

AFRC Chairman Dr David Sun's Keynote Speech at HKCGI Annual Cocktail Reception

“Better Governance. Better Future”

16 January 2026

Good evening, Tom (Mr. Tom Chau, President of HKCGI), Kelvin (Dr. Kelvin Wong, Chairman of the SFC), Edith (Ms. Edith Shih, Honorary Adviser to Council, Past International President and Past President of the Institute), Ellie (Ms. Ellie Pang, Chief Executive of HKCGI), esteemed guests, ladies and gentlemen, it is truly my pleasure and honour to join you this evening.

May I begin by extending my heartiest New Year greetings to each and every one of you. Tonight, I'm standing among Hong Kong's leading Chartered Secretaries and Chartered Governance Professionals—and let me congratulate the Hong Kong Chartered Governance Institute (HKCGI) for your continued leadership, captured so well by your enduring tagline: “Better Governance. Better Future. 卓越治理 更佳未來。”

Borrowing that tagline, I'd like to offer a few remarks on better governance and a better future, along three key ideas: People. Regulation. Future.

First: Better governance starts with good people

At its core, better governance starts with good people—people of integrity, courage, and sound judgment.

Rules and structures matter. But the tone is set by people: what they tolerate, what they challenge, and what they insist on doing right—even when no one is watching, or when the pressure is on.

That is why your profession matters so much. You may not be the loudest voice in the boardroom, but you are among the most influential—ensuring proper process, sound decisions, and real follow-through.

You see: Governance is like good plumbing: when it works, nobody notices; when it fails, everyone notices—immediately.

And here is the point: good governance is not box-ticking. It is the organization's operating system. It supports strategy, strengthens resilience, improves risk decisions, and protects reputation—often before anyone even realizes a risk exists.

Second: Better governance is strengthened by better regulation

One of the AFRC's strategic pillars is supporting better governance through better regulation. And we see HKCGI members as key partners in that mission.

We do not and cannot do this alone. Because trust is not built in isolation—it is built as an ecosystem. It grows when boards, companies, professionals, and regulators keep moving in the same direction.

That is why our partnership with HKCGI matters. Our participation in HKCGI's Director Training Series: Dialogue with Regulators is a simple but powerful example: when governance professionals and regulators sit at the same table, we reduce blind spots, build capability, and strengthen a shared culture of accountability.

Your work builds governance capability from the inside—through professional standards, boardroom discipline, and the practical craft of helping directors govern well.

Our work at the AFRC reinforces governance from the outside—through regulation that protects audit quality and reporting integrity, so good actors are rewarded, bad actors are penalized, and market confidence is earned—and maintained.

So, what does better regulation look like?

In simple terms, it is focused, predictable, and results driven.

On focused regulation:

We concentrate attention where it matters most—audit quality, credible financial reporting, and professional integrity. That means being risk-based and right-sized, so boards and firms spend less time on box-ticking and more time improving what truly drives performance and market trust.

On predictable regulation:

We set clear expectations and apply them consistently. When the rules of the game are stable, firms invest in capability, boards govern with confidence, and the system moves from “minimum compliance” to continuous improvement.

On results-driven regulation:

We regulate for trust—not paperwork. The goal is rigorous audits, credible reporting, timely remediation when issues arise, and accountability where it is needed.

Hong Kong's next chapter will demand both creativity and credibility.

And I should add—creativity is great... but not creative accounting... or sloppy auditing... or both.

Better governance enables responsible innovation—but credibility is the currency that allows innovation to scale.

Third: Better governance needs to be forward-looking

Better governance is not only about today's compliance; it is about tomorrow's value and resilience.

Around the world, investors and stakeholders are demanding more: not only that companies perform, but that they act responsibly—and that they can demonstrate it with information that is reliable.

That is why the AFRC has launched a public consultation on a framework for sustainability assurance in Hong Kong.

The direction is clear: sustainability disclosures must be credible, and where assurance is provided, it must be reliable—because capital increasingly relies on this information.

And this matters for a simple reason: assurance ultimately depends on governance—data ownership, controls, oversight, and accountability—the practical disciplines that you help embed in organizations every day.

Your engagement matters because you are well positioned to lift disclosure quality, help strengthen trust in the assurance ecosystem, and drive real transformation—so sustainability is embedded in governance and board oversight.

So may I invite you to review the consultation paper and share your views by 30 March 2026.

Closing

Ladies and gentlemen, better governance starts with good people, it is strengthened by better regulation, and it needs to be forward-looking.

If we work together—governance professionals, boards, firms, and regulators—we can strengthen trust, support responsible innovation, and help shape a resilient future for Hong Kong.

In the spirit of HKCGI's tagline: Better Governance. Better Future.

Thank you, and I wish you a wonderful evening.