

LCQ8: Assistance provided to the financial services industry

Following is a question by the Hon Christopher Cheung and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (February 3):

Question:

The second-round relief measures implemented by the Government include the establishment of a Financial Industry Recruitment Scheme for Tomorrow (FIRST Scheme) to help create 1 500 new positions in the financial services industry, which has been hit by the epidemic, for employing local talents. Each eligible employer may apply for salary subsidies for a maximum of 25 eligible new full-time positions, and each position is entitled to a subsidy of up to \$10,000 per month for a period of 12 months. Regarding the assistance provided by the Government to the financial services industry, will the Government inform this Council:

(1) of the respective numbers of applications received and approved by the Government under the FIRST Scheme; the total number of positions for which subsidies were approved and the total amount of subsidies disbursed so far, as well as the average monthly amount of subsidy for each position;

(2) given the enthusiastic response received for the FIRST Scheme, whether the Government will (i) launch a second phase of the FIRST Scheme with increased number of positions and raised amount of subsidies, and (ii) encourage the securities industry to make use of the Scheme to employ more technology talents; and

(3) whether it will consider establishing a financial technology (fintech) special fund for the financial services industry, through which (i) subsidies are disbursed to securities-related enterprises for them to develop fintech enhancement projects, and (ii) allowances are provided to the practitioners concerned for them to enrol in fintech courses, so as to assist the securities industry in the comprehensive application of fintech?

Reply:

President,

Having consulted the Financial Services Development Council (FSDC), the Government's reply to various parts of the question raised by the Hon Christopher Cheung is as follows:

(1) & (2) Funded by a \$180 million provision under the Government's Anti-epidemic Fund, the Financial Industry Recruitment Scheme for Tomorrow (FIRST) is commissioned by the Financial Services and the Treasury Bureau (FSTB) and

administered by the FSDC with the aim of creating 1 500 full-time jobs in eligible financial services sectors including banking, securities, insurance, trustees of Mandatory Provident Fund (MPF) Schemes and certified public accountant (CPA) firms. Each eligible firm may apply for subsidies for a maximum of \$10,000 per month per new hire for 12 months. Disbursement will be made to applicants on a quarterly basis. Application details of FIRST is available at the FSDC's website: www.fsd.org.hk/en/first/about.

FIRST was open for application from September 30, 2020. As at December 8, 2020, the FSDC has approved 748 applications to create a total of 1 500 new posts. The breakdown of the new posts by sector and position is at Annex.

Among the 1 500 posts approved, 1 148 posts have been filled by the new hires as at January 18, 2021. The FSDC is now vetting the supporting documents submitted by the applicants with a view to disbursing the first round of subsidy in late-February 2021.

The Government and the FSDC will continue to monitor the implementation of FIRST and will take necessary follow-up measures accordingly.

(3) The Government has rolled out a number of programmes to support the adoption of Fintech by the financial services sector.

To enrich the Fintech talent pool and support employment, the Government launched the FinTech Anti-epidemic Scheme for Talent Development in July last year, providing salary subsidy to eligible companies for 12 months for up to 1 000 full-time positions. By end-December 2020, some 722 applications have been received, including securities firms.

To enhance in-service financial service practitioners' understanding of Fintech, thereby promoting the application of Fintech in traditional financial sectors, the Government entrusted Cyberport to implement the Financial Practitioners FinTech Training Programme last year to provide Fintech-related training to in-service financial service practitioners. Over 1 200 practitioners have been benefitted, including those from securities sector.

The FSTB, the Hong Kong Productivity Council (HKPC) and the Cyberport co-organised an SME ReachOut – Fintech Development Roundtable Meeting for Securities Industry on October 27 last year to facilitate the adoption of Fintech by the securities sector for upgrading and transforming their services as appropriate. During the meeting, the HKPC introduced various funding schemes of the Government for small and medium enterprises, including the application procedures for the Technology Voucher Programme under the Innovation and Technology Commission.

Furthermore, to encourage traditional financial institutions to partner with Fintech companies to conduct proof-of-concept (PoC) projects on innovative financial services products, the Government has announced the Fintech Proof-of-Concept Subsidy Scheme in January this year. Each approved PoC project will be provided a maximum direct one-off grant of up to \$100,000

or \$150,000. Application will commence from February 26. The Government has earmarked \$10 million for the scheme.