

LCQ4: Link for cross-border QR payment between Hong Kong and Thailand

Following is a question by the Hon Chan Pui-leung and a reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (April 10):

Question:

The Hong Kong Monetary Authority and the Bank of Thailand (BOT) launched the FPS x PromptPay Link for cross-border QR payment between Hong Kong and Thailand (the payment connectivity initiative) in December last year. Travellers from Thailand and Hong Kong can make retail payments by using the relevant mobile payment applications to scan the FPS QR codes displayed by Hong Kong merchants and the PromptPay QR codes displayed by Thai merchants respectively. In this connection, will the Government inform this Council:

(1) of the number of Thai merchants providing the relevant payment means and the transaction amount involved since the implementation of the payment connectivity initiative; the estimated growth in the number of such merchants and the transaction amount this year;

(2) as it is learnt that under the payment connectivity initiative, Hong Kong travellers in Thailand can only make payments by scanning the QR codes provided by five designated Thai banks, while Thai travellers in Hong Kong can only make payments by using the payment applications of three designated Thai banks, whether the authorities will discuss with BOT an increase in the numbers of Thai banks and relevant operators participating in the payment connectivity initiative, so as to attract more travellers to use the payment means; if so, of the details; if not, the reasons for that; and

(3) as it has been reported that the number of Hong Kong travellers to Thailand is increasing but not many of them use the means of payment connectivity, of the authorities' measures in place to step up efforts to publicise the payment means?

Reply:

President,

The Government is committed to promoting the development of the electronic payment (e-payment) and providing the public with safe, efficient, convenient and diversified e-payment options by enhancing financial infrastructure and implementing a robust regulatory regime. Hong Kong has a well-developed e-payment ecosystem with a number of non-cash payment options available to the public.

In September 2018, the Hong Kong Monetary Authority (HKMA) launched the

Faster Payment System (FPS) to support safe, convenient and efficient retail payments. The Government and the HKMA are committed to expanding the application of FPS, which has now expanded from person-to-person transactions to merchant payments, top-up transactions, government bill payments, etc.

On December 4, 2023, the HKMA and the Bank of Thailand (BOT) launched the FPS x PromptPay Link for cross-border QR payment. Visitors from Thailand and Hong Kong are able to make retail payments by using mobile banking or e-wallet applications that support the service to scan the Hong Kong FPS QR code and Thai PromptPay QR code displayed by merchants respectively, providing visitors from both places with a safe and convenient cross-border retail payment means.

In consultation with the HKMA, my reply to the three parts of the question is as follows:

(1) Through the FPS x PromptPay Link, visitors from Hong Kong may now make payments via FPS at around 8.7 million merchants in Thailand, including large shopping malls, department stores, supermarkets, duty-free shops, restaurants, public transport, etc.

In Thailand, the average transaction amount under the FPS x PromptPay Link is currently below HK\$200, such as payments for restaurants and retail stores, convenience stores, coffee shops, etc, and the usage is particularly significant during weekends and long holidays. There are also some transactions of medium to high value, such as payments for high-end restaurants, dental care and golf classes, with the highest single transaction amount reaching nearly HK\$10,000.

The HKMA and the BOT will continue to encourage more merchants in Hong Kong and Thailand to participate in the FPS x PromptPay Link, with a view to providing greater convenience to visitors from both places.

(2) At present, the participating institutions of the FPS x PromptPay Link are major financial institutions in Hong Kong and Thailand. Regarding payments made by Hong Kong visitors in Thailand, FPS users of seven local banks and two store value facility (SVF) operators (Note 1) can now scan the PromptPay payment codes provided by five participating banks in Thailand (Note 2) to make payments, covering over 90 per cent of the PromptPay merchants in Thailand. As for Thai visitors making payments in Hong Kong, PromptPay users of three major retail banks in Thailand (Note 3) can now make payments at all merchants in Hong Kong that provide FPS payment code.

Financial institutions in the two places will decide whether to participate in the FPS x PromptPay Link having regard to factors including their respective development directions and resource deployment. The HKMA and the BOT will continue to actively promote the FPS x PromptPay Link to banks and SVF operators in the two places. It is anticipated that more financial institutions will join in the future.

(3) The FPS x PromptPay Link has been well received by Hong Kong visitors to

Thailand since its launch. According to the figures from Thailand, in January 2024, Hong Kong ranked the third in terms of payment volume in cross-border QR code payments in Thailand, only after Malaysia and Indonesia (Note 4) which had far more visitors to Thailand than Hong Kong.

To further promote the FPS x PromptPay Link, the HKMA has launched a series of publicity campaigns, including on-site filming of education videos in Thailand to introduce the procedure of using FPS and points-to-note; organising targeted promotion during the peak seasons for travel including the Christmas in 2023 and the Lunar New Year in 2024; producing short animations and print advertisements for publicising on the dedicated pages of the HKMA and the travel-related social media platforms before and after the Easter and the Thai New Year holidays in 2024. Hong Kong financial institutions participating in the FPS x PromptPay Link have also introduced different promotional offers, such as cash rebates, lucky draws and exchange rate discounts, with a view to attracting Hong Kong visitors to use the cross-border QR code payment service in Thailand.

In addition, the HKMA and the Hong Kong Interbank Clearing Limited, which is responsible for operating the FPS system, have provided information and frequently asked questions regarding the FPS x PromptPay Link on their respective websites, enabling the public to have an in-depth understanding of the detailed arrangement as well as enhancing the public awareness of the service. Thank you, President.

Note 1: Including Bank of China (Hong Kong) Limited, Bank of Communications (Hong Kong) Limited, Bank of East Asia Limited, Citibank (Hong Kong) Limited, Fubon Bank (Hong Kong) Limited, Hang Seng Bank Limited, HKT Payment Limited, Hongkong and Shanghai Banking Corporation Limited and Octopus Cards Limited.

Note 2: Including Bangkok Bank, Bank of Ayudhya, Krungthai Bank, Kasikornbank and Siam Commercial Bank.

Note 3: Including Bangkok Bank, Bank of Ayudhya and Krungthai Bank.

Note 4: In January 2024, the number of visitors from Malaysia and Indonesia to Thailand were around 7 times and 1.5 times than that from Hong Kong respectively.