

Speech by FS at Hong Kong FinTech Week 2021 (English only) (with photos/video)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Hong Kong FinTech Week 2021 this morning (November 3):

Distinguished guests, ladies and gentlemen,

Good morning, good afternoon and good evening.

It is my distinct pleasure to formally open Hong Kong FinTech Week 2021. This sixth edition is taking place, in person, right here at the Hong Kong Convention and Exhibition Centre, and online. Everywhere.

Yes, for the first time, FinTech Week combines in-house sessions with virtual events. In short, the world is watching.

"Scaling the FinTech Future Together" is the theme of this year's Hong Kong FinTech Week. More than capturing the mood of the conference, the theme speaks of the future. For fintech and all of us who believe in its transformative promise.

This year's event welcomes thousands of you – fintech founders and innovators, financial services professionals, regulators and government leaders, academics and researchers, and plenty of investors, too – and from more than 60 economies. Some 300 high-profile speakers, 400 exhibitors and more than 25 delegations in all.

You're here, there and everywhere to gather intelligence, insight and inspiration from another action-packed FinTech Week. This year's edition features discrete "Global Stage", "Future Stage" and "Hong Kong Stage" sessions and activities.

Let me begin with the big picture. A reassuring picture. Despite COVID-19, and numerous other challenges, Hong Kong remains a prime international financial centre. And you need not take my word on that. The latest Global Financial Centres Index, published in September, saw Hong Kong's return to number three, globally – just behind only New York and London. We are Asia's top financial services centre.

More big-picture affirmations can be seen from the National 14th Five-Year Plan. It supports Hong Kong's continuing efforts to expand our global financial-services status and offerings. At the same time, it backs the development of Hong Kong as an international innovation and technology hub.

The Plan also counts on a continuing expansion of connections between the financial markets of Hong Kong and the Mainland.

A welcome case in point is the cross-boundary Wealth Management Connect in the Guangdong-Hong Kong-Macao Greater Bay Area just launched a month ago. Thanks to the Wealth Management Connect, Mainland investors can access global wealth products via Hong Kong.

No less important, its establishment serves as a watershed moment in the Greater Bay Area (GBA)'s financial development.

And thanks to our "one country, two systems" institutional strength, Hong Kong remains the destination of choice for fintech companies looking to operate, or expand, locally, regionally or globally.

The Hong Kong SAR Government is actively working with Mainland authorities to help the fintech industry to seize the far-reaching opportunities emerging in the GBA.

These efforts are paying off. Just two weeks ago, the Hong Kong Monetary Authority (HKMA) and the People's Bank of China signed a Memorandum of Understanding on the Greater Bay Area Fintech Innovation Supervisory Cooperation.

The new Cooperation will allow financial institutions, tech companies and innovators from the Mainland and Hong Kong to test cross-border fintech applications via a one-stop sandbox. The agreement will enable more timely feedback from regulators and users, expediting the launch of fintech products while lowering costs.

Equally significant is the continuing collaboration between our HKMA and the People's Bank of China in the testing of the use of digital Renminbi here in Hong Kong. The goal is creating a convenient means of cross-boundary payments for Hong Kong and Mainland residents.

The HKMA is also studying the prospect of issuing our own central bank digital currency (CBDC) for retail use in Hong Kong, and I look forward to its findings in the coming months.

I've got more digital updates for you. Our Faster Payment System, known as FPS in short, has been rapidly developing since its launch in 2018. It now supports person-to-person and merchant payments, as well as account top-ups and the e-payment of government bills and fees using QR codes.

At the end of September, FPS had recorded more than 9 million registrations. Average daily real-time transactions exceeded 740 000, worth some HK\$5.2 billion.

A Commercial Data Interchange is also in the works. It will connect banks and service providers such as payment systems and public bodies or utility companies, providing the banks with welcome data.

That will help banks conduct more accurate and objective credit assessments, enhancing trade-finance efficiency and making it easier for SMEs to obtain trade finance. The system is expected to get going sometime next year.

There's more. In February, we launched the Fintech Proof-of-Concept Subsidy Scheme. It encourages financial institutions to collaborate with fintech companies in the development of innovative financial services products.

The programme, I'm pleased to report, was over-subscribed. A total of 93 projects were approved and given funding. They cover promising growth areas such as regtech and payment tech, as well as cross-sector and cross-boundary applications. I'm confident the projects will result in more convenient, expeditious and reliable services. And that, ladies and gentlemen, is good news for the public – and the growing Hong Kong fintech sector.

So, too, is our electronic Consumption Voucher Scheme. This scheme gives every eligible Hong Kong citizen aged 18 or above some US\$640 to spend. Created to accelerate economic recovery by boosting domestic consumption, the scheme is being implemented entirely electronically, to promote a more popular use of e-payment by both consumers and merchants. As at the end of September, the four stored-value facility operators participating in the Scheme have registered over 3 million new consumer accounts and acquired over 80 000 new merchants. That includes taxi drivers and wet market stalls as well.

Up to November 1, some 6.3 million registrants had received their electronic vouchers, totalling about US\$3.5 billion, boosting visibly the business of the F&B (food and beverage), retail and other services sectors, with very positive feedback from both consumers and businesses.

Talent is essential to fintech development. We're working on that as well. Indeed, we have doubled the annual quota for the Quality Migrant Admission Scheme to 4 000 to welcome talents from all over the world. This Scheme, of course, includes fintech professionals.

The latest Policy Address announced the establishment of professional qualification standards for the fintech sector. That will create clear and accredited professional-development ladders for practitioners.

Ladies and gentlemen, it is time I give up the spotlight for FinTech Week's dynamic opening session: a "Power Talk" featuring a powerhouse quartet of fintech innovators and enablers.

I know you will enjoy the session and the many to follow this week.

My thanks to Invest Hong Kong, the Hong Kong Monetary Authority, the Securities and Futures Commission and the Insurance Authority for organising this year's Hong Kong FinTech Week. I'm grateful, as well, to all the sponsors involved in ensuring its certain success.

I wish you all a memorable FinTech Week, and the best of business, and health, in the coming year. Thank you.

