



## OFFICE OF THE PREMIER

CAYMAN ISLANDS GOVERNMENT

### **Statement on business case for CI Hong Kong office**

**By Premier Hon. Alden McLaughlin, MBE, JP, MLA**

Mister Speaker, as you and members of the House are aware in March I led a delegation to Hong Kong to attend the GREAT Festival of Innovation.

We went at the invitation from the United Kingdom as part of the Global Britain initiative.

While there I and other ministers took the opportunity to also meet with private sector financial industry leaders including Invest Hong Kong to determine the level of interest that Hong Kong businesses have in the Cayman Islands.

Indeed, Mister Speaker, the Ministry of Financial Services has attended various events in Hong Kong for the past two years, and has seen first-hand the potential for growth from the region.

Attending the Great Festival allowed for more in-depth conversations with industry members including Maples, Walkers, DMS and large accounting firms, as well as clients

of the jurisdiction and pointed to the fact that serious consideration is needed regarding the re-establishment of a Cayman Islands Office in Asia. As member may know, two previous attempts at opening a Cayman Islands Government office in Hong Kong did not last. I suspect this was the case because of the challenges of this particular market and the need to be very focused on what we need to achieve.

In any event, a lot of time has passed and needs change. And so it is time for us to explore again the possibility of an Asian presence, particularly given the increasing importance of Asian markets to the financial services sector. In fact Mr. Speaker, about 70 per cent of all companies listed on the Hong Kong Stock Exchange are incorporated here in the Cayman Islands.

I can advise this Honourable House Mister Speaker, that my Government has reached out to industry and a cross-industry working group of senior leaders has been pulled together to develop a business case and consider the challenge of establishing a successful presence in China. Initial discussions included whether we should look to Hong Kong or perhaps Shanghai on mainland china as the ideal place to locate a Cayman Islands Government office. Other jurisdictions were also discussed as well, but in the end it was fairly unanimous that we should start from Hong Kong.

Members of that working group include the Deputy Premier Hon. Moses Kirkconnell, Stran Bodden, Alasdair Robertson, Paul Byles, Don Seymour, Conor O'Dea, Taron Jackman, Sherice Arman and Joel Walton.

We are working closely particularly with private sector businesses who have already successfully gone through setting up shop in Hong Kong and who can offer advice to help us avoid pitfalls and unseen challenges and to make a success of this new venture.

Work is now ongoing by members of the group to suggest how best to structure the office, not only to accommodate financial services, but also for tourism, our shipping registry and indeed our registration of aircraft.

Mister Speaker we envision the Cayman office in China to mirror the operations of our London Office, which has operated since 1982.

I personally believe we need a presence in Asia because our competitors are already there.

Too, Mister Speaker, when we attended the GREAT Festival in Hong Kong the absence of a Cayman Islands Government office was very pronounced given the number of Caymanian law and accounting firms as well as Caymanians working in Hong Kong.

Mister Speaker, I repeat that the Asian market has become increasingly more important to our financial services business and with the advent of financial technology there is a huge opportunity that we will be able to grow that business from this region. Indeed, in many respects there is likely much untapped business, not only in financial services, shipping and aircraft registry, but also in tourism.

I will keep this Honourable House and the public up to date as we progress this office in Asia.

Thank you Mister Speaker.

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