AFILCORP RESEARCH & GOVERNANCE

# Hong Kong Family Governance Framework 2026

Governance infrastructure for family capital, institutional readiness and cross-border continuity

MARKET, LEGAL AND OPERATING ARCHITECTURE

Research cut-off: 11 August 2026

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PUBLICATION NOTICE

# Important information

Scope, status and professional boundaries

This publication is issued by Afilcorp Research & Governance for general information and discussion among family principals, family offices, private-capital groups and professional counterparties. It is not a legal opinion, tax opinion, accounting advice, audit or assurance report, investment research recommendation, investment advice, an offer of financial products or a representation that any structure will be accepted by a regulator, bank, electronic money institution, trustee, insurer or other third party.

The report integrates public legal, regulatory, tax, accounting, audit, investment-governance and institutional-operating perspectives as at 11 August 2026. Law, guidance, policy, market practice and individual circumstances can change. Readers should obtain jurisdiction-specific advice from appropriately qualified and, where required, licensed advisers before taking action.

> **Research cut-off**
>
> 11 August 2026. Measures described as proposed or pending are not treated as enacted. Figures are attributed to the official source and reporting period stated.

FO-EGP is used in this report to describe a governance and enablement operating model. It is not a separate legal person, bank, broker, asset manager, custodian, payment institution, trustee, law firm, audit practice or regulated financial institution. It does not replace the decision-making responsibilities of the family, its boards, trustees, investment committees or separately appointed professional and regulated providers.

The existing public one-page whitepaper has been used as the conceptual starting point. It identified five pillars - authority, ownership, succession, protection and compliance - but did not provide the legal-status analysis, market evidence, multidisciplinary control model or implementation detail required for an institutional publication. This edition therefore replaces summary propositions with sourced analysis and explicit limitations.

# Document control

| Field | Record |
|---|---|
| Title | Hong Kong Family Governance Framework 2026 |
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## READING GUIDE

The report separates legal status, market evidence, governance analysis and implementation recommendations. Readers should preserve those distinctions when using any part of the framework.

- Current framework — law, regulation or official scheme in force at the research cut-off.
- Pending measure — a bill or proposed development that should not be treated as enacted.
- Institutional expectation — observed due-diligence, accounting, audit, banking or market-conduct practice.
- Governance recommendation — a control or record proposed by this report, not a statutory certification standard.

**Professional-use note**

Where a conclusion depends on jurisdiction, entity classification, tax residence, regulated activity, trust law, accounting treatment or the terms of an institution, obtain advice from the appropriately qualified professional.

# Contents



**How to read this report**

Sections 1-3 set out the market and legal context. Sections 4-6 translate that context into a multidisciplinary governance framework and the FO-EGP operating model. Sections 7-10 address Hong Kong, cross-border use and implementation. The appendices provide a current-status tracker, evidence inventory and source register.

EXECUTIVE SUMMARY

# Governance has become operating infrastructure

The central question is no longer whether a family has structures, but whether those structures can make, evidence and transfer decisions.

Hong Kong's family-office market is now large enough to be treated as an operating ecosystem rather than a niche advisory segment. The Government's 2026 market study estimated more than 3,380 single-family offices at the end of 2025, up by about 680 in two years, with approximately HK$12.6 billion of annual operating expenditure and more than 10,000 directly employed professionals. Separately, the SFC reported that Hong Kong's broader asset and wealth management sector reached a record HK$42.2 trillion of assets under management at the end of 2025, including HK$12.9 trillion in private banking and private wealth management. [4][5]

Scale, however, is not the same as institutional maturity. As family structures become more cross-border, professionally staffed and connected to banks, trustees, private-market managers and reporting regimes, weak governance becomes more visible. Typical failures do not begin with a missing company. They begin with unclear authority, inconsistent ownership records, undocumented delegation, poor conflict management, ungoverned external providers, fragile succession and evidence that cannot be reconciled across legal, tax, accounting and institutional processes.

## Hong Kong family office and wealth market

Selected official indicators available by 11 August 2026

**3,380+**
single-family offices
at end-2025

**HK$12.6bn**
annual operating expenditure
estimated SFO contribution

**10,000+**
full-time professionals
directly employed by SFOs

**HK$42.2tn**
asset and wealth management AUM
at end-2025

**HK$12.9tn**
private banking and private wealth AUM
at end-2025

**1,729 / 752**
LPFs / OFCs
at end-June 2026

Sources: InvestHK / FSTB market study; SFC Asset and Wealth Management Activities Survey 2025; Companies Registry 1H 2026 statistics.

*Selected official indicators. The family-office count and economic contribution are estimates; the AUM figures cover the broader asset and wealth management sector.*

# Eight conclusions

1. Hong Kong's family-office proposition is increasingly evidence-based. Tax concessions, New CIES eligibility, account opening, reporting and cross-border structuring depend on facts, substance, records and operating conduct - not labels.
2. The SFC licensing analysis is activity-based. A family office is not licensed or exempt merely because it uses the family-office name; the actual services, business character, location and available carve-outs determine the position. [2][3]
3. The FIHV tax concession is an operating regime, not a formation benefit. The current law requires family ownership, Hong Kong management or control, management by an eligible SFO, a HK$240 million minimum asset threshold, Hong Kong core income-generating activities, at least two qualified full-time employees and at least HK$2 million of Hong Kong operating expenditure. [1]
4. The 2026 preferential-tax Bill could broaden qualifying investments and remove the 5% incidental-transaction threshold, but it remained under Bills Committee examination at the research cut-off and should not be treated as enacted. [6][7]
5. Reporting obligations are moving in one direction: more structured data, registration and retention. The AEOI Amendment Ordinance 2026 takes effect on 1 January 2027, while the CARF and amended CRS Bill remained pending, with proposed implementation from 2027 and 2028 respectively. [8][9]
6. Hong Kong's onshore toolkit is becoming more coherent: FIHV concessions, the New CIES, company re-domiciliation, OFCs, LPFs and a deep professional ecosystem can support family capital - provided each tool is selected for a real purpose and governed after implementation. [10][11][12]
7. Accounting, audit and investment governance are not secondary. Private-market valuations, related-party activity, consolidated reporting, cash and liquidity, manager oversight and performance measurement require defined policies, data ownership, review and challenge.
8. FO-EGP is most defensible when used as a governance operating layer: a membership and evidence framework that connects authority, ownership, continuity, controls and independent providers without claiming to perform their regulated or professional functions.

> **Core proposition**
>
> Capital is not made governable by adding entities. It becomes governable when authority, ownership, evidence, succession and external dependencies are made coherent.

執行摘要

# 香港家族治理已進入制度化階段

關鍵不再只是擁有多少公司、信託或投資工具，而是整個架構能否作出、證明及承接重要決策。

截至 2025 年底，香港單一家族辦公室估計超過 3,380 間，兩年間增加約 680 間；其每年營運開支估計約 126 億港元，直接聘用逾 10,000 名全職專業人員。香港整體資產及財富管理業務於 2025 年底的管理資產亦達 42.2 萬億港元，其中私人銀行及私人財富管理業務為 12.9 萬億港元。[4][5]

市場擴張並不自動帶來制度成熟。家族架構越跨境、越多第三方、越依賴銀行、受託人、私人市場管理人及稅務申報制度，治理缺口便越容易被看見。真正的風險通常不是『少一間公司』，而是權限不清、所有權資料不一致、授權沒有記錄、利益衝突無人管理、外部供應商欠缺監督、傳承安排無法運作，以及法律、稅務、會計與機構盡調所用的資料互相矛盾。

## 本報告的核心判斷

- 香港家族辦公室相關制度愈來愈重視實際活動、證據與持續合規，而不是名稱或一次性文件。
- 證監會牌照邊界以實際受規管活動、是否以業務形式提供服務及是否在香港經營為核心；『家族辦公室』本身非牌照結論。 [2][3]
- 家族投資控權工具稅務優惠涉及所有權、香港管理或控制、合資格單一家族辦公室、資產門檻、實質活動、人員、開支及記錄保存等持續條件。[1]
- 2026 年基金、家族投資控權工具及附帶權益優惠稅制修訂仍屬法案審議階段；本報告不把擬議內容當作已生效法律。[6][7]
- 2027 年起的 AEOI 行政架及擬議 CARF／經修訂 CRS 將提高分類、登記、資料與記錄管理要求。[8][9]
- FO-EGP 最合理的定位，是一套不取代家族決策、不取代持牌機構或專業顧問的治理會員層與證據架構。

> **制度原則**
>
> 傲方不替家族作決定；治理框架的作用，是讓決定有權限、有記錄、有依據，並能在人物、實體、司法管轄區及世代之間被承接。

01

# The Hong Kong family-office market in 2026

A larger and more professional market increases the premium on governance, evidence and specialist coordination.

Hong Kong's family-office market is developing within a much broader private-capital and asset-management ecosystem. The 2026 InvestHK/FSTB market study estimated more than 3,380 single-family offices at the end of 2025, an increase of more than 25% over two years. It also estimated HK$12.6 billion of annual operating expenditure and more than 10,000 direct full-time roles. Those figures indicate not only capital concentration, but a growing operating sector involving governance, investment, tax, legal, accounting, technology, philanthropy and next-generation participation. [4]

The surrounding market is also deepening. The SFC's Asset and Wealth Management Activities Survey 2025 reported total Hong Kong AUM of HK$42.2 trillion, up 20% year on year, with HK$2.1 trillion of net inflows. Private banking and private wealth management AUM reached HK$12.9 trillion. More than 54% of total AUM has been sourced from investors outside Mainland China and Hong Kong in recent years, while Hong Kong managers continued to allocate substantial capital internationally. [5]

These numbers should not be read as evidence that every family-office structure is institutionally mature. The SFC survey expressly excludes entities conducting their own investment and wealth management activities that may not require an SFO licence, including single-family offices. The family-office market study and the regulated asset-management survey therefore describe overlapping but different populations. A professional governance framework must preserve that distinction.

## The transition from private arrangement to operating institution

A family office may begin as an extension of a founder's personal decision-making. Over time, the structure tends to accumulate companies, trusts, bank relationships, investment managers, private assets, philanthropic activities, family employees and next-generation participants. Each addition increases the number of people who need to understand what the structure is for, who can decide, which records are authoritative and how an exception is escalated.

The institutional transition usually becomes visible at one of five moments: a significant liquidity event; a generational transition; a cross-border relocation or expansion; a bank, trustee or investor due-diligence review; or the introduction of non-family executives. At that point, informal knowledge and founder discretion are no longer sufficient operating controls.

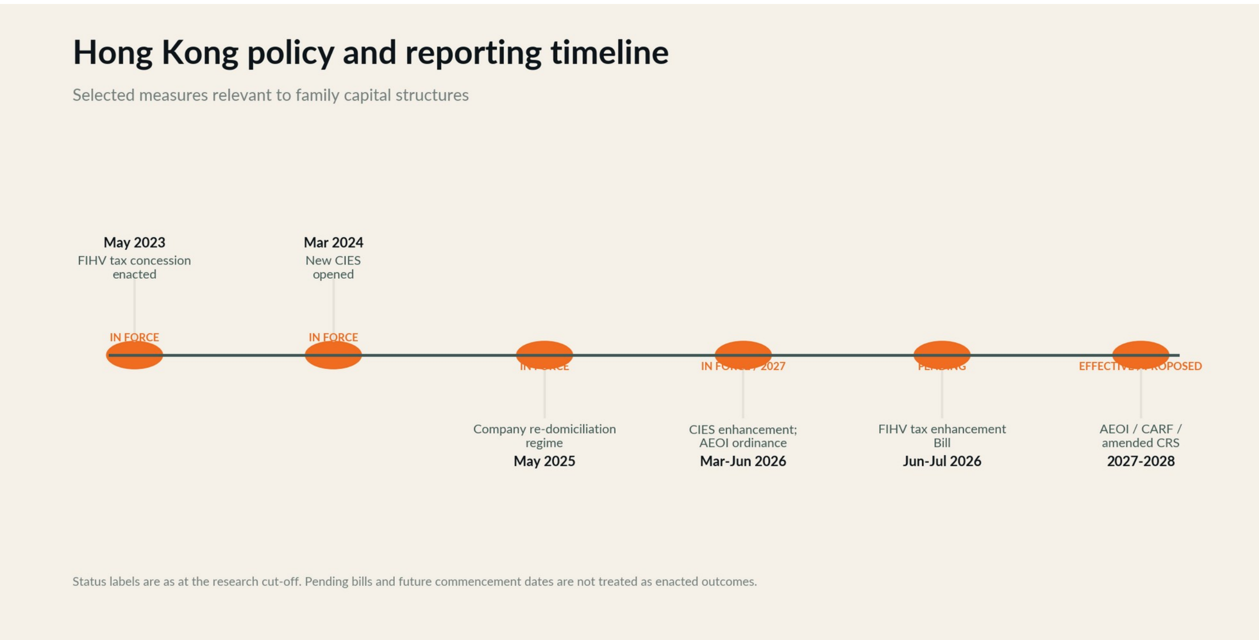
| Trigger | Governance pressure | Evidence that should exist |
|---|---|---|
| Liquidity event | Capital allocation, tax, counterparty and concentration decisions | Authority matrix, investment policy, source-of-wealth chronology, approval record |
| Generational transition | Transfer of authority and access to | Succession protocol, role map, interim authority, |

| Trigger | Governance pressure | Evidence that should exist |
|---|---|---|
| | information | knowledge-transfer register |
| Cross-border expansion | Conflicting legal, tax and reporting requirements | Jurisdiction map, local-adviser matrix, entity classification, document lifecycle |
| Institutional due diligence | Consistency of ownership, purpose, activity and funds | Entity map, beneficial ownership evidence, business narrative, expected-activity profile |
| Professionalisation | Delegation, conflicts, challenge and accountability | Terms of reference, reserved matters, conflict register, management reporting |

## Policy development is reinforcing the operating model

Hong Kong's policy direction since 2023 has combined market-development measures with increasingly detailed evidence expectations. The Government's family-office programme includes the FIHV tax concession, the New CIES, the Hong Kong Academy for Wealth Legacy, a service-provider network, philanthropy and market-facilitation initiatives. The 2026 Wealth for Good summit brought together more than 400 family-office decision-makers and successors under a theme of lasting legacies. [17][18]

The policy message is supportive, but it should not be confused with a relaxation of legal or institutional scrutiny. Growth creates more need for coherent classification, records, governance and professional boundaries. The family office that can explain its authority, ownership, activity, substance and evidence is better positioned to engage productively with regulators and counterparties, but no framework can guarantee their decisions.




*Selected measures and their status at the research cut-off. Future commencement and pending bills are expressly distinguished.*

02

# Legal and policy architecture

The family-office label is not a legal conclusion. The governing questions are activity, ownership, substance, evidence and jurisdiction.

## 2.1 SFC licensing: an activity-based analysis

Hong Kong's Securities and Futures Ordinance does not define 'family office' and does not base licensing on a firm's name. The SFC's published approach asks whether the services constitute a regulated activity, whether they are carried on as a business and whether the business is carried on in Hong Kong. All three elements must be considered. [2]

A genuine single-family office serving the investment needs of one family may fall outside the intended scope of licensing where it is not carried on as a profit-making business, or where an applicable intra-group carve-out is available. Conversely, a multi-family office run as a commercial venture may be more likely to trigger licensing if its services amount to regulated activities. Shared premises and administration do not automatically create a licensing obligation, but shared investment personnel, research or investment processes can change the analysis. [2]

The practical control is a written regulatory-perimeter memorandum that describes the family relationship, legal entities, service recipients, remuneration, decision authority, activities performed in Hong Kong, delegated investment authority and any carve-out relied upon. It should be reviewed when the client base, ownership, personnel or investment process changes.

> **Market-conduct boundary**
>
> A family office should not hold itself out as carrying on a regulated activity without the required licence. A governance platform should likewise avoid language implying investment management, brokerage, custody, bank-account provision, payment processing or regulatory approval. [3]

## 2.2 Current FIHV tax concession

The profits tax concession for eligible family-owned investment holding vehicles and family-owned special purpose entities applies at a 0% concessionary rate to qualifying and permitted incidental transactions for years of assessment beginning on or after 1 April 2022, subject to the statutory conditions. [1]

The current framework requires an eligible entity structure, prescribed family ownership, normal management or control in Hong Kong, management by an eligible single-family office, a minimum aggregate net asset value of HK$240 million in specified assets, Hong Kong core income-generating activities and minimum substance. At least two qualified full-time employees and HK$2 million of Hong Kong operating expenditure are required, although the IRD considers adequacy in the context of the activities. Outsourcing does not remove the eligible SFO's monitoring responsibility. [1]

The concession is elective, and the election is irrevocable once made. The law also contains private-company tests, anti-round-tripping rules, anti-avoidance provisions and record-keeping requirements. A structure should therefore maintain an annual eligibility file rather than rely on an incorporation memorandum or tax-adviser opinion that is not refreshed.

| Condition | Governance question | Illustrative evidence |
|---|---|---|
| Family ownership | Who is within the statutory family and how is beneficial interest traced? | Family tree, trust documents, shareholder registers, ownership calculation |
| Hong Kong management or control | Where are material decisions actually made? | Meeting calendar, minutes, decision papers, signatory evidence |
| Eligible SFO | Who provides services, to whom and on what commercial basis? | Service agreements, fee records, profit-source analysis, organisation chart |
| HK$240m assets | How is specified-asset NAV measured and reviewed? | Valuation policy, custodian statements, investment ledger, review sign-off |
| Substantial activities | Are people, expenditure and activities commensurate? | Employment records, job descriptions, payroll, expenditure ledger, outsourcing oversight |
| Qualifying transactions | How are asset classifications and private-company tests controlled? | Asset taxonomy, tax review, transaction register, exception approvals |
| Record keeping | Can the family, ownership and activity evidence be reconstructed? | Controlled document repository, retention schedule, annual certification |

## 2.3 The 2026 preferential-tax Bill

The Inland Revenue (Amendment) (Preferential Tax Regimes for Funds, Family-owned Investment Holding Vehicles and Carried Interest) Bill 2026 was gazetted on 12 June 2026. The proposed measures include expanding the definition of a fund, broadening qualifying investments, removing the 5% incidental-transaction threshold, relaxing special-purpose-entity treatment and enhancing carried-interest rules. [6]

At the research cut-off, the Bill remained under Bills Committee examination; a meeting on 30 July 2026 continued clause-by-clause scrutiny. It is therefore a potential development, not current law. [7] A public report should clearly separate the current Schedule 16E framework from any expected future regime, and implementation teams should avoid designing irreversible structures solely around an unpassed provision.

## 2.4 New CIES and family-owned vehicles

From 1 March 2026, the New Capital Investment Entrant Scheme permits an applicant or entrant to hold permissible investment assets through a wholly owned Hong Kong private company meeting specified conditions, including an FIHV or FSPE under an FIHV managed by an eligible SFO. The official conditions incorporate Hong Kong substance, HK$240 million of managed specified assets and restrictions on the holding company's use. [10]

The New CIES can be relevant to family-capital planning, but it is an immigration and investment-eligibility framework with its own requirements. It should not be presented as a tax ruling, SFC exemption, bank approval or general family-office accreditation. Governance controls should reconcile the entrant's ownership, permissible assets, holding company, SFO, substance and ongoing investment records.

## 2.5 AEOI, CRS and CARF

The Inland Revenue (Amendment) (Automatic Exchange of Information) Ordinance 2026 was gazetted on 26 June 2026 and takes effect on 1 January 2027. Among other changes, it introduces mandatory registration for reporting financial institutions, including those with nil reports, and strengthens the administrative framework. Existing unregistered RFIs generally have until 31 March 2027 to register. [8]

Separately, the CARF and amended CRS Bill was gazetted on 22 May 2026 and introduced into the Legislative Council on 3 June. Subject to passage, CARF measures are intended to begin from 1 January 2027 and amended CRS measures from 1 January 2028. [9] Family structures should maintain an entity-classification register, controlling-person evidence, reporting-responsibility matrix and calendar. Classification is a tax/legal conclusion and should be confirmed by appropriately qualified advisers.

## 2.6 Re-domiciliation, OFCs and LPFs

Hong Kong's inward company re-domiciliation regime took effect on 23 May 2025. An eligible non-Hong Kong company can become a Hong Kong re-domiciled company without creating a new legal person, preserving its property, rights, obligations, liabilities and legal processes, subject to the statutory requirements. [11]

By the end of June 2026, the Companies Registry had received 70 applications and 42 companies had successfully re-domiciled. The same statistics recorded 1,729 limited partnership funds and 752 open-ended fund companies. [12] These tools can expand the design options available to private capital, but vehicle selection should follow investment purpose, investor composition, liability, regulation, accounting and tax analysis - not fashion.

03

# Market conduct and institutional expectations

Good governance is not a claim. It is the ability to demonstrate lawful authority, truthful presentation and disciplined conduct.

## 3.1 Truthful holding-out and regulatory language

Public language is itself a control. Descriptions such as 'regulated', 'licensed financial institution', 'investment manager', 'banking partner', 'approved structure' or 'guaranteed onboarding' can create legal, commercial and reputational risk where they do not precisely match the operating entity, permission and service. The safest approach is to identify the actual role, state what is not being provided and distinguish Afilcorp's governance work from services delivered independently by banks, trustees, legal advisers, accountants, auditors or SFC-licensed firms.

The same discipline applies to whitepapers and Insights. References to legislation, regulatory expectations or tax concessions should be dated, sourced and qualified. Proposed measures must be labelled as pending. A general governance framework should not be described as a regulator-approved method or as a route to guaranteed banking, licensing, tax or immigration outcomes.

## 3.2 Conflicts and related-party conduct

Family offices often operate through relationships that are simultaneously personal, fiduciary, corporate and commercial. A relative may be a beneficiary, director, adviser, co-investor, seller of an asset or employee. A family-controlled company may transact with another entity in the family structure. Without a conflicts process, the same decision can be validly authorised yet poorly governed.

A mature conflicts register records the relationship or interest, the decision affected, the person responsible for assessment, any recusal, independent challenge, pricing or valuation evidence, approval and closure. It should not be limited to annual declarations. Transaction-specific and event-driven updates are essential.

## 3.3 Beneficial ownership and control

Hong Kong-incorporated and re-domiciled companies, other than listed companies, must identify significant controllers and maintain a Significant Controllers Register. The statutory tests include shareholding, voting rights, board appointment rights and significant influence or control. [13] For a family structure, the statutory register should be reconciled with the broader governance map, which may also identify trust interests, protectors, powers, family councils, delegated signatories and practical veto rights.

A mismatch between the legal register, bank records, tax classifications, trust documents and the family's internal understanding is a recurring source of institutional friction. The control is a single ownership and control model with source documents, dates, reviewer and change triggers.

## 3.4 Bank and institutional onboarding

Banks make independent risk and commercial decisions. The HKMA does not permit banks to require the purchase of wealth products or a large initial deposit as a condition of account opening, and applicants can ask a bank to review a rejected application. At the same time, banks may seek information and documents appropriate to their risk assessment. [16]

A governance framework can improve the consistency and traceability of an institutional submission. It cannot determine the bank's risk appetite, override group policy or guarantee acceptance. The appropriate output is an evidence pack that aligns legal ownership, beneficial ownership, purpose, expected activity, source of wealth, source of funds, governance, financial information and key counterparties.

## 3.5 Data, cyber and confidentiality

Family offices hold concentrated personal, financial, corporate and strategic information. The consequences of a breach extend beyond privacy law to fraud, coercion, market sensitivity and family security. The PCPD has emphasised governance, risk assessment, network security, encryption, vulnerability testing, patch management, data-processor controls and incident response. [15]

The board-level control is a data and access register: what information exists, who owns it, where it is stored, who can access it, which providers process it, how long it is retained and what happens when a person leaves or an incident occurs. Sensitive family data should not be transmitted through general contact forms or informal messaging channels.

> **Institutional standard**
>
> A governance framework should make it easier to answer a third party's questions accurately. It should never be used to imply that the third party has approved the structure.

04

# A multidisciplinary control model

Family governance is strongest when legal, tax, accounting, audit, investment and operational perspectives are designed to agree.

## 4.1 Legal architecture

The legal architecture defines rights, powers and obligations. It includes constitutional documents, shareholder agreements, trust instruments, investment-management or advisory agreements, delegations, powers of attorney, employment terms, committee terms of reference, service contracts and succession documents.

The recurring legal-governance question is whether the written powers match actual conduct. A trust deed may reserve a decision to the trustee while the family office behaves as if a family principal has final authority. A company may have a board but material decisions are made through informal messages. A delegation may exist but lack investment limits, reporting or termination rights. The governance framework should identify these mismatches and direct legal questions to the relevant qualified adviser.

## 4.2 Tax and accounting architecture

Tax status depends on facts, classification and continuing conditions. For an FIHV, the ownership, eligible SFO, management or control, asset threshold, activities, employees, expenditure, transaction classification and record keeping should be assigned to named owners and reviewed on a calendar. Tax analysis should be retained with the underlying facts and updated when the structure or law changes.

Accounting governance determines which entities are consolidated, how investments and liabilities are classified, how related-party activity is recorded, which currency is functional, how valuations are approved and which information is reported to the family or board. Private and unquoted assets may require judgement and Level 3 inputs under fair-value standards; the control should cover valuation methodology, data quality, independent review, conflicts, model changes and back-testing. [19]

## 4.3 Audit and assurance architecture

An audit trail is not a folder of documents. It is a chain from obligation to control, owner, evidence, review and conclusion. The evidence must show not only that a policy exists, but that the control operated during the relevant period.

Where formal audit or assurance is required, it must be undertaken by an appropriately appointed and independent professional. FO-EGP can organise the evidence and remediation workflow; it should not describe that organisation as an audit opinion, assurance conclusion or certification.

| Control question | Owner | Evidence | Independent challenge |
|---|---|---|---|
| Are authority limits current? | Board / governance | Authority matrix, minutes, delegations | Legal adviser / |

| Control question | Owner | Evidence | Independent challenge |
|---|---|---|---|
| | lead | | internal review |
| Are ownership records consistent? | Company secretary / structure owner | Registers, trust documents, entity map | Legal/tax reconciliation |
| Are tax conditions maintained? | Tax owner / SFO management | Annual eligibility file, expenditure, staff, asset records | Tax adviser review |
| Are valuations defensible? | Investment/finance owner | Valuation policy, models, data, approvals | Independent valuation / audit |
| Are provider risks controlled? | Operational owner | Due diligence, contracts, service reviews, incidents | Risk/compliance review |
| Are findings closed? | Action owner | Remediation register, closure evidence | Governance committee |

## 4.4 Investment governance architecture

Investment governance is distinct from investment advice. It defines how investment decisions are made and monitored. The architecture typically includes an investment policy statement, strategic objectives, risk appetite, liquidity and cash needs, asset-allocation ranges, concentration limits, permitted instruments, currency policy, use of leverage, valuation, external manager selection, performance measurement, conflicts and reporting.

For private-market investments, additional controls may be required around commitment pacing, capital calls, co-investments, related parties, valuation, side letters, key-person risk, liquidity planning and exit assumptions. The governance question is not whether an investment is attractive, but whether the decision was made by the right body, within mandate, on adequate information and with a record of conflicts, challenge and follow-up.

## 4.5 Operational and technology architecture

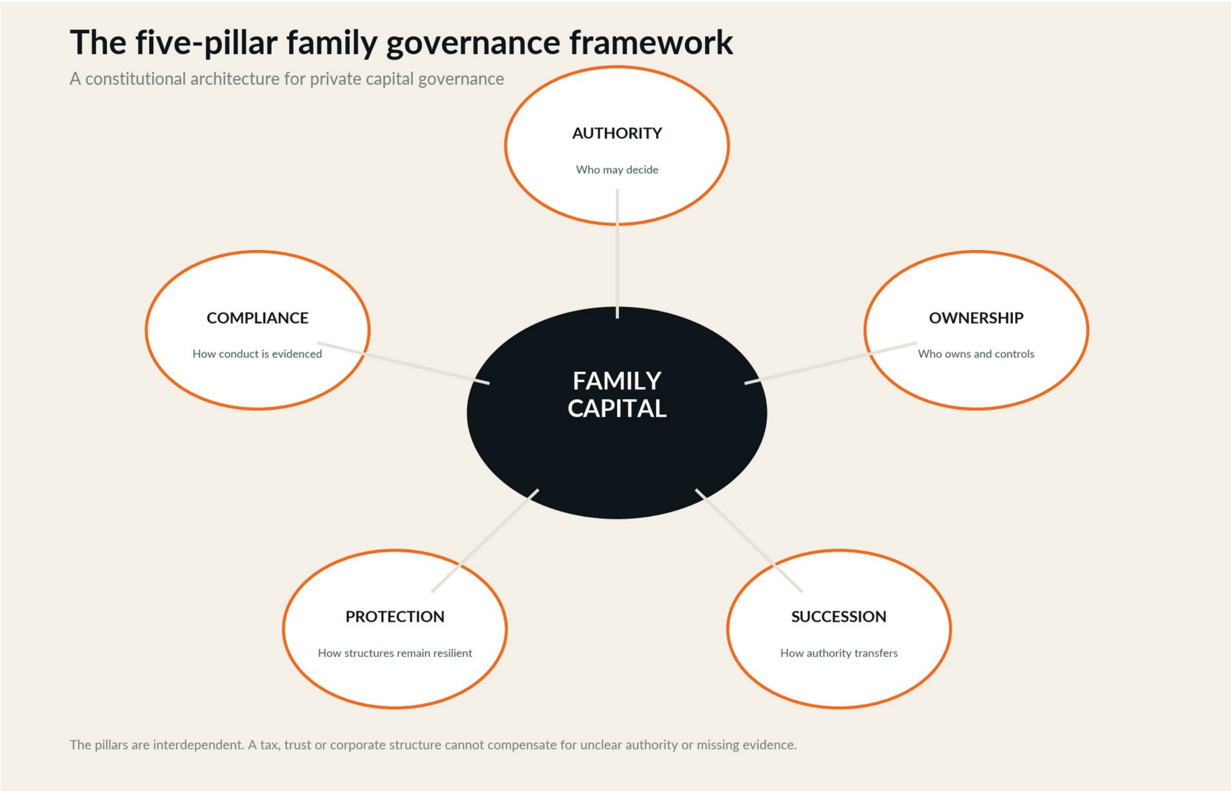
The family office's operating model should distinguish core decisions that remain in-house from services delegated to providers. The provider register should identify the service, legal entity, contract owner, data accessed, sub-processors, business-continuity provisions, key-person dependencies, review cycle, incident history and exit plan.

Technology can improve record integrity, but a system does not create governance by itself. Access controls, approvals, version history, retention, override procedures and human accountability remain necessary. A workflow should make responsibility visible rather than transfer it to the platform.

05

# The five-pillar family governance framework

Authority, ownership, succession, protection and compliance operate as one constitutional system.




## 5.1 Authority

Authority answers who may decide, in what capacity, within which limits and through what process. It should distinguish ownership rights, board authority, trustee powers, investment-committee mandates, management delegation and family consultation.

- Reserved matters: decisions retained by owners, trustees, the board or a family council.
- Delegated authority: operational or investment powers, limits, reporting and revocation.
- Quorum and voting: including conflicts, deadlock, emergency procedures and dissent.
- Decision evidence: papers, minutes, approvals, conditions and action owners.

## 5.2 Ownership

Ownership is more than a shareholding chart. It includes legal title, beneficial interest, voting rights, rights to appoint or remove directors, trust interests, control rights and the practical influence exercised through agreements or relationships.

- Entity and ownership map reconciled to legal records.
- Trust and fiduciary role map.
- Significant-controller and beneficial-ownership evidence.
- Transaction and restructuring change control.
- Source documents and last-review dates.

## 5.3 Succession

Succession is a transfer of authority, knowledge, access and accountability. Estate documents are necessary but may not be sufficient to keep the operating system functioning during incapacity, death, dispute or transition.

- Trigger and verification process.
- Interim authority and emergency signatories.
- Board, trustee, bank and provider communications.
- Next-generation role progression and competency.
- Knowledge, relationship and document transfer.
- Return-to-normal and after-action review.

## 5.4 Protection

Protection includes legal segregation, fiduciary discipline, insurance, data security, fraud controls, liquidity, business continuity and independent review. Asset protection claims must be grounded in the governing law, actual conduct and the avoidance of sham, evasion or creditor prejudice.

- Separation of legal entities, accounts and records.
- Conflict and related-party controls.
- Cyber, access and payment-authorisation controls.
- Liquidity and contingency planning.
- Provider concentration and exit arrangements.
- Incident response and evidence preservation.

## 5.5 Compliance

Compliance translates external obligations and internal commitments into controls. It should not be reduced to a policy library. The framework requires an obligations register, owner, trigger, evidence, review, escalation and remediation process.

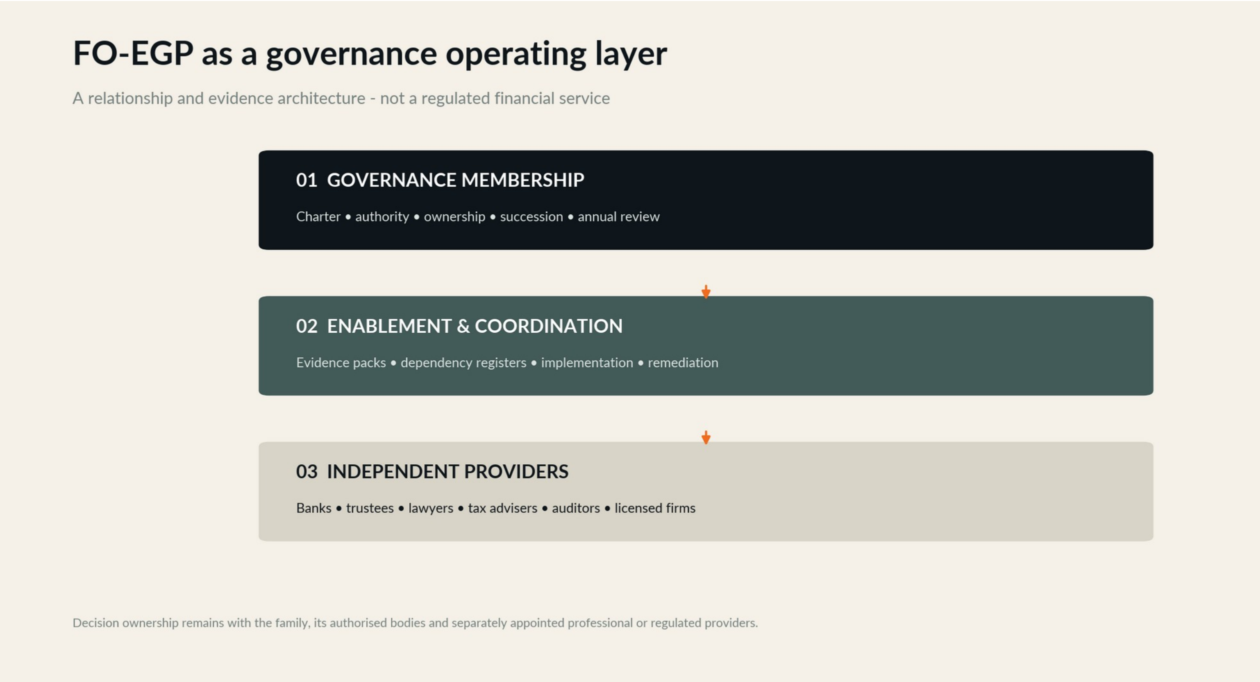
- Regulatory-perimeter review.
- Tax eligibility and reporting calendar.
- CDD, beneficial ownership and source-of-wealth records.
- AEOI/CRS classification and reporting governance.
- Corporate filing and register maintenance.
- Privacy, retention and data-processor oversight.
- Annual certification and change triggers.

> **Interdependence**
>
> A technically valid trust, company or tax election cannot cure unclear authority. A well-drafted charter cannot cure inconsistent ownership records. A control framework cannot protect a structure that is not operated in accordance with its documents.

06

# FO-EGP: a governance operating layer

FO-EGP can connect people, entities, evidence and external providers while preserving their separate responsibilities.




## 6.1 Governance membership

The membership layer establishes the governance perimeter: purpose, participants, decision bodies, authority, ownership, confidentiality, records, annual calendar and change process. It is intended to create continuity beyond an individual project.

Membership should not be presented as admission to a regulated financial service, product distribution arrangement, pooled investment programme or guarantee of third-party access. It is a governance relationship governed by written scope and professional boundaries.

## 6.2 Enablement and coordination

Enablement turns the governance design into controlled workstreams. Examples include an entity and ownership map, institutional evidence pack, provider dependency register, policy implementation, response management, record remediation and an annual governance review.

Coordination should identify who is responsible for each legal, tax, accounting, audit, investment or regulated conclusion. Afilcorp may organise the process and evidence, but the conclusion remains with the relevant authorised decision-maker or separately appointed adviser.

## 6.3 Independent providers

Banks, trustees, insurers, asset managers, brokers, custodians, lawyers, tax advisers, accountants, auditors, valuers and technology providers remain independent. They apply their own permissions, due diligence, professional duties, risk appetite, pricing and contractual terms.

The governance value lies in making the interfaces visible: what the provider is responsible for, what information it receives, which decisions remain with the family, how performance and incidents are reviewed and how the relationship can be exited.

## 6.4 Core FO-EGP records

| Record | Purpose | Review trigger |
|---|---|---|
| Governance Charter Register | Purpose, bodies, membership, authority, meeting and review rules | Annual review; family or structure change |
| Authority and Reserved Matters Map | Decision rights, limits, quorum, emergency powers and delegations | Appointment, delegation or mandate change |
| Ownership and Entity Map | Legal and beneficial ownership, control, directors, trust roles and sources | Transaction, restructuring or control change |
| Adviser and Provider Dependency Register | Providers, contracts, data, permissions, service risk and exit | Appointment, incident, material service change |
| Institutional Readiness File | Verified structure, purpose, activity, source and governance evidence | Bank/provider review; material fact change |
| Tax and Reporting Calendar | FIHV, AEOI/CRS, filings, elections and evidence owners | Law, classification or reporting change |
| Remediation Register | Finding, risk, cause, owner, deadline, interim control and closure | New finding; overdue action; residual risk change |
| Annual Governance Review | Integrated review of authority, ownership, continuity, providers and controls | At least annually and after trigger events |

## 6.5 What FO-EGP does not do

- It does not make investment decisions for the family unless a separately authorised and appropriately licensed entity is appointed under a distinct mandate.
- It does not hold client money, custody assets, provide bank accounts, process payments or operate a trading platform.
- It does not provide a legal, tax, accounting, audit or valuation opinion.
- It does not determine a regulator's, bank's, trustee's or provider's decision.
- It does not eliminate the need for local advice in each relevant jurisdiction.

07

# Hong Kong as an onshore governance platform

The case for Hong Kong is strongest when its legal, tax, market and professional infrastructure are treated as an integrated operating environment.

## 7.1 Legal identity and continuity

Hong Kong provides a common-law legal environment, established corporate legislation and a growing set of private-capital vehicles. The inward re-domiciliation regime is particularly relevant to groups that want to move an existing corporate entity to Hong Kong while preserving legal identity, assets, liabilities, contracts and proceedings, subject to the statutory conditions and the law of the original jurisdiction. [11]

Re-domiciliation is not a universal solution. The board must assess creditor protection, solvency, constitutional compatibility, tax, licences, security interests, accounting, contracts and the process for discontinuation in the original jurisdiction. The absence of a Hong Kong economic-substance test for re-domiciliation does not remove substance requirements arising under tax, regulatory, banking or foreign law.

## 7.2 Tax concession with operational substance

The FIHV regime can provide a 0% profits tax rate for qualifying profits, but its conditions encourage an onshore operating model rather than a passive registration. Hong Kong management or control, eligible-SFO management, qualified staff, operating expenditure, CIGAs and records all point towards a real governance and operating footprint. [1]

A robust family-office model should therefore integrate tax eligibility with the actual organisation chart, meeting calendar, investment process, employee responsibilities, outsourced activities, valuation data and document repository. A tax file that cannot be reconciled to operating records is fragile.

## 7.3 Capital, vehicles and institutional ecosystem

Hong Kong's broader wealth-management market provides access to licensed asset managers, banks, private banks, trustees, insurers, legal and accounting firms, valuation specialists and technology providers. By the end of June 2026, the Companies Registry recorded 1,729 LPFs and 752 OFCs, illustrating the continuing use of Hong Kong fund vehicles. [12]

The appropriate vehicle depends on purpose. A family holding vehicle, trust, Hong Kong company, OFC, LPF or foreign entity may serve different ownership, investment, liability, regulatory, accounting and tax functions. The governance framework should document why each entity exists, which assets it holds, who controls it, how it is funded and what reporting it requires.

## 7.4 New CIES as one part of a wider plan

The New CIES can support eligible entrants and, from March 2026, permits qualifying holdings through certain wholly owned Hong Kong private companies and FIHV structures. [10] It may complement family-office establishment, but it should not become the sole design driver. Immigration status, tax concession, investment governance, family ownership and the operating model should be assessed as separate but connected workstreams.

## 7.5 Talent, succession and philanthropy

The 2026 Wealth for Good programme placed succession, family governance, technology and philanthropy at the centre of Hong Kong's family-office narrative, with more than 400 participants from global family-office communities. [17] This is relevant because a mature family office is not only an investment function. It can also govern education, family enterprise, charitable capital, cultural assets and the development of the next generation.

> **Onshore benefit, properly understood**
>
> Hong Kong can offer a coherent legal, tax, investment and professional platform. The benefit is realised only when the family establishes real decision processes, accurate records, appropriate substance and disciplined professional boundaries.

08

# Cross-border benefits and constraints

A common governance layer can reduce fragmentation, but it cannot make different legal systems identical.

## 8.1 The cross-border benefit

Cross-border families often face the same facts being described differently to trustees, banks, tax authorities, regulators, auditors and family members. A common governance layer can improve consistency by maintaining one controlled entity map, one authority register, one source-of-wealth chronology, one provider matrix and one change process.

The practical benefit is not regulatory arbitrage. It is reduced ambiguity: local advisers can see the same structure, the family can identify where a decision belongs, and an institutional counterparty can trace the evidence to its source.

## 8.2 Matters that remain local

| Matter | Why local advice remains necessary | Governance response |
|---|---|---|
| Tax residence and permanent establishment | Tests vary by entity, management, activity and jurisdiction | Decision-location records; tax-residence map; annual trigger review |
| Trust and succession law | Validity, reserved powers, forced heirship and fiduciary duties differ | Governing-law matrix; local counsel; role and power map |
| Investment regulation | Licensing depends on activity, client, location and instrument | Perimeter memorandum; delegation map; holding-out controls |
| Sanctions and export controls | Lists, ownership tests and prohibitions differ and change | Screening responsibility; escalation; documented legal advice |
| Data and secrecy | Transfer, retention and access rules differ | Data map; processor contracts; transfer assessment; access logs |
| Beneficial ownership | Thresholds, registers and filing rules differ | Jurisdiction register; source documents; change reconciliation |
| Family and matrimonial law | Ownership and succession can be affected by personal law | Specialist advice; contingency planning; confidentiality controls |
| Accounting and audit | Reporting frameworks, consolidation and assurance differ | Accounting perimeter; policy register; auditor coordination |

## 8.3 Cross-border documentation

A cross-border document register should record the original document, governing law, executing parties, signatory authority, certification, legalisation, translation, effective date, expiry or renewal, related documents, custodian, access rights and last verification. This reduces the risk that an outdated translation or unsigned draft becomes the operative record.

## 8.4 Reporting and classification

AEOI/CRS classification is not static. An entity's activities, management, assets or service providers can change. The 2026 AEOI reforms and proposed CARF/amended CRS regime reinforce the need for a controlled classification file and reporting calendar. [8][9]

## 8.5 Cross-border institutional readiness

For a bank or provider review, a global structure should not submit different ownership diagrams, inconsistent address histories or conflicting activity narratives. The governance process should preserve a core verified record, then permit jurisdiction-specific supplements. This is particularly important where one institution uses data obtained from another group entity or where the family structure contains trusts, partnerships, private funds or special-purpose vehicles.

> **Boundary**
>
> FO-EGP can coordinate the evidence and responsibility map. It cannot provide a universal legal or tax conclusion across jurisdictions, and it cannot guarantee that a third party will accept the structure.

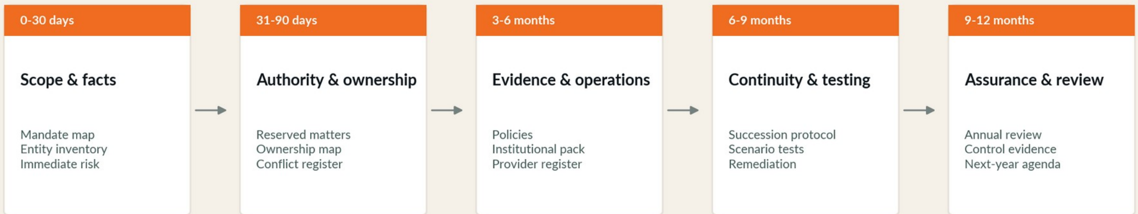
09

# Implementation: from diagnosis to annual governance

A phased approach makes governance practical, assigns ownership and produces evidence that can be reviewed.

### Twelve-month governance implementation roadmap

Illustrative sequence; scope and timing depend on the family and jurisdictions involved




Every phase should have a named owner, evidence output, dependencies, decision rights and closure criteria.

## Phase 1 - Mandate, facts and immediate risks

- Confirm the family, entities, jurisdictions, objectives and decision-makers.
- Define FO-EGP scope and professional boundaries in writing.
- Create an initial entity, ownership, adviser and bank inventory.
- Identify immediate deadlines, ungoverned payments, access risks or regulatory issues.
- Appoint owners for legal, tax, finance, investment, data and administration workstreams.

## Phase 2 - Authority and ownership

- Build the authority and reserved matters map.
- Reconcile legal and beneficial ownership with statutory and institutional records.
- Document conflicts and related-party decision processes.
- Confirm delegation, signatories, powers of attorney and committee terms.
- Identify inconsistencies requiring legal or tax advice.

## Phase 3 - Evidence and institutional operations

- Establish the controlled document repository and retention structure.
- Prepare the tax, substance, AEOI/CRS and corporate compliance calendar.
- Build the source-of-wealth, source-of-funds and expected-activity evidence.

- Create provider due-diligence and dependency records.
- Implement management reporting and a decision-log standard.

## Phase 4 - Continuity, testing and remediation

- Design succession and incapacity protocols.
- Run scenarios involving a principal's unavailability, bank query, cyber incident or provider failure.
- Record findings, owners, deadlines, interim controls and closure evidence.
- Confirm next-generation roles and access.
- Assess residual risks and matters requiring independent assurance.

## Phase 5 - Annual governance review

- Reconcile ownership, authority, entities, providers and key policies.
- Confirm continuing FIHV, AEOI/CRS and corporate requirements.
- Review open actions, exceptions and incidents.
- Test whether decision and evidence records remain usable.
- Approve the following year's governance agenda and budget.

> **Implementation discipline**
>
> Every deliverable should identify purpose, owner, source, approval, review date, access rights, change trigger and closure status. A document without these attributes is information, not a control.

10

# Questions for the family, board and advisers

A practical diagnostic for testing whether the structure is governable, not merely established.

| Theme | Diagnostic question |
|---|---|
| Authority | Can the structure identify the body or person authorised to make each material decision - and the source of that authority? |
| Ownership | Do company registers, trust documents, tax records, bank files and the internal structure map describe the same ownership and control? |
| Purpose | Can each entity and relationship be explained in one accurate paragraph without relying on labels such as 'family office' or 'platform'? |
| Succession | What happens in the first 72 hours if a principal, director, trustee contact or key executive is unavailable? |
| Substance | Can the family demonstrate where key activities occur, who performs them, what they cost and how outsourced work is supervised? |
| Tax | Are FIHV or other tax conditions assigned to named owners and evidenced annually? |
| Reporting | Has each entity been classified for AEOI/CRS and, where relevant, future CARF requirements, with evidence and change triggers? |
| Investment governance | Are mandate, liquidity, concentration, valuation, manager selection, conflicts and performance review documented? |
| Accounting | Is the consolidation perimeter, accounting policy, related-party process and private-asset valuation governance clear? |
| Audit and assurance | Can the structure show that controls operated, rather than only that policies exist? |
| Third parties | Is there an accurate register of banks, trustees, advisers, managers and technology providers, including data and exit dependencies? |
| Market conduct | Do public and institutional statements accurately describe licences, services, relationships and limitations? |
| Data | Who can access the family's most sensitive information, and what happens when access is no longer required? |
| Remediation | Are findings converted into owners, deadlines, interim controls and closure evidence? |
| Review | When was the full governance system last reviewed, and what events trigger an out-of-cycle |

| Theme | Diagnostic question |
|---|---|
| | review? |

## A concise evidence checklist

- Family and ownership tree with source documents.
- Entity register and purpose statement for each entity.
- Authority matrix, reserved matters and delegation register.
- Board, trustee, investment committee and family council terms of reference.
- Conflict and related-party transaction register.
- Succession, incapacity and emergency-access protocol.
- Investment policy and external-manager governance.
- Accounting policy, consolidation and valuation governance.
- FIHV / tax-eligibility file and annual evidence.
- AEOI/CRS classification and reporting calendar.
- Institutional readiness and source-of-wealth evidence.
- Provider due-diligence and dependency register.
- Data inventory, access matrix and incident plan.
- Remediation register and annual governance review.

*The checklist is not a certification standard and does not replace legal, tax, accounting, audit, investment or regulatory advice. Its purpose is to test whether the family office can explain and evidence its operating system.*

11

# Conclusions and strategic implications

A governance framework creates value only when it is translated into decisions, evidence and recurring review.

Hong Kong enters the second half of 2026 with a materially larger family-office market, a deeper asset- and wealth-management ecosystem, a functioning FIHV tax-concession regime, an expanded New CIES, an inward re-domiciliation route and more structured international-reporting obligations. These measures strengthen the case for Hong Kong as an onshore governance platform. They do not remove the need for activity-based licensing analysis, tax and accounting judgement, beneficial-ownership transparency, institutional due diligence or jurisdiction-specific professional advice.

The practical distinction is between a structure that exists and a structure that can be governed. The latter can identify who may decide, who owns and controls, what evidence supports each material statement, which specialist is responsible for each jurisdiction, how third-party decisions are treated and how the structure continues when circumstances change.

## Implications for families and boards

- Treat the family office as an operating institution, not merely a cluster of holding entities and professional appointments.
- Keep the authority, ownership, succession, protection and compliance records in one governed evidence architecture.
- Separate current law, pending legislation, institutional practice and adviser opinion in all decision papers.
- Retain decision ownership at the proper family, board, trustee or committee level; coordination should not obscure accountability.
- Use annual governance review and event-driven change control to keep records aligned with the actual structure.

## Implications for professional advisers and institutional counterparties

- Define the legal, tax, accounting, audit, investment, corporate-administration and technology responsibilities expressly.
- Avoid presenting an integrated relationship as if every participant were an affiliate, agent or endorser of the others.
- Use a common facts pack and version-controlled evidence register, while preserving each specialist's independent professional judgement.
- Distinguish readiness support from approval: regulators, banks, trustees, auditors, tax authorities and other providers decide independently.
- Escalate conflicts, classification uncertainty, missing evidence and unimplemented decisions rather than smoothing them over in narrative.

> Hong Kong's policy toolkit can reduce structural friction, but governance quality remains a function of authority, evidence and conduct. A family office becomes institutionally credible when its decisions can be explained, its records can be reconciled and its operating boundaries remain true under scrutiny.

## FO-EGP as an informing framework

Afilcorp's Family Office Enablement & Governance Platform may be used as a non-regulated governance and coordination layer: to organise authority, records, provider dependencies, implementation and periodic review. It should not be described as replacing a family constitution, board, trustee, licensed financial institution, lawyer, tax adviser, accountant, auditor, investment manager or regulator. Its credibility depends on preserving those boundaries and making the relevant specialist decisions visible.

APPENDIX A

# Legal and policy status tracker

Position at the research cut-off of 11 August 2026. Pending measures are not stated as current law.

| Area | Status | Position at 11 Aug 2026 | Governance response | Ref. |
|---|---|---|---|---|
| Family-office licensing | Current framework | SFC analysis remains activity-based: regulated activity, business and Hong Kong nexus. The label 'family office' is not determinative. | Maintain a written activity-and-authority analysis; reassess when mandate, clients, remuneration or discretion changes. | [2] [3] |
| FIHV profits-tax concession | In force | 0% concessionary rate for qualifying profits, subject to ownership, SFO, HK management/control, HK$240m asset, CIGA, staffing, expenditure, election, records and anti-avoidance conditions. | Maintain an annual eligibility and evidence file. Obtain tax advice for classification and elections. | [1] |
| Preferential-tax enhancement Bill 2026 | Pending | Proposed expansion of fund/FIHV qualifying scope and carried-interest changes; still under Bills Committee examination at cut-off. | Model scenarios but do not implement or disclose the proposal as enacted law. | [6] [7] |
| New CIES family-owned vehicles | In force from 1 Mar 2026 | Permits specified investments through an eligible wholly-owned Hong Kong private company/FIHV/FSPE subject to scheme conditions. | Treat immigration eligibility, ownership, assets, substance and investment compliance as separate workstreams. | [10] |
| AEOI Amendment Ordinance 2026 | Enacted; effective 1 Jan 2027 | Introduces mandatory RFI registration and strengthens administration of AEOI reporting. | Build a 2026–27 classification, registration, data and control programme. | [8] |
| CARF and amended CRS Bill | Pending | Proposes CARF from 1 Jan 2027 and amended CRS from 1 Jan 2028, subject to passage. | Map crypto-asset and financial-account data flows; avoid representing the Bill as enacted. | [9] |
| Company re-domiciliation | In force from 23 May 2025 | Eligible non-Hong Kong companies may continue their legal identity in Hong Kong without liquidation or a new incorporation. | Undertake home-jurisdiction, tax, accounting, financing, contract, consent and governance analysis. | [11] [12] |
| Significant Controllers Register | In force | Most local and re-domiciled companies must identify significant controllers, maintain an SCR and appoint a designated representative. | Reconcile the SCR with the ownership/control map and event-driven change register. | [13] |
| TCSP licensing and AML obligations | In force | Trust or company service business is subject to AMLO licensing, CDD and record-keeping obligations. It is not a general financial-services licence. | Attribute services and communications to the correct licensed or professional provider. | [14] |
| Data security and privacy | In force | DPP4 requires practicable security steps; governance should cover risk, access, encryption, processors, incidents and retention. | Maintain data inventory, access matrix, processor due diligence and incident governance. | [15] |

**Status discipline**

The status tracker is not a legal opinion. It is a research-control device for separating enacted law, administrative practice, pending legislation and governance recommendations. The status of every item should be verified at the point of use.

APPENDIX B

# Governance evidence architecture

A sample control map for converting family intention into records that can be maintained and reviewed.

| Control domain | Core evidence | Typical decision owner | Review cadence |
|---|---|---|---|
| Mandate and purpose | Family purpose statement; approved scope; jurisdiction map; service and adviser boundaries | Family principal / board | Annual and upon material change |
| Authority | Governance charter; reserved matters; delegation matrix; signing authorities; emergency authority | Board / family council / trustee | Annual and event-driven |
| Ownership and control | Entity and ownership map; trust/holding records; SCR; director and controller register | Company secretarial / legal owners | Quarterly reconciliation; event-driven |
| Succession and continuity | Successor roles; incapacity/death protocol; knowledge-transfer register; continuity exercise | Family council / board / trustee | Annual test and trigger events |
| Conflicts and conduct | Conflict declarations; related-party register; recusal and independent-review records | Board / committee chair | Meeting-by-meeting; annual review |
| Investment governance | Investment policy; manager mandates; risk limits; valuation and liquidity governance; performance reporting | Investment committee / licensed manager | Quarterly or mandate-specific |
| Tax and reporting | FIHV eligibility file; tax classification; AEOI/CRS/CARF register; reporting calendar | Tax adviser / reporting institution | Annual and upon classification change |
| Accounting and audit | Consolidation map; accounting policies; valuation governance; close calendar; audit evidence | Finance / accountant / auditor | Quarterly close; annual audit |
| Institutional readiness | Common facts pack; source-of-wealth chronology; expected activity; provider response register | Family office management | Before onboarding; annual refresh |
| Providers and technology | Provider inventory; due diligence; service boundaries; access rights; incident and exit arrangements | Operating management / information security | At appointment; annual review |
| Remediation and closure | Issue register; root cause; owner; due date; interim control; closure evidence; residual risk | Engagement / governance lead | Monthly until closure |

## Evidence-quality principles

- One fact, one current source: significant facts should point to an identified source document or authoritative record.
- One owner, one approval route: responsibility should not be shared so broadly that no person is accountable.
- Version and effective date: policies and charts should show when they became authoritative and what they superseded.
- Decision versus advice: minutes should distinguish specialist advice, management recommendation and the decision actually taken.
- Exception and closure: unresolved issues should remain visible until closure evidence and residual risk are accepted.

- Confidentiality by design: information should be accessible only to persons whose role requires it.

APPENDIX C

# Multidisciplinary review lens

Questions a coordinated legal, tax, accounting, audit and investment-governance review should address.

| Discipline | Core questions |
|---|---|
| Legal | Who owns, controls and may bind each entity? Are trust, company, shareholder, financing and service documents consistent? Which jurisdiction governs each relationship? |
| Regulatory | Does any activity constitute a regulated business in any relevant jurisdiction? Is the public description consistent with actual activity, clients, discretion and remuneration? |
| Tax | Where is management or control exercised? Are FIHV, residence, substance, reporting and anti-avoidance conditions evidenced? Which changes trigger advice? |
| Accounting | Which entities are consolidated? How are investments, liabilities, distributions and related parties classified? Are valuation and close policies documented? |
| Audit / assurance | Is there a reliable audit trail? Can assertions be linked to evidence? Are external-confirmation, valuation and related-party processes independently challengeable? |
| Investment governance | Who approves policy, allocation, external managers, liquidity and exceptions? Are mandate boundaries, conflicts, valuation and performance evidence clear? |
| Operations / technology | Where do data, credentials and critical records reside? How are access, third parties, incidents, backups, change and exit controlled? |
| Family governance | How are family intention, decision rights, next-generation participation, conflict resolution and continuity translated into operative documents and behaviour? |

**No single-discipline substitute**

A family-office structure can be legally valid yet operationally weak, tax-efficient yet poorly evidenced, accurately accounted for yet governed by informal authority, or professionally managed yet vulnerable to succession and data risk. A multidisciplinary review should preserve each adviser's independence while reconciling the resulting facts and actions.

APPENDIX D

# Glossary

Key terms used in this report.

| Term | Meaning in this report |
|---|---|
| AEOI | Automatic Exchange of Financial Account Information. |
| CARF | OECD Crypto-Asset Reporting Framework. |
| CDD | Customer due diligence. |
| CIGA | Core income-generating activities. |
| CRS | Common Reporting Standard. |
| FIHV | Family-owned investment holding vehicle for the Hong Kong profits-tax concession framework. |
| FO-EGP | Afilcorp's Family Office Enablement & Governance Platform, a governance and coordination framework; not a separate legal person or regulated financial institution. |
| FSPE | Family-owned special purpose entity under the relevant Hong Kong tax framework. |
| LPF | Hong Kong limited partnership fund. |
| MFO | Multi-family office. |
| New CIES | Hong Kong's New Capital Investment Entrant Scheme. |
| OFC | Hong Kong open-ended fund company. |
| RFI | Reporting financial institution for AEOI purposes. |
| SCR | Significant Controllers Register. |
| SFO | Single-family office; the abbreviation may also refer to the Securities and Futures Ordinance in another context, so usage should be made clear. |
| TCSP | Trust or company service provider licensed under Hong Kong's Anti-Money Laundering and Counter-Terrorist Financing Ordinance. |

APPENDIX E

# Primary sources and research notes

Official and institutional sources used for the legal, regulatory and market analysis.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**Research cut-off and updates**

This report reflects research available up to 11 August 2026. Legal, tax and regulatory materials may change after that date. The online landing page should maintain an update register and identify any material post-publication developments.

RELATED AFILCORP RESOURCES

# Research, platform and governance information

Selected public materials for readers seeking the operating framework behind the report.

FO-EGP platform

Governance membership, enablement and coordination framework.

Governance capabilities

Family governance, ownership, succession, institutional readiness and related operating capabilities.

Afilcorp Insights

Research and governance analysis for family offices and private capital.

About Afilcorp

Institutional purpose, facts and operating boundaries.

Begin a governance conversation

A secure first step for discussing the situation and appropriate scope. Do not submit sensitive documents through a public form.

## Publication boundary

*The links above explain Afilcorp's governance framework and capabilities. They do not constitute an offer of a financial product, investment advice, asset management, custody, banking, payment processing or a guarantee of legal, tax, regulatory or institutional outcomes. Any engagement is subject to conflicts, KYC/KYB, scope and written terms.*

Governance for capital that must endure.

This report is designed to inform family principals, boards, family-office management and professional advisers. It should be read with independent, jurisdiction-specific legal, tax, accounting, audit and investment advice.

# How to read this report