

Speech by CE at Hong Kong FinTech Week 2023 (English only) (with photos/video)

Following is the speech by the Chief Executive, Mr John Lee, at Hong Kong FinTech Week 2023 today (November 2):

Deputy Governor Zhang Qingsong (Deputy Governor of the People's Bank of China), distinguished guests, ladies and gentlemen, and friends around the world,

Good morning. A warm autumn welcome to FinTech Week – and to Hong Kong.

This week and this year's Hong Kong FinTech Week, the eighth annual edition, features more than 500 speakers, 650 exhibitors and thousands of participants from over 90 economies, here in person and online everywhere. This is a flagship event of the Hong Kong SAR Government, and we aspire to bring together the brightest minds in the industry to a week of fintech activities.

The week-long events are themed "Fintech Redefined", and will help to shape the future of fintech in every dimension. I had the opportunity of visiting some of our impressive array of exhibitors at your booths just now, and I must say I am encouraged by your passion in fintech, and in Hong Kong.

You're here because Hong Kong is made for fintech companies, entrepreneurs and investors. We are one of the world's leading financial centres and China's major financial centre. No other economy can claim our unique advantage under the "one country, two systems" principle – which has empowered us to draw on, and create, opportunities from both our country and the world at large.

Firmly premised on the "one country" principle, "two systems" is an important source of impetus that ensures our connectivity and drives our development. We are blessed with an open and highly internationalised market, advanced infrastructure and communications support in all regards. We have internationally aligned regulatory regimes. We have long been a free port and separate customs territory. We champion free trade and the free flow of information and capital.

Add to that the robust rule of law, and the fact that we are the only common law jurisdiction in China. You would know why Hong Kong is your fintech future. A truly redefined future.

Our strengths in financial services are wide-ranging and multifaceted. Hong Kong is Asia's asset and wealth management hub. Last year, we managed nearly US\$4 trillion in assets. About two-thirds of that came from investors beyond Hong Kong.

We are also the world's largest offshore Renminbi business hub. We have about RMB1 trillion in deposits, and handle about 75 per cent of the world's offshore Renminbi payment.

We are Asia's green and sustainable finance leader. Last year, the green and sustainable debts issued in Hong Kong exceeded US\$80 billion. Green and sustainable bonds arranged in Hong Kong accounted for more than one-third of the Asian market.

These, and other achievements, reflect the prowess of Hong Kong's financial sector and its potential – the opportunities here for us. And for you.

Over the past year, I have led high-profile business delegations to Southeast Asia and the Middle East. From Thailand, Malaysia, Singapore and Indonesia, to Saudi Arabia and the United Arab Emirates, we shared our success stories and talked about Hong Kong's return to the global stage after COVID-19.

ASEAN (Association of Southeast Asian Nations) is our second largest trading partner, for 13 years in a row. Our trade continues to grow, soaring almost 40 per cent since the signing, in 2017, of the free trade agreement (FTA) between ASEAN and Hong Kong.

Last year, 15 new offices with parent companies located in ASEAN opened in Hong Kong. Some 650 ASEAN local and regional offices and regional headquarters now call Hong Kong home.

The 10 member states of ASEAN are founding members of RCEP, the Regional Comprehensive Economic Partnership. In my meetings with ASEAN government leaders, they all reaffirmed their support of Hong Kong's accession to RCEP, the world's largest FTA.

My officials have also been covering the ground around the globe. While keeping our close ties with our traditional partners in the European and American markets, we are also expanding our reach to markets under the Belt and Road Initiative, including those of Southeast Asia, Central Asia, the Middle East and Africa.

We have been telling them that Hong Kong is fully in business, creating boundless and new opportunities. From promoting co-operation in finance and commerce, to innovation and technology, we are committed to offering the far-reaching rewards to different economies and their businesses that are looking for high-quality development.

As you know, I presented my second Policy Address a week ago. I announced a number of policy initiatives to boost growth and enhance Hong Kong's competitiveness. Allow me, now, to highlight a few of those initiatives in financial services.

In securities, we will take forward a number of reform measures. We will reduce the stamp duty on stock transfer, and market data fees. We will also look into how best to follow up on suggestions of a dedicated task force to

boost market competitiveness, from trading under severe weather, to facilitating share repurchase by issuers. Other medium- and long-term measures on listing regime, market structure and trading will also be considered.

The goal is clear: to promote the sustainable development of the Hong Kong stock market.

HKEX (Hong Kong Exchanges and Clearing Limited) will set up a new Integrated Fund Platform. It will focus on services related to fund subscription and redemption, settlement, the information portal and more. It will strengthen connectivity between Hong Kong's fund industry and the Mainland's financial markets in the long run, and boost Hong Kong's competitiveness as an international hub for funds. The Secretary for Financial Services and the Treasury, Christopher Hui, will share the details with you very shortly.

We will promote a better integration of fintech and green finance to fast-track our economy's green transformation. We will expand green fintech and, in doing so, establish Hong Kong as a green fintech hub.

Next year, we will launch a dedicated proof-of-concept subsidy scheme for green fintech. It will provide early-stage funding support for the pre-commercialisation of green fintech innovations. It will also promote the development of technology-powered solutions.

In June, HKEX launched the Hong Kong Dollar-Renminbi Dual Counter Model. It was created to advance the issuance and trading of Renminbi-denominated stocks in Hong Kong.

We will work closely with the Mainland authorities to include Renminbi counters under the Southbound Trading of Stock Connect and issue Mainland government bond futures in Hong Kong.

We will also liaise with the Mainland on the expansion of the mutual market access programme, including strengthening Bond Connect, as well as Stock Connect's product offerings and trading system.

Ladies and gentlemen, the Hong Kong SAR Government is committed to the continuing rise of fintech, and its expanding reach and influence in Hong Kong and beyond. We offer unparalleled opportunities for fintech businesses – for your businesses – to grow and thrive long down this 21st century of opportunities.

My thanks to the organisers, the Financial Services and the Treasury Bureau and Invest Hong Kong of the Hong Kong SAR Government, and our many other supporters for once again staging this key event.

Next on our financial events calendar will be the Global Financial Leaders' Investment Summit next week. It is heartening to note that 300 leaders in the financial field, many of whom being group chairmen or CEOs of the world's top financial institutions, will be joining the high-powered

Summit.

And, if you can find the time, there's a world of art, culture and entertainment, not to mention world-class hiking, biking and fine and fun dining here in Hong Kong. It's everywhere you look and turn in Hong Kong, Asia's world city.

Enjoy this FinTech Week and I wish you the best of business. Thank you.

