

**The Hong Kong Chartered Governance Institute**  
**Annual Convocation 2021**

Tuesday 5 October 2021

**Speech by Guest of Honour**

**Ada CHUNG Lai-ling**

**Privacy Commissioner for Personal Data, Hong Kong**

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1. Good evening, distinguished guests, fellow members and students of the Institute, ladies and gentlemen, it is my honour to be invited to the Institute's Annual Convocation and join you all on this happy occasion.
2. As a fellow of the Institute, may I first express my sincere congratulations to all the Fellows, Associates, Graduates and students on your outstanding achievements as a member of this big family, and as the first batch of members honoured at the first Convocation held after the change of the name of the Institute to The Hong Kong Chartered Governance Institute, HKCGI. It is indeed lucky for me to be able to meet and congratulate you all in person despite COVID-19, and this makes today's ceremony all the more special, valuable and memorable.

3. As some of you may know, I retired from the civil service in September last year to take up my present role as the Privacy Commissioner for Personal Data. Before that, I had served as the Registrar of Companies for about 13 years. I was one of the lucky few who had the opportunity to work closely with the Institute and many of you on numerous major issues that affected the profession, such as the rewrite and implementation of the new Companies Ordinance (Cap. 622), and the introduction of a licensing regime for trust and company service providers. As the former Registrar of Companies, I fully appreciate and treasure the importance of the work of company secretaries, or better known as Chartered Secretaries or Chartered Governance Professionals nowadays. In your capacity as chartered secretaries or governance professionals, you all play an active and indispensable role in the administration and governance of a company. I must say from my experience of working with members of the profession, I have been very impressed by the dedication, professionalism and outstanding performance of the profession.
4. I am very pleased to witness how the profession has grown from strength to strength over the years. The change of the name of the Institute from “The Hong Kong Institute of Chartered Secretary (HKICS)” to “The Hong Kong Chartered Governance Institute (HKCGI)” this year certainly reflects how the roles and responsibilities of the profession have evolved significantly over

the past decade, from assuming traditional company secretarial and administrative roles, to embracing a wide range of governance responsibilities.

5. Indeed, the purview of governance professionals have widened significantly in recent years and is ever-expanding. Many of you face complex and diverse governance issues on a daily basis, amid an ever-changing business and regulatory environment. Issues such as sustainability, environmental and climate changes, diversity and other social issues, as well as digitisation of businesses and data governance, may all fall under the umbrella of corporate governance. Being governance professionals, you are also expected to directly work with different stakeholders, including shareholders, boards of directors, and regulators to address and manage these issues.
6. If I may give you an example: around February or March last year, when we were hard hit by the pandemic, as the then Registrar I worked with the leadership team of the Institute and members of the profession to resolve, at the time, a big problem for us, namely, how to hold an AGM while complying with social distancing requirements and preventing the spread of the coronavirus. It was a very difficult issue particularly for listed companies, as the articles of associations of most companies at that time did not provide for virtual shareholders' meetings. Thanks to the great efforts of Gillian, the leadership team of the Institute and members

of the profession, we weathered the storm and the 2020 AGMs for most companies, big or small, were held as scheduled, smoothly and successfully. Actually some of you also took the occasion of the 2020 AGM to amend the articles of associations so that the companies which you serve may convene virtual general meetings this year!

7. Indeed, the importance of the work of governance professionals, whether individually or collectively, cannot be over-stated. For those of you who are joining the profession, may I congratulate you on your achievements and for embarking on a journey to becoming a core member of the senior management of a company. To quote from the website of the Chartered Governance Institute of UK and Ireland, “The company secretary is a strategic position of considerable influence at the heart of governance operations within an organisation”<sup>1</sup>. From the same website, by becoming a company secretary you will have at least six advantages:

- Access to a wide variety of different job roles across many sectors;
- A diversity of responsibilities;
- A fast-track to high-level roles, working with the board. Indeed, in the Mainland, company secretaries are dubbed “secretaries to the board” [董秘];

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<sup>1</sup> Chartered Governance Institute UK & Ireland. Being a company secretary:  
<https://www.cgi.org.uk/professional-development/careers/being-a-company-secretary>

- The potential to earn six-figure salaries (and remember that this is in sterling); and
  - The opportunity to work overseas.
8. I note from the survey jointly conducted by the Institute and Bain & Company that over 90% of the profession expect businesses to experience growing turbulence in the business environment in the coming three to five years<sup>2</sup>. Notwithstanding that, I believe that with your professional capabilities, resilience and perseverance, you would be able to rise to the challenges, and contribute to the building of the new normal on our journey to recovery.

### **Licensing Regime for Trust and Company Service Providers**

9. Speaking of the next three to five years, I must mention that the next Mutual Evaluation of Hong Kong by the Financial Action Task Force is likely to take place in 2024, three years from now. In that Evaluation, the effectiveness of the present licensing regime for trust and company service providers will be assessed, including your capabilities in carrying out customer due diligence procedures and reporting suspected transactions to the relevant authorities. In the run-up to 2024, the regulatory environment may further change to take account of the recommendations from the last Mutual Evaluation exercise and regulatory changes in the

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<sup>2</sup> HKCGI and Bain & Company (2021) The New Board Agenda:  
<https://www.hkcgil.org.hk/files/massmail/3431/HKCGI%20and%20Bain%20%26%20Company%20Joint%20Survey%20Report%20-%20The%20New%20Board%20Agenda.pdf>

international landscape. It is important, therefore, for you to build on your achievements to date and acquaint yourself with the anti-money laundering legislation and rules applicable to company service providers, so as to flex our muscles across the international community in the next Mutual Evaluation exercise.

### **Data governance**

10. On the subject of changes in business and regulatory environment, I would also like to mention that according to the recent survey conducted by the Institute, some of the major turbulences expected to disrupt businesses include the rising demands for customer personalisation, advances in data analytics, and the increased use of automation and AI, all of which may well involve the use of information systems and personal data. Given the rapid technological changes in the past decade, the increasing use of the internet and social media, and the rising expectation of customers and stakeholders on their privacy, I would venture to say that data governance would become more and more important in the operation of a company in the years to come. Companies and their boards have to place higher priority on the protection of personal data privacy because this will directly affect the confidence and trust that customers, and other stakeholders, have in the products and services offered by the companies. I envisage that in the coming years, being governance professionals, many of you would also be appointed as data protection officers of your respective

companies and be responsible for implementing or overseeing a data privacy management programme in the company.

11. All in all, it is crucial for you, as chartered secretaries or governance professionals, to prepare yourself to take on the important roles of acting as the gate-keeper of good governance, helping the companies that you serve to navigate the evolving business and regulatory environment, while meeting rising expectations from the company's customers and other stakeholders. Collectively, your efforts will help to foster Hong Kong's position as an international financial and business centre. I believe that with the Greater Bay Area development plan, governance professionals are also very well positioned to enhance the corporate governance of companies which operate in the Greater Bay Area in the years to come.

### **Closing**

12. To conclude, may I, once again, convey my heartfelt congratulations to all the Fellows, Associates, Graduates and students who are here with us this evening on your achievements, and I wish you every success in your careers.
13. Thank you!