MESSAGE FROM STEP HONG KONG CHAIR

I would like to welcome all Hong Kong branch members to this inaugural edition of the STEP Hong Kong newsletter. The branch has grown enormously since its inception in 2002 and having recently celebrated its 10th anniversary the challenge for the branch officers now is to make contact with all our members, not only to let you know what we have been doing and but also to encourage you to get involved with branch activities. This two-way dialogue is essential for the future of STEP in general and for the branch in particular. We want to reflect your views to the STEP Worldwide executive and address your professional concerns as positively as we can.

This newsletter aims to introduce the STEP branch executive committee to you, with contact details so you can get in touch with us, and also explain some of the work of the various administrative sub-committees and Special Interest Groups. We have also included a technical section with some recent articles on local Hong Kong and PRC law issues, as well as a “webcast” by Bill Ahern on the recent Trust Ordinance reform.

We hope you find it interesting, and we hope even more that you will consider volunteering your time for our sub-committees and Special Interest Groups so that you, together with other like-minded members, can help influence the future direction of STEP. It’s very worthwhile both from a career perspective and offering a better service to your clients.

In the meantime I hope to see many of you at the annual STEP Asia Conference ‘One world – a new paradigm for wealth’ taking place on 8-9 October at the Grand Hyatt Hotel.

With best wishes,

Samantha Bradley
Chairman, STEP Hong Kong Branch

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THE STEP HONG KONG BRANCH AND ITS HISTORY

The origins of STEP Hong Kong date back to the early 1990s. It was not so much a meeting of a Branch Office but, consistent with the politics of the time, was more of a “one organisation two systems” approach (the Asian private client and trust industry being in its infancy). The Branch members met irregularly after work to discuss the burning issues of the time or, more likely, those matters that caused us all common frustration. Rather than following the format of the London parent, the STEP Branch was registered as an “organisation” to provide a more formal infrastructure to serve the needs of the growing local membership. This formed a solid base from which the current organisation has grown.

With the assistance of the Hong Kong Trustees’ Association the current branch was founded on 6 May 2002 with 99 members. This included full members, associate members and student members. A two-year grace period was given to the new branch to attract more trust practitioners to the Society and during those two years it grew to 238 members. Today we have more than 460 members, of which 166 are student members, so the branch is thriving and the future looks solid.

STEP HONG KONG EXECUTIVE COMMITTEE

STEP Hong Kong is operated by its board of directors who are appointed by the branch members each Annual General Meeting, and administered on a day to day basis by our Branch Secretary, Diana Bruce, who is the first point of contact for general branch enquiries and can be contacted at queries@step.org.hk

The board holds an executive committee meeting once a month to discuss current topics and arrangements for the Society in Hong Kong. The current board members of the STEP Hong Kong Branch are:

Chair  Samantha Bradley, Sir Elly Kadoorie & Sons Ltd
Vice-Chair Jacqueline Loh, HSBC Trustee (HK) Ltd
Hon. Secretary Susan Collins, Doubletree Private Office Ltd
Hon. Treasurer Brent York, HSBC Trustee (Hong Kong) Ltd

Board Members
- William Ahern, Family Capital Conservation
- Todd Beutler, DLA Piper
- David Bruce, Sertus Business Solutions Ltd
- Richard Grasby, Maples and Calder
- Katie Graves, Withers HK
- Thomas Lee, Thomas Lee & Partners
- Chris Marquis, HSBC Trustee (Hong Kong) Ltd
- Simon C F Ng, BSI Bank
- Silvia On, Stephenson Harwood
- Richard Weisman, Baker & McKenzie
- Aurora Wong, Rothschild Trust
SUB-COMMITTEES AND SPECIAL INTEREST GROUPS

The Branch has a number of sub-committees, which take forward its core member:

- Marketing & Communications
- Education & Training
- Legislative & Regulatory
- China Development (a joint committee with the Hong Kong Trustees’ Association)

The Branch also has a number of Special Interest Groups (SIGs), which exist to support professional development and deepening of networks in focused areas of STEP practice. SIGs offer you the chance to network with other members with whom you have a shared specialism to discuss the subject and advance your knowledge in the area.

- Dispute Resolution
- Philanthropy Group

The board is keen to expand these SIGs in line with the wider range of Special Interest Groups offered by STEP Worldwide according to membership interest. In particular feedback would be appreciated on establishing a new Business Families SIG. Members who are interested in being part of a Business Families SIG are asked to contact Katie Graves to register their interest. Interested members are also asked to provide a short biography together with their contact details.

Click here for details of the activities of our sub-committees and Special Interest Groups and how to participate →

RECENT GRADUATES

Congratulations to the following delegates who have recently graduated from the STEP Diploma Program in the last six months:

- Yee Leung Hon, HSBC Trust (Hong Kong) Ltd
- Rowena Chow, HSBC Trust (Hong Kong) Ltd
- Connie Leung, International Commerce Capital Group Ltd

STEP LEAFLETS

Four STEP leaflets have recently been updated by John Budge (of Wilkinson & Grist) and Katie Graves (of Withers) to bring them into line with the latest developments in the HK trust law: “What is a Trust?”, “What to do when someone dies”, “Why make an Enduring Power of Attorney?”, and “Why make a will?”. Click on the relevant title to download these important and helpful leaflets.

UPCOMING EVENTS

Asia Conference 2014

This year’s event, ‘One world – a new paradigm for wealth’, will be taking place on 8-9 October at the Grand Hyatt Hotel in Hong Kong. The conference has now sold out for the fifth year and registrations are on a waiting list basis. Last year the conference attracted more than 300 delegates from 32 countries.

Full details on the programme, venue and speakers for the event as well as online registration are available on the conference website.

Check out the website →

www.step.org/hong-kong
TECHNICAL UPDATES

Hong Kong trust law reform in 2013

After seven years of lobbying, Hong Kong now has a new trust law by virtue of the amendments made to the Trustee Ordinance (Cap 29) and the Perpetuities and Accumulations Ordinance (Cap 257) via the Trust Law (Amendment) Ordinance 2013. William Ahern, founder of Family Capital Conservation, examines the major reforms in an article and webcast.

Read article →
View webcast →

Trusts for IPOs

In Asia it is very common for businesses to be closely held or controlled – often by a single individual (the Founder). Founders are often keen to achieve a partial exit – and realisation of gain – by listing part of the business through an Initial Public Offering (IPO). Using one or more trusts can have major advantages for all concerned with the IPO. Richard Grasby of Maples and Calder discusses the advantages of trusts for IPOs.

Read article →

Real estate – to buy or not to buy? UK vs HK

Nowadays, when flipping through the newspaper, it is common to see an advertisement (or two) in there about the sale of new apartments in London. The prices of these apartments will depend on where the property is located in London. If it is in a nice neighbourhood then the prices will be higher and if it is in a less nice neighbourhood then the prices will be lower. Silvia On of Stephenson Harwood compares the purchasing of real estate in the UK and Hong Kong.

Read article →

Trust business in China: the challenges of moving towards family trust service

Trust business in China is arguably the most misunderstood area of the financial services sector. Yes, China has a trust law which dated back to 2001 and its trust industry is the second largest financial services sector in China, after banking only, boasting a total asset of RMB10.9 trillion (USD1.8 trillion) under management as at the end of 2013. Yumei Zhang of Jersey Finance takes a look at the trust business in China.

Read article →

Case update: Dispute Resolution Sub-Committee

Significant trusts and estates cases continue to come through the Hong Kong Courts. The recent case of Highmax Overseas Ltd v Chau Kar Hon Quinton is no exception and considers the interaction of two issues very relevant to trustees: Beddoe applications and Bartlett clauses. Richard Norridge of Herbert Smith Freehills examines this interesting and significant case.

Read article →