

Hong Kong FinTech Week 2019

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

The Hong Kong Monetary Authority (HKMA) today (November 6) co-organised the city's flagship fintech event with Invest Hong Kong (InvestHK). The five-day programme has attracted thousands of attendees across the globe. In his opening speech at the Hong Kong FinTech Week 2019, HKMA Chief Executive Mr Eddie Yue noted fintech development in Hong Kong has gathered remarkable momentum ever since the first FinTech Week three years ago.

The HKMA also took the chance to highlight a series of initiatives aimed to foster the fintech ecosystem in Hong Kong.

1. Blockchain collaboration with the subsidiary of Institute of Digital Currency of People's Bank of China (PBoC)

Today a Memorandum of Understanding (MoU) was signed between the subsidiaries of Hong Kong Interbank Clearing Limited and Institute of Digital Currency of the PBoC to conduct a Proof-of-Concept (PoC) trial, which aims to connect eTradeConnect (Note) and the PBoC Trade Finance Platform. The PoC is expected to begin in Q1 2020. Once the connection has successfully been established, it will provide firms in both places with more convenient trade finance services and enable banks in Hong Kong to expedite the expansion of their trade finance business.

2. Joint research with Bank of Thailand – Project LionRock-Inthanon

As a follow-up to the MoU signed between the HKMA and the Bank of Thailand in May 2019, the two authorities are conducting a joint research project named [Project LionRock-Inthanon](#) to study the application of Central Bank Digital Currency (CBDC) to cross-border payments, with a view to facilitating HKD-THB payment-versus-payment (PvP) among banks in Hong Kong and Thailand. A joint report is scheduled to be released in Q1 2020.

3. Bank of International Settlements (BIS) Innovation Hub Hong Kong Centre

The first ever Innovation Hub of BIS commenced its operation in Hong Kong in November 2019, a testimony that Hong Kong stands at the forefront of fintech innovation. The HKMA believes that the Innovation Hub Hong Kong Centre will serve as a focal point for regional fintech collaboration and bring the application of innovative technologies among central banks to a new level. Initially, the HKMA will explore with the Hong Kong Centre on the use of Distributed Ledger Technology to digitalise trade finance processes and study the impact of big tech to financial markets.

4. Artificial Intelligence (AI) in Banking

The HKMA is conducting a study on the application of AI technology in

the banking industry and will release a series of publications. To begin with, the HKMA published today a [fact sheet](#) to highlight the key facts and figures revealed in an industry-wide survey conducted in Q3 2019. One of the key findings shows almost 90 per cent of the surveyed retail banks have adopted or plan to adopt AI applications. The survey included interviews and questionnaires conducted with banks, industry organisations, and fintech firms, with a view to understanding the current AI landscape in the banking industry. In the coming months, a series of reports will be published.

5. Fin+Tech Collaboration Platform to accelerate innovation and collaboration

The HKMA jointly launched the Fin+Tech Collaboration Platform today with the Hong Kong Science and Technology Parks to support fintech development in a technology-centric approach. Industry players can make use of the platform to organise fintech-related activities such as accelerators and hackathons to explore innovative solutions, identify talents, and seek collaboration opportunities. The HKMA will also make use of the platform's hardware and software facilities for some of its fintech projects (including Project LionRock-Inthanon).

Mr Eddie Yue said, "The HKMA's fintech initiatives have successfully created a vibrant fintech ecosystem. To lift Hong Kong's fintech development to a new height, we must take a holistic 'HK Inc.' approach. I look forward to partnering with our stakeholders including financial institutions, end users, start-up firms, technology service providers, investors and regulators to walk towards the shared purposes of driving innovation, enhancing customer experience and facilitating financial inclusion."

Note: eTradeConnect is a blockchain-based trade finance platform officially launched in October 2018 under the facilitation of the HKMA and the platform is fully funded by a consortium of 12 major banks in Hong Kong.