

Annex

Experts Group commissioned by the HKMA

Convenor: Mr Anthony Neoh, SC, former Chairman of the Securities and Futures Commission

Members: Mr Carlson Tong, Chairman of the Securities and Futures Commission
Mr Moses Cheng, Chairman of the Insurance Authority

Mr David Eldon, former Chairman of The Hongkong and Shanghai Banking Corporation Limited

Terms of reference

The Experts Group was tasked to look into the concept of forming an AoF under the auspices of the HKMA in October 2017, with an aim of developing the AoF as a centre of excellence in the field of finance by bringing together the best of what academia, the industry and regulatory community can offer in promoting the study and practical application of the knowledge and technology in the field of finance; and enhancing the development of professionalism and leadership in finance.

Key recommendations of the Experts Group

- While Hong Kong is reasonably well served by the existing providers of training and accreditation, the Experts Group observes one obvious gap that the professional training and accreditation bodies essentially provide sectoral training and accreditation but little focus is placed on leadership development. To fill the gap, it recommends that attention and resources be directed to promoting and fostering the global and inter-disciplinary perspectives which are

needed by persons in positions of leadership, in order to maintain Hong Kong's position as a leading international financial centre.

- Noting that extant efforts at cooperation among different organisations tend to be of ad hoc or bilateral rather than multilateral nature, the Experts Group recommends establishing a permanent organisation to foster better mutual understanding and leadership in all fields engaged in financial services. The organisation should perform the following functions:
 - (i) to serve as a repository of knowledge to give the best possible assistance to research and understanding of monetary policy and finance, and to undertake wide and deep research in the financial industry in particular in the area of applied research. Some examples of potential research topics include interaction of monetary policy with economic growth and financial stability; evolution of financial infrastructure like the next generation of payment and settlement systems in the financial markets, future forms of money and funds transmission, and future of the international monetary order in the wake of technological advances; evolution of financial regulation and supervision and their relationship to technology, economic growth and financial stability; and evolution of the legal and dispute resolution systems to support monetary and financial development; and
 - (ii) to facilitate exchange of views and thought leadership through workshops and conferences. Top notch talents from the industry may be invited to participate in these activities with a view to broadening their global and inter-disciplinary perspectives.

- The Experts Group recommends that the present HKIMR be expanded and form the basis of this organisation, as HKIMR has already been performing some of the above functions. HKIMR already has an active research programme supported by a fellowship programme and also an active programme of workshops and conferences. Synergy would be created by leveraging on HKIMR's existing infrastructure and reputation in the research field, and expanding its scope to cover the new functions.
- The Experts Group considers that the permanent organisation, namely the AoF, should undertake: (i) collection of information and the creation of a repository for relevant information; (ii) research, in particular applied research, supported by a fellowship programme and a research advisory committee; (iii) dialogue between all stakeholders in the field of monetary policy and finance with a view to finding innovative solutions to current issues, fostering thought and institutional leadership, and creating common standards.
- The Experts Group recommends that the AoF should closely collaborate with the Government, the regulators, the financial sector, tertiary institutions and professional training bodies in its work.