

**Bills Committee on  
Clearing and Settlement Systems (Amendment) Bill 2015**

**Government's Responses to the Follow-up Actions  
Arising from the Discussion at the Meeting on 23 March 2015**

This paper sets out the Government's responses to the issues raised by Members and deputations in relation to the Clearing and Settlement Systems (Amendment) Bill 2015 ("the Bill") at the meeting of 23 March 2015. We are also grateful to the relevant parties for the written submissions to the Bills Committee, and the support for the Bill they have expressed. The Government's responses to these submissions are at **Annex**.

**I. Regulation of stored value facility ("SVF") licensees and designated retail payment systems ("RPS")**

2. In exercising the powers provided under the Ordinance, the Monetary Authority ("MA") must ensure that all SVF licensees and designated RPS will be regulated and supervised in an equal and fair manner according to the relevant provisions.

3. To ensure that the MA can exercise effective supervision over all SVF licensees, irrespective of the location of their computer systems or part of such systems, we require a licensee to be a company formed and registered in Hong Kong (the proposed section 8E(2) in Clause 17 of the Bill), and that its principal business must be the issue of SVFs under a licence granted by the MA (section 1 of Part 2 of Schedule 3). Each chief executive, director or controller of an SVF licensee must be a fit and proper person to hold the position concerned (section 3 of Part 2 of Schedule 3), and accordingly, the MA's consent is required for any person to become a chief executive<sup>1</sup>, director or controller of an SVF licensee (the proposed sections 8ZZF(2) and 8ZZV(1) in Clause 17 of the Bill).

4. We require an SVF licensee to have in place appropriate risk management policies and procedures, for managing the risks arising from the operation of its SVF scheme that are commensurate with the scale and complexity of the scheme (section 5 of Part 2 of Schedule 3). We also

---

<sup>1</sup> By virtue of the proposed section 8ZZU(2) in Clause 17 of the Bill, only an individual who is ordinarily resident in Hong Kong may be appointed as the chief executive of an SVF licensee (not being a licensed bank which is regarded as being granted a licence under section 8G).

require licensed SVF schemes to be prudent and sound, having regard to the purpose, business model and operational arrangement of the scheme; and to be operated with competence in a manner that will not adversely affect the stability of any payment system in Hong Kong and the interests of the relevant facility users or potential users (section 10 of Part 2 of Schedule 3)<sup>2</sup>. Moreover, we require the SVF licensees to redeem in full the total of the outstanding stored value as soon as practicable after being requested by an user; and that, in the contract between the licensee and the user, it must be stated clearly and prominently the conditions relating to redemption including any fee to be charged for the redemption and any deadline for using or redeeming the outstanding stored value<sup>3</sup> (section 8 of Part 2 of Schedule 3). The MA will have to be satisfied that the above minimum licensing criteria, among others, are satisfied, before granting an SVF licence.

5. The enforcement of the above proposed provisions will help ensure the sound and prudent operation of an SVF issuer in the interests of users in Hong Kong, even though its systems or part of them may be located, or linked to other systems, outside Hong Kong. The Bill contains powers for the MA to suspend or revoke a licence, if the MA is satisfied, among other grounds, that the interests of users or potential users of any SVF issued by a licensee under its licence are in any manner threatened by the licensee continuing to be licensed, or that the licensee engages in business practices which would be likely to prejudice the interests of Hong Kong as an international financial centre (sections 17 and 18 of Part 2 of Schedule 5).

6. For an RPS to be designated under section 4 of the Ordinance, we propose that the MA may declare the activities that are allowed to be carried out through the system, having regard to the activities that are carried out through the system before the designation and the operating rules of the system<sup>4</sup> (the proposed section 4(4B) in Clause 10 of the Bill).

---

<sup>2</sup> In practice, this will include requiring the SVF licensees to have appropriate procedures in place to prevent the SVF schemes from being a conduit of illegal or illicit activities (such as illegal betting activities on the Internet).

<sup>3</sup> While the Bill will not empower the MA to approve the specific fees or contract terms, it remains the responsibility of a licensed SVF issuer to maintain a prudent and sound SVF scheme (including any new scheme or service), and to have in place adequate risk management policies and procedures for managing the SVF float or deposit to ensure that there will always be sufficient funds for the redemption of the outstanding stored value (sections 7 and 10 of Part 2 of Schedule 3).

<sup>4</sup> We propose that the operating rules of a designated RPS to cover the risk management and control procedures relating to the operation of the system (the proposed section 8(1)(e) added under Clause 15 of the Bill). In practice, this will include requiring a system operator or settlement institution of an RPS to have appropriate procedures in place to prevent the designated RPS from being a conduit to process fund transfers for illegal or illicit activities (such as illegal betting activities on the Internet).

A system operator or settlement institution of a designated RPS has to obtain the MA's consent to carry out activities not declared under section 4 through the designated system (the proposed section 6B in Clause 13 of the Bill). It will be an offence for a system operator or settlement institution of a designated RPS if it carries out through the designated system an activity that is not declared or consented by the MA (the proposed sections 6A and 6B in Clause 13 of the Bill). The existing section 7(1) of the Ordinance requires every system operator and settlement institution of a designated system to ensure, among other things, that the operations of the system are conducted in a safe and efficient manner calculated to minimize the likelihood of any disruptions to the functioning of the system, and that there are in place adequate arrangements to monitor and enforce compliance with the operating rules of the system.

7. The Bill contains amendments or new provisions to empower the MA to request information or documents (proposed amendments to section 12 under Clause 21 of the Bill); examine books, accounts and transactions (proposed section 12A under Clause 22 of the Bill); give directions (proposed amendments to section 13 under Clause 23 of the Bill); and issue supervisory guidelines (proposed amendments to section 54 under Clause 45 of the Bill). These proposed provisions will empower the MA to conduct on-site examinations and off-site reviews, and to exercise appropriate supervisory powers on the licensed facilities. In addition, the MA will be empowered to initiate an investigation (the new Part 3A added under Clause 29 of the Bill) into an SVF licensee, or the system operator or settlement institution of a designated RPS, if the MA has reasonable cause to believe that an offence under the Ordinance may have been committed or a requirement imposed under the Ordinance may have been contravened. It will also be part of the function of the MA to cooperate with a comparable regulatory authority outside Hong Kong to help maintain and promote safety and efficiency in the operation of any SVF or designated RPS (section 9(2)(c) of the Ordinance as revised under Clause 19 of the Bill).

## **II. Market development and financial innovation**

8. The Bill seeks to establish a regulatory regime for SVF and RPS, as the safety and soundness of SVF and RPS is pertinent to strengthening the public's confidence in the use of these products and services, as well as to fostering their further development and innovation. This will, in turn, help maintain Hong Kong's status as an international financial centre, by upgrading our legislation on payment systems and facilities on par with that of other financial markets. A clear and stable regulatory framework will also help attract operators in setting up their presence here.

9. We share the objective that the proposed regulatory regime contained in the Bill should not create unnecessary impediments to restrict unduly the development of payment, clearing or settlement technologies in future. We are also mindful not to discourage system operators or settlement institutions from making any enhancements or innovations, in accordance with market demands, business needs or technological developments. Consistent with the legislative approach adopted by most financial markets, the Bill does not prescribe or preempt a particular choice of format, standard or technology (including the “open data interchange technologies”<sup>5</sup> mentioned by a few deputations present at the last Bills Committee’s meeting), in relation to the operations or data transmission of a designated system (i.e. a large value clearing and settlement system or an RPS) or an SVF scheme. What we seek to ensure is that such designated systems and licensed SVF are conducted in a safe and efficient manner (section 7 of the Ordinance as revised under Clause 14 of the Bill). In this context, safety and efficiency means, among other parameters, “the reliability and robustness of operation of the system”, and the “speed and efficiency with which operations relating to transfer orders within the system are carried out” (section 8 of the Ordinance).

10. In the same vein, we do not intend for the proposed regulatory regime to create unnecessary barriers for those who wish to enter the markets, particularly the small and medium-sized players. Therefore, there are provisions in the Bill to exempt certain types of SVF from regulation. These include SVF with limited usage and float size less than HK\$1 million (sections 4 and 5 of Schedule 8). Single-purpose SVF is not subject to regulation (the proposed section 2A(4) in Clause 6 of the Bill). With regard to RPS, the Bill seeks to empower the MA to designate an RPS, if any significant disruption to or any significant inefficiency in the RPS are likely to result in (a) the monetary or financial stability of Hong Kong, or the functioning of Hong Kong as an international financial centre, being adversely affected; (b) the public’s confidence in payment systems or the financial system of Hong Kong being adversely affected; or (c) day-to-day commercial activities being adversely affected (the proposed sections 4(1) and 4(3A) in Clause 10 of the Bill). As such, in view of their scale of operation, small and medium-sized RPS operators will unlikely be qualified for designation by the MA under the Bill.

---

<sup>5</sup> In essence, “open data interchange technologies” in the banking sector are said to cover the relevant innovations on computer technologies or solutions to allow different software applications or components to communicate with each other and exchange data (including account history and transaction data) directly, without the need for human input each time, and for sharing with and access by third parties outside the banking sector for any derived or new business opportunities therefrom.

11. The MA will continue to engage the banking and payment industries to facilitate the evolving financial infrastructure development in the financial markets. Separately, as announced by the Financial Secretary in his 2015/16 Budget, we are establishing a Steering Group on Financial Technologies (“Fintech”) to advise the Financial Secretary on economic and business opportunities provided by the development of Fintech for Hong Kong, potential of developing Hong Kong into a Fintech hub, and the measures needed to promote Hong Kong as such a hub. We will work with stakeholders to look into the potential of the Fintech sector and the possible measures to promote the developments in that context as appropriate.

### **III. Liabilities on internet service providers**

12. The proposed section 8C (Clause 7 of the Bill) provides that a person must not knowingly promote or otherwise assist another person in issuing, or facilitating the issue of, an unlicensed SVF, including by means of providing network or internet portal access or any other technological means. It will be a criminal offence for the person who contravenes this requirement without a reasonable excuse. The provision does not impose a duty on the part of any person (including internet service providers or website operators) to verify the contents and accuracy of the promotional or advertisement materials provided by an SVF issuer. We are studying comparable provisions in other related regulatory contexts, in relation to a Member’s comment on the exposures to internet service providers. We will explain the intent of the proposed section 8C further during the clause-by-clause examination.

**Financial Services and the Treasury Bureau  
Hong Kong Monetary Authority  
April 2015**

## Bills Committee on Clearing and Settlement Systems (Amendment) Bill 2015

### Government's Responses to Written Submissions and Comments Given by Deputations to the Bills Committee

Category	Views	Government's Responses
<b>General</b>	<ul style="list-style-type: none"> <li>• Share the vision for an efficient, safe and sound payment system for Hong Kong that works to the benefits of all parties. <a href="#">[MasterCard]</a></li> <li>• Support the new legislation as the regulations would enhance the efficiency of the payment industry, improve consumer protection and provide international standards and a level playing field. <a href="#">[VISA, iProA/ACMCP]</a></li> </ul>	<ul style="list-style-type: none"> <li>• Noted.</li> <li>• Noted</li> </ul>
<b>Regulation of stored value facilities ("SVF")</b>	<ul style="list-style-type: none"> <li>• Support the policy objective of, among others, ensuring the safety and soundness of the operation and protecting users from possible failure of SVF products and services. <a href="#">[CC, iProA/ACMCP, MasterCard]</a></li> </ul>	<ul style="list-style-type: none"> <li>• Noted.</li> </ul>

Category	Views	Government's Reponses
	<ul style="list-style-type: none"> <li>• Agree to the establishment of a mandatory licensing regime for SVF. <a href="#">[CC, MasterCard]</a></li> <li>• Support that SVF licensee should be a company incorporated in Hong Kong. <a href="#">[CC]</a></li> <li>• Share the view that there is a need to protect users' float as maintained by SVF issuers. <a href="#">[MasterCard]</a></li> <li>• Please clarify whether a licensee will need to seek the MA's approval if it imposes fees or other charges on users or imposes any term regarding the expiry of SVF. <a href="#">[Octopus, MasterCard]</a></li> </ul>	<ul style="list-style-type: none"> <li>• Noted</li> <li>• Noted</li> <li>• Noted</li> <li>• While the Bill will not empower the MA to approve the specific fees or contract terms, it remains the responsibility of a licensed SVF issuer to maintain a prudent and sound SVF scheme (including any new scheme or service), and to have in place adequate risk management policies and procedures for managing the SVF float or deposit to ensure that there will always be sufficient funds for the redemption of the outstanding stored value.</li> </ul>

Category	Views	Government's Responses
	<ul style="list-style-type: none"> <li>It is unnecessary to impose new requirements on float protection given that the user's float with Octopus is deposited with banks, which are already subject to stringent prudential supervision, and invested in low risk bonds with no apparent default risk. <a href="#">[Octopus]</a></li> </ul>	<ul style="list-style-type: none"> <li>The primary regulatory objective of the proposed SVF regulatory framework is to ensure the safety and soundness of SVF issuers as well as proper float protection and management. In respect of float protection (section 7 of Part 2 of Schedule 3), we propose that SVF issuers will need to demonstrate to the MA that they have put in place measures that will ensure on-going compliance with the following principles– <ul style="list-style-type: none"> <li>(a) the float must be kept separate from the SVF licensee's other funds maintained or received by the company; and</li> <li>(b) the float must be adequately protected by float safeguarding measures.</li> </ul> <p>The MA will discuss with each SVF issuer its float safeguarding approach to ensure that the proposed measures will provide adequate protection to users and that such approach will best suit the issuer's business operation and risks profile.</p> </li> </ul>

Category	Views	Government's Responses
<b>Definition of “facilitator”</b>	<ul style="list-style-type: none"> <li>• Please clarify and provide examples on what constitutes “facilitating” the issue of an SVF. <a href="#">[PayPal]</a></li> <li>• Please provide examples of businesses or entities that fall within the definition of “facilitator”. <a href="#">[PayPal]</a></li> <li>• Concerned that the definition is too broad to include payment gateway partners that enable merchants to accept various payment methods. <a href="#">[PayPal]</a></li> </ul>	<ul style="list-style-type: none"> <li>• The definition of “facilitator” is applicable to the business model of certain “multi-purpose cards” schemes, which involved two distinct functions, namely (a) origination of electronic value for storage in “multi-purpose cards”, and (b) distribution of the “multi-purpose cards” to end-users. The two functions may be performed by different entities.</li> <li>• For example, under the Mondex Scheme (which is no longer in operation now), Mondex was the originator of value and held the pool of funds which backed the stored value in circulation but the Mondex cards were issued and distributed by member banks. “Facilitator” covers any person who provided value to an issuer of a “multi-purpose card” which determined the extent to which the issuer could provide its customers with electronic value. An originator such as Mondex, who creates electronic value and sells the value to a SVF issuer, would be regarded as a “facilitator” under this definition (the proposed section 2B under Clause 7 of the</li> </ul>

Category	Views	Government's Responses
		<p>Bill, as adopted from section 2(11) of the Banking Ordinance). A person who provides ancillary or support services which assist the issuer of the SVF, such as payment collection, a payment gateway, telecommunication network facilities, and operational support, will not be considered a “facilitator”.</p> <ul style="list-style-type: none"> <li>• Although the business model involving a facilitator in issuing SVF may not be common in the current market, we consider it prudent to retain the definition of “facilitator” in the Bill to ensure that the necessary supervisory powers are in place should market players revitalise such business model. It is not our intent to capture distributors of SVF and processors located outside Hong Kong if they do not perform the role of a “facilitator” as defined in the Bill.</li> </ul>
<b>Single-purpose SVF</b>	<ul style="list-style-type: none"> <li>• Single-purpose and multi-purpose SVFs shall be provided with the same level of extent of protection. <a href="#">[CC]</a></li> </ul>	<ul style="list-style-type: none"> <li>• Single-purpose SVFs are, in essence, bilateral contractual arrangement between service vendors and their respective users for advance payment for specific goods or services provided by the</li> </ul>

Category	Views	Government's Responses
	<ul style="list-style-type: none"> <li>The distinction between multi-purpose and single-purpose SVFs is not so clear and could evolve quickly. By its nature, a single-purpose SVF is also a deposit-taking facility. <a href="#">[CC]</a></li> </ul>	<p>service vendors. Given its bilateral nature and magnitude, the degree of “moneyness” entailed by single-purpose SVFs is minimal, and therefore, it poses insignificant risks to the payment and financial systems of Hong Kong. Moreover, the imposition of regulations on single-purpose SVFs could impede commercial activities, which normally have no bearing on financial stability. In line with the existing “multi-purpose cards” regime under the Banking Ordinance, as well as practices adopted by other major jurisdictions, we propose that single-purpose SVF will remain not be subject to regulation.</p> <ul style="list-style-type: none"> <li>The definition of SVF is provided in the proposed new section 2A (Clause 6 of the Bill). It is specified in subsection (4) of that section that the proposed regulatory regime does not cover a single-purpose SVF, which essentially means a facility that may be used as a means of making payments for goods or services provided by the issuer only.</li> </ul>

Category	Views	Government's Responses
<b>Licensing criteria for SVF</b>	<ul style="list-style-type: none"> <li>• Suggest to provide for a sufficient level of consumer protection and ensure fairness in the contract between the SVF issuers and SVF users. The rights and obligations should be adequately disclosed in a clear, lucid and unambiguous manner. <a href="#">[CC]</a></li>   <li>• Worried that overseas SVF issuers may circumvent the regulatory regime by reorganising their operations. <a href="#">[Octopus]</a></li> </ul>	<ul style="list-style-type: none"> <li>• The proposed new Paragraph 10 of Schedule 3 (Clause 53 of the Bill) provides that as one of the on-going licensing criteria, an SVF licensee must satisfy the MA that the SVF scheme is prudent and sound, having regard to the purpose, business model and operational arrangement of the scheme, and the scheme must be operated prudently and with competence in a manner that will not adversely affect, among others, the interests of the user or potential user of the SVF. In considering whether an SVF issuer meets the above licensing criteria, the MA will take into account the relevant consumer protection measures during the licensing and supervision work.</li>   <li>• To ensure that the MA can exercise effective supervision over all SVF licensees, irrespective of the location of their computer systems or part of such systems, we require a licensee, among others, to be a company formed and registered in Hong Kong, and that its principal business must be the issue of SVFs under a licence granted by</li> </ul>

Category	Views	Government's Reponses
		the MA.
<p><b>Procedural requirement for attaching conditions to an SVF licence</b></p>	<ul style="list-style-type: none"> <li>Applicant/licensee should be given an opportunity to refer the decision to attach conditions to the Tribunal for review before the conditions are imposed by the MA. <a href="#">[PayPal]</a></li> </ul>	<ul style="list-style-type: none"> <li>The proposed section 8J (Clause 17 of the Bill) provides for the procedures for the MA in attaching conditions to new SVF licenses. The procedure ensures that an applicant is given the opportunity to make representation in relation to the conditions the MA proposes to attach to the licence. In gist, if the MA intends to attach conditions to the licence, the MA must give a written notice to an applicant stating: (i) the intention; (ii) the conditions to be attached; and (iii) the grounds for attaching the conditions; and specify in the notice a period of not less than 14 days within which the applicant may make oral or written representations to the MA as to why the grounds for attaching the conditions have not been made out. The MA must, before attaching the conditions, take into account any representation so made. If the MA decides to attach conditions to the licence, the MA must, when the licence is granted, give a written notice to the applicant stating the conditions; the</li> </ul>

Category	Views	Government's Responses
		<p>grounds for attaching the conditions; and the date on which the conditions are to take effect or, if they are to take effect on the occurrence of an event, this fact and the event.</p> <ul style="list-style-type: none"> <li data-bbox="1220 502 2029 970">• Similar procedures are provided for under the proposed new Section 8K (Clause 17 of the Bill) for the MA in attaching conditions to existing SVF licences, except that the requirement to give written notice on the MA's intention to attach condition does not apply in cases where the MA considers that it is necessary in the interests of the user or potential user of the SVF concerned to make the licence subject to the condition immediately.</li> <li data-bbox="1220 1029 2029 1358">• The proposed Part 2 of Schedule 1 (Clause 52(3) of the Bill) sets out the decisions of the MA which are reviewable by the Payment Systems and Stored Value Facilities Tribunal. These include, among others, the MA's decision to attach conditions to a new SVF licence under section 8I (see paragraph 7 of Part 2).</li> </ul>

Category	Views	Government's Responses
<b>Procedural requirement for suspending an SVF licence</b>	<ul style="list-style-type: none"> <li>The licensee should be given an opportunity to refer the decision to the Tribunal for review. <a href="#">[PayPal]</a></li> </ul>	<ul style="list-style-type: none"> <li>The proposed Part 2 of Schedule 2 provides that a decision of the MA to suspend a licence under Sections 8Z(1) or 8ZA(1), or renew the suspension under Section 8ZA(7) is a decision of the MA that is reviewable by the Payment Systems and Stored Value Facilities Tribunal.</li> </ul>
<b>MA's consent for becoming Chief Executive or Director</b>	<ul style="list-style-type: none"> <li>Is there a timeframe in which the MA must respond to the licensee? Will there be a streamlined process to obtain such consent? Please advise whether the MA will provide guidelines on how it will manage this process. <a href="#">[PayPal]</a></li> </ul>	<ul style="list-style-type: none"> <li>In line with the similar arrangement for authorization under the Banking Ordinance, the MA will issue a "Guide to Applicants" to set out the procedures for applying for SVF licences and how the MA would process the applications, including procedural requirements for granting consent to chief executive and directors of prospective licensees.</li> </ul>
<b>Designated systems</b>	<ul style="list-style-type: none"> <li>Suggest to amend section 11 of the Ordinance to empower the Monetary Authority to exempt a person from any or all of the obligations imposed on the person under new Parts 3A and 3B of the Ordinance. <a href="#">[Undisclosed respondent]</a></li> </ul>	<ul style="list-style-type: none"> <li>The proposed Parts 3A and 3B (in relation to investigations and sanctions) will not be applicable to the relevant obligations of a designated system which have been exempted by the MA.</li> </ul>

Category	Views	Government's Responses
<b>Regulation of retail payment systems ("RPS")</b>	<ul style="list-style-type: none"> <li>• RPS designation scheme should focus primarily on the integrity and soundness of the system, and avoid issues that could be dealt with appropriately through competitive mechanisms. <a href="#">[MasterCard]</a></li> <li>• MA's powers appear to be consistent with the approach adopted by regulators in many jurisdictions. <a href="#">[VISA]</a></li> <li>• The MA should take into account the experience and capabilities of potential RPSs, and allow ample time for exchange of views with prospective RPSs before making decisions in relation to designation. <a href="#">[VISA]</a></li> </ul>	<ul style="list-style-type: none"> <li>• The MA will initiate the designation process of an RPS if the MA considers a system is or is likely to meet the criteria for designation set out in section 4(2) (Clause 10(2) of the Bill). To determine whether an RPS is eligible for designation and whether it satisfies the designation criteria for the purposes of the Ordinance, the MA needs to collect information or documents from any person who is, or whom he reasonably believes to be, a system operator or settlement institution of an RPS or a participant in an RPS. Also, the MA may discuss with the system operator or settlement institution of such system where necessary issues relating to the determination of the system's eligibility for designation. This designation process will allow sufficient time for the MA to assess the eligibility of the RPS for designation, and also exchange of views between the MA and the prospective RPS.</li> </ul>

Category	Views	Government's Responses
<b>Declaration of activities conducted by designated RPS</b>	<ul style="list-style-type: none"> <li data-bbox="454 255 1196 587">• The MA should take into account the experience and capabilities of potential RPSs, and allow ample time for exchange of views with prospective RPSs before making decisions in relation to declaration of activities that are allowed to be carried out through the designated RPS. <a href="#">[VISA]</a></li> <li data-bbox="454 643 1196 874">• We suggest, considering rapid innovations in payment, the declared activities could be high-level and broad enough so as to leave enough room for investment in technology and business innovation. <a href="#">[MasterCard]</a></li> </ul>	<ul style="list-style-type: none"> <li data-bbox="1218 255 2020 970">• The proposed section 4(5) (Clause 10(9) of the Bill) provides that if the MA intends to designate a system or make a declaration, the MA must publish in the Gazette notice of the intention, stating the grounds on which the designation or declaration is to be made; and specify in the notice a period of not less than 14 days within which any system operator or settlement institution of the system may make oral or written representations to the MA as to why the designation or declaration should not be made. The proposed section 4(6) (Clause 10(10) of the Bill) provides that the MA must, before making the designation or declaration, take into consideration any representation so made.</li> </ul>
<b>Interface between the banking system and retail system</b>	<ul style="list-style-type: none"> <li data-bbox="454 1031 1196 1262">• Lack of interface between the banking system and retail system, as well as open data interchange, would impede innovation and participation of small corporations in the market. <a href="#">[iProA/ACMCP]</a></li> </ul>	<ul style="list-style-type: none"> <li data-bbox="1218 1031 2020 1358">• The Bill seeks to establish a regulatory regime for SVF and RPS, as the safety and soundness of SVF and RPS is pertinent to strengthening the public's confidence in the use of these products and services, as well as to fostering their further development and innovation. This will, in turn, help maintain Hong Kong's status as an</li> </ul>

Category	Views	Government's Responses
		<p>international financial centre, by upgrading our legislation on payment systems and facilities on par with that of other financial markets.</p> <ul style="list-style-type: none"> <li>• We share the objective that the proposed regulatory regime contained in the Bill should not create unnecessary impediments to restrict unduly the development of payment, clearing or settlement technologies in future. We are also mindful not to discourage system operators or settlement institutions from making any enhancements or innovations, in accordance with market demands, business needs or technological developments. Consistent with the legislative approach adopted by most financial markets, the Bill does not prescribe or preempt a particular choice of format, standard or technology (including the “open data interchange technologies”), in relation to the operations or data transmission of a designated system (i.e. a large value clearing and settlement system or an RPS) or an SVF scheme.</li> </ul>

## References

<b>Name of Organisation / Individual</b>		<b>LegCo Paper No.</b>
iProA/ ACMCP	Submission from Internet Professional Association /The Association of Cloud and Mobile Computing Professionals	CB(1)656/14-15(03)
CC	Submission from Consumer Council	CB(1)656/14-15(04)
MasterCard	Submission from MasterCard International	CB(1)656/14-15(02)
Octopus	Speaking note of the Chief Executive Officer of the Octopus Card Ltd	CB(1)684/14-15(01)
PayPal	Submission from PayPal Pte Ltd	CB(1)656/14-15(01)
VISA	Submission from VISA Hong Kong Ltd	CB(1)656/14-15(06)