

The Hong Kong Chartered Governance Institute
Message from
The Honourable Paul CHAN Mo-po, GBM, GBS, MH, JP, FCG HKFCG
Financial Secretary of the Government of the Hong Kong Special
Administrative Region

Dear Ernest¹, Edith², Ellie³ and members of HKCGI,

It's a pleasure to speak to you again. A reminder, too, that it has been nearly 40 years since I first became a member, and now a proud fellow, of what has become The Hong Kong Chartered Governance Institute.

2. A reminder, too, that much has changed – and continues to change – for governance professionals, in Hong Kong and around the world.

3. Just nine months ago, the Institute's name was changed as part of a sweeping organisational rebranding. In that same month, under a new Listing Rule, company secretaries were formally recognised as part of senior management in Hong Kong-listed companies. That recognition was long overdue.

4. After all, the corporate world in this 21st century has become far more complex, interconnected and demanding. Beyond the business at hand, exacting consideration must be given to geopolitics and the environment, technology, the community and any number of other immediate and far-reaching issues. Responding to these multilayered business challenges increasingly falls to governance professionals. In Hong Kong, that means you, the more than 6 800 members of this Institute, together with some 500 graduates and nearly 3 000 students.

5. Your work has been indispensable to the success of Hong Kong. And it will be invaluable in our concerted efforts to remain a leading international financial and commercial centre in the post-pandemic economy. To gain, and maintain, the confidence of global investors and businesses.

6. In January, HKEX revised the Corporate Governance Code and Listing Rules to strengthen board independence and promote gender diversity in the boardroom. And, given the growing awareness of environmental, social and governance issues, companies are now required to publish ESG reports together with their annual reports.

7. There's more to come. Last October, legislative amendments were passed that will make the Financial Reporting Council a full-fledged, independent regulatory body for the accounting profession. It will do so under a new name: the Accounting and Financial Reporting Council.

¹ Ernest Lee, President of HKCGI

² Edith Shih, Past International and Past Hong Kong/China President and Honorary Advisor to HKCGI Council

³ Ellie Pang, Chief Executive of HKCGI

8. This will bring our accounting profession's regulatory regime more in line with international developments and with increased coherence and efficiency. And that can reinforce our status as an international financial centre and business hub. I expect that the new regulatory regime will begin by the fourth quarter this year.

9. The robustness of our corporate governance regime has been recognised internationally. The Financial Action Task Force's latest Mutual Evaluation Report commended our efforts in combating money laundering and terrorist financing, making Hong Kong the first jurisdiction in the Asia-Pacific region to achieve overall compliance.

10. That cheering result would not have been possible without the dedication of our regulators and the seminal contributions of our corporate governance specialists, and other professionals working tirelessly to ensure that our rules and regulations are of an international standard of compliance.

11. Ladies and gentlemen, effective corporate governance is the cornerstone of profitable, sustainable and trusted companies. Rest assured that the Government will continue to work closely with The Hong Kong Chartered Governance Institute and you, the professionals who make it happen.

12. I wish you all good governance and the best of health in the coming year. Thank you.