



HONG KONG MONETARY AUTHORITY
香港金融管理局

Speech

December 14, 2020

Opening speech of China (Shenzhen) Fintech Global Summit 2020

Liu Yingbin, Senior Assistant President, Hong Kong Monetary Authority

Dear guests, ladies and gentlemen:

Hello everyone. It is a great honor to participate in this year's China (Shenzhen) Fintech Global Summit, and share the opportunities Hong Kong can bring to Fintech companies in Shenzhen and other regions with friends in Shenzhen and the world through video.

As an important international financial center in the world, I believe that if Hong Kong is to provide various opportunities for domestic and foreign companies and investors, Hong Kong's financial system can withstand shocks is a prerequisite. Therefore, I would like to talk to you about how Hong Kong faces various challenges. In the past year, the new crown epidemic has severely hit the global economy and society, and geopolitics is impacting the international order established for many years, and various accumulated contradictions have erupted. In the face of the epidemic and complicated internal and external situations in Hong Kong, the financial system has remained stable, the banking system has remained sound, and the total deposits have steadily increased. In the currency market, the linked exchange rate system operates in an orderly manner, which has firmly stabilized the confidence of investors. All kinds of data reflect the confidence of international investors in Hong Kong as an international financial center, and have powerfully shattered rumors and rumors of the so-called "capital-traveling".

In the capital market, global stock markets have become volatile in response to the new crown pneumonia epidemic, but Hong Kong's fund-raising activities are still very active: in the first 10 months of this year, IPO funds have exceeded 32 billion US dollars, an increase of 66% over the same period last year. At the same time, the financial linkage between Hong Kong and the Mainland has been continuously strengthened, and the transaction volume of the interconnection mechanism has steadily increased: the average daily transaction volume of the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in the first three quarters of this year reached 110 billion yuan. "Nearly 20 billion yuan, with an annual growth rate of over 115%, fully demonstrating Hong Kong's role as a bridge to attract international capital to the mainland market.

Hong Kong is still able to move forward steadily in the face of various severe challenges and rise to the difficulties. I believe that in the future, there will be a more stable foundation for

continued development, and it will bring greater development opportunities for domestic and foreign financial and technological innovation enterprises.

Let me now talk to you about the three major opportunities that Hong Kong can bring to financial technology and innovation companies in the Greater Bay Area under the new global economic structure.

First of all, Hong Kong is an international banking center. More than 70% of the world's top 100 banks operate in Hong Kong. Hong Kong is also the first choice for companies to raise funds for listing. In the past 11 years, the total amount of IPO funds raised has been the world's largest for 7 years. The mature financial industry brings strong demand to financial technology companies, and also provides financing channels for innovative companies that need to raise funds. Recently, many large Chinese-funded companies have chosen to list in Hong Kong and have received enthusiastic responses from the market. With Hong Kong's international market advantages, Hong Kong can help financial technology companies in the Greater Bay Area to go global.

Second, after several years of hard work, Hong Kong has established a vibrant platform for domestic and foreign financial and technology companies, and Hong Kong's efforts in the field of financial technology and innovation have also been recognized internationally. For example: Hong Kong has world-class communications and financial infrastructure. Among them, our Real Time Payment Settlement System (RTGS) is the only payment system in the world that supports four currencies (ie Hong Kong dollar, US dollar, Euro and RMB), which can handle more than 10,000 yuan per day. Billions of Hong Kong dollars and RMB transactions.

With these advantages, the HKMA has taken a multi-pronged approach to promote the development of financial technology. In terms of infrastructure, the fast payment system "FPS" launched in 2018 has opened up bank accounts and e-wallets. At present, more than 6 million registered accounts have been recorded, and the cumulative transaction amount has increased to approximately HK\$1.8 trillion. We are also exploring a new financial infrastructure called "Business Data Link", which will allow SMEs to use their own data to obtain better financial services and solve the long-standing problem of financing difficulties for SMEs.

In the banking industry, we introduced healthy competition to accelerate financial innovation. Last year, we issued licenses to eight virtual banks, of which seven were officially put into service, providing citizens with more diverse and innovative banking service experiences and enhancing the competition in the local banking industry. In particular, our regulatory sandbox helps banks develop products flexibly, and also allows regulatory authorities to assess risks early and provide policy guidance.

For the above new projects and initiatives, we all welcome domestic and foreign financial technology companies to participate in the development, jointly develop innovative products, and bring innovative experiences to customers.

Third, the Guangdong-Hong Kong-Macao Greater Bay Area is an important growth engine of the country and a hinterland of financial technology innovation. To develop into a financial technology center in the region, it is particularly important to promote cross-border cooperation, especially cross-border applications between the Mainland and Hong Kong. Since the HKMA promoted the establishment of a trade financing platform "Trade Linkage" in 2018, regulators and operators in the two places have actively built platforms to promote cross-border trade financing. "Trade Link" and the "Trade Finance Platform" of the People's Bank of China have been successfully docked in October this year and have completed trade financing transactions for 7 banks, with a total amount of trade involving more than HK\$26 million. In the future, we expect to have close cooperation with the Mainland in terms of digital currency and cross-border payments. Therefore, we believe that closer cross-border financial technology cooperation will bring greater development opportunities for science and technology companies in the two places.

Conclusion

Combining the leading advantages of mainland technology applications and Hong Kong's international financial technology advantages, Hong Kong can support mainland financial technology companies to go global. Looking to the future, I hope that Hong Kong will deepen cooperation with the country in the field of financial technology, strengthen the exchange and interaction of financial technology innovation, and create a new peak for the financial technology innovation of the two places.

thank you all.

Note: The summit will be held on December 13, 2020

Last revision date: December 14, 2020