Deepening Malaysia-Hong Kong Partnership to Unlock Cross-border Market Synergies

Remarks at SFC and Securities Commission Malaysia MoU signing ceremony

Ms Julia Leung
Chief Executive Officer

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Distinguished guests, ladies and gentlemen, good morning.

Thank you for joining us at this pivotal moment for the Hong Kong-Malaysia capital market partnership.

A landmark in Hong Kong-Malaysia connectivity

I would like to echo Kelvin's[1] sentiments and extend my sincere appreciation to Chairman Faiz[2] of the Securities Commission Malaysia (SC) for your visionary leadership in bringing us to this milestone. It has also been a genuine pleasure working with SC Managing Director Azalina Adham—your dedication to expanding cross-border investment opportunities is truly admirable.

I clearly recall my first conversation with Azalina during the International Organization of Securities Commissions' (IOSCO) Board meeting in Madrid last year: we explored ways to deepen Hong Kong-Malaysia market ties—especially through cross-listing securities and expanding mutual recognition of investment products. Together with Chairman Faiz, we continued our discussion in Sydney this March, on the sidelines of the IOSCO Asia Pacific Regional Committee meeting. Thanks to the outstanding commitment of our teams, we have delivered a robust cooperation framework in record time.

Regional integration a response to global shifts

Today's Memorandum of Understanding (MoU) signing comes at a critical juncture for Asia's markets and investment landscape. Rising geopolitical and trade tensions have led to the realignment of supply chains in this part of the world, accelerating capital flows within Asia. Intra-regional investments now account for about 70% of total inflows. This calls for closer

[1] Dr Kelvin Wong, Chairman of the SFC, who spoke earlier at the same ceremony.
[2] Dato' Mohammad Faiz Azmi, Executive Chairman of the Securities Commission Malaysia.

Note: This is the text of the speech as drafted, which may differ from the delivered version.

regional ties between fundraising platforms to facilitate flows of capital that seeks diversification.

A two-way bridge for mutual benefit

At its core, this MoU will provide the regulatory underpinning for the cooperation and expansion of both capital markets whose regulatory and disclosure frameworks are very similar. It paves the way for more Malaysian companies to pursue primary and secondary listings in Hong Kong, enriching our market diversity with more high-quality enterprises. In the reverse direction, our listed companies gain the opportunity to list on Bursa Malaysia, tapping into a deep and differentiated pool of Malaysian long-term capital.

In a strong showing of support today, we are delighted to be joined by more than 30 senior asset managers, market makers and investment bankers from Hong Kong. Collectively, the participating asset managers manage over 80% of the total market capitalisation of the Hong Kong ETF[3] and L&I Product[4] market. The participants are keen to tap into the opportunities offered by an expansion of mutual recognition of funds in the MoU to cover non-Islamic ETFs and L&I Products[5], as well as REITs[6]. We look forward to Hong Kong institutions collaborating with their Malaysian partners to list their products on the Malaysian exchange and broaden their investor reach. In turn, Malaysian asset managers are most welcome to list their ETFs, L&I Products and REITs in Hong Kong.

Vision for the future

To operationalise the MoU, the SFC has allocated dedicated resources and channels to Malaysian listing applicants who can take advantage of a single prospectus for the two jurisdictions to reduce duplication and save time and costs. Malaysian issuers of ETFs and REITs will also benefit from a streamlined authorisation process. I am confident that the MoU will foster market access and innovation without compromising investor protection, making both markets bigger, deeper and more resilient.

Finally, thank you once again to Chairman Faiz, Azalina, and everyone here today for your steadfast support. I look forward to seeing this partnership flourish and deliver lasting value in the years ahead.

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[3] Exchange-traded fund.
[4] Leveraged and inverse product.
[5] In 2009, the SFC and SC Malaysia signed an MoU on the Mutual Recognition of Islamic Collective Investment Schemes.
[6] Real estate investment trusts.