

# Expanding cross-boundary e-CNY pilot in Hong Kong

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) and the People's Bank of China (PBoC) have made further progress in the e-CNY pilot for cross-boundary payments, to expand the scope of e-CNY pilot in Hong Kong to facilitate the set up and the use of e-CNY wallets by Hong Kong residents, as well as the top-up of e-CNY wallets through the Faster Payment System (FPS). The interoperability between the FPS and the e-CNY system operated by the Digital Currency Institute (DCI) of the PBoC also marks the first linkage of a faster payment system with a central bank digital currency system in the world. It provides an innovative use case which underscores interoperability, a key area set out in the G20 Roadmap for enhancing cross-border payments.

The expansion of the cross-boundary e-CNY pilot in Hong Kong is one of the six measures announced by the PBoC earlier this year under the "three connection, three facilitation" initiative. With the expansion of the pilot scope, users can now set up e-CNY personal wallets in Hong Kong, which requires only their Hong Kong mobile phone numbers. The e-CNY wallets can be used for cross-boundary payments but cannot be used for person-to-person transfers. Users can top up their e-CNY wallets via the FPS through 17 retail banks in Hong Kong (Annex 1). In addition to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), the e-CNY can also be used in other Mainland pilot areas. Progress is being made on the interoperability of e-CNY with traditional e-payment service providers in the Mainland, which would also provide more consumption choices to Hong Kong residents in the future.

The Chief Executive of the HKMA, Mr Eddie Yue, said, "We are delighted that Hong Kong, being the first place in conducting cross-boundary e-CNY pilot, has also become the first place outside the Mainland that enables its residents to set up e-CNY wallets locally. By expanding the e-CNY pilot in Hong Kong and leveraging the 24x7 operating hours and real-time transfer advantages of the FPS, users may now top up their e-CNY wallets anytime, anywhere without having to open a Mainland bank account, thereby facilitating merchant payments in the Mainland by Hong Kong residents. We will continue to work closely with the PBoC to gradually expand the applications of e-CNY, enrich the range of functionalities of the e-CNY wallet available to Hong Kong residents and step up efforts in promoting the acceptance of e-CNY by more retail merchants in the two places."

The HKMA will continue working with the DCI to explore upgrading the e-CNY wallet to higher tiers through real-name verification and enhancing the interoperability in payments so as to provide more convenient user experiences, whether for individuals or merchants. Additionally, corporate use cases will also be explored with a view to facilitating cross-boundary trade settlement.

The e-CNY will provide an additional safe, convenient and innovative means of cross-boundary retail payments to residents in Hong Kong and the Mainland. It will also enhance the efficiency and user experience of cross-boundary payments, and promote the interconnectivity of the GBA.