

HKMA strengthens verification requirements for electronic wallets setting up direct debit authorisations

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

The Hong Kong Monetary Authority (HKMA) has completed its review on the process of electronic wallets users setting up direct debit authorisation (eDDA) through the Faster Payment System (FPS). The HKMA has requested stored value facility operators and banks to adopt the following refined process to enhance user protection:

1. the user will receive an SMS notification from his bank to confirm the setting-up of eDDA¹ or
2. he will need to make a one-time credit transfer from the relevant bank account to his electronic wallet, so as to confirm the wallet user is the same as the bank account owner; or
3. Bank's Two-factor Authentication.

In order to provide more comprehensive protection to users, the above refined process will apply to direct debit services conducted through both FPS and non-FPS channels. To implement the refined process, direct debit services through both channels have been temporarily suspended, but the resumption of services using the above refined process is expected to begin incrementally starting from next week.