



Factors that make Hong Kong one of the World Financial Centre

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Abstract. A world financial center refers to a place that gathers a large number of financial and related derivative service industries. It needs to have the most active securities trading market, the most complete financial market, the most convenient international settlement system, and most importantly, to have a radiating impact on the surrounding and global areas, in order to be called a world financial center. As one of the three major financial centers in the world, Hong Kong deserves to explore and reflect on its causes. In this article, we use the method of conditional ensemble analogy to explore the causes of Hong Kong's world financial status from the perspective of economic development. The results of the study revealed that Hong Kong's status as an international financial center comes from historical accumulation, a relaxed business environment, and excellent institutions.

Keywords: World Financial Centre; Stock exchange; Taxation; Free trade port; Business law.

1 Introduction

1.1 Research Background

Hong Kong is a highly prosperous city located in Asia with a total population of approximately 7,333,200 (by the end of 2022) ^[9]. Hong Kong is a very special area compared to other places in the world, as it is considered the special administrative region of China which enjoys a high degree of autonomy. ^[10]

Hong Kong's unique policy of 'One Country, Two Systems' has brought big advantages of "relying on the motherland and connecting the world." ^[11]. This allows Hong Kong to participate in the huge market in the mainland directly but also be connective to the world simultaneously, becoming a bridge that links the mainland and the world.

Due to the occupation history, many rich foreigners came to Hong Kong between 1841 to 1997. They set up businesses in Hong Kong and started to live here, so Hong

Kong has been called 'international' earlier than most places worldwide.^[12] Because of the occupation history, most of the companies from Western countries have set up their Asian headquarters here which makes Hong Kong become one of the 'Four Asian Tigers' that became rich earlier.

1.2 Research purpose and problems

As many people are questioning whether the status of Hong Kong's World Financial Centre will be replaced by Hainan, a province where the Chinese government is committed to emulating the development of Hong Kong's free trade port. The purpose of this article is to provide a series of evidence to answer the question why Hong Kong can become one of the World Financial Centre and being able to stay at this position for such a long time. From the side, it reflects the fact that Hainan is difficult to replace Hong Kong.

1.3 Literature Review

In a research article presented by Y. C. Jao (1979) 'The Rise of Hong Kong as a Financial Centre', he provided a broad survey of Hong Kong's economy between the late 1960s to 1978 and give some prediction on its future prospects. As the article wrote by him is published in 1979, our article is a good complement to modern Hong Kong including its policy, welfare and law.

2 History and international impact of Hong Kong

Hong Kong is always a part of China. They have the same way of social, cultural, and living habits. However, China was weak in the middle of the nineteenth century, and internal and external troubles occurred. Under the occupation of the old British empire over 150 years, from a fishery and agricultural area, Hong Kong has developed into an economic and financial center.^[11]

The British people discovered Hong Kong in the mid-nineteenth century. The business merchants found it a safe and secluded place to anchor opium-carrying vessels. Therefore, they started to use Hong Kong as their harbor in 1821.^[13] Later, because a large amount of opium flowed into China, many people, including the Chinese soldiers became addicted to opium, which weakened the national power. Thus, the British took advantage of the vacancy and successfully obtained the jurisdiction of Hong Kong^[14].

Since Hong Kong is an important trading port in the United Kingdom, many foreign businessmen found that it might be an excellent opportunity to startup businesses in Hong Kong as there is an increasingly dense population. Therefore, we can see many businesses still well known today, including Jardine, Matheson & Co (JM & Co)^[15], Hong Kong and Shanghai Banking Corporation (HSBC)^[16], and Standard Chartered Bank^[17] moved their business to Hong Kong or start up their business here in around

1850. Those companies have also laid a stable foundation for Hong Kong to become a world financial center later.

Since Hong Kong's intermediary trade developed rapidly during that period, there was also an increased demand for employees for related trade work, including accountants and clerks. The fundamental requirements to become an accountant and clerk require the employees to be bilingual. The people wanting to become an accountant or clerks are expected to know Chinese and English. Therefore, there was a great demand for workers who could understand English and Chinese. However, even though the United Kingdom occupied Hong Kong then, only a few people in Hong Kong knew English. To successfully meet the demand for skilled workers, the governor of Hong Kong, John Pope Hennessy, decided to strengthen the promotion of English education in schools in 1878.^[18] As English is considered a universal language, Hong Kong has a significant advantage in the early promotion of English education.

Before the handover of Hong Kong, it was already a well-developed city in Asia and has been called 'The Asian Tigers' with the other three Asian economies. Hong Kong already had strong cooperation with different countries at that time, especially on trade, laying the foundation for Hong Kong to become a world financial center in the future. After the handover of Hong Kong, the support of the motherland has further promoted the economic development of Hong Kong, making Hong Kong's status at the World Financial Centre even more unshakable.

The 150-year British occupation period profoundly impacted Hong Kong, especially on languages and culture. Up until now, we can see that the official languages of Hong Kong are English and Chinese, which is different from other Asian countries, including China, Japan, and Korea. It is undoubtedly very advantageous for Hong Kong to have English and Chinese as its official languages because they are the most spoken languages in the world. This, therefore, helps Hong Kong to attract more foreign investors, which also helps to improve the competitiveness of the market in Hong Kong, leading to an increase in the gross domestic product.

3 Frontier Edge of the Hong Kong Stock Exchange

3.1 The system of concerted action is relatively advanced

In the narrow sense, concerted action refers to the joint acquisition, specifically the act of two or more investors jointly acquiring the shares of a target company through an agreement, while in the broad sense, it also includes the cooperation of shareholders' bidding voting rights and the exercise of securities trading. By extension, the concerted acting party is controlled by the same subject and has an equity control relationship between the two persons, and the participation of another investor will have a significant impact on the participating company, and other legal persons, organizations, or natural persons other than the bank will obtain the shares for the investors^[1].

The scope of agreement or agreement clearly defines the definition of concerted action and concerted actors in Hong Kong; the acquisition of active cooperation as the constituent point of concerted action; the subsequent eight categories of persons who

should be presumed to act in concert based on a particular relationship, thus defining the scope of active actors and the line between active cooperation and cooperation.

3.2 Consciousness of self-regulation

The Stock Exchange of Hong Kong is a limited liability company, while the Taiwan Stock Exchange is a joint stock limited company, so they all self-regulate each member according to the rules of the company, and the government generally does not interfere in the affairs of the company. The self-regulatory nature of the stock exchanges, Is the inevitable result of the development of the market economy, From a historical perspective, The regulatory nature of stock exchanges develops naturally, It can adapt to the process of securities trading, The stock market was regulated by the stock exchanges and securities industry associations until the 1930s, Although the outbreak of the global stock market crash in 1929 forced governments to intervene in the stock market, To regulate stock exchanges and other market entities and behaviors by laws, However, the national laws still fully affirm the supervision of the exchange trading subjects and behaviors of the stock exchange in accordance with its articles of association, The self-regulation of the stock exchange is the most important content of the securities regulatory system, Because the inherent law of the securities market is the high-benefit existence of the securities market, High risk will follow, You can see that the regulation of the securities market has always been very complicated ^[2].

Hong Kong stock exchange the company stock exchange discipline law doesn't have too many rules, but in the mainland the securities law in the form of the basic law of the stock exchange for self-discipline organization meaning, emphasizes the importance of improving the consciousness of self-discipline management, so Hong Kong in self-regulation has a unique business advantage.

3.3 Membership-based securities trading

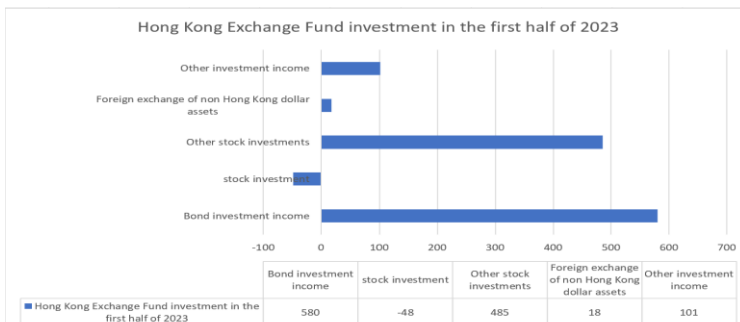
The Stock Exchange of Hong Kong was originally organized as a corporate stock exchange, But then as a non-profit public institution that does not pay dividends, We can conclude that the Stock Exchange of Hong Kong is essentially a membership stock exchange, The form of membership securities trading because of the greater risk, So it will encourage investors to choose more carefully, More emphasis on credit, It will also make traders more responsible, Consciously regulate behavior, It can also effectively prevent over-the-counter trading, Put the entire stock exchange in good order, We compare the organization of corporate securities trading in Taiwan and early Hong Kong, Corporate securities trading will obviously appear a greater human risk, Illegal speculation occurs due to the loss of the interests of both buyers and sellers, With limited authority and high-risk taking, The money will be hard to recover. This fully reflects the advantages of Hong Kong's membership company trading. For the financial status of Hong Kong, securities serve as the foundation, and the membership system provides a more comprehensive guarantee.

3.4 Advantages of foreign exchange funds

All Hong Kong exchange fund systems from the exchange fund regulations, the current fund system is established for the exchange fund regulations, the regulations stipulate that the main purpose of —— exchange funds is to influence the Hong Kong dollar, make the monetary and financial system stable, and secondary purpose to maintain the status of the Hong Kong international financial center ^[3]. The specific objectives of the Exchange Fund include guaranteeing the original accumulation and operation of capital; ensuring that highly liquid US dollar securities always support the currency; guaranteeing the Hong Kong dollar exchange rate and seeking greater return on investment.

Hong Kong's foreign exchange fund is divided into two different portfolio management models, namely, the support portfolio and the investment portfolio. Support the portfolio to hold highly liquid US dollar securities, providing full support for the monetary base. Exchange fund the rest of the assets as a portfolio, mainly invested in the economic organization for cooperation and development (oEcD) bonds and the stock market, strengthen the risk control survey, internal risk management supervision, is responsible for controlling the risk, the department is responsible for the investment activities involved in the market, credit, price, and business operation of all supervisory risk control, and is responsible for the selected investment benchmark and evaluate the performance of the investment.

As shown in figure 1 the composition of Hong Kong's exchange fund and the investment of the exchange fund in the first month of 2023. Compared with Chinese Mainland, Chinese Mainland is still in the process of transforming to a management mode dominated by market regulation. The implementation of a single, managed floating exchange rate system with market supply and demand as the basic point, complex procedures, high transaction costs, mandatory foreign exchange settlement system makes the environment tight, banks have large hidden obligations, which will hinder market flexibility. The exchange fund in Hong Kong has a flexible management model and a relaxed environment, resulting in a high return on funds and high flexibility.



Resource: Hong Kong Monetary Authority (Unit: 100 million yuan)

Fig. 1. Hong Kong Exchange Fund investment in the first half of 2023

4 Taxation and welfare

It is well known that Hong Kong's corporate and personal tax is considered one of the lowest in the world, but the welfare is still very pleasant. The marvelous welfare has attracted many outstanding personnel to Hong Kong globally to work and live here. The low taxation has attracted many foreign companies to set up branches and shops in Hong Kong. These two moves have played a big role in boosting Hong Kong's economy.

Firstly, Hong Kong is using a progressive taxation system for taxpayers with an annual income lower than \$2,022,000 HKD (take the example for 2023 to 2024). A progressive tax involves a tax rate that progresses as taxable income increases. It imposes a lower tax rate on low-income earners and a higher tax rate on high-income earners.^[19] When your annual income is lower than the amount of \$2,022,000 HKD the rate of tax will increase as your income is higher. However, when your annual income is higher than the amount of \$2,022,000 HKD, you are required to pay the standard rate which is 15% of your annual income.^[20] Although the taxation system might not seem friendly to the high-income earner, which is most of the highly skilled and talented personnel that the Hong Kong government wants to attract and keep, those people are not leaving. On the contrary, more skilled employees are entering Hong Kong. Let's take the example of China, the greatest number of immigrants to Hong Kong. China is also using the progressive taxation system income tax, but if the monthly income is larger than the amount of 80000 Yuan, the taxpayer will have to pay a 45% of taxation for their income^[21]. (npc, n.d.) Under the same amount of salary, comparing Hong Kong and China with their income tax, we can see that Hong Kong has a much lower income tax rate.

Approximate calculation of the amount of income tax needs to be paid under the annual income of \$2,030,000 HKD and 1864807.10 Yuan (adjusted by exchange rate):

Amount of income tax needed to be paid in Hong Kong:

$$2,030,000 \times 15\% = \$304,500 \text{ HKD}$$

Amount of income tax needed to be paid in China:

$$1864807.10 \div 12 = 155,400.592 \text{ Yuan/ month}$$

$$155,400.592 \times 45\% = 69,930.2663 \text{ Yuan/ month}$$

$$69,930.2663 \times 12 = 839,163.195 \text{ Yuan/ annual}$$

With such a low-income tax rate, Hong Kong's welfare doesn't do any worse than China's. A person who is a resident of Hong Kong can enjoy a series of welfare from education to healthcare etc. This is another reason why the best talent is willing to come to Hong Kong. By holding a Hong Kong ID card, people can enjoy healthcare in the public hospital which is totally free of charge^[23]. The ID card holder's children can also have 15 years of education in the public schools from Kindergarten to Secondary school also free of charge. If they are considering purchasing a house in Hong Kong, with a Hong Kong ID card, they might have a discount or reduction in taxation. All kinds of benefits encourage top talents from all around the world to come to Hong Kong.

As I have just mentioned, the corporation tax in Hong Kong is also very low. That's the reason why Hong Kong has been called the most suitable place in Asia to set up

businesses. For corporation taxes, the Hong Kong government has decided to use the proportional tax system and the regressive tax system. The proportional tax system required all taxpayers to pay the same percentage of their income in taxes ^[22] and the regressive tax system takes a larger amount of taxation from low-income earners and a smaller proportion from high-income earners. ^[24]

The tax required by the incorporated businesses to pay is 16.5% of their annual profit if their profit is not over the amount of \$2,000,000 HKD. If their profit is higher than the amount of \$2,000,000 HKD, they will then have a discount of taxation on the first \$2,000,000 HKD of profit they have made, which is 8.25%. For an annual profit that is larger than \$2,000,000 HKD, they will then have to pay 16.5% of taxation which is the same as the business who do not have an annual profit of more than the amount of \$2,000,000 HKD. The amount of taxation is different between the incorporated businesses and unincorporated businesses which unincorporated businesses have a lower amount of corporation tax required to pay. For profit which is under the amount of \$2,000,000 HKD for unincorporated businesses, the taxation requires the businesses to pay 15%. If the total amount of annual profit is higher than \$2,000,000 HKD, the \$2,000,000 HKD, requires 7.5% of taxation. For any part of the annual profit, which is higher than the amount of \$2,000,000 HKD, they will have to pay an amount of taxation of 15%. ^[24]

Such a low corporation tax makes it more likely for foreign investors to set up businesses in Hong Kong in rational circumstances compared to other rich countries in Asia, such as Japan, where their corporation tax is about 25%-35%.^[25] The gathering of top talents is also a factor that companies from various countries will consider if they want to invest in or set up businesses in a country. Hong Kong also perfectly meets the needs of different large companies for talent. Therefore, investments are always willing to come into Hong Kong which helps drive its economy.

5 Free trade and International trade

Free trade has always been one of the great advantages of Hong Kong. It refers to having no trade barriers imposed between trading countries. Such trade barriers include regulations used by the government, including tariffs, quotas, huge amounts of paperwork, bureaucracy, and red tape.

Tariffs are taxes imposed on imports that are used to increase import prices to reduce demand for it and protect the domestic country's products, making the local goods more popular as they are lower priced. Quotas are policies that limit the amount of specific products coming into the country, usually demerit goods, e.g. cigarettes. This can protect consumers in the country from consuming too many demerit goods and becoming addicted to them, but crucially also means foreign traded goods can only be imported in limited numbers. Finally, paperwork documents and licences that need to be proven by the exporting country to trade cause inefficiencies in the trade process, causing time delays and higher trade expenses^[27].

Thus, the fundamental issue is that trade barriers reduce efficiency, causing welfare losses and contradicting orthodox economic theory. For example, free trade contrib-

utes to greater economic activity, creates jobs and gives access to a wider range of goods and services^[26]. It also promotes investment and can play a role in reducing inequality with more affordable goods and services, as well as improving productivity^[28]. According to this suggestion, Hong Kong governments is acting rationally to not impose such barriers, as trade barriers appear to act against Hong Kong's best interests.

Hong Kong as I have just said, it have big advantges on being efficienct. Without trade restrictions and tariffs, it is undoubtedly very friendly to international companies, as they can offer a lower price to consumers and earn the same amount or even more profit than after taxation. According to the law of demand, the demand will increase as the price decreases. The law of demand will then allow the firms to sell more products because the selling price has decreased as the cost of production has decreased (cost to pay the tariffs).

The free trade policy not only attracts investment from outside of Hong Kong but also attracts many tourists to come here for shopping. Therefore, Hong Kong has also been dubbed the title of shopping paradise because Hong Kong has no import duties nor Value-Added tax which makes the selling price of goods in Hong Kong cheaper than most of the countries in the world. For example, if I want to buy an iPhone 14 pro max, the price for an iPhone 14 pro max in Hong Kong will be around \$9,399 HKD. However, if I purchase the same item in the UK, it will be 1,199 GBP (approximately \$11,936 HKD with an exchange rate of 1 GBP = 9.95 HKD). The cheap selling price has attracted a lot of tourists to come to Hong Kong. In May 2023, Hong Kong recorded an amount of 34,488 million HKD in retail sales.

6 Offshore finance development in Hong Kong

6.1 offshore currency

With the development of Offshore finance, a new definition of the offshore currency concept. American IBFs and Japan JOM is created through the offshore currency in the domestic market, their experience tells us, through the establishment of the yuan Offshore finance market, the formation of the domestic financial system outside the RMB trading center, this is not only the ideal way to manage the yuan, and contribute to the development of RMB internationalization in China^[4]. Therefore, Hong Kong began the road of RMB offshore currency. Since the 1980s, the construction of the Hong Kong Offshore Finance Center, has made full use of foreign experience, opened the local financial market and introduced foreign financial institutions, striving to make the internationalization of RMB a reality.

6.2 The development model of Offshore finance in Hong Kong, China

Hong Kong is developing the renminbi bond market, which is expected through the establishment of various RMB backflow channels to RMB business development to the Hong Kong stock market, create a good business environment for the offshore center, strengthen the financial regulation, protect the external impact and internal contradic-

tions, at the same time, Hong Kong has a complete three financing channels: the stock market, the banking system, and feeder market, the free convertibility and open capital account, RMB payment, clearing, storage and other business scale expanding. In terms of policy, we have liberalized direct investment in China and gradually introduced overseas funds.

7 Laws and Policies

To stabilize its status as a World Financial Center, Hong Kong has been working hard on protecting intellectual property rights. It is because it ensures that creativity can flourish and business can be conducted fairly, making sure that businesses will not 'walk away' for this reason.

The Hong Kong government has tackled piracy in several ways, including a comprehensive legal framework, vigorous enforcement, ongoing education and publicity campaigns, and close liaison with copyright owners and other law enforcement agencies.(Zhou, n.d.) We can see that intellectual property has been protected by several laws in Hong Kong, including the Copyright Ordinance, Prevention of Copyright Privacy Ordinance, Trademarks Ordinance, Trade Descriptions Ordinance, Patents Ordinance, Registered Designs Ordinance, Plant Varieties Protection Ordinance, Layout Design (Topography) of Integrated Circuits Ordinance, Copyright Ordinance^[30]. The penalties for violating these laws range from fines to imprisonment. For example, a person has been convicted and sentenced to three months in prison for uploading copyright-infringing films to the Internet using the BitTorrent (BT) peer-to-peer file-sharing program^[30]. In addition to formulating strong laws, Hong Kong has also set some goals for protecting intellectual property rights to reduce pirated goods' sales. Their goals include no less than 2,000 investigations and 1,400 enforcement actions per year to reduce the number of shops openly selling pirated or counterfeit goods. Thus, Hong Kong really provides a good area for artists and authors to create new works^[31]. This also strengthens the interest of people and companies to come to Hong Kong because they know that Hong Kong's strong laws will protect their intellectual property.

Not only are creators protected by laws in Hong Kong, but consumers are also protected by the laws of Hong Kong. Hong Kong is committed to safeguarding the legitimate rights and interests of consumers. The work in this area is mainly to ensure that the products purchased by consumers are safe, the quality of products meets their expectations, and the contracts' terms are fair. Hong Kong has a department set up specifically to protect consumers which is called Consumer Council. They are committed to becoming the trusted voice of consumers and establishing a safe and sustainable consumption environment for consumers in a fair and just market^[29]. In an environment where both consumers and creators are protected, both parties can buy and sell products confidently, which might attract more sellers and buyers to Hong Kong.

8 Immigration and Human Resources benefits

8.1 Resettlement and talent drainage in Hong Kong

At this late hour, Hong Kong remains one of the scarcest properties in the world, In the early days of Hong Kong's return in 1997, Housing is also scarce, as Land, resources, and population control, But because of the cultural connection with the mainland, The blood blend, Many people decided to go to their relatives in Hong Kong in the early days of the handover, We call it new immigrants, The sharp edges of inclusion or exclusion from citizenship are in contrast with the complex webs of transnational networks and interactions^[5]. The most serious problem is that Hong Kong is one of the most expensive housing cities in the world. The most serious problem for new immigrants is finding a home they can afford. In a 1997 survey, new immigrants identified housing as the most important issue^[6]. Therefore, housing welfare in Hong Kong began. Hong Kong wants to retain those with funds or skills, and the government is eager to introduce talents. Housing in Hong Kong has become a tool to retain talent.

8.2 Welfare of workers

Employees in Hong Kong are subject to a range of guaranteed benefits from the policy, such as paid maternity leave, sick leave, annual leave, and paternity leave, one day per year until 14 days, and standard service after nine years; all employees can access the public health care system and need no insurance, without deducting employee income; benefits are usually an additional 20% of total wages. Most importantly, these ordinances also apply to expatriates working in Hong Kong. It must be noted here that Hong Kong's employee stock ownership plan (ESOP), which is an effective strategy for employers to retain their employees, also means providing some equity options for the selected employees. Employees who feel that the company values them will insist on serving longer. This is seen as a strategy to provide fair value to shareholders and attract top talent, giving employees more incentive to stay on.

9 Hong Kong Mandatory Provident Fund Schemes

9.1 Mandatory Provident Fund Schemes

Mandatory Provident Fund Schemes As a supplementary pension plan, Is the second of the three pillars of the social insurance system, To encourage people to accumulate consciously, The more you accumulate, the more you gain, Minimizes the pressure on government funds, And because its capital flows have made markets more active, For just four years, The participation rate is above 90 percent, Since the full launch of the Mandatory Provident Fund Schemes in 2001, The Hong Kong people have greatly accepted it, It also did not betray the trust of the Hong Kong people, Before the implementation of the Mandatory Provident Fund Schemes in 2001, Only a small number of workers enjoy retirement benefits, In 2004, It ached a staggering 97.6%^[7], in a manner of speaking, Mandatory Provident Fund Schemes Planning and implementa-

tion, It is very consistent with Hong Kong's free market economy, history, culture, and political foundation.

9.2 The extensive nature of the Mandatory Provident Fund Schemes:

We can see that there are two ways of operating individual account funds in the world, One is the direct docking of governments, represented by the United States, and The UK represents the other one, the Competition Management mechanism of private fund companies [8], It is easier to deal with various risks in the market, And Hong Kong's developed financial market, Resolution to leave Mandatory Provident Fund Schemes entirely to highly profitable private funds, At the same time, after weighing the pros and cons, Finally, three kinds of workers were designed to deal with different industries and different situations, This will reach a wider range of people, This is clearly seen in the data in the following years.

As shown in Figure 2 the return rate of the Mandatory Provident Fund as of January 2023, we can see that the return on MPF is undoubtedly very high.



Fig. 2. Fund Net Return as of January 2023

10 Conclusion

Hong Kong world financial center status is the result of society, people, and policy efforts to change to adapt to the latest situation, so whether from the company level, the individual level, the social level, and international development of Hong Kong various aspects of development and achievements, its world financial center status is beyond doubt and seniority.

The formation of Hong Kong's status as a world financial center is especially inevitable due to human and policy factors. The following conclusion can be drawn from this—Historical factors: Hong Kong's banking industry contributes to the financial

composition; Market factors: Membership based securities trading enhances the self-discipline of the Hong Kong stock exchange market; Tax factors: As one of the lowest tax rates in the world, Hong Kong's taxation is equally friendly to local workers and cross-border work; Policy benefits: The advantage of exempting tariffs on most goods entering and exiting the region attracts international and mainland import and export enterprises to invest in Hong Kong; Economic construction factors: Having three complete channels for financing, creating a good business environment for establishing RMB offshore centers; Legal factors: Advanced assessment of consistent actors and strong legal and commercial norms; Management factors: Having historical experience and cross-border mobility management for resettlement, human resource welfare helps to retain talents; Insurance factors: The unique mandatory provident fund pension insurance system accelerates fund flow and reduces pension pressure.

Limitation And Future outlook: When conducting research on industry factors in Hong Kong finance, the research planning was not sufficient. Due to the wide scope of the research, the experiment itself had certain limitations, and the collection and processing of data were not comprehensive enough. The literature review of the Hong Kong financial field was also unable to provide a complete and comprehensive literature review due to the wide range of research topics. So we should develop a detailed research plan when conducting research, carefully summarize and analyze literature to make the conclusions clearer and clearer. At the same time, the topic of Hong Kong finance can be more precise. From the perspective of conditional integration, in the future, more detailed and complete discussions will be conducted from the perspective of a single industry, such as Hong Kong private equity funds, to conduct more in-depth analysis.

Author Contributions

This paper was jointly completed by Teng Han Lousia, Au Yui Ching Rosette. Everyone has made equal efforts in the research of this topic, and their contribution to the paper is average. It is hereby explained.

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