no longer the primary constraint. As AI-assisted development becomes more widely available, the ability to move successful ideas into production efficiently and responsibly is becoming an important differentiator between wealth management centres. Firms that can deploy new capabilities quickly, while maintaining appropriate governance and controls, may be better positioned to attract technology mandates, advanced client capabilities and specialist talent.

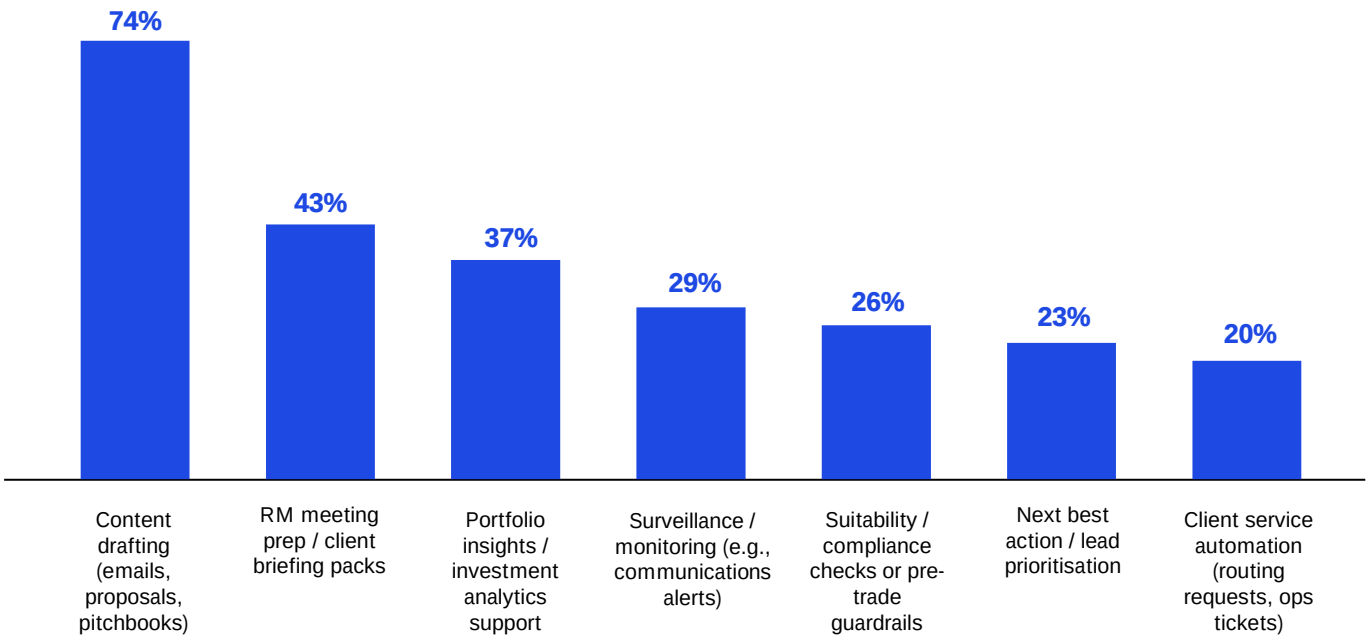
Attention is shifting from access to value

Interviewees were candid that the early phase of AI adoption focused primarily on making general-purpose tools available across the organisation. The resulting shortfall in perceived value was described as an implementation challenge rather than a limitation of the technology. Firms are now taking a more targeted approach: identifying activities that consume the most employee time, developing use cases for specific roles and monitoring whether tools are used regularly.

The most common applications remain focused on employee productivity. Content drafting, including emails, proposals and pitchbooks, was cited by 74% of member firms as the most common AI application in development, followed by relationship manager meeting preparation and client briefing packs at 43%. Portfolio insights and investment analytics support ranked close behind at 37%. These tools primarily help reduce repetitive tasks and improve efficiency, but generally enhance existing processes rather than fundamentally changing the underlying operating model.

Figure 20

Most common AI applications among member firms



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Figure 21

How member firms are measuring value from AI and digital investment

Value measurement is developing

26%	14%
Not formally tracking ROI	Developing an ROI approach

Where firms are finding evidence of value

49%	43%	31%
Cost reduction or operational efficiency gains	Tool adoption and usage rates	Revenue impact

Note: Multiple responses were permitted; percentages are not additive.

Client-facing tools remain limited. Most applications support employees behind the scenes, while direct-to-client deployments are narrower and subject to tighter controls because errors can affect advice, account information or transactions. For higher-risk use cases, a human-in-the-loop model – under which appropriately qualified employees review outputs and remain accountable for decisions – is likely to remain important.

Interviewees distinguished between "bolt-on" and "AI-native" adoption. In the first, AI is added to an existing workflow to make a task faster. In the second, the process is redesigned with AI, data, controls and human oversight considered together. Most activity remains in the first category. Moving towards the second will require firms to turn useful individual tools into capabilities that operate consistently across the organisation.

Model 1: Bolt-on AI

Optimise tasks inside the existing process

Existing workflow › **AI added to one task** › Local efficiency gain

Process stays the same; value is incremental and hard to scale.

Model 2: AI-native process

Design the end-to-end workflow around intelligence

AI + data by design › **Decisions + actions** › **Ongoing learning + improvement**

Value extends across the workflow – speed, decisions and client experience.

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Where AI could make the greatest near-term difference



Source of wealth

Source-of-wealth verification was identified as an onboarding bottleneck by 94% of member firms. AI could help firms assess whether a client's wealth narrative is coherent when considered against ownership structures, transaction history and available external evidence. This could improve consistency, reduce repeated requests to clients and focus human judgement on more complex cases.



Onboarding and periodic review

Three-quarters of member firms can activate a straightforward account within four weeks. The greater opportunity lies in improving complex cases and reducing duplicated information requests during onboarding and periodic review.



Cross-boundary tax monitoring

Changes in cross-boundary tax frameworks create an ongoing need to identify potentially affected relationships and determine when specialist tax or legal advice should be introduced. AI-assisted monitoring could help firms identify relevant events earlier without positioning banks as substitutes for qualified advisers.



cross-boundary product governance

Applying different suitability, distribution and disclosure rules by product, booking centre and client residence creates a complex control problem. AI could support checking, record-keeping and escalation, subject to appropriate testing and oversight.

From responsive to more anticipatory service

With sufficiently integrated data, firms may also be able to identify client needs earlier. Relevant events might include a portfolio concentration moving outside an agreed range, a family approaching an appropriate point for a succession conversation, or an ownership structure becoming affected by a regulatory change.

This should be distinguished from using AI solely as a targeting engine. The objective is to anticipate legitimate client needs within the advice relationship, not to predict or manipulate client behaviour. Any resulting recommendation would remain subject to suitability, privacy, record-keeping and accountability requirements.

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Data and workflow integration remain the binding constraints

The survey shows that operational hurdles, rather than model capability, remain the principal constraint. For RM-facing tools, workflow fit and user experience ranked as the leading challenge, followed by data and systems integration. Across firms more broadly, legacy systems and integration complexity were identified as the main obstacles to scaling AI.

Figure 22

Barriers to RM adoption and firm-wide AI scale

	Barriers to rolling AI out to RMs		Barriers to scaling AI across the firm
1	Workflow fit and user experience	1	Legacy systems and integration complexity
2	Data and systems integration	2	Data quality and availability
3	People and adoption	3	Compliance and risk sign-off timelines
4	Risk, compliance and security	4	Cybersecurity and privacy constraints
5	Lack of AI talent	5	RM adoption and sustained usage

Interviewees noted that the difficulty of a use case is not always intuitive. Asking a model to summarise a 40-page research document may carry relatively limited operational risk. A client asking a seemingly simpler question such as "what is my cash balance" is considerably harder. The answer could refer to the trade-date or settlement-date position, cash after collateral requirements, the statement balance or the amount available for transfer.

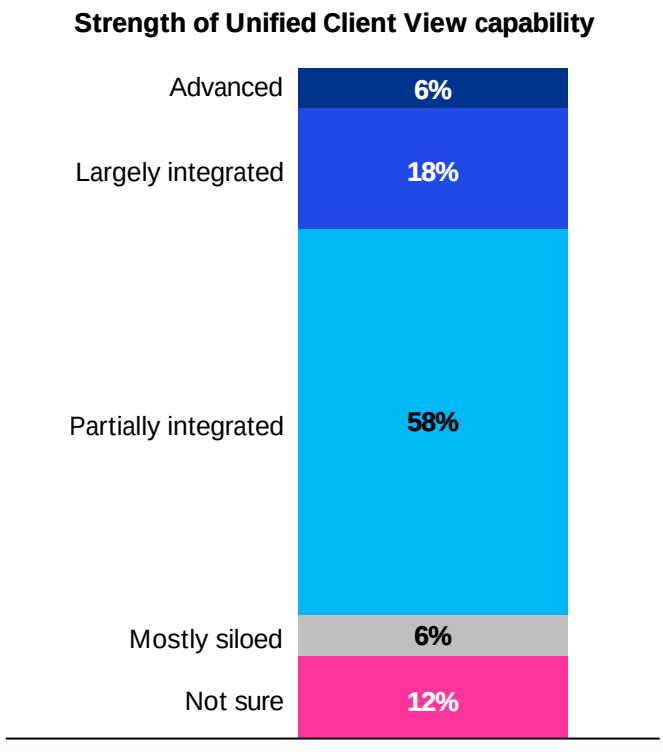
AI cannot determine the intended definition on its own. What interviewees described as necessary is largely invisible work: consolidating data, agreeing definitions, and establishing data and behavioural norms so that each use case draws on the right version of a data point with the right access rights. As one focus group participant put it, most of the effort sits beneath the waterline. Another noted that AI does not fix data quality, and poor data combined with AI simply produces wrong answers more quickly.

One bank collaboration is the common foundation

Meeting preparation, portfolio insights and client servicing require information from client records, portfolios, transactions, call notes and previous interactions to be brought together around the RM workflow. However, 58% of member firms described their One bank collaboration or Unified Client View capability as only partially integrated, while 24% described it as advanced or largely integrated.

Figure 23

Firms' One bank collaboration capability



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One bank collaboration as the gating investment

***One bank collaboration should not be viewed as separate from firms' AI or* next-generation strategies. It is the common foundation for both.**
A more integrated view could support better meeting preparation, more relevant advice, smoother intergenerational handovers, more consistent onboarding and earlier identification of liquidity, concentration or succession issues.

Without this foundation, AI may improve individual tasks but will struggle to transform the overall client experience.

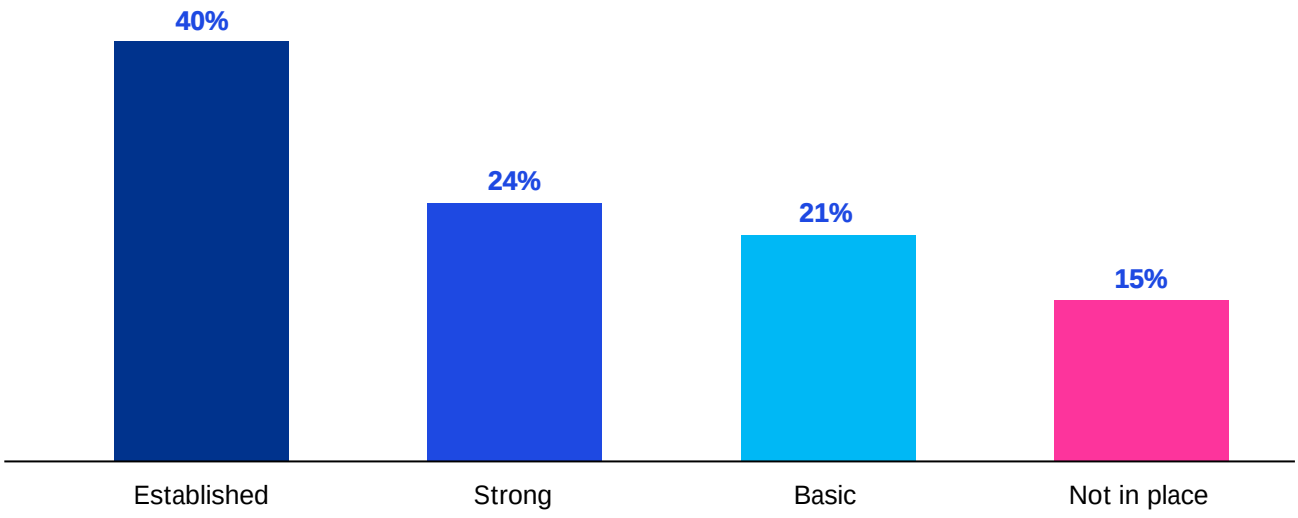
Member firms are working through many of the same private wealth data definitions independently. There is scope for industry collaboration on common definitions and practical control patterns, while individual institutions retain responsibility for governing and applying data within their own systems.

Governance must follow the workflow

Governance is developing, but remains uneven. In this year's survey, 40% of member firms described their governance for AI used by RMs or in client-facing workflows as established, and 24% described it as strong. However, 21% said only basic arrangements were in place, while 15% said governance was not in place.

Figure 24

Strength of member firms' governance for AI used in front-line and client-facing workflows



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Existing frameworks are often designed around a single tool performing a defined task. AI-native processes present a broader challenge because data, models, automated actions, controls and human judgement operate across the workflow. Firms will need to define ownership, testing, escalation and accountability at process level rather than treating governance as a final review of the technology.

Low-code platforms and AI-assisted development also allow employees to build tools and agents themselves, creating a new form of end-user computing risk. Controls should therefore extend to employee-built applications, including their inventory, approval, access rights and ongoing monitoring.

This direction is consistent with the 2026 Policy Address, which places greater emphasis on sector-specific AI governance and the development of safety-management guidance for AI Agents.

Four priorities for process-level AI governance

- **Ownership:** an accountable owner for the end-to-end process, including model choice, data, and third-party dependencies.
- **AI model evaluation and testing:** assessment of model outputs, data inputs, access rights, system integration, escalation behaviour, bias/drift, and explainability.
- **Human oversight and guardrails:** defined points at which employees must review or approve outputs, particularly for advice and suitability, backed by hard limits on autonomous action and orchestration across agents/tools.
- **Ongoing monitoring and audit trail:** controls covering performance after deployment, employee-built tools and agents, and a reviewable record of decisions sufficient to explain outcomes after the fact.



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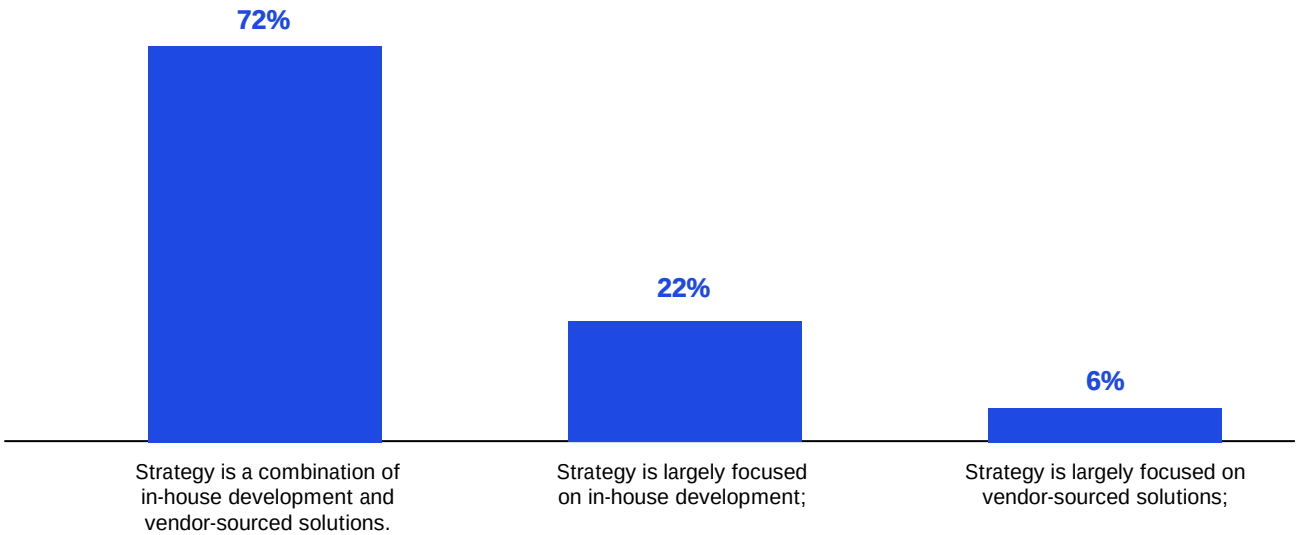
Build-versus-buy is becoming a question of control and resilience

Among member firms, 72% said their AI strategy combines in-house development with vendor-sourced solutions, while 22% are mainly focused on internal development and 6% mainly use vendor solutions.

Few firms build foundation models themselves; the build-versus-buy question is about what they build on top: tools, applications and services such as AI-powered translation, document review, coding assistants and workflow automation. AI-assisted development is making it quicker to build some of these capabilities in-house, especially the layers closely tied to firms' own workflows and data: interfaces, data services, orchestration and controls. At the same time, dependency is concentrating around a smaller number of foundational models, cloud providers and platforms that sit beneath these vendor solutions. As AI becomes embedded in more processes, this concentration should be considered within firms' existing operational resilience frameworks, even when firms are not directly selecting or managing the underlying models.

Figure 25

Member firms' approach to implementing AI



Firms should assess the substitutability of vendors, the portability of data and applications, migration time between platforms, and outage impact on critical operations. Where firms can influence the underlying model, open-weight models may offer more control but also introduce requirements relating to computing capacity, cybersecurity, model management and specialized talent.

Pricing is becoming more difficult to forecast as providers move from per-seat licensing towards consumption-based charges for agents and development tools. Firms described using quotas, soft caps and lower-cost models for routine tasks. Access to computing capacity may also become a practical constraint as usage increases.

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In-demand skills are evolving, but relationship managers remain central

Technology, data and AI skills remain important, but they are being added to firms' skill requirements rather than displacing them.

More than a quarter of member firms, at 27%, said AI is already affecting their hiring strategy, while 55% expect changes over the next two to three years. Only 6% have already reduced junior hiring, suggesting that the impact to date has primarily been a shift in the mix of work and skills rather than a broad reduction in employment.

Figure 26

Member firms' talent priorities and most sought-after mid-senior profiles over the next 12–24 months

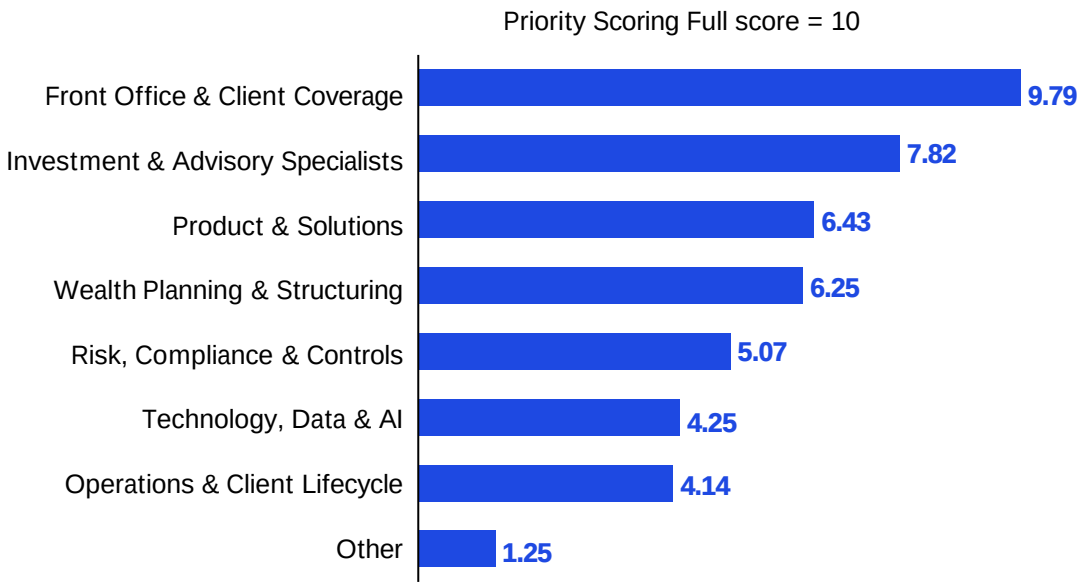
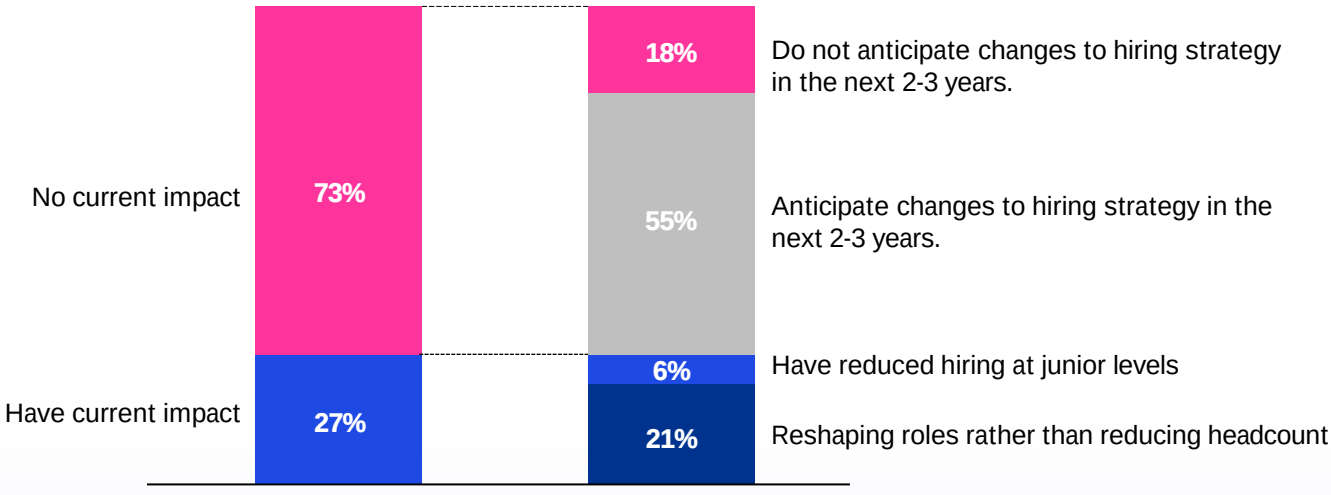


Figure 27

Impact of AI on firms' hiring strategy



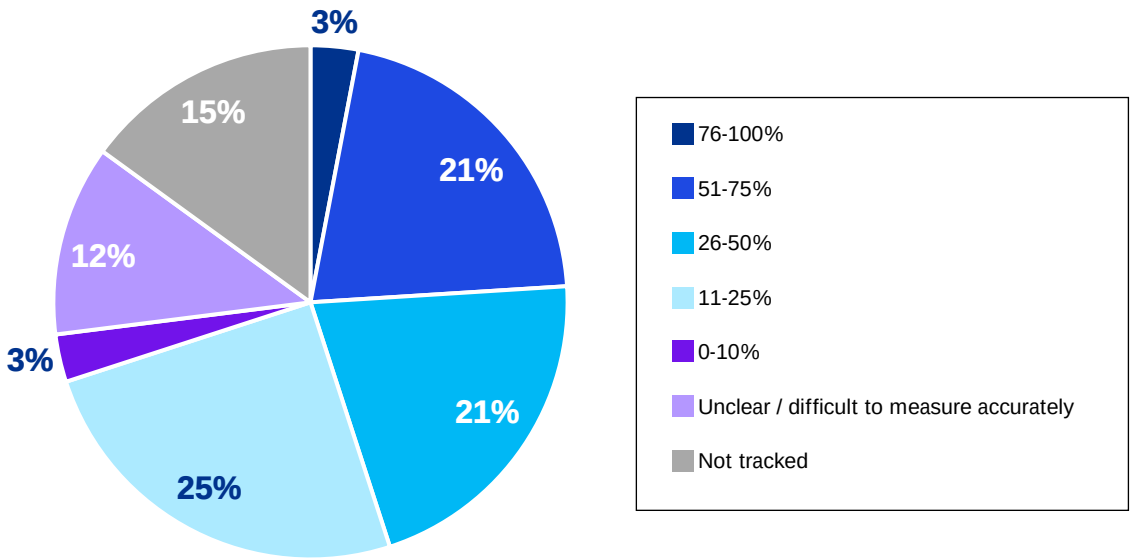
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Interviewees observed that the benefits of AI to date have been felt most strongly by those carrying the heaviest operational load, in the middle and back office. Front-office adoption is not necessarily slower so much as being asked to meet a higher standard: RM-facing tools sit closer to the client relationship, so they need to fit naturally into how RMs already work, rather than requiring RMs to adapt to the tool.

Weekly usage among RMs reflects this gap. Only 3% of member firms said that more than three-quarters of their Hong Kong RMs use AI-enabled tools at least weekly, while 27% either do not track usage or find it difficult to measure accurately. Given that workflow fit and user experience was ranked as the leading challenge to rolling out AI to RMs, there is a clear opportunity for firms to design tools more closely around the way RMs actually work, rather than asking RMs to change how they work to fit the tools.

Figure 28

Proportion of RMs in Hong Kong actively using AI on a weekly basis



This points to a skills question that goes beyond RMs themselves. Closing this gap will require more than better technology. Firms need people across business, risk, compliance and technology functions who can translate private wealth workflows and control requirements into practical AI applications that support, rather than sit apart from, the RM's core role.

Hong Kong's Enhanced Competency Framework[12] and the broader Capacity Building for Future Banking 2026–2030 programme provide a potential delivery channel. An AI-in-private-banking module could cover model-assisted advice, suitability, documentation, human oversight and agentic workflows, helping firms develop capability internally rather than relying solely on a limited pool of specialist hires.

12 Review of Enhanced Competency Framework for Banking practitioners issued on 23 September 2026. https://brdr.hkma.gov.hk/eng/doc-ldg/docId/getPdf/20260922-2-EN/260923_Annex.pdf

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Building on Hong Kong's supervisory platform

November 2019

HKMA High-level Principles on Artificial Intelligence

Established an initial foundation for responsible AI adoption by authorised institutions.[13]

August 2024

HKMA and Cyberport GenA.I. Sandbox

Provided a risk-controlled testing environment, computing resources and supervisory feedback.[14]

November 2024

SFC circular on the use of generative AI language models

Established a risk-based framework for licensed corporations using generative AI.[15]

March 2026

GenA.I. Sandbox++

Expanded the initiative across the HKMA, SFC, Insurance Authority and Mandatory Provident Fund Schemes Authority, together with Cyberport. It expressly covers asset and wealth management and combines supervisory guidance with access to computing resources.[16]

March 2026

HKMA strategic review of business models

Encouraged authorised institutions to consider how emerging technologies could support broader business-model transformation rather than only incremental adoption.[17]

August 2026

First GenA.I. Sandbox++ cohort announced

Focused on agentic AI applications, including end-to-end processes such as customer onboarding, payments, insurance claims and customer interactions, as well as AI-enabled oversight of other AI applications.[18]

13 HKMA High-level Principles on Artificial Intelligence: https://brdr.hkma.gov.hk/eng/doc-ldg/docId/getPdf/20191101-1-EN/20191101-1-EN.pdf
14 HKMA and Cyberport GenA.I. Sandbox: https://www.hkma.gov.hk/eng/news-and-media/press-releases/2024/08/20240813-6/
15 SFC Circular on the Use of Generative AI Language Models https://apps.sfc.hk/edistributionWeb/gateway/EN/circular/intermediaries/supervision/doc?refNo=24EC55
16 GenA.I. Sandbox++: https://www.hkma.gov.hk/eng/news-and-media/press-releases/2026/03/20260305-3/
17 HKMA Strategic Review of Business Models: https://brdr.hkma.gov.hk/eng/doc-ldg/docId/getPdf/20260309-1-EN/20260309
18 First cohort of GenA.I. Sandbox++ https://www.hkma.gov.hk/eng/news-and-media/press-releases/2026/08/20260827-3/

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Hong Kong has already established a significant platform for supervised AI development, with the GenA.I. Sandbox++ now covering asset and wealth management use cases. The next opportunity is to ensure that the insights generated translate into practical guidance for the wider industry, including implementation lessons, control patterns and approaches to responsible deployment.

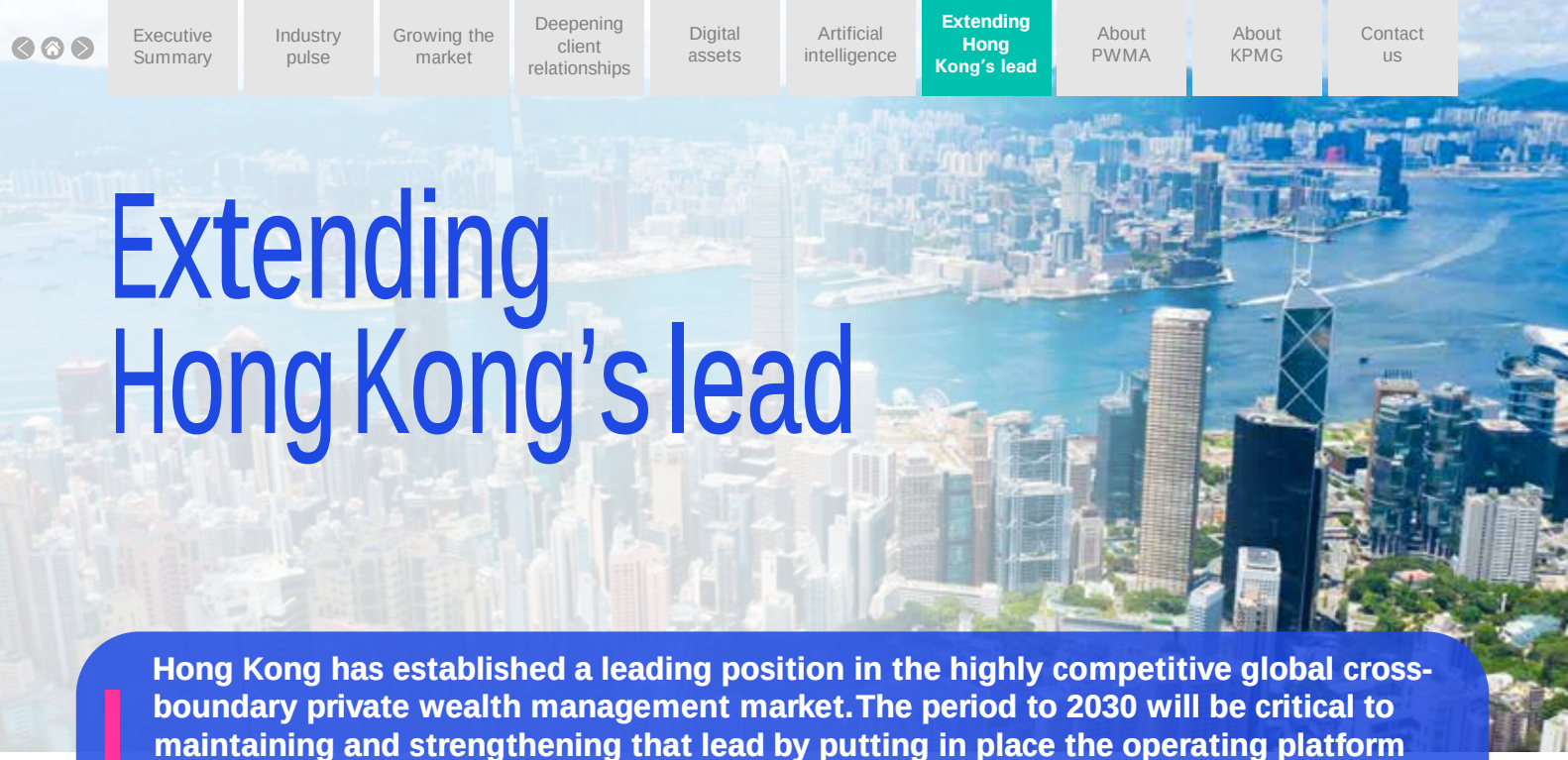
There is also an opportunity to build on the outcomes of the GenA.I Sandbox++ testing by publishing anonymised control patterns, data definitions and implementation lessons. Individual firms would remain accountable for their own systems, but sharing common lessons could reduce the cost of multiple institutions independently developing similar guardrails.

More broadly, regulatory initiatives should take account of the specific operating models, client profiles and cross-boundary requirements of private wealth institutions. Greater private wealth industry input could help ensure that emerging technology requirements remain proportionate and practical across institutions with different digital capabilities.

Key takeaways

- AI adoption is currently broad based, but most applications focus on improving efficiency rather than fundamentally reshaping how work is done.
- Prototyping has become quicker and less expensive. Data, workflow integration, governance and the route into supervised production are now the principal constraints on scale.
- Source-of-wealth review, onboarding and product governance are among the workflows where AI could deliver the clearest client benefits.
- One bank collaboration is the common foundation for both AI scale and next-generation service, but only 24% of firms describe their capability as advanced or largely integrated.
- Hong Kong has established a GenA.I. Sandbox++ for supervised AI development, with private wealth use cases already under way. The next opportunity is to translate these early initiatives into broader industry adoption.

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Extending Hong Kong's lead

Hong Kong has established a leading position in the highly competitive global cross-boundary private wealth management market. The period to 2030 will be critical to maintaining and strengthening that lead by putting in place the operating platform required to sustain it. Success will depend on two interconnected capabilities highlighted in this year's report: viewing each client's wealth holistically and delivering personalised advice at scale. Four priority agendas emerge from these findings, offering a practical roadmap for policymakers, the industry and individual firms through 2030.

Four priorities to sustain and extend Hong Kong's leading private wealth management position

1 Regulated access is clearer and easier to navigate

Current challenge

Demand for cross-boundary wealth services remains strong, but regulated channels do not yet fully meet the needs of private wealth clients.

Priorities to 2030

- Expand WMC by raising quotas, widening eligible products, and enabling appropriate advisory services
- Apply proportionate market access including broader access to STAR Market and ChiNext for qualified Professional Investors.
- Improve consistency in onboarding, particularly source-of-wealth evidence requirements, supported by industry guidance, technology and continued regulator-industry dialogue.
- Maintain clear and predictable regulatory implementation so that robust standards continue to support confidence without creating unnecessary complexity.

2 Advice is organised around the client's wider financial life

Current challenge

The support that clients need extends beyond investment portfolios to operating businesses, tax, succession, credit, philanthropy and family governance, but information and expertise remain fragmented across many firms.

Priorities to 2030

- The role of the relationship manager needs to broaden from investment selection towards the coordination of advice. Firms that can identify issues early, bring in the appropriate legal, tax and investment specialists and maintain a consistent view across jurisdictions, entities and generations will be better placed to deepen and retain client relationships.
- Hong Kong's competitive advantage is increasingly extending beyond product access towards integrated advisory capabilities spanning investments, structuring, succession planning and cross-boundary wealth management.

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3 Private and real assets can sit more effectively alongside liquid portfolios

Current challenge

Tokenisation has long-term potential, but limited secondary-market liquidity, fragmented infrastructure and developing valuation standards continue to constrain wider portfolio use.

Priorities to 2030

- Improve interoperability across ownership, custody, clearing, settlement and disclosure systems to avoid fragmented pools of assets and liquidity.
- Establish robust valuation and disclosure standards for tokenised assets to improve transparency, strengthen price discovery and enhance liquidity.
- Focus on credible reference transactions rather than mass adoption, using the period to 2030 to prove practical use cases in areas such as private funds, fixed income and selected real-world assets.

4 Personalised service can be delivered at broader scale

Current challenge

AI adoption is increasing rapidly, but most current applications still improve individual tasks rather than redesign end-to-end workflows. Fragmented data, inconsistent definitions, legacy systems, governance requirements and limited RM adoption remain the main barriers to scaling AI in private wealth.

Priorities to 2030

- Redesign end-to-end workflows to shift relationship managers' time from processing to judgement and client advice.
- Continue developing an integrated One bank view to enable earlier identification of liquidity, concentration, succession and tax issues.
- Build on GenA.I. Sandbox++ by translating private wealth pilots into practical guidance and scalable adoption across the industry.

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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 77 members, comprising 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 among 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

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