

Granting of virtual banking licences

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

The Hong Kong Monetary Authority (HKMA) announced today (March 27) that the Monetary Authority has granted banking licences under the Banking Ordinance to Livi VB Limited, SC Digital Solutions Limited and ZhongAn Virtual Finance Limited for them to operate in the form of a virtual bank. The granting of these banking licences takes effect today.

The Chief Executive of the HKMA, Mr Norman Chan said, "We are pleased to grant the three virtual banking licences today. The introduction of virtual banks in Hong Kong is a key pillar supporting Hong Kong's entry into the Smart Banking Era. It is a major milestone in reinforcing Hong Kong's position as a premier international financial centre. I believe that virtual banks will not only help drive FinTech and innovation, but also bring about brand new customer experiences and further promote financial inclusion in Hong Kong.

"As virtual banks will have no physical branches, they will rely on the internet for customer acquisition and for the delivery of banking services. I believe that virtual banks will have to offer innovative and customer-centric services in order to attract customers. Moreover, in targeting the retail public and SMEs as their main client base, virtual banks should help promote financial inclusion in Hong Kong."

According to their business plans, these three newly licenced virtual banks intend to launch their services within 6 to 9 months.

After the granting of the above banking licences, the number of licensed banks in Hong Kong will be increased to 155.

The HKMA is making good progress in the processing of the remaining 5 virtual bank applications.