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The Official Magazine of The British Chamber of Commerce in Hong Kong **Issue 48 May - June 2017**

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BUSINESS UPDATE: CHAIRMAN'S MESSAGE



Dear Members,

I hope you all enjoyed a good Easter break.

Since my last message, we have of course seen the election of the next Hong Kong Chief Executive. Some members of the Chamber, along with representatives of other leading international Chambers, held meetings with the three candidates for an exchange of views. The discussions provided a valuable opportunity to hear more about the candidates' respective policy proposals, and for us to raise priority issues with them. We look forward to working with Mrs Lam's administration, and to maintaining the excellent dialogue we have had with senior government figures and other policy makers, so that we can properly represent our members' views and interests.

This issue of the magazine focuses on financial markets. Hong Kong's role as a financial centre is a key element of its economic prosperity. Financial and professional services are core sectors of interest to many Chamber member companies. I would like to take this opportunity to recognise the excellent work of the Chamber's Financial Markets Committee in leading our work on this important sector, including our input on key policy issues. It is an example of the great work done by all the Chamber Committees in their different ways and sectors. I am very grateful to them all.

This Spring, the Chamber has maintained its usual busy events schedule. Just to pick out a few items, Inga Beale, Chief Executive of Lloyd's of London (the first woman Chief Executive of Lloyds) gave a very well received talk in our Captains of Industry series. I am grateful for KPMG's sponsorship of this series. Christian Ulbrich, Global CEO of JLL, gave a wide-ranging presentation looking at international economic and political trends and their effect on markets.

And this year's Britcham & KPMG Rugby Dinner was – as always – a lively and enjoyable evening. The thoughtful perspectives given by this year's speakers, including Sir Ian McGeechan, added a special element.

Looking ahead, I hope see as many of you as possible at the Annual General Meeting of the Chamber on 1 June. This is an important event when we report to the membership on the work of the Chamber; and elect a new General Committee.

I also encourage you to support two of our major social events. This year's Ceilidh is on 16 June. This is a relaxed enjoyable evening, which I highly recommend. And this year's Chamber Annual Ball will be on 1 September. Those of you at last year's Ball know just what a great event this is. Details will follow – including this year's theme. But please do mark your diaries.

A handwritten signature in black ink, appearing to read "Mark Greenberg".

Mark Greenberg

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Executive Director attends 5th China Business Conference

The China Business Conference, organised by the China-Britain Business Council (CBBC), is the leading annual China business event in the UK. Following Brexit, China and the UK have the unprecedented opportunity to develop an even closer trading relationship. This year's conference covered topics such as equipping new entrants to the Chinese market, examining the UK as a destination for Chinese investment and exploring specific marketing trends in digital and innovation in China.



Andrew Seaton, Executive Director of the Chamber took part in the Hong Kong segment of this event and commented, "It was excellent that the Chamber was invited to take part in this major conference. This reflects the much closer relationship with the CBBC we have built up over the past couple of years. It provided an opportunity to emphasise the many advantages Hong Kong presents to new UK companies looking to the region, including its open and accessible market and business-friendly operating environment; and of particular relevance to innovation and tech companies, its freedom of information and strong IP."



Shrewsbury introduces specialist primary education

Shrewsbury International School announced that it would bring an unprecedented dedication to primary age education in Hong Kong when its new school in Tseung Kwan O opens in August 2018.

The Shrewsbury International School Hong Kong will be one of the few schools that have a primary education specialist as their School Principal. Mr Ben Keeling who has teaching experience both in the UK and Asia will bring forth a tailor-made learning environment to young children. "The dreams of a 5-year-old stand in real contrast to the ambitions harboured by an 11-year-old. Our learning spaces provide the support and stimuli



for all to succeed and to exceed". The new state of the art facility features an auditorium and recital suite, aquatics centre, music school and centre of excellence for gymnastics and dance.

Equiom expands into Japan



International professional services provider Equiom has announced the acquisition of

Solid Japan, a Tokyo-based corporate services business with an international client base. Solid Japan was established in 2008 and offers a comprehensive suite of services to support inbound investment into Japan.

Equiom's Global CEO, Sheila Dean said, "We have always viewed Asia as a key market in terms of the company's growth ambitions and as one of the strongest economies, Japan is a great place to do business."

Fifteen team members from Solid Japan will join the Equiom team with immediate effect and the company will begin the process of rebranding to Equiom in April 2017.

JLL launches vision of the Future of Work



仲量聯行

JLL has introduced Future of Work, its unique perspective on the changing nature of work and the impact on the next generation of corporate real estate. The website provides companies with insights on how to navigate the seismic shifts taking place in the world of work, as they grapple with technological disruption, automation and an increasingly fluid workforce.

"Technology is driving immense change in every facet of business: corporate real estate is no different," says Anthony Couse, CEO, JLL Asia Pacific. "JLL's Future of Work addresses in practical ways how organisations can evolve and transform to be better equipped for the challenges of tomorrow."

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Stephen Hawking beams into Hong Kong

On 24 March, world-renowned physicist Professor Stephen Hawking was beamed live to an excited Hong Kong audience by hologram. The British scientist appeared before hundreds of people at the Hong Kong Science & Technology Park, as he discussed his career and answered questions about the possibility of life on other planets, the use of technology in education and the impact of Brexit on Britain. The event was organised by NetDragon Websoft, in partnership with ARHT Media, which creates digital human holograms of celebrities including spiritual guru Deepak Chopra and motivational speaker Tony Robbins.

A Scottish Knees-up at The Summer Ceilidh

Join us for our annual extravaganza of Scottish dancing, Scottish food and Scottish whisky on 16 June at The Aberdeen Marina Club. A Ceilidh (pronounced Kay-Lee) is a traditional Scottish dance led by a live band and a caller instructing dancers through the night. The annual shindig draws a diverse crowd for a fun night of networking in a unique setting.

Tables always sell quickly for this popular event – don't miss your chance, and book your place now! Details are available at britcham.com. If you are interested in sponsoring this event, please contact krystyna@britcham.com

Asian female senior execs confined to regional roles

According to a new study by Heidrick & Struggles, 90% of Asian female senior leaders currently in regional roles in multinational

HEIDRICK & STRUGGLES

companies with headquarters outside Asia aspire to be promoted to global roles. However, only 36% are at least somewhat confident that they will be granted the opportunity.



More than half (54%) believe these barriers are a response to their ethnic background, while nearly half (47%) feel that their gender is the main obstacle. The study reminds leaders at headquarters to take notice of Asian women leaders as an untapped resource for global roles.

Distinguished Speaker: Lunch with the British Consul-General, Andy Heyn

16 March 2017 – Oasis Room, 8/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai



In March, Andrew Heyn OBE, and British Consul-General to Hong Kong and Macao, gave his first formal speech to the British Chamber, outlining his views on the UK's relationship with Hong Kong, China and the role of the Consulate in wake of the vote to leave the European Union.

Heyn explained that he applied for the role in Hong Kong as he clearly recognised the growing importance of Asia in both foreign policy and business growth. He also noted that when preparing for his role, he was given list of contacts within the public and private sector in Hong Kong to approach for insight and advice. Everyone on the list agreed to meet with him, said Mr Heyn, and this amicability speaks highly of the Hong Kong community.

Heyn said the new Prime Minister, Theresa May, and the newly elected Chief Executive, Carrie Lam, face similar challenges in healing the divides in both society and in politics. While the UK and Hong Kong also share important values, including open markets, the rule of law and fundamental freedoms.

Heyn explained that relations between the UK and China feel better now than at any point since he had been working within the Foreign Office. The two nations work closely on the UN Security Council, addressing some of the most significant issues of our time including climate change, organised crime and terrorism.

There has been significant overseas interest about what will happen following Brexit, said Heyn. The number of visitors by UK ministers to Hong Kong in the past months – including UK Foreign Office Minister for the Asia Pacific, Alok Sharma MP; Liam Fox MP, UK Secretary for International Trade; and Mark Garnier MP, Parliamentary Under Secretary of State at the Department for International Trade – demonstrates the importance the UK places on Hong Kong as a key trade and investment partner.

Artificial Intelligence – Rise of the Machine

17 February 2017 – WeWork, 20/F, Tower 535,
535 Jaffe Road, Causeway Bay

In February, the Chamber had the pleasure of hosting Leonie Valentine, Managing Director, Sales & Operations, Google Hong Kong. Leonie presented an interesting talk on the future of Artificial Intelligence (AI) and its many applications across a whole range of industries, including energy & environment, healthcare, and professional services. Google's AI lab, DeepMind, is currently using analytics to aggregate raw data to create more innovative and efficient solutions to problems on both micro and macro levels.

The Chamber would like to thank WeWork for sponsoring the venue space and the SME Committee's support in organising this event.



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Smart City Development for Hong Kong – Turning Challenges into Opportunities

25 April 2017 – Infiniti Lab, 2/F Hopewell Centre, 183 Queen's Road East, Wan Chai



An early morning start was required at the Infiniti Lab in Wan Chai so that over 40 attendees could join the breakfast event with Ir Allen Yeung, Government Chief Information Officer (GCIO).

Yeung gained extensive business and management experience in the ICT field before joining the HKSAR government in 2015. As GCIO, his responsibilities include formulating ICT policies and strategies; leading the e-government programmes; promoting and developing ICT industry as key business and economy driver; and bridging the digital divide.

Yeung talked about the upcoming Smart City Blueprint report, which should be released in mid-2017.

According to Yeung, the study covers six major areas: policy objectives and strategy, development plans, government arrangements, digital infrastructure, legal framework and public-private collaboration.

It was interesting to hear the challenges that the government is prepared to tackle, including our aging population, which is set to overtake Japan; our land and liveability; and climate change.

Yeung said there is a need for new technologies to develop a smarter economy to overcome these challenges. The government plans to focus on fintech, smart manufacturing, start-up ecosystem and blockchain-based services.

"More services will be e-enabled, e-banking, e-payment and so on. We would like to see eID cards for individuals" he said.

The Chamber would like to thank BT for their continued sponsorship of the Innovation & Technology series.

S p o n s o r e d b y

KPMG

Captains of Industry with Inga Beale DBE, CEO of Lloyd's

6 April 2017 – Hennessy Room, 7/F, Conrad Hong Kong, One Pacific Place, 88 Queensway, Admiralty



In early April, Inga Beale DBE, Chief Executive Officer of Lloyd's, spoke at the Chamber's latest Captains of Industry Series on the topic of "Isolationism, Innovation & Inertia: Challenges for Global Business", sponsored by KPMG.

Beale noted that the balance of power in industry is rapidly changing from old world markets to the new world. This shift represents a challenge for Lloyd's she explained, given Lloyd's history as 300-year-old institution working within traditional markets.

Beale explained she had attended the World Economic Forum in Davos at start of 2017, held just prior to the inauguration of President Trump. At the Forum, the President of the People's Republic of China, Xi Jinping, gave a speech defending globalisation, while in the same week, President Trump gave an inauguration speech with significant protectionist messages.

For Lloyd's, Beale said, Asia is a key growth region. Lloyd's Singapore operation, with 400 staff members, is the largest outside of its London HQ.

Access to the European market is still key for Lloyd's, said Beale, noting that 36% of its overall business is with the EU. In addition to the challenge of Brexit, Beale said the increasing global sentiment of protectionism and resulting restrictive trade practices are making it more difficult to setup overseas.

Looking to the future, Beale said that modernisation is vital to Lloyd's Vision 2025 Strategy. Business models and asset-ownership models are changing. There are new risks, especially within digital, and so Lloyd's business model must also adapt to market forces.

Gordon Orr on China's Economic Outlook 2017: The Road Ahead

7 March 2017 – Victoria Suite, The Hong Kong Club,
1 Jackson Road, Central. *Hosted by Andrew Seaton*



As part of the *HSBC China Insider Series*, Board Member of Lenovo and Swire Pacific, Gordon Orr, briefed the Chamber on China's economic outlook and the road ahead.

The year ahead will see China aim to de-risk, restructure, and regulate, said Orr.

Orr explained that as the middle class continues to grow, the service sector would stretch with it; notable industries – including wealth management for middle-income individuals as well as medical services, and agricultural imports – would all do well in 2017.

The crowded retail banking market should quietly rationalise this year, said Orr, with smaller

organisations being absorbed by the larger industry players.

Despite de-risking and regulation, outbound Chinese M&A should continue at pace. Orr explained that Q4 2017 investment is expected to be the largest quarter yet and there will be a significant trend toward Chinese companies taking a majority stake in companies.

With regards to Chinese investment into the UK, Orr said to expect many more acquisitions focusing on the property market, healthcare, agriculture, and technology research and development of joint ventures with British universities.

Distinguished Speaker Series: Christian Ulbrich, CEO of JLL

30 March 2017 – Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai



In March, Christian Ulbrich, the Global CEO of real estate and investment management giant JLL, shared his thoughts on how the current global political climate is affecting real estate with Chamber members and guests in a presentation on "Global Real Estate Prospects in Today's Shifting Political Landscapes".

Ulbrich suggested that, contrary to what might be expected following the election for President Trump and the Brexit vote, the populist movements of the last year have not yet had much of an impact on the real estate industry.

There were three reasons for this, he explained. Firstly, globalisation and the rise of digital technology mean that cities are of greater importance than ever before. Since real estate value is dictated by where the talent can be found, cities still act as talent hubs despite global political diversions.

Secondly, other trends in the real estate sector have far greater importance than the politics of the day. For instance, real estate has moved from the cost side of the ledger into something that is productive for global corporate companies.

Finally, with so many problems hitting the news every day, Ulbrich suggests that issues are diluted, and so the only way to respond is for companies to focus on their own business priorities. He said the real estate market on a macro scale is stable, and that whatever the current political turmoil; it too, shall pass.

The Chamber would like to thank Christian Ulbrich, and the JLL team, for making time in his busy schedule to address the Chamber.

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The Future of (Your) Money

Changes in international politics, inflation and taxes have all affected investment portfolios. What does wealth management look like today, and is it very different from the pre-2008 crash era?

– By Gina Miller

One needn't be familiar with the King James Bible, the Byrds, or Pete Seeger to know the phrase "to every thing there is a season". But Seeger's musical version of Ecclesiastes 3 – in particular – his line "A time to gain, a time to lose" is as relevant to investors today as it ever was.

The modern investment landscape

"While political and macro uncertainties persist, the immediate concern for many people relates to personal financial matters, particularly in relation to long-term savings, protecting and preserving wealth, tax and intergenerational planning," says Martin Hennecke, Asia Investment Director of St. James's Place Wealth Management Group.

"Everyone's circumstances and objectives are unique. Which is why it's our belief that financial advice and service should be tailored to each individual client."

With technological improvements and health care, our demographics have altered markedly. People live longer; their retirement plans require more heft; and their children require more support.

"There is increasing recognition of the intergenerational challenges that families face, from providing more financial support for younger generations to addressing the issues created by increased longevity.



“

Most people – apart from the immensely rich – are ultimately concerned about retirement; whether they will have sufficient financial resources to be able to maintain their preferred lifestyle.

– David Bojan

”





This is coupled with a growing awareness of the need to make greater personal provision for financial security in retirement," says Hennecke.

"There is also the growing challenge of keeping pace with the increasing complexity of the tax systems and the frequency of changes to legislation and government-initiated developments (e.g. pensions and ISA in the UK)", he said.

Hennecke says there is an obvious need for comprehensive estate planning services and advice, which for many higher net-worth clients also extends to supporting their philanthropic aspirations.

Changes in the core fundamentals of client requirements, however, have been minimal. David Bojan, Managing Director of HFS Asset Management Limited (Hong Kong) believes that in investing, experience is key. "Client needs and requirements have not really changed over time", he says. "At the end of the day people simply need an adviser they can trust, someone who has been around the track

a few times already and learned from experiences along the way."

"Most people – apart from the immensely rich – are ultimately concerned about retirement; whether they will have sufficient financial resources to be able to maintain their preferred lifestyle," said Bojan.

So where do they invest today to maintain that lifestyle?

Financial safe havens

Every investment carries risks, says Hennecke; even holding cash with a bank would be subject to the risk of inflation.

"Many local investors currently regard property as safe, but history has shown that this may not always be so, either," he says.

Bojan agrees: "Some people may consider cash as king, but with interest rates so low and inflation on the rise, sitting on disproportionately large cash deposits is not a sensible strategy over the long term", he says.

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...evidence suggests that younger individuals do not see digital and social media as somewhere to make financial planning and life decisions, preferring to seek the advice of their families.

– Martin Hennecke

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"Others may consider blue-chip shares, perhaps those that have a history of maintaining and growing cash dividends, as a long-term safe bet. Property is a popular investment, which potentially generates income and, subject to timing, capital growth in addition. But in reality, a combination of assets, including investments that are not correlated with one another, is the key," said Bojan.

Since 2008, many investors moved their money into passive investments, shying away from riskier managed equities. The trend has been reinforced by the increasing availability and ease of access to Exchange Traded Funds (ETFs), says Hennecke. There is also research that indicates most active managers have been underperforming their respective benchmark indices, he said. But that doesn't mean managers are passé.

"We believe that, as market fundamentals reassert themselves, skilled active managers should be best-placed to provide the long-term returns investors are seeking."

"There are mixed opinions on this topic," says Bojan. "The vast majority of managed funds do not

outperform their benchmark indices, in which case there is no justification for the fees involved over and above lower cost passive alternatives. However, many funds do outperform, some quite substantially, so it is definitely worthwhile seeking those funds out."

St. James's Place has benefitted from the trend towards passive investments, said Hennecke. The shift towards ETFs has put pressure on the fund management industry, and caused others to leave the marketplace, which means there is an increase in availability of outstanding managers at a reasonable cost to the investor.

"Many of these are now finding more compelling investment opportunities since their competition has reduced, while ETF predictability can in some cases be exploited. In our view, the risk of macro events providing a jolt to markets will be a test for ETF investors, which could exacerbate falls while providing opportunities for true active investors", he said.

St. James's Place have no taste for unnecessary risk or exotic options. "Our approach has been to

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invest in plain, transparent and liquid assets that can be easily understood. Exotic options and other non-standard investment instruments such as structured products are not what we engage with", said Hennecke.

"Hong Kong has witnessed many investors and financial institutions being lured into a variety of complex investments that were often poorly understood, resulting in large losses, illiquidity or fraud suffered on such exotic products. We have avoided these risks by focusing on transparency and effectively ring-fencing client assets".

Digital wealth management

With the rise of generations who have grown up with tech, and expect tech to progress with them through every phase of their life, the prospect of moving wealth management into the digital realm seems likely.

Bojan thinks so. "Young people making their way in life may prefer on-line services simply because they are comfortable managing their lives in this way" he says.

But Hennecke believes the traditional models may hold ground. "Although wealth management firms must ensure they can engage across the generations through different and modern media channels, evidence suggests that younger individuals do not see digital and social media as somewhere to make financial planning and life decisions, preferring to seek the advice of their families".

"Digital innovation can enhance the client experience", he says, "but we believe that trusted, face-to-face advice that can engage effectively with all generations will continue to be the mainstay of wealth management."

Generational shift

Traditions aside, there is a massive upcoming generational shift. In the US alone, there is



an estimated US\$59 trillion of wealth expected to be transferred to heirs, charities and estates. And in addition to wealth transference, business planners – and families – must organise succession planning.

Digital innovation can enhance the client experience, but we believe that trusted, face-to-face advice that can engage effectively with all generations will continue to be the mainstay of wealth management.

– Martin Hennecke

"Business leaders who decide to retire would need succession planning services leading up to their retirement. This is an opportunity for wealth management firms – to deepen the array of services and scope of engagement with the succeeding generation", said Hennecke.

Any effective engagement with successful business owners needs to cover the four key stages of a company's lifecycle, Hennecke explains. "Getting started, early-stage growth, expansion and maximising of profits, and exit/succession".

And it takes the right products, services and advice is required ensure mutual benefit and the continuation of that relationship to the next generation.

This is what is most important to clients, agrees Bojan. "Structuring, taxes, and managing wealth. This is where financial expertise is needed." **B**



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On the Hook

With the advent of the Securities and Futures Commission's decision to implement a Manager-in-Charge regime, a new class of officers of licenced corporations could be in line to face the music for any malfeasance.

– By Gina Miller

In July, the legal liabilities of select senior managers of Hong Kong Licensed Corporations got tougher. Last December, the Hong Kong Securities and Futures Commission (SFC), introduced its Manager-in-Charge (MIC) regime. Suffice it to say, there are few managers who anticipate increasing regulatory function with glee, and the word "regime" sounds draconian at the best of times. Nevertheless, the SFC's latest volley in the global trend to make governance and accountability an enforcement priority is one of the more benign exertions of its offices.

In brief, the new MIC regime adds one more tier to the accountability pool of senior managers. Under this new initiative, senior management of licensed corporations ("LCs", broadly defined as companies or corporations that engage in one of the 12 regulated activities for which the SFC provides or will provide a licence) will include directors of the corporation, responsible officers of the corporation (ROs) and now, Managers in Charge (MIC) of the corporation, to be formally responsible for managing eight "Core Functions" of the LC. These are listed as:

- i. Overall management oversight;
- ii. Key business line;
- iii. Operational control and review;
- iv. Risk management;
- v. Finance and accounting;
- vi. Information technology;
- vii. Compliance; and
- viii. Anti-money laundering and counter-terrorist financing.

"The MIC regime is expected to ruffle a few feathers here and there, especially for individuals who pre-MIC were not front and centre on the regulatory radar in Hong Kong", said Lapman Lee, Managing Director, Compliance and Regulatory Consulting for Duff & Phelps (Hong Kong) Ltd. "As a result, we may see some changes in the lines of reporting and more empowerment of both the local Board of the LC and the MICs responsible for the LC's business in Hong Kong."

The new regime dictates that each core function must be taken care of by at least one MIC of a licensed corporation – though a separate individual is not required for each one. Depending on the LC's size and needs, an individual can manage more than one Core Function, so the MIC of Compliance, for example, can also serve as the MIC of Anti-money laundering and counter-terrorist financing.

The SFC notes that the MIC does not have to be an employee of the LC, but they are required to hold a position of authority within the corporation and be properly accountable. In practice this will mean that the role of MIC cannot simply be outsourced to an external party. There is also no requirement for an MIC to be resident in Hong Kong – whether an overseas-based individual meets the requirements of being an MIC will ultimately be assessed by their authority, seniority, decision making power and accountability within the LC.

Paul Moloney, the Head of Funds at Eversheds, Hong Kong says there may be some flexibility in the employment of MICs. "It is debateable that there is anything in the MIC regime expressly prohibiting the outsourcing of senior management functions. The SFC has acknowledged that there may be scenarios in which an MIC is not an employee of the LC. In



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The MIC regime is expected to ruffle a few feathers here and there, especially for individuals who pre-MIC were not front and centre on the regulatory radar in Hong Kong.

– Lapman Lee

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practice, however, there are likely to be significant hurdles in effectively adopting this outsourcing model in a compliant manner”, said Moloney.

“Firstly, any MIC needs to have the requisite level of authority and seniority within the LC and will be expected to have a direct reporting line to the board or to the MIC in charge of overall management and oversight. It is unlikely that this will be the case in many outsourcing arrangements. Additionally, it is a requirement that each MIC expressly acknowledges their role. In practice, it may be difficult for firms to require their outsourced service providers to take on this responsibility and to make this acknowledgement, particularly in the context of concerns over the SFC’s enforcement remit and any potential personal enforcement risk”, said Moloney.

“Other considerations to be taken into account include any re-negotiation of commercial terms

with any outsourced service provider to adequately compensate individuals for any perceived increased personal risk. The Board of an LC contemplating using this model will also need to consider whether they have sufficient dialogue with the service provider to ensure that they can fulfil their own management and oversight roles effectively. Given the SFC’s challenging timeframes for compliance, if firms are looking to use this model, we would recommend that those difficult conversations are had sooner rather than later, so that these additional considerations can be properly taken into account and dealt with”, he said.

Karen Man, a partner with Baker & McKenzie in Hong Kong says that although the SFC has not mandated any particular organisational structure, it does expect an LC’s board to determine what the proper delegation of authority and responsibilities should be among its senior management. And they don’t have much time left to get things organised.



SFC is moving fast

The SFC launched the MIC regime initiative in December, but as of 18 April, it went into effect and LCs were expected to collect management structure information. The deadline for submitting the information to the SFC is 17 July, and the final deadline for approval of relevant MICs as ROs is 16 October. It's a short timeline to organise potential structural shifts.

Who is a suitable candidate to be an MIC? First, and arguably most importantly, they will need to have the necessary authority to exert significant influence on the day to day conduct of the relevant Core Function, including making the big decisions, assuming the business risks and allocating resources. They will also be expected to be sufficiently senior to report directly, and be accountable to, the LC's board of directors or the MIC in charge of the overall management oversight function.

"The point of the changes, and the focus for the SFC is individual accountability," said Lee. "And geographical challenges could mean that Chinese companies may well find themselves under the microscope." The organisational changes will help clarify lines of responsibility and aid the SFC in future considerations or investigations, he explained.

The first key deliverable for LCs is to submit files about the MICs, as well as the new organisational structure to the regulator. The SFC has provided a template form that sets out the particulars for each appointed MIC.

"It will be important for LCs to understand the SFC's expectations regarding the level of detail required when preparing their management structure information for submission", said Man.

"Practically speaking, LCs will also need to be satisfied that their newly appointed MICs have the necessary seniority, resources and competence to discharge their duties. This may involve reviewing and possibly enhancing an LC's compliance infrastructure and providing training to ensure that MICs understand their conduct expectations under the new regime."

They're liable for what?

The MIC regime doesn't introduce any new sanctions or liabilities for MICs; rather, it relies on the existing powers of Part IX the Securities and Futures

Ordinance (SFO) for discipline of any "regulated person" found guilty of misconduct or considered unfit or proper to remain a regulated person.

The sanctions under the SFO are civil in nature, but in the event that an LC is found guilty of an offence, the SFO will extend the criminal liability to any of the LC's officers where the offence was proved to have been committed with their consent, or connivance, or was otherwise attributable to their recklessness. "Officers", in this context, include directors, managers, company secretaries, or any person involved in the management of the corporation – which would presumably include MICs, explained Man.

LCs and their senior managers are expected to drive this cultural change and instil the principle of acting honestly, fairly and in the interests of their clients and the integrity of the market.

– Karen Man

The (civil) sanctions available to the SFC include full or partial revocation, or suspension or partial suspension of licence or registration for the LC; revocation or suspension of approval to be a responsible officer; prohibition of application for licence or registration; prohibition of application to be a responsible officer, executive officer or "relevant" individual; a fine up to a maximum of HK\$10 million or three times the profit gained or loss avoided – whichever is higher; and a public (via a press release) or private reprimand.

Sanctions are tough, but it is the threat of criminal liability of officers that has teeth: a maximum 10 years imprisonment and fines of up to HK\$10 million under Section 390 of the SFO.

"The measures are intended to change behaviours at an individual level in order to support changes in the overall firm culture", said Man. "LCs and their senior managers are expected to drive this cultural change and instil the principle of acting honestly, fairly and in the interests of their clients and the integrity of the market."

Who wants the job?

Mr Lee believes that the new MIC regime will cause fewer ripples across the Hong Kong LC landscape than trumpeted. The new title will likely demand a remuneration increase for the managers who take on the role, but the real winners of the MIC regime are likely to be insurers who will sell personal liability protection packages with carefully crafted indemnities and insurances, and the lawyers and consulting firms who will be tasked (or employed) to ensure that LCs are following the new regime to the letter.

New appointments and cessation of MICs or any changes in particulars, such as the job title of the person the MIC reports to (which is an indication

of the MIC's authority and empowerment) are expected to be received within seven business days of the change.

Ultimately, anything that increases responsible governance is beneficial to Hong Kong's business reputation, says Lee. "Some investment banks are already using the HK MIC regime to accelerate plans to revamp their governance structures in Hong Kong and Asia anticipating the global trend of individual accountability to spark similar moves with other Asian financial services regulators such as the Australian Securities & Investments Commission, which has strengthened breach reporting requirements and proposed a move to name and shame the individuals accountable for that breach."

"There is no longer any question that senior managers and boards of directors of regulated entities will be held fully accountable for defined business activities and material risks," said Man. Certainly not if the SFC has its way. **B**



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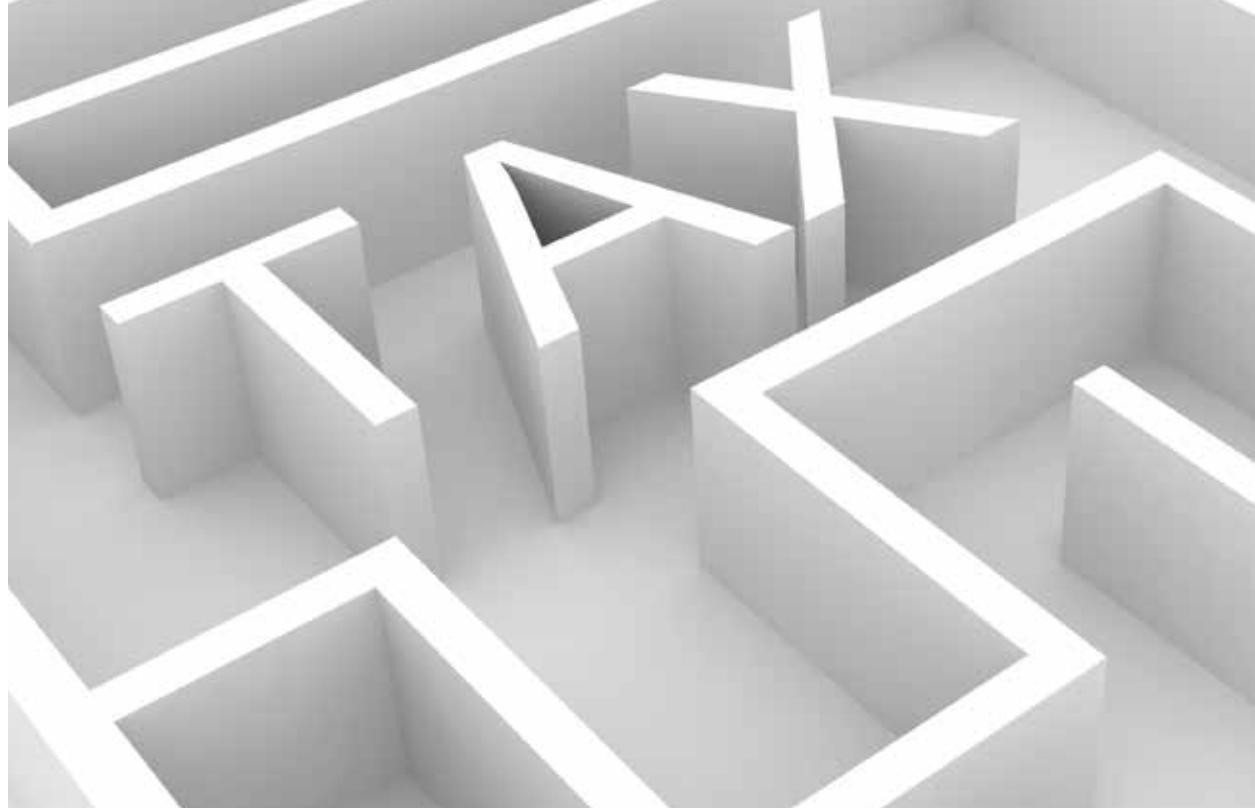
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Budget, Brexit & Beyond: UK Tax Changes



The Chancellor of the Exchequer's first budget address introduced tough new measures, particularly for formerly domiciled residents.

– By Martin Rimmer

On 8 March, Rt Hon Philip Hammond MP gave his first Budget address since becoming Chancellor of the Exchequer. Amazingly, the word "Brexit" did not fall from his lips even once, so I was left with the impression that this Budget was a quiet prelude to what could be a much weightier statement in the Autumn.

But that doesn't mean he said nothing. In these uncertain times one might have expected measures to reassure the global business community. Alas no: my hoped-for drop in Corporation Tax to 15%

wasn't forthcoming, though Hammond did restate the intention to reduce it to 17% over the next few years. There had been talk of a potential easing in the new accelerated rates of Stamp Duty. The decision to reduce the Dividend Allowance from £5,000 to £2,000 (from 6 April 2018), together with the big increases in Business Rates may be a bitter pill for the many businesses upon which the success of UK Plc (commercial community) rests.

There was a surprise announcement to impose a new 25% Income Tax levy on what the Treasury believes to

be "abusive use" of Qualifying Recognised Overseas Pension Schemes (QROPS), unless the scheme and the pensioner are resident in the same EEA country. This was one of those unsettling "from midnight tonight" moves, though details are now emerging about one or two exceptions to the rule. It is all a little bit odd, as this is one of the more strictly regulated parts of tax code and it is hard to see how following the plain letter of the law can be abusive.

Beyond this, a raft of other changes came into force on 6 April 2017, such as:

- The process by which tax relief is given for the costs of finance in respect of most residential property letting accounts is changing;
- A new but limited Inheritance Tax allowance is being phased in which will reduce Inheritance Tax by up to £140,000 if certain conditions are met;
- The exemption from Inheritance Tax enjoyed by non-UK domiciled individuals who own UK residential property through a non-UK company ceases entirely; and
- The rules for the taxation of UK resident non-domiciled persons also change.

Of greatest concern is a change in the tax position of "formerly domiciled residents", that is, a person who was born in the UK with a Domicile of Origin in the UK and has since adopted a Domicile of Choice overseas. If such a person becomes resident in the UK from 6 April 2017, all of the tax benefits

associated with their non-domiciled status are lost. Furthermore, if they had sought to protect their foreign assets from Inheritance Tax by passing them into an Excluded Property Trust, they now find that those assets fall into the "relevant property" regime, which imposes Inheritance Tax charges when assets leave the trust and at every tenth anniversary of the trust as well as the standard death tax charge of 40%.

If you, like many others, have taken a domicile of choice in Hong Kong and continue to live here and intend to do so permanently, nothing has changed. But would be tremendous shame to find yourself back in the UK, potentially in your old age, and to have to find new ways of planning for Inheritance Tax.

If you, like many others, have taken a domicile of choice in Hong Kong and continue to live here and intend to do so permanently, nothing has changed. However, life can throw curve balls, and the best of intentions can change over time. It would be a tremendous shame to find yourself back in the UK, potentially in your old age, and to have to find new ways of planning for Inheritance Tax. Time might be short and energy may be lacking.

On a related point, if you have obtained a domicile ruling from HM Revenue & Customs, a recent case involving a high profile person with a Hong Kong domicile of choice has confirmed that the Revenue is no longer bound by that earlier conclusion in the context of future investigations.

So, it is wise to investigate other forms of Inheritance Tax planning, which can provide a tax planning safety net if your domicile claim lapses for some reason. As ever, forewarned is forearmed. **B**

Our regulatory status and email disclaimer can be viewed at: <http://www.thefrygroup.hk/regulatory-information/>



Martin Rimmer
Tax Manager –
Asia Pacific at
The Fry Group

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Commercial Drive

A Hong Kong retail market overview.

– By Kevin Lam

On 28 March, Kevin Lam, Cushman & Wakefield's Head of Business Space in Hong Kong, and Karim Azar, General Manager, ifc Management Co. Limited, presented the latest retail trends at a breakfast with the Chamber.

They noted, that over the past ten years, retail performances in Hong Kong have been relying heavily on tourists from Mainland China. In the past two years, there was a major downturn in Chinese tourist arrivals, followed by a mild rebound in January 2017 with 7.7% increase year-on-year.

Food and beverage has been the only sector that records steady growth each year. The tourist-focused watch and jewellery dropped 17.3% in sales in 2016 year on year, while electronic goods fell almost 24%. Interestingly, the cosmetic and medicine sector climbed from the previous few years and mid-tier

Korean, Japanese and European brands are expanding in Hong Kong.

Rents on the high street

Contraction in prime retail districts, namely Causeway Bay, Tsim Sha Tsui, Central and Mong Kok, has been slowing down since Q4 last year, while there has been a slight 0.2% increase in rent in Mong Kok. High-street rents have recovered to levels seen in 2009-2010. Decentralised retail locations like Yuen Long and Tuen Mun also recorded single digit growth in rent in the past quarters, as retailers refocused on domestic consumers.

Cushman & Wakefield has worked with and tracked the trends of various trades, including cosmetics, watch and jewellery, shoes and accessories, sportswear goods and F&B

operators. We believe stabilisation on overall rental level is on the cards for the coming six months.

Trade transformation

The over-expanded watch and jewellery shops in Causeway Bay and Tsim Sha Tsui have been gradually re-occupied by a variety of trades, including cosmetic and fashion accessories. In Mong Kok, rental levels have recovered faster than other districts, with an active number of new take-ups. There have been 14 such transactions in the past 12 months, compared to central, which had only three.

The number of transactions in Central remains off track; despite the presence of sitting tenants preparing to subsidise new tenant's rental packages, the tight budgets on CAPEX expenditures have dampened retailers' interest in taking on the expensive stores.

Value of restaurant receipts

The food and beverage sector recorded positive business growth in the last quarter but considering the shortage of low-skilled labour and increasing food costs, large scale Chinese restaurants have been reluctant to expand since mid-2016. Business in fast food, coffee shops, and specialty restaurants, however, are keeping a steady growth rate due to their comparatively low set-up costs.

Decentralised locations, such as Tseung Kwan O, Ma On Shan and Tsuen Wan, have witnessed strong demand for new take-ups due to strong local consumption and larger supply of low-skilled labour.



Kevin Lam,
Executive
Director, Head
of Business
Space, Retail &
Office Services
- Agency

Looking forward, Cushman & Wakefield expects buoyant demand from new operators setting up small- to medium-sized concept restaurants.



The sportswear goods sector has been a key market driver in 2016, with Adidas and Under Armour as two of the most active brands opening new stores in Central, Causeway Bay, Mong Kok and Kwun Tong.



Cinema operators, especially those backed by mainland capital, have rolled out an aggressive plan intended to set up cinemas in each district. At least five operators have joined the market in the past three quarters, with some 15 new cinemas committed to open a Cineplex in both centralised and decentralised neighbourhoods, including Central, Tsim Sha Tsui, Sham Shui Po, Fanling, Yuen Long, Tsuen Wan, Shatin, Chai Wan, Shau Kei Wan and Ap Lei Chau. Entertainment and customer experience are the keys to lure consumers. **B**

*The Chamber would like to thank the Luxury & Retail Committee for organising the event.
Check www.britcham.com for further events.*

Cushman & Wakefield is a top three global real estate services firm, with some 43,000 employees in more than 60 countries, recorded revenue of over \$5 billion, 4.3 billion sq.ft under management and \$191 billion in global transactions.





Girls Need STEM

Where the jobs are: girls must embrace STEM education in order to have a place, and a paycheque, in the future economy.

– By Su-Mei Thompson

Among the key goals for The Women's Foundation (TWG) are challenging gender stereotypes, helping women and girls be more economically self-reliant, and increasing the number of women leaders.

It is not surprising that the organisation is dedicated to increasing the number of Hong Kong girls studying STEM subjects (Science, Technology, Engineering and Mathematics), since these lead to the brightest job prospects, now and in the future. Whether it's in the area of artificial intelligence and machine learning, or augmented and virtual reality, big data, fintech or blockchain systems, it is important that women have a meaningful role in the development of exciting emerging fields. Meanwhile, companies in Hong Kong

– like companies elsewhere – are struggling when it comes to achieving gender balance in their tech teams.

The under-representation of women in STEM is becoming an urgent concern. The World Economic Forum's recent future of jobs report found that if current gender gap ratios persist over the next five years, the net effect of technological disruption will mean that for men, only one new STEM job will be created per four lost old economy jobs, compared to for women, only one new STEM job created per 20 old economy jobs lost.

Hong Kong has a goal of being at the forefront of technology and innovation. But the talents of both

women and men are needed for Hong Kong to be a true global centre for technological innovation.

TWF is working hard to encourage more girls to embrace STEM through Girls Go Tech, a year-long programme that aims to encourage secondary school girls from under-privileged backgrounds to pursue STEM related subjects to maximise their future career options. This year, the programme is providing free coding and digital literacy workshops to 500 girls and 400 teachers from nine schools in Hong Kong's poorest districts with support from Accenture, Bloomberg, Capital Group, Cisco, Credit Suisse, Goldman Sachs, MTR, Operational Santa Claus and Telstra as well as its tech partners: BSD, Google and HKT. The Education Bureau and the Equal Opportunities Commission have also endorsed the programme. TWF intends to expand the programme to another 10 schools next year, starting this September 2017.

Last year, TWF also commissioned a study to examine why girls in Hong Kong are not selecting STEM subjects. The study found that girls' decision to pursue STEM is significantly influenced by their early experiences with those subjects, and their perception of their own capabilities, interests and career aspirations, which are heavily shaped by society, family and schools.

Consistent with global findings, the study also found that girls at girls-only schools in Hong Kong are more confident in their abilities and feel more supported in their pursuit of STEM subjects than those at co-educational institutions. Meanwhile, teachers at girls-

only schools are also more committed to increasing students' confidence and abilities in STEM.

When you consider the barriers to girls' participation in STEM, it is clear that there is no single easy answer to increasing girls' participation, or how to achieve change. TWF believes a multi-faceted approach is required, with parties including:

If current gender gap ratios persist, technological disruption will mean that for men, only one new STEM job will be created per four lost old economy jobs. For women, there will be only one new STEM job created per 20 old economy jobs lost.

- **Parents** – to address stereotypes by letting their daughters know that hard work and practical experience provides STEM success, rather than some idea of native ability. Parents can also provide girls with early exposure to science and technology.
- **Schools and teachers** – to offer Kindergarten through Secondary STEM programmes, either as core or extra curricular programmes and encourage girls to apply, as well as work to develop girls' interest to select core sciences and ICT as DSE subjects.
- **Businesses** – can promote the importance of careers in STEM for women and emphasise STEM's use in a variety of fields, as well as the work's financial merits. Businesses can also promote female role models from within the business and make them available as speakers at career fairs and otherwise for girls and their parents.

A concerted effort is needed on all fronts to create an environment that will encourage girls to pursue STEM subjects and careers. **B**

If you would like to find out more about how you can support the Girls Go Tech programme, please contact TWF Development Director, Claire Lim, at Claire.Lim@twfhk.org.



Su-Mei Thompson is CEO at The Women's Foundation, an NGO dedicated to the advancement of women and girls in Hong Kong. To read our full report on Girls and STEM Education in Hong Kong, please email Lisa.Moore@twfhk.org.





A First Lady of STEM

An interview with Kathy Chen, Former Managing Director of Twitter, China.

– By Jennifer Tattersall

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In March, the Chamber was delighted to welcome Kathy Chen to speak at the Inspirational Women Series, organised by the Women in Business committee.

Chen's career spans more than 23 years in IT strategy in China, during which time she has built a reputation of excellence in the Chinese technology industry. Establishing new businesses and implementing growth plans for leading companies such as Twitter, Microsoft and Cisco across Greater China, Chen has had a bird's eye view of the changing nature of China's relationship with technology and the country's impact on the global economy.

Q: You have held senior positions with some of the world's biggest tech companies. How did you get where you are today?

A: I was born in Shanghai, but I grew up in Beijing. I completed school within 10 years (it's normally a 12-year timeframe) and got accepted by a top engineering school majoring in Computer Science more than 20 years ago. I wanted to make an impact,

and I chose to study Computer Science at a time when it was unusual to do so. I was also fortunate to ride off China's economic reform. In Chinese thinking, it is like a monkey on the tree, growing with the tree.

Q: What was drives you to succeed?

A: In my 20 years working for multi-national IT companies like Microsoft and CISCO, my dream was to help these IT giants understand the Chinese business environment and succeed in China. Dreams evolve as times change, and during my last role at Twitter, I noticed the fast-growing desire for Chinese companies to develop business globally. My dream was to help them become more successful in the digital world.

Q: Are there any inspirational people or mentors that helped you along the way?

A: I feel blessed to have worked with some of the smartest people in the world. I can always learn from them, and was inspired by their great ideas.

Q: What advice would you give to young professionals wanting a career in tech?

A: Lifelong learning is important. Being in this ever-evolving industry forces me to continuously

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My dream was to help these IT giants understand the Chinese business environment and succeed in China.
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learn more, and better understand the latest tech trends. We need to be ready to receive new technologies. Fast learning and quick adaptability to new technologies is just vital. I also think it is important to have a dream, and to leverage your own strengths.

Q: What digital trends do you foresee taking off in the region over the next few years?

A: Twitter is a great platform, as it allows people from different cultures to communicate to one

another, and this helps bridge cultural gaps. Communication through story telling is powerful for brands, and with the rapid expansion in Internet bandwidth technologies, it is estimated that by the end of 2018, over 80% of Internet traffic will be video. How about we share our stories via video, like Instagram did with pictures?

The Chamber would like to thank Barclays for for their continued support and sponsorship of the series. ■



Residential Reserve

International investors acquiring UK residential property: a new approach.

– By Kevin Renshaw



For many years UK residential property has been the international investor's asset class of choice.

Prior to 2013, international investors enjoyed an incredibly benign UK tax regime. Even after the introduction of the Annual Tax on Enveloped Dwellings (ATED), 15% Stamp Duty Land Tax (SDLT) and the extension of Capital Gains Tax to UK residential property, it remained a popular investment asset – not least as a result of the post Brexit near 20% depreciation of sterling versus the US dollar and worldwide currencies pegged to the dollar.

However, the 2017 Finance Bill proposed a fundamental change in the UK Inheritance Tax (IHT) legislation which will, if it becomes law, mean that the value of UK residential property owned via, for example a British Virgin Island, Jersey or Isle of Man company is subject to UK IHT on the death of the shareholder of the company.

Additionally any loans advanced directly by an individual or via an offshore company, to enable UK residential property to be acquired or improved, are also within the grasp of UK IHT.

These are far reaching changes and will render most offshore company ownership structures ineffective for IHT purposes. For future acquisitions of UK residential

property new thinking is required and a new approach needs to be considered.

Even with the recent changes, it is still possible to secure IHT protection, but the means by which this is achieved requires a more sophisticated approach. Where the solution includes a trust it may well incur 10-year charges at 6% of the net asset value of the property – a cost that will need to be factored in. For many, this will be preferable to a 40% charge on death.

There is not one solution that will work for everyone; instead, there is a menu of solutions and depending on an individual's fact pattern and objectives, there will be a clear choice for that particular investor.

In circumstances where the investor is acquiring UK residential buy to let property, there may be merit in considering a Family Investment Company.

“

Even with the recent changes, it is still possible to secure IHT protection, but the means by which this is achieved requires a more sophisticated approach.

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This strategy allows the patriarch or matriarch of the family to share ownership of the offshore company with their spouse and children (both adult and minor).

If one considers a leveraged buy to let property where the net asset value is £1.5 million and there are five family members as shareholders, then each shareholder's value is £300,000 (£1.5 million divided by five). This is below the IHT nil rate band of £325,000, so the death of any individual shareholder does not trigger any IHT. Conversely if the patriarch was the sole shareholder, his death could trigger IHT of approximately £500,000.

It should also be noted that in the above circumstances, offshore company ownership would not create an ATED charge, nor would it be subject to 15% SDLT on the entire purchase price.

It remains possible to put in place robust planning that enables high-value UK residential property to be acquired and occupied by the investors family in an IHT efficient manner and a mechanism exists to allow families to buy apartments for their sons and daughters while attending university in the UK, in such a way that any potential IHT risks are mitigated. Again, the ownership structure is outside of ATED and the worst effects of 15% SDLT.

In some circumstances, the simplest planning will be to accept the IHT charge, but in such cases consideration should be given to life insurance, which – on death – will fund the IHT liability.

No one answer is right for all investors, but from a suite of solutions investors can select the best fit for their personal needs. **B**



Kevin Renshaw
Tax Director,
Equiom
Solutions

Equiom is an international professional services provider, supporting corporations and high-net-worth individuals with their fiduciary and related support-service needs. Equiom offers a range of services including: corporate management, trusts and foundations, yachting and aviation services, tax solutions, eBusiness services, and property structuring. Equiom Solutions Ltd, a sister company, provide the UK and Hong Kong tax advice to support the above strategies.

Equiom

Culture at Work

No rights and wrongs – but a potential minefield of miscommunication.

– By Mark Loasby



Some five years ago, the Afghan army were given a 28-page brochure on cultural guidelines as part of an attempt to reduce insider killings. In the previous year, at least 45 NATO soldiers had been shot dead by Afghan security personnel. It was estimated that 75% of these killings were due to "grudges, misunderstandings, and cultural differences".

The guidelines urged Afghan soldiers not to take offence if NATO soldiers swear, put their feet up on a table, point at people in the room, or blow their noses in front of them.

The brochure reminded them that these are "all misunderstandings" and are "unintentional". Now whilst it's safe to say that, in the corporate world, such misunderstandings are not usually resolved in such a tragic manner, it's equally true to suggest that such misunderstandings certainly do exist, and are increasing.

Globalisation and social media have resulted in cultures interacting at a far greater level than ever before. And with that increase comes an even greater potential for miscommunication.

Many in business realise this. There has been a significant increase recently in companies requesting training sessions focusing on cultural issues. But there are many who have yet to wake up to the impact culture may be having on their bottom line.

It may be difficult to quantify, but for any global organisation, cultural differences affect almost every aspect of business – marketing, selling, influencing, presenting, negotiating, motivating, decision-making, evaluating, team building and leadership.

Addressing cultural issues involves two steps.

Firstly, it's important to create awareness. Not just an awareness of why there are differences – although this is valuable – but also to identify the specific issues within the organisation. Secondly, an organisation must develop and implement appropriate action. This may be on an individual or corporate level, and will vary enormously in both type and depth.

Broadly speaking, there are three ways to take action:

Adapting

Everyone has the potential to adapt their own behaviour appropriately. For example, people should be careful in their use of colloquialisms and slang. Recent research in the UK has revealed that while non-native English speakers can communicate well together in English, as soon as a

Brit or American enters the conversation, the level of communication inevitably drops as a result of non-native speakers' misunderstanding of (or discomfort with) colloquialisms or slang.

Minimising

Sometimes it may be necessary to lessen the impact of a strong cultural trait. For example, some years ago we were working with a Hong Kong company that was in potentially tricky negotiations with a Korean conglomerate. To put discussions on a more even footing, we withdrew the Korean representative in the Hong Kong team. In Korean culture, it's extremely difficult – indeed, often impossible – for a young man to disagree with an older and more senior male.

Integrating

This happens when organisations recognise cultural differences and create new ways of working together. For example, Lenovo did this when they acquired IBM's personal computer business in 2005. Anticipating there would be differences, they set up a cross-cultural committee to advise on how best to work together.

Samsung also has recognised the need for integration. Each year, 200 young Samsung employees are put through an intensive 12-week language-training course followed by a year abroad. For the first six months, their only job is to become fluent in that language and culture, building networks and exploring the country.

Any organisation will benefit from developing its own way of becoming internally culturally sensitive.

Giving out brochures might be well intentioned. But there's no guarantee anyone will read them. **B**



Mark Loasby is the Managing Director of Connect Communication, Hongkong, one of the leading training consultancies in the region. Mark currently also chairs both the British Chamber of Commerce Education Committee and the Lantau Mountain Camp Association.

CONNECT

Electoral Economics

The aftershocks of the EU referendum and US election are unlikely to fade anytime soon. As the centre threatens to destabilise further in Europe, it is important to understand the political and economic spurs of recent election upsets. – By Richard Jeffrey

Does anyone doubt, regardless of which side of the debate they were on, that the UK referendum and the US presidential election were momentous political events? What seems to connect them is the apparent willingness of electorates to reject the established order and take a step into the unknown.

Delving into why this happened, what the consequences might be and whether this will prove a lasting phenomenon takes us into a highly contentious debate. As ever, commentators are looking for a cause; in reality, it is probably a confluence of factors that resulted in voters expressing their deep dissatisfaction with the way things have been.

There have been similar moments of rejection in the past. The landslide vote for Labour in 1945 was one, though its cause was more obvious. And in 1970, the left-wing Labour politician Richard Crossman wrote: "There is a cracking sound in the political atmosphere: the sound of the consensus breaking up," although this fracturing did not manifest until almost a decade later, with the election of Margaret Thatcher. This was a significant move away from the established centre-left political order, but it was by no means an anti-establishment result.

Disconnected politicos

What appears to have come together with so much



force over the past year is a potent combination of political and economic influences on elector attitudes. These have brought about a distinct feeling of social ennui and disassociation from Westminster and Washington, leading to voting outcomes that have very definitely been anti-establishment in intent (although not necessarily in effect).

Rightly or wrongly, the political classes have been judged to have become increasingly disconnected from the man and woman on the street. This, in itself, is nothing new – indeed, you could argue that it has been the case for most of history. What is new is the confidence that electors have shown in challenging the established order.

To a certain extent, modern media and communications may be responsible. Politicians being deemed self-serving, devious, divorced from the real world or simply bad at their jobs may not be new, but these deficiencies are now continually exposed. Yet this still does not explain the risk that electorates took in the US and UK in 2016. Is it just that the disconnection between the common people and their political masters has become too extreme?

You could, of course, regard this as a return to truly representative politics at a national level.

In the referendum campaign, Nigel Farage talked in terms that addressed directly, in language

that clearly resonated with voters, the concerns of many about the overarching influence of the EU. Likewise, Mr Trump developed a style that appealed to at least a proportion of the population.

In both cases, the outcomes reflected the feeling of many people that their interests had been ignored for too long. Increasingly, people have concluded that decisions being taken by ever-more remote administrations are not in their long-term interests. This also helps explain the success that fringe parties and pressure groups often have in UK by-elections – their candidates are able to connect directly with voters.

In themselves, these various influences may have been enough for voters to reject the status quo. But there has been another source of dissatisfaction, if not alienation. Statistics tell us that the UK and US have enjoyed seven consecutive years of decent (albeit not spectacular) growth since the Great Recession.

Growth without gain

UK households have seen an average annual gain of 1% in total real disposable income over the period – again unspectacular, but progress nonetheless. However, this is not the whole story. Over the period, the numbers of people in employment and the numbers of households have both risen. So, whereas total wages and salaries have increased by 2.75% per annum in cash terms, the increase per employee has been about 1.75%. And this is less than the inflation rate, which – depending on the measure you look at – has averaged between 2% and 3%.



Richard Jeffrey
Chief Economist

Ironically, recent growth has generated much larger numbers of jobs than might have been expected. But this has been a direct consequence of the poor productivity growth recorded since the recession: the average employee has generated very little increase in real value added and, therefore, has found it difficult to negotiate a significant real pay increase. The reasons for this are complex, but the inescapable conclusion is that most employees have not seen the benefits of growth slip into their pay packets.



Increasingly, people have concluded that decisions being taken by ever-more remote administrations are not in their long-term interests.



This is a subversive thought, because it poses the obvious question: who is benefiting from growth? Weak productivity is not peculiar to the UK or US – it is more or less pervasive in advanced economies. It is my strong belief that the consequences for employee incomes have had a much greater impact on electoral mood than might have been realised. It is a message that must be listened to – not just by politicians, but also by employers. And it may not be just in the UK and US that the dissatisfaction of voters is becoming manifest.

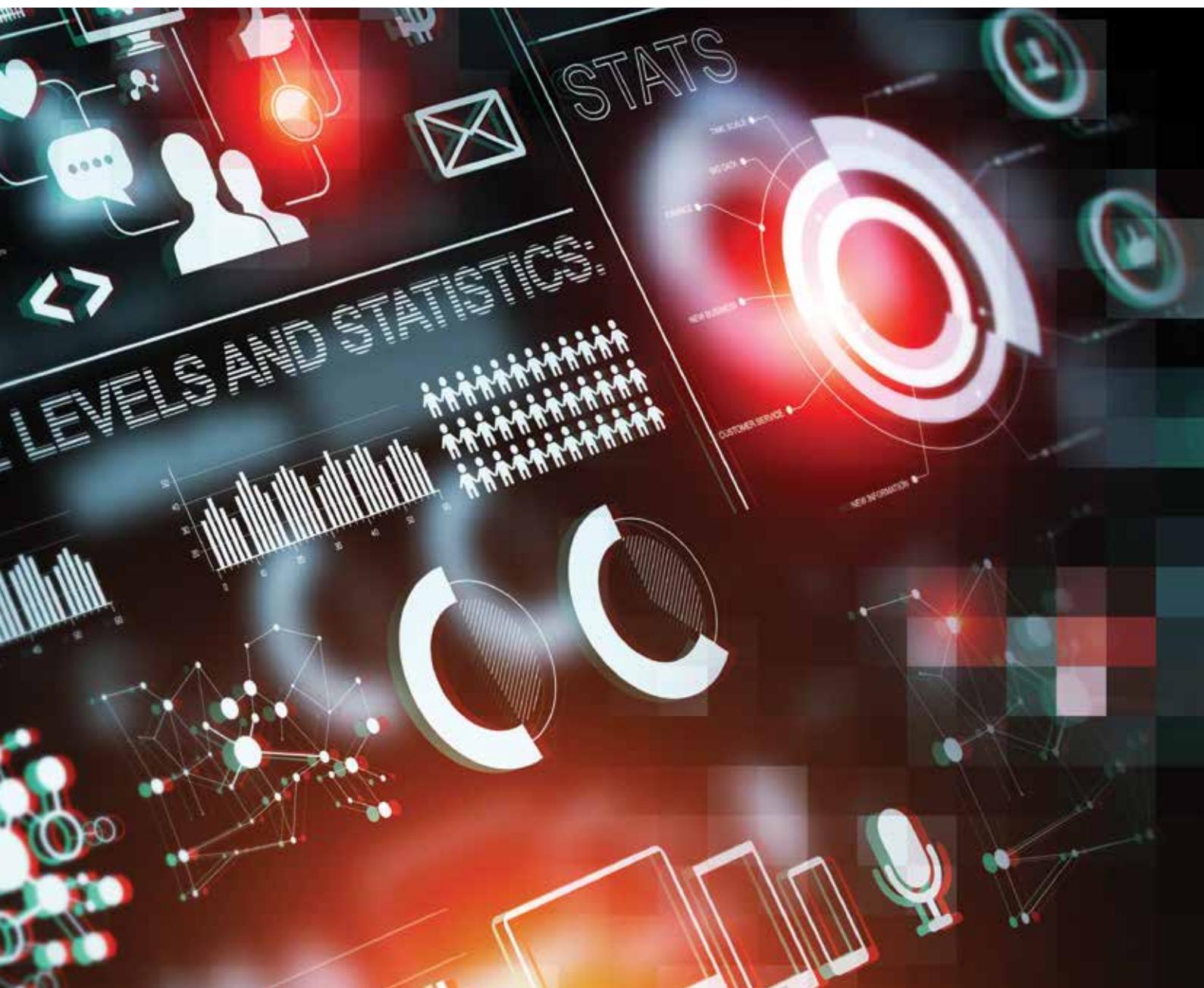
The multi-phased electoral cycle in Europe is in an interesting moment, with significant elections (past and upcoming) in Holland, France, Germany and possibly Italy. In each case, there is potential for disruption to the established order as voters show their dissatisfaction with the direction being taken by big governments. **E**

Cazenove Capital provides portfolio management and charity fund management services to a range of high net worth individuals, families and trusts. Our attitude to managing wealth is measured and intelligent, with a consistent focus on preserving capital and delivering strong risk-adjusted returns.

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SME-Tailored Data Capability

Self-service business intelligence platforms without human expertise are not for small to medium-sized enterprises. – By Axel Scholz



Business Intelligence (BI) is basically the art of leveraging data to make better decisions in order to drive business improvements. Most big corporations have BI tools in place; with IT teams to maintain them and financial analyst teams to interpret the results. Most Small to Medium-Sized Enterprises (SMEs) cannot afford to deploy and maintain these tools, let alone have a team of financial analysts on the payroll to interpret data. It doesn't seem fair. Why should only the large enterprises of the business world profit from insight generated BI?

Due to the time, resource, and profitability constraints that most SMEs face, very few are able to leverage the benefits of BI. Many often outsource their accounting and have no in-house CFO, or financial controllers, let alone an IT department and financial analysts available to deploy, maintain and interpret a BI system.

The Situation

According to an article in Forbes, 89% of business managers believe Big Data will revolutionise the capabilities of business reporting and decision-making. Clutch, a company that identifies best performing software and professional services firms, says that 73% of senior executives say improving data visualisations is a strategic imperative.

Data-based decisions lead to predictive outcomes that are based on data trends from numerous sources being analysed on one platform. While these trends are being embraced by big companies, most smaller companies will not be able to take part in the revolution due to lack of resources.

This situation is screaming out for a new way of delivering BI to SMEs that does not require complex deployments and additional resources in IT and finance. Some way of leveraging new advancements in cloud

technologies and pooled human expertise that can be shared across multiple SMEs must now be feasible.

Reasons for BI Solutions

If SMEs could leverage BI tools and resources they could realise multiple benefits, including:

- **Profitability** – BI provides insights and recommendations based on data trends and variances, enable focused decisions that can have big impacts to increasing profits;
- **More resources and time** – Many SME owners and managers spend hours cobbling together spread sheets to try to get some view into their businesses. A good BI tool combined with expert financial support can make this exercise obsolete. It can free up time for these leaders to focus on their businesses, decision-making and families rather than be buried in Excel; and
- **A solid business story** – SMEs often find presenting their business to stakeholders (shareholders, investors, bankers) challenging because of the lack of comprehensive current and historical views of the business. BI tools can enable SMEs to present their business in an easy and complete way any time they need it.

In a nutshell, SMEs need access to affordable, accessible, and efficient BI technology. They also require human expertise to enhance their ability to interpret and highlight data insights.

BizCoach by ImpalaCloud is a cloud-based service that combines a BI platform with financial analyst support, providing a new type of service to SMEs that enable them to make decisions with the same type of data-driven insights as big corporations. **B**



Axel Scholz
CEO &
Founder

BizCoach by ImpalaCloud delivers tailor-made business intelligence to improve SMEs profitability and free up resources, enhanced by human expertise. Please get in touch at sales@impalacloud.com or visit www.impalabizcoach.com

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International Payment Fees

Importers who regularly settle cross-border payments with their suppliers lose considerable money to the unnecessary banking fees. – By Enrico Bargnani

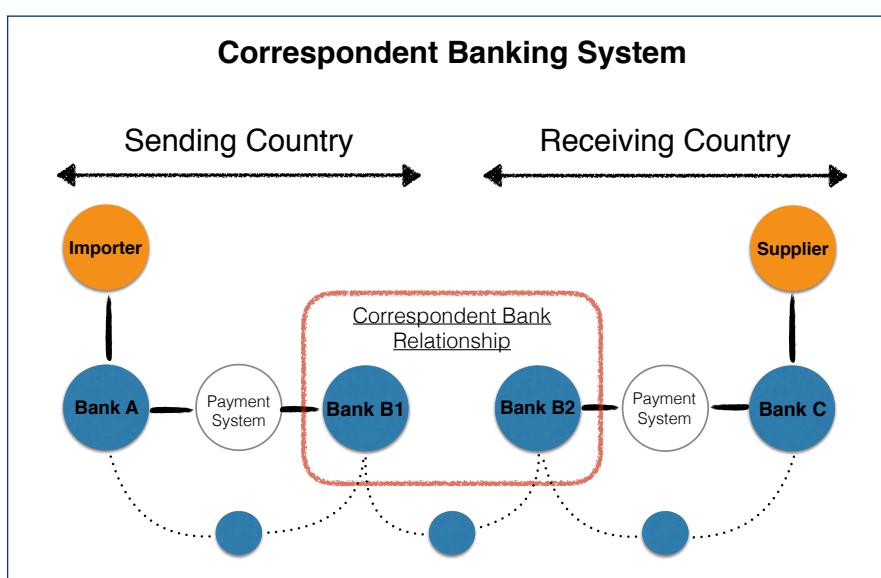
Cross-border payments can be very expensive since they involve multiple banks, "hidden fees", and ultimately result in short payments towards your beneficiary supplier's account, creating misunderstanding and conflict at times.

Currenxis would like to shed some light into the traditional cross-border payment process, to show you how does your money move after you execute a payment and where you and your supplier lose some of this money on three different fees, namely: remittance fees, correspondent fees, and receiving fees.

Let's walk through this process using a concrete example: Suppose you are an F&B importer based in Hong Kong and you need to make a payment of €1,000 to your supplier back in Italy.

Remittance fees

Once you instruct your bank, "Bank A" in Hong Kong to execute a cross-border payment, they will charge you a fixed remittance fee to perform the operation. Across Hong Kong banks, on average, it costs around HK\$115 per transaction if done online; it costs more if done at a branch.



After you've given your instructions, you would expect the bank to execute them and have the funds reach your supplier directly, right? Well, unfortunately this is not the case, and here is where it gets a bit complicated.

"Bank A" in Hong Kong will not directly remit the Euros to your supplier account. Instead, it will use an intermediate bank, also known as a correspondent bank, "Bank B", located somewhere in Europe to clear your payment of €1,000.

Bank B will simply receive the instruction you provided to Bank A, deduct a correspondent fee to perform the operation, and move along the money towards your beneficiary account. So why is the intermediate Bank B involved at all?

Each country has its own payment or clearing system, and typically only banks regulated and licensed in that specific country have access to it.

For this reason, banks all over the world maintain correspondent relationships with each other in order to facilitate the settlement of foreign currency. The Eurozone as a whole, effectively, constitutes one distinct clearing system.

Correspondent fees can range greatly from HK\$250 to HK\$450, and you will likely not know Bank B's correspondent bank fee in advance. Moreover, if your own bank and your supplier bank are regional banks, the process is further extended by two national banks resulting in extra fees involved.

As an importer, you will most likely be asked by your supplier to take charge of all the correspondent fees involved (online payment option "OUR"). Alternatively, you may choose to have the supplier absorb these fees, and your payment of €1,000 could easily be eroded down to around €950 before it reaches your supplier's bank (online payment option "SHA"). This is not exactly the best way to foster good relations with

your supplier/s. In addition, if you do choose to pay for these correspondent bank fees, the remitting bank will often mark it up with a multiplier, of two (2x), for example.

Receiving fee

You guessed it: The fees don't end there. Once the payment reaches your supplier bank, "Bank C", the latter will charge a receiving fee on that amount before crediting the supplier account. This fee varies depending on the specific country and bank involved but on average it is around €13. Some banks will also apply an extra 0.10% commission on the nominal amount.

What to think?

As a result of these three fees, in order to make a single small payment of €1,000, the two parties together could have sustained a total commission of HK\$572 or €70 for the transaction.

Remittance fee	HK\$115
Correspondent fee	HK\$350
Receiving fee	HK\$107
Total fee:	HK\$572 = €70 per transaction = 7% of €1,000.

Certainly, it's your money to spend, but today's MSO's (Money Service Operators) offer a great alternative to the traditional correspondent banking system.

In many countries, their technology allow importers to bypass the TT fees, minimise or even eliminate the receiving fee, access a far better exchange rate and guarantee delivery of the exact amount to the beneficiary account as early as the same date of the payment.

It's an easy, and quick way to generate savings on each cross-border payment for your business. 



Enrico Bargnani
Business Developer

Currenxie is a Hong Kong based commercial foreign exchange specialist revolutionising the way small-to-medium size businesses transact in FX and make cross-border payments. We provide our clients with spot and forward foreign exchange services in 16 different currencies with more competitive rates than traditional banking providers resulting in significant savings for our clients. For more information, visit www.currenxie.com



Summer Starts with a Roar

Nothing heralds the advent of a Hong Kong summer like the traditional sport of Dragon Boat racing. Between the sun and the sea, there are few activities more exciting or beautiful than these powerful boats and their energetic crews.

– By Hong Kong Tourism Board

Follow the lead of Hongkongers and make a party out of an ancient Chinese festival under the modern skyline of Victoria Harbour. Boats, beers and the cheers of hundreds of thousands of spectators – it's the Hong Kong Dragon Boat Carnival.

Watch thousands of the world's top dragon boat athletes battle it out at the CCB (Asia) Hong Kong International Dragon Boat Races – three days of intense racing that will fill the harbour with heart-stopping action, a profusion of colour and the sounds of drummers and fans urging paddlers on to the finish line. Come time to wind down, join athletes and spectators at the San Miguel BeerFest for ice-cold beer and rocking live music.

A fleet of food trucks will also be parked at the venue throughout the carnival period, cooking up local as well as international foods to satisfy all appetites. Bringing kids? Don't miss various interactive activities and roving entertainment.

In celebration of the 20th anniversary of the establishment of the Hong Kong Special Administrative Region, the 2017 Hong Kong Dragon Boat Carnival will take an even bigger stage at Central Harbourfront, with Hong Kong's iconic skyline as the backdrop.

CCB (Asia) Hong Kong International Dragon Boat Races

It all started in 1976 when Hong Kong fishermen participated in an international dragon boat race (there was one foreign team – from Nagasaki, Japan) off Shau Kei Wan. Nobody would have guessed that this humble event would go on to spark an explosion of worldwide interest in dragon boat racing and transform this ancient Chinese folk ritual into a modern international sport.



This year, thousands of athletes from all over the world will compete in the CCB (Asia) Hong Kong International Dragon Boat Races, with Hong Kong's iconic skyline as the backdrop. As always, it promises to be a thrilling event in the home of modern dragon boat racing.

Date:	2–4 June 2017 (Friday to Sunday)
Time/s:	The races start at noon on Friday, until 5:30pm, then resume from 8:30am–5:00pm on Saturday and Sunday
Venue:	Victoria Harbour, Central
Admission:	Free
How to get there:	<p>MTR Admiralty Station, take Exit A and walk 10 minutes</p> <p>MTR Central Station, take Exit A and walk 10 minutes</p> <p>MTR Hong Kong Station, take Exit A2 and walk eight minutes</p> <p>Take the Star Ferry from Tsim Sha Tsui to Central and walk two minutes</p>

Carnival fun

As tense as the competition can be on the water, ashore it's a merry carnival. And the Hong Kong Dragon Boat Carnival includes some zanier races that are just as hotly contested and just as spectacular to watch in the harbour. A dizzying array of fun and games will keep you busy throughout the day.

Display and Charity Blessing Corner

CCB (Asia) has appointed the Arts with the Disabled Association Hong Kong (ADAHK) to design a dragon boat display with giant paddles, which will be exhibited at Central Harbourfront during the carnival. You can donate to the ADAHK there and write out your messages for them at the blessing corner. Come take pictures with the boat and share your well-wishes.

Row for Charity

Experience dragon boating on dry land with a dragon boat simulator! The more mileage you

and other participants clock up, the more China Construction Bank (Asia) will donate to the Arts with the Disabled Association Hong Kong.

Dragon Boat Invitational Cup

Watch as title sponsor CCB (Asia) takes on the Hong Kong China Dragon Boat Association in a water fight to the death (or finish line, whichever's closest)!

All ashore

Local and overseas teams will compete for the Best Costume Award in an eye-catching event. Meanwhile, a fleet of food trucks will be parked at the venue to offer unique delicacies throughout the Hong Kong Dragon Boat Carnival period, cooking up everything from local street foods like egg puffs and home-made dumplings to classics such as burgers and fried rice. Round off the meal with local desserts.

While you're snacking, a flamboyant cast of marching bands, clowns and assorted entertainers are sure to put a smile on your face. Join in the fun with your favourite costume and props. You can also participate in an array of games, tattoo stickers, face painting and more.

The party: San Miguel BeerFest

What is the best way to wind down from all the heart-pounding moments of watching the dragon boat races? The San Miguel BeerFest! Start off with a cold beer before taking part in local creative arts, enjoy a live painting performance and the exhilarating Dry Land Dragon Boat Challenge, and check out an oversized vintage Chinese pinball machine. Don't miss live music performances by popular local artists and bands when the sun goes down. **B**

Date:	2–4 June 2017 (Friday to Sunday)
Time/s:	1–10pm (Friday), 10am to 10pm (Saturday & Sunday)
Venue:	Central Harbourfront
Admission:	Free

The Hong Kong Tourism Board (HKTB) is a government-subvented body that markets and promotes Hong Kong as a travel destination worldwide and to enhance visitors' experience once they arrive.





The World's Best Luxury Lodges

The most wonderful places to rest your head. – By Nikki Pang

Intimate, cosy and a step up from your typical hotel, these are some of the finest luxury lodges we've experienced around the world. Incorporate one of these lodges into a bespoke itinerary with Lightfoot Travel.

Three Camel Lodge – The Gobi, Mongolia

- **Overview:** Set in the remote wilderness of Mongolia's Gobi Desert, Three Camel Lodge offers a luxurious take on the traditional nomadic lifestyle.
- **Highlight:** Built to preserve and protect the Gobi Desert, the eco-lodge was the first ger camp in Mongolia with the aim of sustaining the surrounding environment.
- **Traditional Gers:** The lodge is comprised of 40 individual handmade gers. Each ger features a private bathroom equipped with a toilet, a sink



and a shower – a novelty in Mongolia! There are two additional Khubilai gers with two bedrooms linked by a bathroom for families.

- **Why we love it:** We guarantee this is like nothing you've experienced before!
- **Things to do:** Hiking the surrounding sand dunes, digging for dinosaur bones, star gazing in the absolute black night sky and nomadic encounters.



The Farm at Cape Kidnappers – Hawke's Bay, New Zealand

- Overview:** Cape Kidnappers is a luxuriously rustic farmhouse-style lodge set alongside sprawling farmland, a world-class golf course and towering cliffs.

- Highlight:** The Cape Kidnappers' golf course will challenge golfers of all levels. Hailed as one of the most dramatic modern courses with stunning scenery all around, teeing off here will be a day to remember.
- Room to request:** The Owner's Cottage is ideal for a family or group travelling together, with space for up to eight guests. Enjoy four bedrooms with fireplaces and private balconies overlooking the magnificent Pacific Ocean.
- Why we love it:** It's probably the most picturesque lodge in all of New Zealand, and perfect for hikers and walkers with numerous trails crisscrossing the property.
- Things to do:** Get up just before sunrise and set out for an invigorating walk or jog. We came across the resident farmer and his three sheepdogs hard at work!



Tiger Mountain Pokhara Lodge – Pokhara, Nepal

- **Overview:** Situated on a hill overlooking the city of Pokhara, the lodge impresses with its brilliant Himalaya views and sets the standard for accommodation in Nepal's second-largest city.
- **Highlight:** On clear mornings, the infinity pool reflects the Annapurna range. Wake up early with a pot of coffee and enjoy one of the most amazing sunrises in the world. It's the perfect place to rest your sore muscles post-trek.
- **Cottages:** The 19 stone cottages provide welcoming, understated seclusion with cool slate and parquet floors, rich Tibetan rugs, handmade wood furniture, and original artwork.
- **Why we love it:** The lodge's Manager, Marcus Cotton, is a true character and will join you for meals and regale you with stories he has accumulated over the years in Nepal over a lovely bottle of wine.
- **Things to do:** The lodge is ideally located for guests wishing to take day walks exploring local communities, bird-watch, paraglide, fish or sightsee. Or simply do nothing at all and just enjoy the views!



Capella Lodge – Lord Howe Island, Australia

- **Overview:** This stunning retreat, just a one-hour and 50-minute flight from Sydney, is located on Lord Howe Island, covered in natural forests and boasting the southern-most coral reef in the world.
- **Highlight:** The island is home to 300 residents, and only 400 visitors are allowed at any one time to preserve its crystal-clear waters, pristine beaches and diverse wildlife.
- **Room to Request:** The Lidgbird Pavilion features a spacious upper-level bedroom area with verandas that capture the ocean and mountain



views, while the ground-level living area features a banquette lounge and a plunge pool with decks and outdoor bathing area.

- **Why we love it:** The lodge's restaurant serves only the finest and freshest cuisine, and the wine collection is extensive to say the least!
- **Things to do:** The lagoon near the lodge is a sheltered spot for paddling, snorkelling and kayaking. Guests can hand-feed the fish at Neds Beach, go cycling, mountain climb, and island hop on a glass bottomed boat.

Mashpi Lodge – Mashpi, Ecuador

- **Overview:** Mashpi lies deep in the 3,212-acre Mashpi Reserve, in the remote northwest of Ecuador. It is a dramatic cloud forest retreat designed to completely immerse its guests in forest life.

- **Highlight:** Wake up to captivating views awash with greens and browns, with trees, birds and clouds all around. It's a bit like being on a crystal capsule, observing forest life from the comfort of your bed.
- **Room to request:** Yaku Suites are spacious and feature a large bathroom with Philippe Starck-designed bathtubs-with-a-view.
- **Why we love it:** Mashpi offers impeccable service and unrivalled facilities including a two-storey restaurant, spa with a Jacuzzi and panoramic terrace with jaw-dropping views.
- **Things to do:** Guided nature walks, visiting the butterfly life centre or climbing the eight-storey Observation Tower. Thrill seekers will enjoy flying across the valley on the Sky Bike. Travellers can also bird watch, go on a night walk or hike to the Copal Waterfall.

Lightfoot Travel is a Hong Kong-based luxury tour operator specialising in tailor-made travel to all seven continents. If you can't make these dates, the journeys can be created on a bespoke basis and tailored to your exact requirements. Call 2815 0068 or visit www.lightfoottravel.com to enquire now.



DESIRE MADE REAL

Ask for Jeeves

Hong Kong certainly boasts a wealth of dry cleaning services, but not many are as high-end as **Jeeves of Belgravia**. With over 40 years of experience, Jeeves serve leading international fashion houses, the British Royal Family and all those stylish individuals who care for their garments. Every piece, even everyday items, go through a seven stage cleaning process starting with an evaluation of the fabric and ending with a final hand inspection. Jeeves pride themselves on service excellence, discretion and meticulous care for each customer's individual requirements.

Various locations, visit jeeveshongkong.com for details. Present your Chamber membership card to receive a 10% discount.



Appetites

The five-course Royal Surf-n-Turf lunch at **Mira Moon** simply elevates your dining experience to the next level! Enjoy the tantalising Royal Surf-n-Turf Lunch including a half Boston Lobster and sizzling premier Australian Grain-fed Wagyu Steak for only HK\$388 with a glass of chilled Moët & Chandon champagne per person on Saturdays and Sundays. What's more, patronage of four diners or more receives a bottle of Moët & Chandon champagne.

Supergiant Tapas & Cocktail Bar and Secret Garden, 3/F, Mira Moon, 388 Jaffe Road, Causeway Bay, Hong Kong. For reservations contact 2643 8875 or email supergiant@miramoonhotel.com



Digby's 2009 Vintage English Sparkling Wines are produced using the best grapes harvested from English Wine Country in quaint Kent, Sussex. Winemaker Dermot Sugrue has kept these wines on lees for an average of three years, yielding a refined yet exuberant wine. Delicate bubbles carry the essence of an English Summer; fresh roses, strawberries and impromptu picnics, which makes Digby's Brut Rosé, blended from 80% Pinot Noir and 20% Chardonnay, perfect for pre-Summer drinks with friends and family.

Exclusively available from Armit Wines Hong Kong. Contact info@armitwines.hk or call Richard Sutton on 5349 2188.

Summer's Bubbles

Travelling jewels

This adorable suitcase charm from **Links of London** opens up to reveal the words "I go, where you go", making it an ideal gift for anyone setting sail on their next adventure. Part of the Wanderlust charm collection, this dainty suitcase is engraved with the Union Jack flag and is delicately embellished with 18kt yellow gold vermeil details. If you love to explore the world this charm is for you.

RRP HK\$800 from Links of London. Visit linksoflondon.com for store locations.



The Doctor is Gin



Dr Fern's Gin Parlour is the latest brainchild of the owners of Mrs Pound and Foxglove. Tucked away in plain sight of the swanky LANDMARK basement, the intimate bar is still a bit of a secret, though surely not for long. Once inside, you'll be met with a healthy dose of herbal libations, the Dr's prescription of gin for "stress-related ailments". Hosting over 250 different types of gin, Dr Fern's is a gin lover's dream come true.

Dr Fern's Gin Parlour, Shop B31A, First Basement, The Landmark Atrium, Central. Tel: 2111 9449.

Scentsational

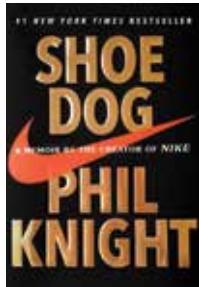
Large creamy bath soaps are the latest offering from **Jo Malone**, designed to provide a luxurious and fast lather while treating the skin to the nourishing benefits of coconut oil. Generous in size and designed with an easy-to-hold rounded shape, the bath soap is perfect for a luxurious bathtime, or daily indulgence. The variety of available scents include: English Pear & Freesia, Lime Basil & Mandarin, and Pomegranate Noir.

RRP HK\$375, visit jomalone.com.hk for store locations.



Book Shelf

Book Shelf presents the favourites – new and old – of Chamber members for your suggested reading pleasure.



Shoe Dog: A Memoir by the Creator of NIKE By Phil Knight

In 1962, fresh out of business school, Phil Knight borrowed US\$50 from his father and created a company with a simple mission: import high-quality, low-cost athletic shoes from Japan. In this candid and riveting memoir, for the first time ever, Nike founder and CEO, Phil Knight, shares the inside story of the company's early days as an intrepid start-up, and its evolution into one of the world's most iconic, game-changing, profitable brands.



Big Magic: Creative Living Beyond Fear By Elizabeth Gilbert

Readers of all ages and walks of life have drawn inspiration and empowerment from Elizabeth Gilbert's books for years. Whether we wish to write a book, make art, find new ways to address challenges in our work, embark on a dream long deferred, or simply infuse our everyday lives with more mindfulness and passion, *Big Magic* cracks open a world of wonder and joy.



Building the Internet of Things: Implement New Business Models, Disrupt Competitors, Transform Your Industry By Maciej Kranz

In the past five years, the Internet of Things has become the new frontier of technology that has everyone talking. It seems that almost every week a major vendor announces a new IoT strategy or division; is your company missing the boat? Learn where IoT fits into your organization, and how to turn disruption into profit with the expert guidance in *Building the Internet of Things*.

After Angels

Each year, many businesses apply to the British Chamber's Business Angel Programme to seek mentors, advice and possible funding to get their dreams off the ground. In a brief Q&A in each issue *Britain in Hong Kong* will endeavour to reacquaint our members with the successful applicants of the Programme, and showcase who they are and where fortune and hard work has taken them.



Luke Byrne
COO, Jobable

When did you apply to the British Chamber's Angel Business Programme?

We participated in the Angel programme in October 2016.

What funding or other support have you received?

We've been fortunate in receiving both support and funding. Our first round of support came from Swire Properties via their accelerator program Blueprint.

Blueprint provided support with complimentary office space in a very cool office space in Taikoo Place. They organised collaboration with venture capital firms such as Seedcamp and 500 Startups.

About The Company:

Jobable is a Hong Kong focused job search website. We combine the latest data science methodologies with a deep expertise in recruitment to deliver a more informed job search and more efficient hiring experience.



About the Business Angel Programme:

The British Chamber's Business Angel Programme, launched in late 2007, was the first such initiative to be launched in Hong Kong. Since its inception, the Business Angel committee has reviewed applications from hundreds of enthusiastic Hong Kong entrepreneurs, introducing many of them to a wealth of Angel Investors and Professional Advisors drawn from the membership of the British Chamber. The Business Angel Programme runs a series of events every year, which allows shortlisted candidates to present their business plans in front of a panel of investors and enjoy the opportunity to network and make valuable contacts. The British Chamber Business Angel Programme is sponsored by Baker Tilly Hong Kong and supported by TiE HK and Connect Communication.

For more information visit angel.britcham.com



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We were given the opportunity to pilot projects with various other Swire companies, most of which we still work with now. On top of that we were given special support from some of the blueprint partnership companies like Bird & Bird.

The Chamber's programme has provided much support in our fundraising journey. The breakfast was a great chance to get our message across and meet influential people. There is a special atmosphere when you get all these people in the same room with an open mind. I can't go on without mentioning the fantastic help we received from Patrick Eng at Connect Communications. The Chamber connected us with Patrick to help perfect our presentation skills. The coaching has proven and will continue to prove invaluable.

For funding, we recently raised a seed plus round of US\$2 million, on top of a seed round of US\$800,000

a year earlier. We're very lucky to have experienced investors who continue to support us in what we do.

What has your growth or development been since then?

For us is all about growing our user base and satisfying companies hiring. Our daily traffic is currently 6,000 plus unique visits per day from Hong Kong job seekers. We now have 150,000 Hong Kong-based job seekers in our database. There are 1,250 companies who display jobs on Jobable.com, accounting for around 20,000+ jobs posted at any given time.

What's next?

To continue to grow! Everything we're doing at Jobable is about growth. That means continuing to satisfy our jobs seekers appetite by providing more job opportunities. In the same effort, continuing to satisfy employers by providing great candidates.

The British Chamber will relaunch the Business Angel programme later this year, stay tuned to see the new reveal!



The British Chamber of Commerce in Hong Kong
香港英商會

Helping members do business in Hong Kong,
mainland China and the region

www.britcham.com
For membership enquiries: membership@britcham.com

Member Offers

There are many great benefits of being a member of The British Chamber of Commerce. One of those is the Member Offers programme, an exclusive package of member discounts which range from dining and hospitality, to travel and business services.

Please present your membership card to enjoy these special offers. Full offer details are available online at www.britcham.com/membership/membersoffers



Food & Beverage & Accommodation



Up to 10% room discount on 'Best Available Rate' of the day



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10% discount on the dining bill



15% discount on dining between Monday to Saturday



15% discount on evening dining, and any Plateau A La Carte treatment over \$900



10% discount on the dining bill



10% online discount on 'Best Available Rate' at Rhombus Group's Hotel Panorama, Hotel LKF, Hotel Bonaparte and Hotel Pennington



Lifestyle & Travel



15% discount on dry cleaning services only



15% discount on Premiere and Economy class flights for all Jet Airways online destinations



15% discount on published lettings & management fees



20% discount on treatments for first time clients, and 10% on subsequent visits



Free 5 days office pass access for 1 person, including free Wi-Fi and coffee/tea



Discounts on meeting room rentals and 5 days free business lounge visit

Email marketing@britcham.com to suggest an offer to our members. Strictly limited to members companies only.

SME 高 • MARKETPLACE •

As part of The British Chamber of Commerce's SME Marketplace, we have a range of offers available to members, which are especially tailored to SMEs and start-ups. Here is a snapshot of the available offers as well as the member companies taking part in the programme. For more information please visit our website www.britcham.com

Accounting



Baker Tilly Hong Kong offers accounting and payroll services. An exclusive customised service package is available, that includes professional advice to enhance operational efficiency and achieve financial agility.



TMF Group knows a company's first forays into Hong Kong will most likely be on a strict budget, since start-up costs are many and can quickly spiral out of control. That's why, they are offering to waive all start-up costs for their services, for SME and start-up members!

Banking



HSBCnet is an online tool for commercial customers to manage accounts on a one-stop platform. HSBC are offering start-up members a preferential rate for HSBCnet setup and monthly fee.

Business Coaching



Transitions Intl. Ltd. assists executives and professionals succeed in the business world by focusing on behavioural change. This involves building executive presence in the three areas of gravitas, communication and appearance. Visit the Chamber's website to look at the packages that are exclusively available for SME and start-up members.

Business Services



DRAGON LAW
Legal tools for the 21st century

Dragon Law makes it easy, fast, and affordable for businesses of all sizes to access law in Asia. Through their subscription services, SMEs and start-ups can access their easy-to-use document builder which takes you through a series of simple questions to build a well-drafted legal document, which can then be downloaded or signed electronically.



Vistra is a leading corporate services provider offering international incorporations, trust, fiduciary and fund administration services. Vistra has created a unique start-up package, "Vistra Kick-start", exclusively for SME Marketplace.



PRIMASIA
Corporate Services Limited

Primasia are offering reduced prices on incorporation and assistance with bank account opening, as well as first-year accounting. They are also offering a free introductory period and free set-up for payroll services.

Consulting



Vendigital is a specialist supply chain consulting and software company. Specialising in Asian supply chains and sourcing safely, Vendigital gives business owners confidence in knowing they enjoy cost leadership in the region. Vendigital is offering a number of discounted services, including Product Costing and Sourcing Strategy Advice for SME and start-up members.

Financial Services



Bibby Financial Services is one of the world's leading Invoice Finance Specialists providing cash flow solution to support SMEs' businesses growth.

They are offering start-up members exclusive welcome offer to get factoring facility in place.



The CFO Centre provides high calibre Chief Finance Officers to US\$5m - \$100m turnover businesses on a part-time basis and for a fraction of the cost of a full-time CFO. They offer sole Chief Finance Officer within a company or in a support role to existing Chief Finance Officers on the high value projects within your business.



CurrenXIE offers FX tailor-made solutions to SMEs with a service offering and competitive pricing schedule traditionally only available to larger corporates.

HR



Tricor Executive Resources provide high quality executive search and human resources solutions backed by in depth specialist resources and expertise.

Through the SME Marketplace, members will receive special discounts on all recruitment, HR advisory, compliance and consulting services.

Insurance



Mercer is a global consulting leader in talent, health, retirement and investments. Mercer will help save your money by finding the right insurance partner. Take advantage of the affordable health and benefits solutions that are available through the SME Marketplace.

IT



FunctionEight is a full-service technology company, providing outsourced business IT support, and bespoke advice, infrastructure and website development services to premium SMEs throughout Asia. Key services include IT needs assessments and network, file servers, change servers, firewalls / security and hardware setups. They are offering free registration of a domain name, basic website hosting, dns hosting and basic email for up to five users for 12 months for all SME and start-up members of the Chamber.



CITIC TELECOM CPC

CITIC CPC provides SmartCLOUD™ DaaS (Desktop-as-a-Service) solution. With this virtual desktop solution, SMEs and start-ups can set up or expand offices quickly and easily without purchasing any expensive hardware.



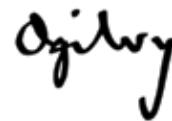
InfoScreen provides IT consulting and support for SME's and start-ups to upscale and streamline the operations by deploying the best-fit and customisable Quorum solution, Quorum is offering start-up members a discount on their services.

Legal Services



Tanner De Witt offers a range of services that appeal to start-ups and established companies alike. From company formation to shareholder agreements, and joint ventures to mergers and acquisitions, our Corporate and Commercial team works closely with clients to achieve desired results, offering commercial, practical and cost-effective advice.

Marketing



Ogilvy is offering not just one special offer but four! As the Agency Of The Year, they've created four special offers – all highly-customisable and personalised – that will cover all marketing needs from Strategy to Social, PR to Production. All priced exclusively for SME and start-up members to help their business grow.

Serviced Offices



Compass Offices are providing SMEs and start-ups with cost-effective and time saving workspace solutions. To start their businesses, SMEs and start-ups can use virtual offices to benefit from a strategic business address as well as professional team support to manage calls and mail.



The Executive Centre is dedicated to the incubation of new start-ups and entrepreneurs by providing cost-effective and flexible office solutions. They'll provide premium furnished offices on flexible lease terms from 3 to 36 months, with state-of-the-art conference meeting facilities and complete business administrative services supported by bilingual professional teams.



With 3000, locations globally, Regus operates in premiere business locations worldwide. Regus provide cost-effective and flexible workspace solutions with difference solutions to meet any budget and requirement. They are offering an exclusive business solution to SME members of the Chamber.

Travel



SME and Start-up Members can enjoy a free cabin upgrade from Hong Kong to London by enrolling onto The British Airways' On Business programme.



Serving a worldwide network of time-limited professionals, Halo Travel makes the business of travel stress-free and cost-effective. Halo Travel are offering SMEs and start-ups an exclusive 10% discount on the first hotel booking to any worldwide destination.



Virgin Atlantic is offering new SME clients' exclusive benefits to help their corporate ventures take off. With tailor-made fares, flexible ticketing and door-to-door limousines, doing business is now a whole lot smoother.

Britcham & KPMG Rugby Dinner

6 April 2017 – Hong Kong Football Club,
3 Sports Road, Happy Valley



On the eve of the Hong Kong Sevens Tournament, just a stone's throw away from the Stadium, over 250 guests gathered for the 15th Annual Britcham and KPMG Rugby Dinner. Beer and banter were the order of the day, led by familiar event favourite John Bentley, the emcee of the evening.

After a superb curry buffet dinner, the evening's guest speakers, Neil de Kock and Charlie Hodgson, treated diners to stories from the playing fields and gruelling rugby training camps. Both former Saracens players – also representing their national sides for South Africa and England respectively – Neil and Charlie shared insights on the professional Rugby Union scene.

The evening's keynote speaker was Sir Ian McGeechan, former Scotland captain and Lions player, and coach for a Five Nations Grand Slam winning Scottish side. "Geech", as he's affectionately known, enthralled guests with stories of his tremendous 50-year career in Rugby. As a player and

a coach, Sir Ian's contribution to Rugby has earned him universal respect, and a knighthood in 2010. It was a pleasure and a privilege to hear him speak.

The night was about more than beer and banter; the dinner also supported Project We Can and Outward Bound. Project We Can is a business-in-community initiative that provides disadvantaged students with learning opportunities and aims to empower them for pursuing higher studies and future careers. The Outward Bound Trust of Hong Kong partners and collaborates with Project We Can schools to deliver an influential three-day life skills programme to their students. The programme's agenda is to build students' confidence, develop their interpersonal skills, and encourage creative problem solving through outdoor experiential education.

We offer a huge "thank you" to KPMG, our wonderful partner on the Rugby Dinner, for their support for this year's event. We look forward to another 15 years of working together!





Women in Business Networking Drinks

15 March 2017 – Dr. Fern's Gin Parlour, B/F,
Landmark Atrium, 15 Queen's Road, Central



In March, the Women in Business committee and other like-minded professionals gathered for the first networking event of the year. Guests enjoyed making new connections over refreshing gin & tonic cocktails at Dr Fern's Gin Parlour, a trendy new speakeasy in the Landmark. The Chamber would like to thank The Fry Group for its continued sponsorship of the series. Keep up to date with the latest event schedule on the British Chamber website.



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Robin Sillars (Giles Publications), Krystyna Kosciuszko (British Chamber of Commerce in Hong Kong) and Winslee Buchan (JLL)



Jenny Lee (R-Co Brand Design) and Russell Pell (Arthur D Little)



David Bojan (H Capital) and Lynn Grebstad (GHC Asia)



Faiz Qezilbash (UBX) and Nicolo Fontana (Gruppo Pozzi)

Perspectives

In each issue of Britain in Hong Kong, the Chamber checks in with one of its Sterling Members to get a fresh perspective on our local businesses, and a peek into the personalities of our captains of industry.



Anthony Davies

Chief Executive Hong Kong Branch, Senior Relationship Management Asia Pacific, Barclays



How's business?

Never dull in Asia any time, but with the turbulence after Brexit and the US election, I'd have to say it has been unusually exciting – which means, of course, lots of opportunity for us and for our clients. We are seeing a lot of activity by Asian companies looking to expand outside the region. Since we have such a strong presence in the US and Europe, we are pretty heavily involved. So business is excellent.

What are your plans for the firm in the region this year?

2016 was a year where we bit the bullet and made a number of tough choices about where we can be most effective in Asia. We focused on the big centres of capital – Hong Kong, Singapore, and Tokyo – and the biggest economies – Japan, India, and China. Our 2016 results showed that strategy was the right one. This year, we aim to bring our corporate and investment banking teams closer

together to offer even more to our clients in the region. We think we are ahead of a lot of other companies in having made these changes, and this year, we need to capitalise on that gap.

What, to your mind, has been the most crucial element in the success of Barclays over the years?

I would say two things: first, there has been a culture of taking calculated risk to benefit the client. There really is a sense within Barclays that we need to be finding exceptional opportunities for our clients and that if we do that, the business will do well. The competition has always been tough, and we have stayed in the top tier because we keep that external market focus right at the front of our thinking.

The second thing is geography, especially for us in Asia. No bank in Asia can offer better knowledge

or access to the huge markets of the Americas and Europe. We are very strong in both, with deep relationships and many years experience. That gives our business diversity and stability, and our clients a unique opportunity.

What does your work involve personally?

My work is very varied. Externally I look after a number of our senior client relationships, representing the whole Barclays Group interests as well as being the senior point of contact for the regulators in Hong Kong. Internally, you have to ensure that we have the right risk and control framework in place to ensure that the business is run effectively and efficiently.

What's the most exciting business-related news you've heard recently?

Honestly, it is Brexit. For a bank that has been around for more than 300 years, with its base in London, Brexit is a phenomenal opportunity for us to show what we can do for Britain and the people of Britain as the country leaves the EU. There is a lot of uncertainty, of course, but it is incredibly exciting for us to look at all we do for British citizens and companies – in the UK and worldwide – and see how we can reduce that uncertainty and deliver more. We have already started – you see that in our support to UK businesses and families – but you will see Barclays doing much more, I promise you.

And the biggest news recently for your industry?

It is probably the speculation in the US about rolling back some of the bank regulation introduced after the 2008 financial crisis. It would be a major step, with potentially huge implications depending on what was done. Our view is that the rules have actually made the banking industry safer and stronger, and should stay in place.

How does the British Chamber of Commerce add value to your business?

A great deal, actually. Its members are well connected in the region and, of course, back in our big home market in the UK. The chance to hear from them and to share information with them is very valuable. Also the events and discussions hosted by the Chamber bring together people and surface ideas that help to keep us informed and, I like to think, more thoughtful than we would otherwise be.

How long have you been living here?

I first moved here in 1988, and then moved back and forth to Indonesia a couple of times in the 1990s.

But, for most of the last 29 years, I have been in Hong Kong nineteen years.

What's your favourite spot in Hong Kong?

Pat Sin Leng.

What is your greatest Hong Kong extravagance?

The high level of spontaneity we can afford ourselves here.

What's the biggest change you've noticed since you've been here?

The amount of Mandarin you now hear spoken and the deterioration of the quality of English spoken.

What would you say is the chief Hong Kong-related issue that takes up a lot of your time at the moment?

Dealing with regulatory change.

If there were one thing you could change in Hong Kong, what would it be?

The way nobody lets you in when you're driving in traffic.

What's something you've learned recently that you didn't know before?

That Brian Jones, Jimi Hendrix, Janis Joplin, Jim Morrison and Kurt Cobain all died at the age of 27.

Which words or phrases do you find most overused?

"It is what it is".

What is your favourite (non-professional) occupation?

Skiing.

What is your most marked characteristic?

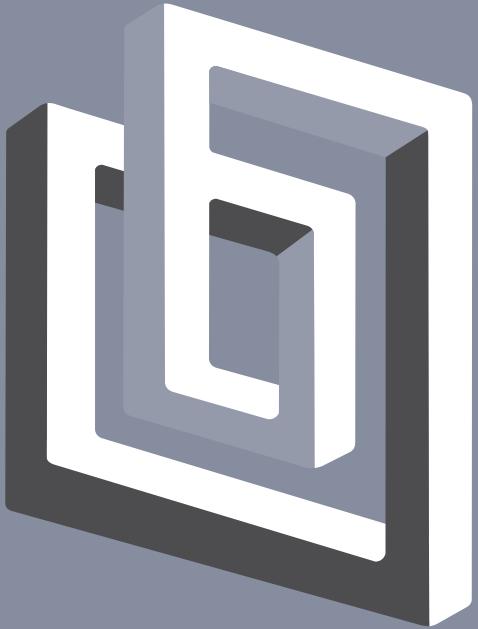
Punctuality – I hate being late.

Who is your favourite hero of fiction?

Homer Simpson.

If you had a motto, what would it be?

"Life is not a competition, so don't make it one". 



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