

[For Immediate Release]

**2018 Vistra 2020 Report:
Realising the Opportunities in a Disruptive Corporate Services Industry**

Hong Kong, 29 November 2018 – Vistra, a leading global trust, fund administration and corporate services provider, today released the eighth edition of its Vistra 2020 industry research report. The report reveals that the corporate services industry has never been so vital in underpinning globalisation, from the facilitation of cross border capital flows, to the provision of local compliance, legal and regulatory expertise to companies and individuals wishing to do business cross border.

“As the industry responds to geopolitical upheaval, as businesses and jurisdictions come to terms with the convergence of new regulatory frameworks, coupled with new technologies, the corporate services industry is rich with both challenges and opportunities,” said Jonathon Clifton, Regional Managing Director, Asia and Middle East, Vistra. “In this environment, our strong view is that the global financial system is dependent on the corporate services industry in providing the infrastructure to enable global economic development.”

Drawing on the insight of some 800 industry figures, this year’s Vistra 2020 report identified three important trends that are defining today’s corporate services industry:

Changing sector to meet evolving geopolitical system

- Ongoing adjustment to globalisation has created political pressure for governments to reassert their role in establishing rules for business. However, this hasn’t stopped businesses from becoming more international in their outlook and ambitions. Developments in the global economy (53%) along with changing regulation (62%) are seen as the most pressing challenges by a majority of respondents and are expected to have a major impact on business.
- Despite understandable caution about the challenges ahead, industry professionals are broadly upbeat in their ability to generate growth and satisfy client demand. 83% are confident in their ability to satisfy clients’ expectations; 74% are confident in their own organisation’s growth prospects.

Increasingly politicised regulations

In recent years, the corporate services industry has been subject to an extraordinary amount of regulatory change, which creates business opportunities to the industry that thrives on helping clients navigate a difficult landscape. Majority of the respondents (74%) are ramping up their investments in compliance and, as a result, will be able to demonstrate that they and their clients have nothing to hide, whether moving money across borders or establishing trading companies in new jurisdictions.

- 78% are confident in their ability to achieve timely and consistent compliance with new regulations, even though similar proportions (73%) admit that the speed and frequency of change is a challenge.
- 85% expect the political pressure that has forced greater scrutiny of tax and financial data to continue unabated, even though the clear majority (76%) believe that governments have underestimated the challenge that automatic exchange of information places on their business.

Unmet value and threat of new technology

Technological innovation is making impacts everywhere and the corporate services industry is no exception. With applications such as robo-advisory and biometrics pushing at the door – all of which could have transformational implications for the industry – businesses may be too relaxed.

- Although majority of the respondents (78%) are upbeat about the prospects of technology delivering efficiency savings, only 20% of industry professionals expect technological change to have a notable impact on their business, showing complacency.
- Today, the focus for many in the industry is firmly on bread-and-butter issues such as automating “know your customer” and anti-money laundering requirements, rather than on more exotic technologies such as AI and blockchain. Only 22% is looking into blockchain, which is relatively low considering the potential upheaval that crypto-currencies could create in the industry.

Senior executives from Vistra outlined five predictions for the coming year:

- ***The tech wake-up call:*** The industry has yet to feel the force of technological disruption. If they are not careful, they may soon find themselves scrabbling to catch up, or fighting for survival.
- ***Politicised regulation will continue in the short term:*** It is likely that governments will continue to target the industry with crowd-pleasing transparency drives, at least in the short term.
- ***PR war will turn a corner:*** There is hope that the public will become more supportive of the industry – and politically-motivated regulation will inevitably soften as a result.
- ***Corporate services industry will continue to change shape:*** Clients’ demand for scale will drive further consolidation. Changing conditions may also give rise to consolidation among jurisdictions, as some jurisdictions struggle, or choose not, to keep up with the burden of ongoing regulatory change.
- ***Emerging markets will increase in importance:*** Business in emerging markets including Middle East, China and India are expected to mature rapidly over the next few years.

For a more in-depth look at the Vistra 2020 report, please download the report at www.vistra.com/sites/default/files/vistra_2020_report_2018.pdf.

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About Vistra

Ranked in the top three corporate service providers globally, Vistra is a versatile group of professionals, providing a uniquely broad range of services and solutions. Our capabilities span across company formations to trust, fiduciary, private client services, and fund administration. Vistra employs over 4,000 employees across 46 jurisdictions. For more information, please visit www.vistra.com.

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