

Hong Kong Raises its Game to Appeal to More UHNW Families and Family Offices

What does Hong Kong need to improve to raise its appeals to principals considering establishing family offices or to make sure that those in situ stay there and expand? What types of private clients can really benefit from establishing a single-family office (SFO) or Multi-Family Office (MFO), and why? What more does Hong Kong need to do, aside from tax exemptions, such as a new Visa and PR offering, additional structures and asset management entities, education, and coordinated marketing? These and a host of other key issues were debated in the opening panel discussion of the Hubbis Wealth Solutions Forum in Hong Kong on October 18. Jessica Cutrera, President of Leo Wealth and also Vice Chair of the Hong Kong Family Office Association, was one of the expert speakers, and not only a strong proponent of the quality and sustainability of the family office ecosystem but also a keen promoter of the inter-connectivity between the MFO and SFO communities.

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JESSICA CUTRERA

President
Leo Wealth

Jessica opened her

commentary by explaining that she is currently Vice Chair of the Family Office Association (FOA) in Hong Kong, as well as President of Leo Wealth, a multifamily office

she it is not just about their family wealth, but also about expanding business interests, about co-investments, and about building out their very often huge portfolio of family wealth. “Accordingly, access to strong and liquid IPO markets is really important for many families,” she noted.

And of course, Hong Kong’s financial system is similarly deep and also well regulated, with very strong custodians and a wide range of intermediaries and other partners for clients to choose from.

She remarked that the depth and quality of the professional services market is also impressive, with a wide array of excellent law firms, tax advisers, accountants, as well as trust and other fiduciary

that they obtain advice specific to the precise needs of their family.

“These families have very different priorities, and even within a family, we often see a lot of differentiation and sometimes conflict between generations one, two and beyond,” she observed. “Regarding investments, they need to carefully select the asset classes that they want to invest in, and the style of their investments, and work with advisors who can reflect those goals, and who can deliver the expertise and resources they are going to need to be successful.”

Jessica then offered further insights into the development of the Hong Kong proposition, noting that she would like to see a very close alignment between the

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(MFO) with a presence in Hong Kong, Singapore, Japan and the US.

She said: “With my FOA hat on, I can say that a core historical and future strength of Hong Kong is the proximity to China, both for local and Chinese families setting up a family office here, and also for international families who are looking for a remote presence; access to China from here is unparalleled.”

She added that Hong Kong has an immensely strong presence in capital markets, with a very robust IPO market. For many families,

services firms. “There is also a wide range of MFOs here, and indeed they also support the new SFOs that establish themselves here,” she said.

Jessica elaborated on the roles of the SFO and MFO, commenting that the choice is not black and white between them. “There’s a lot of overlap, actually in that space,” she said.

She noted that for any of these very wealthy families to be successful in Hong Kong, or indeed any other jurisdiction, it is really important

private sector and the government objectives. “I am certainly not discounting the effort that the Hong Kong government has put into growing the ecosystem here and the success they have had and the significant commitment to the family office industry, but there are a few other areas I would like to see develop in the foreseeable future.”

She itemised those, first in the form of viewing the success of Hong Kong as a family office centre, not just assessed on the number of families that set up there, and the AUM they control, but also on

quality and sustainability. "This is also about attracting and retaining the right families to this jurisdiction," she said. "Actually, not every family is best suited for Hong Kong as their family office centre."

She explained further, remarking that Hong Kong has a lot of exciting attributes, some of which she and other panellists had already articulated, and it is very clear that Hong Kong can compete on a global level. "But to really drive this centre forward, Hong Kong needs the type of families here that will grow and contribute to the dynamism and become an important element in the evolution of this market," she said. "That long-term view is really critical for success."

She added that it is important to recognise the contributions and the roles of the multifamily office community. "I think sometimes there is a misconception that multifamily offices do not need



support as well, or they are really just commercial businesses. I believe that MFOs have an important role to play in supporting SFOs as well, and they are a critical element in the overall ecosystem

here. I for one want to help improve the connectivity in the family office space and help SFOs better connect and work with the MFO community for the evolution and improvement of the ecosystem." ■

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