

Independent firms to enjoy growth curve

In a video interview, Harmen Overdijk, founder and managing director of Capital Company, explains why he believes Hong Kong's independent wealth management model has huge growth potential



HARMEN OVERDIJK
Capital Company

HONG KONG'S INDEPENDENT WEALTH MANAGEMENT industry will experience significant growth over the coming years, according to Harmen Overdijk, founding partner and managing director of Capital Company, and who also helped establish the Association of Independent Asset Managers two years ago.

Looking at the industry's growth history, Overdijk said: "In the last couple of years, the market has grown tremendously and will continue to grow. The US and the Australian markets were small at one point but in last 10 years has shown substantial growth. Independent wealth management is now a serious part of financial planning and wealth management is a major part of the market in these places."

He added: "HK was a little behind compared to other markets, but I believe it is catching up quickly. There are a growing number of new firms setting up here and more bankers are open to setting up their own companies. Former bankers are liking the idea of setting up their own operations and independent wealth managers from China are also being seen setting up here."

Overdijk believes the key opportunity for new entrants to the industry is to act as fiduciary advisors to clients, which he believes is an area the current private banking model is not geared to do.

However, he also counsels caution and believes the challenge for new independent managers will be the depth of their skills. "Everyone has to realise that regulations apply to small firms as well as big firms, and this makes it expensive to run a business," Overdijk said. "Some firms will struggle, and they have to possess the skills to run a proper business." ■