HKMA publishes "e-HKD Pilot Programme Phase 1 Report"

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

The Hong Kong Monetary Authority (HKMA) today (October 30) released the "e-HKD Pilot Programme Phase 1 Report" to discuss the key findings, learnings, and the HKMA's assessment of 14 pilots conducted by the 16 participating firms (see Annex) under Phase 1 of the e-HKD Pilot Programme. The report also sets out the next steps of the e-HKD Pilot Programme.

The pilots under Phase 1 showed that an e-HKD could add unique value to the current payment ecosystem in Hong Kong in three main areas, these include programmability, tokenisation, and atomic settlement. An e-HKD has the potential to facilitate faster, more cost-efficient, and more inclusive transactions. It can also enable new types of economic transactions. However, the HKMA recognises that these pilots are conducted on a small scale under a controlled environment. Further investigation and evaluation are required to determine if these benefits can be realised at a larger scale in real-life applications.

The HKMA has not yet made a decision on whether and when to introduce an e-HKD. The outcomes and insights gained from Phase 1 of the e-HKD Pilot Programme will help enrich the HKMA's perspective and refine its approach to the possible implementation of e-HKD. The next phase of the programme will seek to explore new use cases for an e-HKD and delve deeper into select pilots from Phase 1.

The Chief Executive of the HKMA, Mr Eddie Yue, said, "Phase 1 of the e-HKD Pilot Programme has examined many innovative use cases of an e-HKD and has provided valuable insight to the HKMA on how an e-HKD can potentially add tangible value to businesses and consumers. These pilots have also raised a number of areas for future study. We thank all participating firms for their strong interest in the programme, and look forward to continuing our close partnership with the industry in our exploration of central bank digital currencies."

The report is available on the HKMA website. Details of each pilot can be found in the factsheets and supplementary reports prepared by the pilot participants, accessible via the links in Appendix A of the report.