

[For Immediate Release]

Vistra 2030: Unlocking Opportunity for the Decade Ahead
New report reveals six major trends impacting corporate services

Hong Kong, 14 October 2020 – Vistra, a leading provider of expert advisory and administrative support to Fund, Corporate, Capital Market and Private Wealth clients, today released its industry-leading report titled, *Vistra 2030: Unlocking opportunity for the decade ahead*. Now in its 10th year, the report reveals six major trends that are shaping the corporate services industry, from the impact of Covid-19 to the perceived decline of offshore centres, and the future for regulatory cooperation.

The research, which has been renamed and rebranded to mark its 10th anniversary, draws on the insight of 620 industry experts and in-depth interviews with 20 industry leaders.

“When we launched this study a decade ago, the corporate services industry looked very different. The industry was heavily fragmented, with a lot of single jurisdiction operators and niche providers. Since then, the industry has experienced unprecedented change with increased regulatory requirements and major geopolitical and economic shifts. Our research has charted the sectors’ growing sophistication as clients have sought asset protection and growth in this increasingly complex environment”, said Jonathon Clifton, Regional Managing Director, Asia-Pacific. “This report explores that increase in complexity and what we can expect going forward. Renaming this research signifies our intent to support the industry with research-driven insights through the decade ahead.”

Six headline findings

1. Confidence shaken as cross-border business grows more complex

Just 38% of respondents are confident about their firm’s growth prospects, down from 75% in our previous study of 2018, as Covid-19 takes hold. And only 32% are confident about the ease of doing business across borders – down from 61% in 2018.

2. The industry is divided about how Covid-19 will impact the onshore versus offshore dynamic

30% of respondents say that Covid-19 will accelerate the shift away from offshore towards onshore, 38% are uncertain – and 32% say the opposite. In an uncertain climate, there are good reasons why offshore centres will remain attractive.

3. Regulatory co-operation may have peaked, as industry expectations of convergence fade

For the first time since 2015, the number of respondents predicting greater international convergence on information sharing, beneficial ownership registries and tax-accounting standards has declined. In addition, industry professionals are questioning whether global alignment on these measures is realistic within the next five years.

4. Ten-year data shows privacy and tax planning fall as drivers of demand

Asset protection (35%) and facilitating FDI (34%) are now the principal reasons for establishing entities. For respondents reliant on the BVI and Cayman Islands, stability, expertise and flexibility are the attributes they value most. When we began this study in 2010, the industry said that privacy and tax planning were at the top of the list.

5. Singapore leapfrogs Hong Kong in jurisdiction rankings for the first time

Uncertainty over Hong Kong's future autonomy coupled with Singapore's push to become more competitive have turned the tables – for now. Singapore shares the top spot with the UK and US.

6. China's dominance recedes as emerging Asia becomes top market for origination

As tensions between US and China continue, the industry is questioning its long-held perception of China as its main source of new business. More than half (54%) expect rising demand for company formation jurisdictions to come from emerging Asia (excluding China), and 42% cite China as a major source of increased demand.

The report also addresses five big questions facing the industry as we future gaze the decade ahead with the following predictions:

- **Will globalisation come back stronger?** With corporates and families more international than ever, globalisation will sustain and may come back stronger, but with different features.
- **Is this really it for offshore?** We believe there is a long-term role for tax neutral jurisdictions, which are well regulated, to help connect disparate parts of the global economy.
- **Can tax mitigation survive?** Although tax mitigation will face more pressure in the short-term and become even further restricted, we expect tax planning services to survive the decade ahead, and tax competition will eventually return.
- **Will privacy stage a fightback?** We expect a growing awareness of the danger of exposing too much personal data publicly to trigger a more considered approach to information sharing and public registers.
- **How will regulatory conflict be resolved?** Although there is divergence on matters such as tax, substance, and transparency in the short-term, the prospects of governments facing budget deficits in a post-Covid world will encourage them to find consensus on these issues.

For more a more in-depth look at the Vistra 2030 report, please download the report at [here](#).

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About Vistra

With a laser focus on minimising risk, Vistra provides expert advisory and administrative support to Fund, Corporate, Capital Market and Private Wealth clients; helping capital flow, protecting investors and safeguarding assets across multiple industries. Vistra is present in 45 jurisdictions and employs over 4,600 professionals. For more information, please visit www.vistra.com.

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