



**Address by Ms Ada Chung, Registrar of Companies,
as the Guest of Honour of the Double Anniversary Cocktail Reception of
The Hong Kong Institute of Chartered Secretaries**

Good evening, Edith, David, Samantha, distinguished guests, ladies and gentlemen,

It is my great pleasure and honour to join you all this evening to celebrate the remarkable milestones of the Hong Kong Institute of Chartered Secretaries and the Chartered Governance Institute (which was formerly called ICSA). I would like to congratulate the Institute on your 25th anniversary of establishment and the Chartered Governance Institute on the 70th anniversary of its presence in Hong Kong.

As a leading international financial and business centre, Hong Kong attaches great importance to corporate governance. For companies to be successful, competitive and sustainable in the long term, good corporate governance is the key. A high standard of corporate governance is not only essential for individual companies, it is also crucial for maintaining the credibility, stability and competitiveness of a financial market.

While the Institute is officially 25 years old, I understand that its origin can be traced back to the year 1949, when about 20 members of the ICSA gathered together to form an informal association. Over the years, members of ICSA and the Institute have played a key role in fostering good corporate governance in Hong Kong, through various initiatives and series of professional talks and training courses. To cite some examples, the Institute has been organizing the biennial corporate governance conference since 1998 and the Annual Corporate and Regulatory Update since the year 2000. To keep your members abreast of

the latest developments affecting the business community and the profession, I note that the Institute has jointly organized conferences with overseas countries and jurisdictions to bring together experts locally and internationally for sharing experience. Indeed, to meet international requirements, the Institute launched the AML/CFT Charter in 2016.

Another notable achievement of the Institute is its successful reach out to young people, including university and secondary school students. I commend the Institute's foresight in the nurture of the younger generation, and its efforts in organizing, for example, the Student Ambassadors Programme, and the "Passing the Torch" programme.

So let me thank the Institute for all the great work in promoting good corporate governance which it has done over the years.

Turning to the subject of international standards, as you may be aware, since 1991 Hong Kong has been a member of the FATF, the Financial Action Task Force, which is an inter-governmental organization which sets global standards for combating money laundering and terrorist financing. Beginning in 2018 and lasting for over a year, the mutual evaluation of Hong Kong was undertaken by an assessment team comprising 10 experts from the FATF and the Asia/Pacific Group (APG) on money laundering. The ME report of Hong Kong was examined by FATF at its June Plenary held in Orlando and by APG at its August Plenary held in Canberra. The Report was published by FATF in September this year, and the Report assesses the compliance and effectiveness of Hong Kong's anti-money laundering and counter-terrorist financing regime against international standards. It confirms that Hong Kong has a strong legal foundation and effective system for combating money laundering and terrorist financing. Hong Kong has been assessed, and is the first member jurisdiction

in the Asia-Pacific region, to have achieved an overall compliant result. The assessment result is an affirmation of our community's concerted efforts in upholding a robust anti-money laundering and counter-terrorist financing regime. In this connection, I wish to take this opportunity to thank the Institute and your members for all your hard work on this front and your valuable support in the mutual evaluation exercise, in particular, during the on site evaluation of Hong Kong in November last year.

As part and parcel of the Government's efforts in this regard, and with a view to further enhancing corporate governance and transparency, with effect from 1 March last year, all companies incorporated in Hong Kong are required under the Companies Ordinance to obtain and maintain up-to-date beneficial ownership information by way of keeping a Register of Significant Controllers. On the same date, a new licensing regime for Trust or Company Service Providers commenced operation, with the Companies Registry taking up the role as the licensing authority. You may wish to know that up to the end of September, we have granted about 6,800 TCSP licences.

As you may be aware, currently there are more than 1.3 million companies registered in Hong Kong. In this year alone, up to the end of October, over a hundred thousand (100,000) companies have been newly incorporated. In 2018, a total of about 3.6 million documents were delivered to the Companies Registry for registration. That amounts to nearly a daily rate of fourteen thousand (14,000) documents, as compared to around eleven thousand (11,000) documents in 2017. Nothing could illustrate better than these figures as to the workload and importance of company secretaries. The huge number of documents which the Registry received shows firstly, the importance of having all those documents/forms properly completed and filed in a timely manner to enhance transparency and in turn facilitate business; and secondly, the

importance of having a group of well trained professionals to provide competent and proper advice to companies and their officers on the regulatory requirements whenever necessary.

In the 2018 CG Watch Report published by the Asian Corporate Governance Association in last December, Hong Kong ranked No.1 in Asia and second in the Asia-Pacific region for corporate governance. In September, the Global Financial Centres Index once again ranked Hong Kong among the world's top three financial centres, behind only New York and London. In October, the World Economic Forum's Global Competitiveness Report ranked Hong Kong third, up from last year's 7th place. According to the World Bank's Doing Business 2020 Report just released on 24 October, Hong Kong ranked third globally in the ease of doing business, moving up one place from last year.

Ladies and gentlemen, I believe that good corporate governance, effective regulatory regimes and a high standard of professional services are essential factors contributing to these remarkable achievements of Hong Kong. It is vital that company secretaries continue to perform their critical role in upholding good corporate governance and ensuring proper compliance in an ever changing business environment. Once again, I would like to thank the Institute for its continuous efforts in enhancing professional standards and promoting good corporate governance in Hong Kong.

With that, I wish you all an enjoyable evening. Thank you.