

Dr. Gordon Tsui Luen-on Announces Participation
in 2020 LegCo Financial Services Election
Driving the Rebound of the Securities Industry

Hong Kong, 18 July 2020— Dr. Gordon Tsui Luen-on, Chairman of Hong Kong Securities Association, today submitted application to participate in the 2020 Legislative Council (Financial Services Functional Constituency) general election. His main goals of running for office are to work in concert with the securities industry in reclaiming lost ground and enhancing professionalism so that the sector could rebound upon bottoming out.

Gordon recalled in retrospect the tremendous progress the financial market has made in the past 20 years, when HKEX's market capitalisation has grown by nearly 43 times with funds raised through IPOs smashing the global records 7 times. Ironically, as the market has prospered, local securities firms in Categories B and C have found it increasingly tough to survive. In particular, the market share of Category C brokers shrank to under 7% from 31.86% within a mere 20 years.

It has been 30 years since Gordon entered the banking and financial services sector in the mid-1980s. 'Not only did I witness the glorious moments of the industry, but also the injustice arising from the marginalisation of smaller players, about which my peers have moaned and groaned, as well as the continuous outflow of talent. Over the past few months, I have visited several hundred local securities firms, all of which cannot wait to reform the status quo of the industry. Their hopes for a bright prospect have once again ignited my aspiration to create one for the industry through speaking out for my fellow practitioners, culminating in my decision to run for the Financial Services Functional Constituency in the upcoming Legislative Council election,' he explained.

Against a background of drastic changes in the brokerage system and operating environment, more demanding regulatory requirements, as well as the emergence of internet finance and new competitors, local securities brokers are losing market share to large players. Gordon attributed this to the lack of long-term government planning for the development of the sector. Hence, apart from proposing a number of short-term measures, he emphasized the importance of the government formulating long-term policies to ensure brokerage firms' full participation rights in related business. 'I would like to "redefine" and "reposition" the securities industry and change the traditional perception that the securities industry is only about stock brokerage, in hopes of expanding the industry's scope to such businesses as Wealth Management Connect and Government Bonds,' he added.

Gordon opined that the industry's self-improvement and government support complement one another. He put forward several avant-garde ideas, such as allocating part of the proceeds from stamp duty on stock transactions to set up a "Securities Industry Development Fund", introducing a "Government Fund Management Partnership Scheme" through which large securities companies are encouraged to work jointly with small and medium ones, the government or public sector issuing exchange traded debt (ETD), Stock Exchange setting up a new stock borrowing and short selling system to make possible the provision of two-way trading services, adopting a sharing concept to offer small and medium-sized brokerage firms

a suitable technology voucher programme. All of these are geared towards uplifting the competitiveness of the industry in the long run. In view of small and medium-sized firms' difficulty in financing newcomers' training, Gordon also proposes the launch of a "Financial Services Industry Talent Programme" to draw new blood into the industry.

The fact that Hong Kong's market is small is beyond dispute. In order to scale up the market, Gordon sees developing business in the Greater Bay Area an ideal start. He therefore will seek to further revise the asset and scale requirements for brokerage firms under CEPA, and to facilitate the inclusion of brokerage firms in the "Wealth Management Connect" scheme.

Besides, in keeping with the development of the Chinese Gold and Silver Exchange in Qianhai, Gordon will urge the government to strengthen the role and status of CGSE, and fully support its innovative initiatives in popularising and digitising gold trading by developing digital precious metal products.

'I decided to run in the election again because the industry is in dire need of an experienced, innovative and competent representative who possesses an international vision and professional know-how, so as to build an effective avenue of communication between our sector and the government. This will pave the way for the industry to seek continuous improvement. It is my firm belief that my professional background, bold approach, and courage to shoulder responsibility for the industry's bid for its rights and interests are exactly what the financial services sector currently needs,' Dr. Gordon Tsui concluded.

Dr. Gordon Tsui Luen-on's Election Platform:

Long Term Plan to Revitalise the Industry

1. Urge the government to formulate a long-term development policy, strive for brokerage firms' full participation rights in related business, and protect the rights and interests of the industry.
2. Urge the government to allocate part of the proceeds from stamp duty on stock transactions to set up a "Securities Industry Development Fund" to support the long-term development of small and medium-sized brokerage firms: covering HKSE's data message fees, and pulling resources together for an integrated back-office, accounting and compliance system to cope with increasingly stringent regulatory requirements.
3. Recommend to introduce a "Government Fund Management Partnership Scheme" to build a mechanism through which small and medium-sized brokerage firms can participate in the management and administration of government funds, thereby supporting the development of local firms.
4. Launch a "Financial Services Industry Talent Programme" to subsidise the industry's nurturing of new talent.
5. Bolster the role and status of CGSE, and fully support its innovative initiatives in popularising and digitising gold trading by developing digital precious metal products.

Bringing the Industry Up to Date

1. Recommend the government / public sector to issue exchange traded debt (ETD) to diversify investment choices for retail investors while developing a new revenue stream for brokerage firms.

2. Propose a new stock borrowing and short selling system on the Stock Exchange to enable small and medium-sized securities firms to provide two-way trading services and increase liquidity.
3. Adopt a sharing concept to offer small and medium-sized brokerage firms a suitable technology voucher programme to speed up their digital transformation.

Getting the Right Regulatory Balance

1. Oppose the "one-size-fits-all" regulatory approach of the SFC. It should instead formulate appropriate regulatory standards to maintain fair competition between brokerage firms of different sizes.
2. Endeavour to simplify unnecessarily complicated regulatory procedures in order to reduce the pressure of compliance costs on small and medium-sized brokerage firms.
3. Request the SFC to review the margin requirements for stocks and futures to strike the right balance between the development of the securities sector and regulatory needs.
4. Press the regulatory body to provide dedicated consultation hotlines for our profession, in order for the industry to understand the details of compliance, and to strengthen communication while enhancing efficiency.

Creating New Opportunities in the Greater Bay Area

1. Seek to further revise the asset and scale requirements of brokerage firms under CEPA, so as to expand the scope for development of brokerage firms in the Greater Bay Area.
2. Facilitate the inclusion of brokerage firms in the "Wealth Management Connect" scheme, allowing them to benefit from supportive policies.
3. Prompt the Government to boost physical gold business in the mainland on the back of CGSE's plans for Qianhai. Strengthen ties with Southeast Asian countries in order to consolidate Hong Kong's position as a precious metal trading centre in the Asia Pacific region.

About Dr. Gordon Tsui Luen-on:

Dr. Gordon Tsui Luen-on, J.P., Chairman of Hantec Group, is responsible for the Group's global and strategic development. He is also dedicated to social services as a holder of many public positions over the years, including Chairman of Hong Kong Securities Association, member of Human Capital Committee in the Hong Kong Financial Services Development Council, member of the Banking and Finance Training Board in Vocational Training Council, Chairman of Quality Education Fund Steering Committee under Education Bureau, Chairman of Chief Executive's Award for Teaching Excellence Steering Committee, Deputy Chairman of the Joint Committee on Student Finance and member of the Education Commission.

To download photos:



Dr. Gordon Tsui Luen-on

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Gordon and his supporters from the industry

<http://www.t6pr.com/GordonTsui-CampaignSupporters-200718.jpg>



Gordon meeting the press after submitting nomination

<http://www.t6pr.com/GordonTsui-NominationSubmission-200718.jpg>

To download press release:

http://www.t6pr.com/GordonTsui_ElectionAnnouncement_PR_E-200718.pdf

Issued by: Dr. Gordon Tsui Luen-on
Tel.: 852-2214 4288
Email: gordontsui.2020@gmail.com

Through: t6.communications limited
Jenny Lee/ Ryan Chan
Tel.: 852-2511 8388
Email: GordonTsuiForLegco2020@t6pr.com