

"FPS x SME" Seminar and fifth anniversary of FPS

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

The Hong Kong Monetary Authority (HKMA) organised the "FPS x SME" Seminar today (September 26). The seminar brought together over 130 representatives from small and medium-sized enterprises (SMEs), business chambers, banks, and Stored Value Facility (SVF) operators. Themed as "Exploring innovation, raising productivity and creating opportunities", the seminar aimed to facilitate the exchange between the banking and SVF industries as well as SMEs. It aimed to explore the significance and growth opportunities of the Faster Payment System (FPS) in the SME payments.

In his welcome remarks, Deputy Chief Executive of the HKMA Mr Howard Lee said, "September 2023 marks the fifth anniversary of the launch of the FPS. We have witnessed the rapid growth of the FPS as a popular means of person-to-person payments. We look forward to the FPS achieving another major milestone by becoming even more widely adopted by corporates for payments. SMEs constitute a significant part of Hong Kong's economy and play an essential role in establishing our position as an international financial centre. We aim to assist SMEs in leveraging the FPS to strengthen their competitiveness and support them in embracing the era of electronic payment (e-payment). This aligns with the HKMA's goal of promoting financial inclusion."

The panel discussion at the seminar discussed the challenges faced by SMEs when using FPS, and various FPS payment solutions provided by banks to facilitate the adoption of e-payment by SMEs. The seminar also featured an experience-sharing session where two SMEs explained how they had benefited from using the FPS in terms of increased operational efficiency, reduced administrative burden, and improved liquidity flow due to the instantaneous nature of FPS payments.

To mark the fifth anniversary of the launch of the FPS, the HKMA has joined hands with 21 banks and SVF operators (Annex 1) to introduce various promotional offers to corporate and individual customers. Nine of these banks and SVF operators have set up exhibition booths at the seminar today, explaining various FPS payment solutions and offering discounts on the spot to SME customers. Hong Kong Interbank Clearing Limited, the operator of the FPS, will exempt banks and SVF operators from settlement fees when processing real-time payments from corporates and merchants through the FPS in October. This aims to encourage banks and SVF operators to pass on the benefit to SMEs and merchants, further expanding the use of FPS among them, thereby achieving the goal of exploring innovation, raising productivity and creating opportunities.

During the seminar, Mr Lee also mentioned that the collaborative effort

between the HKMA and the Bank of Thailand has come to fruition. The bilateral linkage between FPS and PromptPay of Thailand is expected to be launched by this year. Hong Kong residents will then be able to make retail payments with the FPS in Thailand, while visitors from Thailand can use their equivalent faster payment system, PromptPay, to pay at merchants in Hong Kong. This arrangement aims to enhance the payment experience and provide an additional safe and fast payment option to customers in both places.

As of August 2023, the FPS recorded 12.81 million registrations, with an average annual growth of 36 per cent. The use of the FPS has also continued to increase, registering an average annual rise of 71 per cent and 41 per cent respectively in its daily Hong Kong dollar real-time transaction volume and value in the past five years. In August, it processed an average of 1.25 million Hong Kong dollar real-time transactions per day, worth HK\$ 9.9 billion.