



HONG KONG

FINANCE & ACCOUNTING SALARY SURVEY & GUIDE 2019



INTRODUCTION

The Aquis Search Hong Kong Finance & Accounting Salary Survey & Guide 2019 details salary information and recruiting trends in the business sectors we cover. Our information has been researched and collated with the help of our clients and candidates and from our working knowledge of the marketplace. Aquis Search consultants have extensive expertise in their practice area and the information reported is based on telephone interviews with hiring managers, HR professionals and in-house recruiters as well as data extracted from our own database and internal research resources.

As with all reports that detail salary information and trends, we represent the mainstream view and we recognise there will be individual situations that fall outside the data published. This survey is therefore a guide to general movement in the sector. Please contact us for further information or for clarification on any of the compensation trends detailed in this report.



MARKET OVERVIEW

The finance and accountancy market in Hong Kong has seen some remarkable changes over the last few years, particularly in the regulatory and technology environments. Key regulatory directives introduced by the HKMA, SFC and FATF have created new challenges for financial institutions, while digitalisation and automation are very much hot topics across industries, expanding the need for soft-skill workers, upskilling current workers and adapting work processes to catch up with the times.

Relevant to enhancing the city's work culture is the rise of a millennial generation workforce, whose different ideas, incentives and desired work structures need to be considered for their retainment - in particular, promoting opportunities for professional development and growth.

The Impact of Regulatory Changes and Scrutiny

The international Financial Action Task Force (FATF) has been assessing Hong Kong's financial institutions in 2018 for money laundering and terrorist financing. This is causing increased scrutiny on financial regulators in Hong Kong. The watchdog's evaluation will affect companies' ability to work with overseas institutions so organisations will be putting in more robust measures to deal with these issues.

The Markets in Financial Instruments Directive II (MiFID II), which officially launched in January 2018, has had somewhat dramatic implications on sales and trading for Hong Kong businesses, especially when companies are recognising the difficulty, particularly research costs, of implementing such regulations. Whether you are an EU entity, an EU branch, or you provide investment services to EU clients, you are subject to the MiFID II directives. As a result of this global shift towards new, cohesive international accounting rules and regulations, there has been an increase in the hiring of finance change professionals.

Regulators are also coming to terms with changes in asset and wealth management, including making sense of the Securities and Futures Commission (SFC) guidelines for online distribution and advisory platforms. The SFC's Code on Unit Trusts and Mutual Funds, outlined in December 2017, also aims to establish Hong Kong as internationally compliant and up-to-date with financial market developments.

Digitalisation and Automation

In technology, digitalisation/automation is quickly affecting financial processes. At the tail end of 2018 came Hong Kong Fintech Week, which posed serious questions about the future of financial institutions. Fintech is considered the inevitable direction of banking systems. Rather than thinking of digitalisation as a job-killer, there have been some exciting opportunities for professionals as a result of this technology conversion, namely adaptation and upskilling. As companies are becoming more and more reliant on data-driven analytics, the need for finance professionals who have a strong analytical expertise and skills in data forecasting will prove immeasurably advantageous. Digitalisation within banks has triggered an increase in demand for Finance Business Partners to tighten cost control measures and provide financial strategies to the business.

The Hong Kong Monetary Authority (HKMA) Circulars of 2018 have also offered new guidelines for the banking sector to readily embrace fintech. Although initially difficult initiatives for regulatory professionals, it highlights the trend towards international corporate governance standards, as well as the city's authorities' pressure to catch up with Mainland technology and big data analytics. Particularly, May 2018 guidelines waiving income proof for mobile loans, has allowed banks to adopt new technologies and do away with arbitrary conventional risk management practices, a massive development in banking supervision.

Increase in Temporary and Contract Positions

Temporary or contract roles have been significantly in demand throughout 2018 and we expect this to continue into 2019. Across the region we saw an increased number of contract vacancies in 2018. There are many reasons for choosing contractors over permanent hires, particularly project management opportunities and reducing pressure on balance sheets and agency payrolls. To date, both finance change and traditional financial control roles have been particularly busy markets in this regard.

In addition to this, firms will need to relax their hiring requirements and be more flexible, welcoming the possibility of contractors instead in many cases to fill their immediate and time-sensitive needs.

Management Accounting

Management accounting roles were more prevalent in 2018 and the trend looks like it will continue through 2019. Compared with control-orientated finance roles, management accounting roles carry a premium, owing to their essential attributes in business processes and decision-making. Salaries are usually on average 8% - 13% higher than financial control and accounting roles.

“MANAGEMENT ACCOUNTING ROLES WERE MORE PREVALENT IN 2018 AND THE TREND LOOKS LIKE IT WILL CONTINUE THROUGH 2019.”

2019 looks ripe for the finance and accounting sector in Hong Kong, especially as companies look to Hong Kong as their hub to Chinese business. The Belt & Road initiative has given greater focus on the city for foreign investment, resurging demand for additional hires. We noted a rise in overall vacancy levels in 2018 and we do not see any reason for this trend to be drastically different in 2019.

Middle Office

Role	Years of Experience	Annual Salary (HKD)
Analyst	3 - 5	Up to 360,000
Associate	5 - 8	360,000 - 600,000
Assistant Vice President	8 - 10	600,000 - 1M
Vice President	10 - 13	1M - 1.3M
Director or above	13+	1.3M+

On-Boarding and Due Dilligence

Demand for professionals in client on-boarding and client due diligence within the private banking industry has also increased. Hiring managers are looking for candidates with specific skill sets, including client-facing experience and on-boarding procedures knowledge, to liaise between internal and external stakeholders to ensure high quality and timely completion of due diligence requirements.

Some small to mid-sized institutions adopted a top-down approach in hiring KYC talents. They brought in senior talents to help build out the foundation in response to a subsequent demand from regulators to ensure they are fully compliant. We saw consistent hiring for contractors amongst banking to fill their immediate needs in remediating existing accounts. Banks have made sure that contract roles are more appealing to candidates by offering similar benefits package as permanent staff. Top talent generally look for salary increments in the range of 20% - 30% for lateral moves.

KYC Client On-Boarding

Role	Years of Experience	Annual Salary (HKD)
Analyst	3 - 5	Up to 420,000
Associate	5 - 8	420,000 - 720,000
Assistant Vice President	8 - 10	720,000 - 1M
Vice President	10 - 13	1M - 1.3M
Director or above	13+	1.3M+

Operations

Newly created headcounts mostly lie within buy-side institutions that can afford additional headcount to upscale existing operations and service levels to stakeholders and investors. Over the past eighteen months, there has been a flurry of mergers and acquisitions that have taken place in the asset management industry. As a result, we saw a degree of movement in mid to senior level operations due to uncertainties in the integration process.

Client Operations

Role	Years of Experience	Annual Salary (HKD)
Analyst	3 - 5	Up to 480,000
Associate	5 - 8	480,000 - 720,000
Assistant Vice President	8 - 10	720,000 - 900,000
Vice President	10 - 13	900,000 - 1.2M
Director or above	13+	1.2M+

Some international asset managers have been reported to migrate their client operations function outside of Hong Kong, while outsourcing trends continue within middle office and fund administration. The trend will likely continue given the macro challenges the industry is facing, including cost pressures, regulatory pressures and an uncertain economic outlook.

SALARY RANGES & BONUSES

Salary increments for external moves for operations, finance & accounting remain conservative across the board at 10% - 20%, with top-tier financial institutions paying at the higher end of the scale. Bonus payouts will continue to be healthy this year, with most candidates expecting one to three months.

Some Chinese and US firms have been reported to have their bonus payment restructured, with bonuses being paid in two instalments: 50% of the bonus will be paid in Q1, and the remaining 50% will be paid in end of Q2. There are a number of advantages in deferring cash for employers. It can help to retain staff because they are hanging on for the rest of their bonus payment. Another common approach is to convert deferred payments into shares for senior hires. This is to ensure employees are optimising their reward investment to drive performance.

“ WE EXPECT THE FIXED COMPONENTS OF SALARIES TO RISE 2% - 4% AT THE BEGINNING IN 2019. ”

We expect the fixed components of salaries to rise 2% - 4% at the beginning in 2019. The average base pay increases are for employees at all levels, from junior to senior executives. A small group of key personnel that are top performers may achieve promotions and benefit from pay rise up to 10%.

OUTLOOK

Major areas of growth in the first quarter of 2019 will continue with 2018 trends, with incremental growth in

finance change roles and the re-engineering of processes, particularly within insurance, banking and investment. Demand for change management teams to lead projects will also continue through this year. Technical accountants with IFRS17 exposure for insurance will certainly be sought-after.

Candidate pools from the main accounting firms will continue to be preferable to hiring, especially in the field of technical accounting and corporate tax positions. Candidates from these large accounting firms are dynamic, enterprising and adaptable. Despite these traits, they often arrive with less of a premium than their already experienced counterparts, therefore we expect demand for these candidates to be continuously high. These types of firms are predominantly targeted by banking clients in Hong Kong, in particular, the manager and senior manager grades at HK\$50 - 80K per month.



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Gordon is an Associate Director with the finance & accounting (financial services) team based in Hong Kong.

He is responsible for the research and recruitment of junior to mid-level finance professionals in areas such as finance control & reporting, management reporting, regulatory reporting, product control & valuation, business analysis, change management, fund accounting and administration & tax. His role has a focus on the Hong Kong and Singapore markets.

Gordon has extensive experience and knowledge of recruitment in financial services. He began his recruitment career at a top boutique recruitment firm specialising in placing front office professionals in corporate finance and capital markets.

Gordon has a Bachelor's degree in Informatics, Human Resources & Philosophy from the University of Sydney and speaks English, Cantonese and Mandarin.



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Andrew is an Associate Director with the finance & accounting (financial services) team based in Hong Kong.

He is responsible for the recruitment of mid to senior level finance professionals within the banking and financial services sector recruiting professionals in areas such as finance control & reporting, management reporting, regulatory reporting, product control & valuation, business analysis, change management, fund accounting and administration & tax.

Andrew has a number of years of experience in recruitment and has successfully supported clients by supplying outstanding candidates to meet their ever demanding talent needs. He has worked extensively with large, global institutions and has an extensive network of contacts across the APAC region. Prior to joining the recruitment industry, Andrew worked for a global financial consulting firm, servicing both Hong Kong listed and international clients on audit engagements as well as financial due diligence mandates for multiple M&A projects.

Andrew has a Bachelor's degree in Economics from the University of California, Irvine. He speaks Cantonese, English and Mandarin.

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She is responsible for the recruitment of junior to senior-level finance professionals in areas such as finance control & reporting, management reporting, regulatory reporting, product control & valuation, business analysis, change management, fund accounting and administration & tax across Hong Kong and Greater China.

Prior to joining the finance & accounting team, she was responsible for recruiting candidates within the HR & corporate services space across corporates, financial services and private practice law firms.

Jessie has a Bachelor's degree in Human Genetics from University College London. She speaks fluent English, Cantonese and Mandarin.



ABOUT AQUIS SEARCH

Aquis Search is a regional leader for corporate governance and control functions executive search and recruitment services. Our geographical coverage extends beyond our office locations and we handle search assignments in numerous Asian countries.

Our clients are members of a global network of prestigious financial institutions, leading UK & US law firms and many of the largest companies within the Fortune 500. Professional integrity is the key value on which our client relationships are built, and the majority of our business is the result of personal referral. This is testament to the high level of professionalism for which we are known.

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