



Major initiatives to foster Fintech development

2023 FinTech Week



Financial Services and the Treasury Bureau
The Government of the Hong Kong Special Administrative Region

Christopher Hui
Secretary for Financial Services and the Treasury

Fintech Redefined.

Enhancing Hong Kong's financial infrastructure

- **New integrated fund platform (“IFP”)**

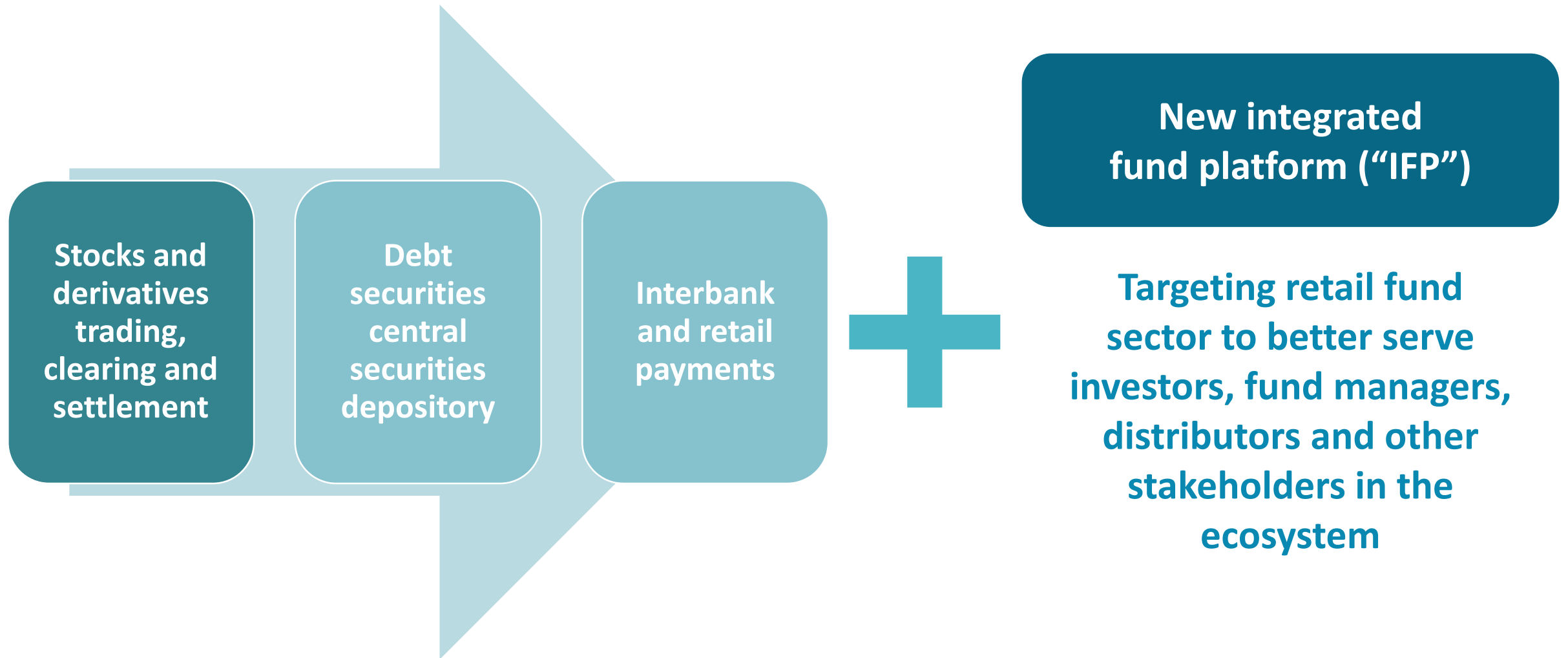
Welcoming cross-boundary e-CNY usage

- **e-CNY applications to benefit inbound and outbound visitors between the Mainland and Hong Kong**

Promoting sustainable development of virtual assets (“VA”) and Web3.0

- **Real economy applications and innovations**
- **Further development of regulatory framework**

Add to comprehensive suite of financial infrastructures



Framework for IFP

IFP will cover front-to-back distribution life cycle and value chain of retail funds

1 *Communication hub*

2 *Business platform*

3 *Information portal*

HKEX as developer and operator

First phase of the platform will be ready for launch by end of 2024

HKEX
香港交易所

Strengthen Hong Kong's role as international asset and wealth management centre

Key roles of IFP

Communication Hub

Network connecting fund managers, distributors, transfer agents, trustees/custodians

Exchange of data and messages for fund transactions

Business Platform

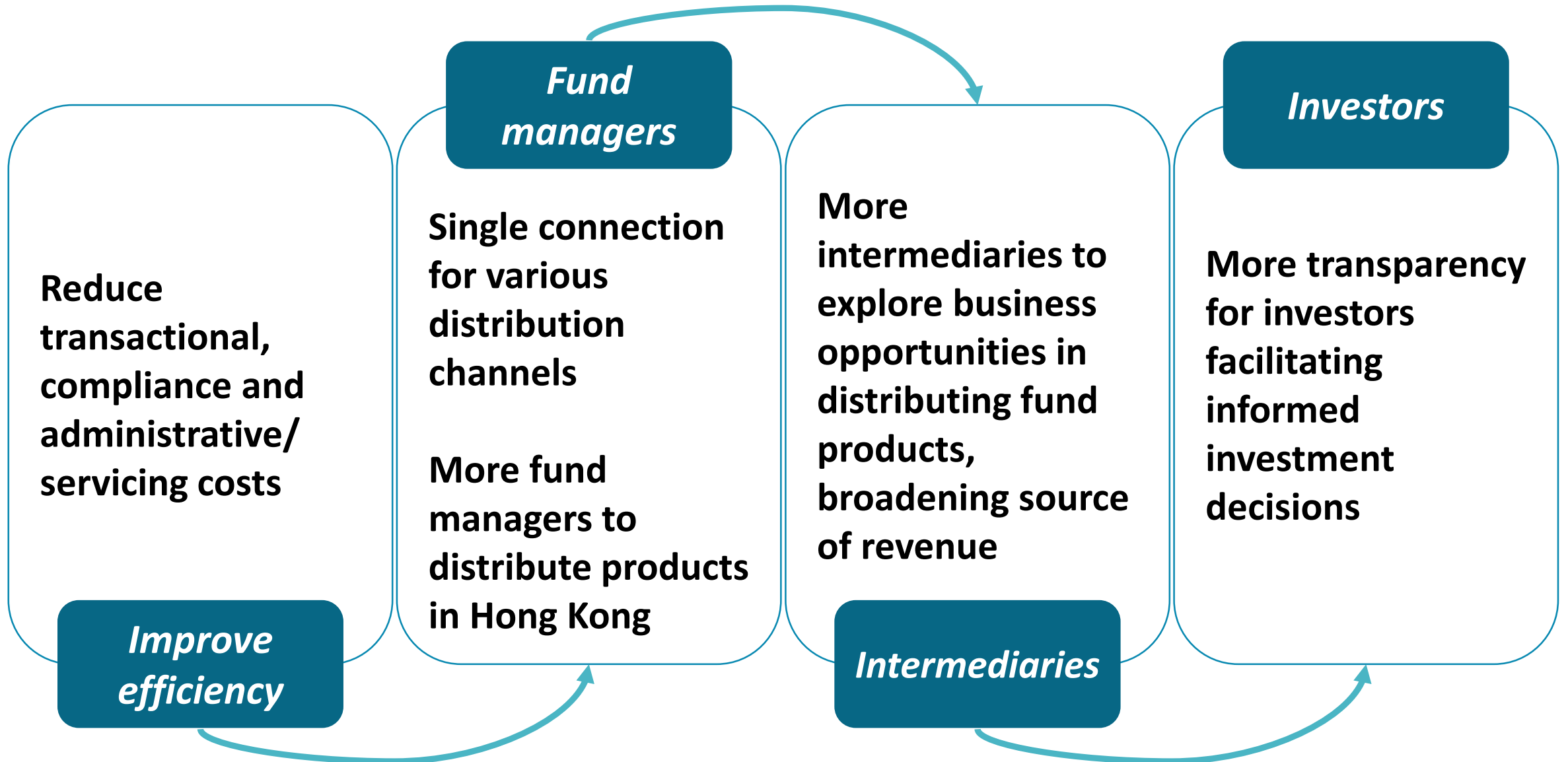
Fund subscription and redemption (order routing, payment and settlement)

Nominee services (corporate actions and other operations)

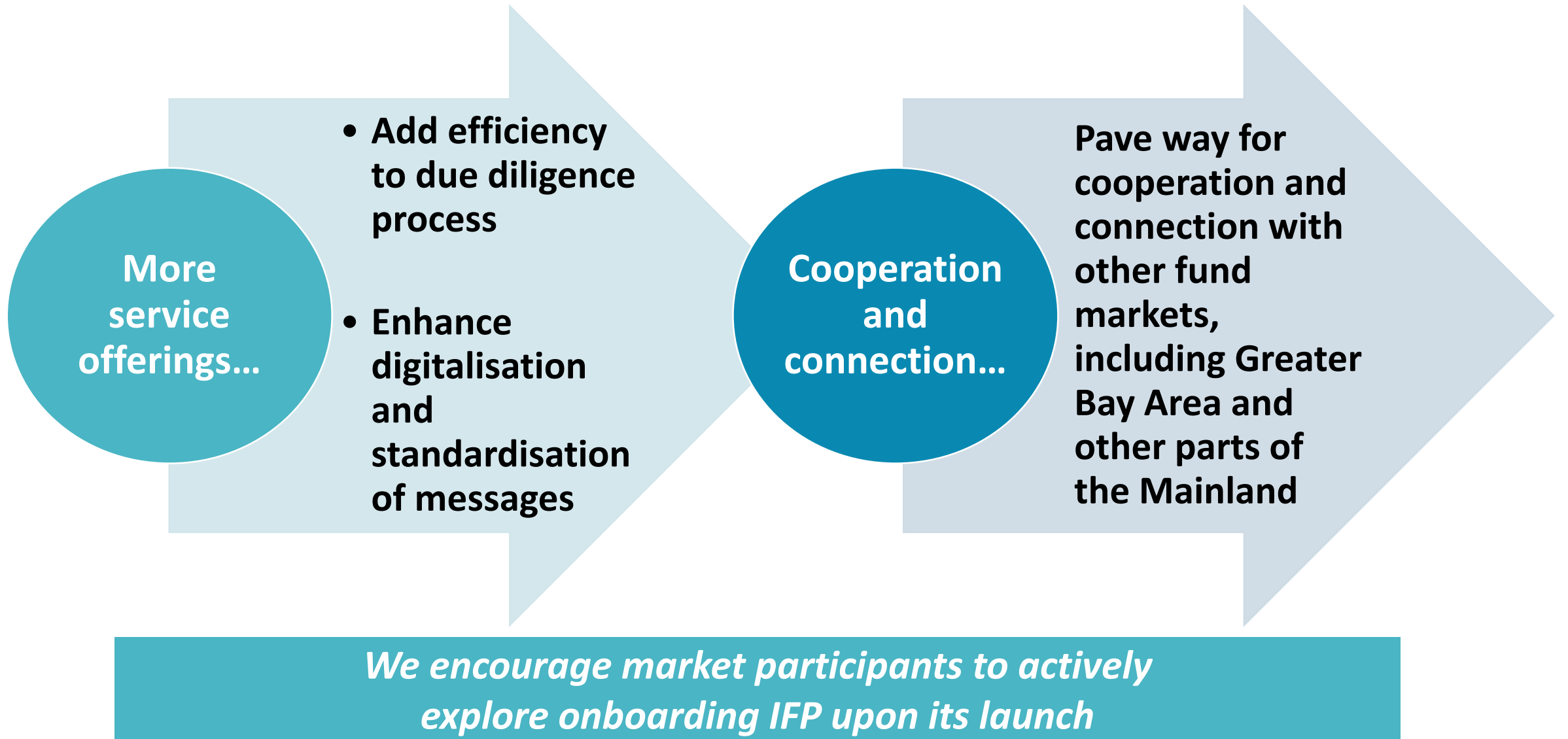
Information Portal

Information on funds (offering documents, fact sheets, and fees and charges)

Policy considerations for IFP



Further potential for IFP



Cross-boundary usage of e-CNY

Octopus Cards and Bank of China (Hong Kong) continue to explore new e-CNY applications, benefiting both inbound Mainland visitors to Hong Kong and outbound Hong Kong residents visiting the Mainland

Outbound
HK residents



- Purchase e-CNY hard wallets using Octopus mobile APP in Lo Wu, Shenzhen
- Top up e-CNY wallets with BOCHK personal bank accounts

- Mainland visitors can pay retail merchants with e-CNY wallets in Hong Kong

Inbound
Mainland
visitors

Cross-boundary usage of e-CNY

We support more innovations from financial institutions and corporates exploring cross-boundary usage of e-CNY, focusing on retail payments and two-way connectivity.

1

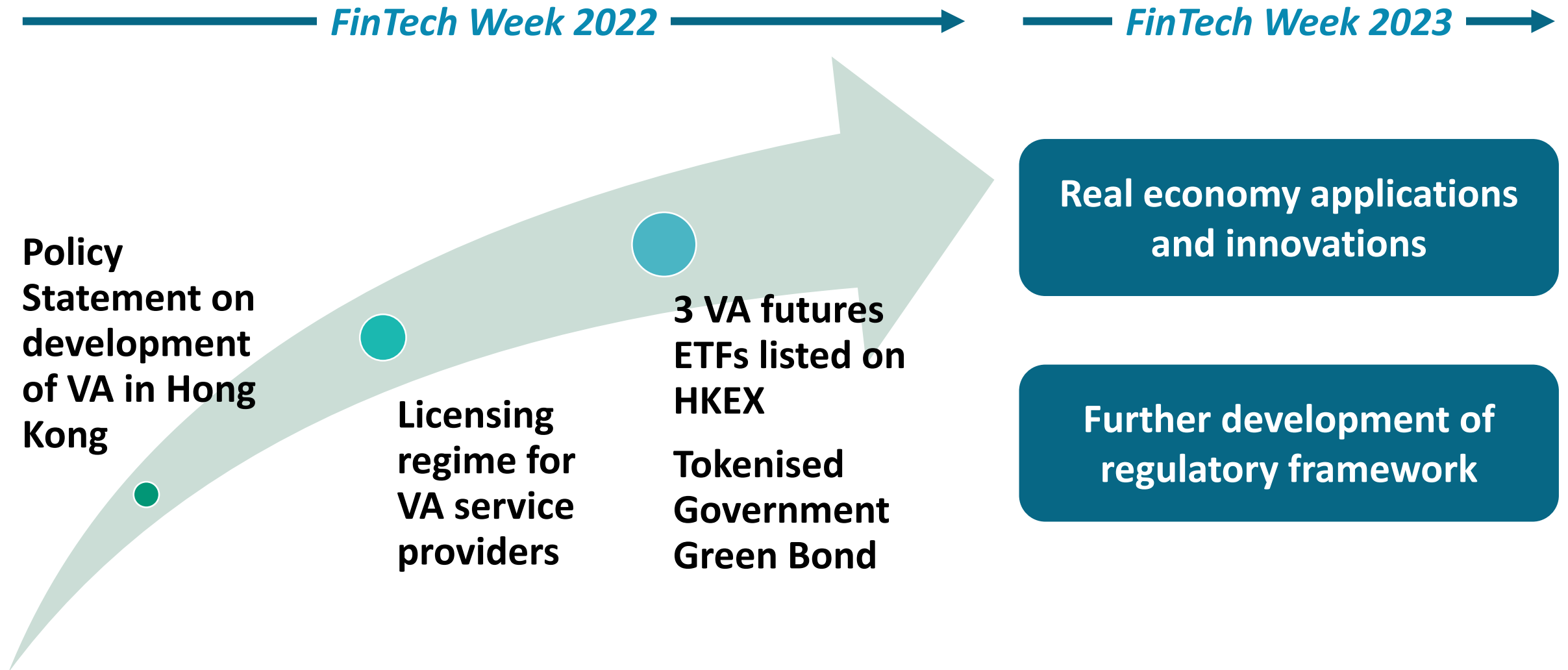
Mainland tourists can use e-CNY in HK through topping up Octopus cards in tourist mobile APP

2

BOCHK will enhance e-CNY offerings to improve user experience

- Connecting e-CNY ecosystem with payment vehicle and banking payment system in HK
- More future applications and use cases of e-CNY in the GBA

Promoting sustainable development of VA and Web3.0



Real economy applications and innovations

We encourage exploration of Web3.0 to empower and enable real economy related applications and innovations with tangible benefits such as reducing cost, improving efficiency and serving financing and investment needs of the market

Product and project ideas from the market

**Tokenisation of
real world assets**

**Tokenise artifacts and
related intellectual
property rights**

**Tokenisation of
financial assets**

**More efficient settlement
and other benefits
e.g. more timely Net Asset
Value update**

**Use of distributed
ledger technology**

**To track and incentivise
generation of renewable
energy**

Further development of regulatory framework

1 SFC to issue circulars on intermediaries engaging in tokenised securities-related activities and tokenisation of SFC-authorized investment products

2 To expand regulatory remit to cover buying and selling of VAs beyond trades taking place on VA trading platforms

3 FSTB and HKMA to issue joint consultation on regulatory regime for stablecoin issuers

4 HKMA to continue consulting the industry on its guidance on banks' provision of digital asset custodial services



Thank You