

Legislative Council Panel on Financial Affairs

Follow-up actions arising from the meeting on 3 April 2018

Agenda Item IV - Development of Financial Technologies

Statistics on Fintech-related activities

At the Panel meeting on 3 April 2018, the Administration was requested to provide information on the quantitative economic benefits brought by the development of financial technologies (“Fintech”) to the Hong Kong economy, such as the number of jobs created and Fintech companies or start-ups established in or attracted to Hong Kong.

2. Regarding the request, Census and Statistics Department (“C&SD”) advises that general statistics on economic benefits brought by the development of Fintech are not available. The measurement of Fintech activities is a relatively new subject. While many financial institutions are making use of Fintech to provide value-added services to their customers in a more cost effective manner, a new league of players is emerging from outside the financial services sector to bring about further development of Fintech. Establishments in different industry sectors may thus engage in Fintech activities to varying extents, from product innovation, development to application; and such activities will be subsumed under the core activities of different industry sectors, such as information and communications services, technology services, etc. That said, C&SD is closely monitoring the development of the measurement of Fintech activities in the international community.

3. While general statistics are not available, we can make reference to the Fintech-related statistics from Cyberport and InvestHK. Cyberport currently hosts the largest Fintech community in Hong Kong. As at end-February 2018, Cyberport’s Fintech cluster comprised of some 250 Fintech companies, employing some 1 300 staff. Some of these Fintech companies have attracted substantial investment. For instance, a Fintech company offering electronic payment and global remittance services raised over HK\$900 million in 2017, pitching its valuation at

HK\$4.4 billion. In addition to home-grown Fintech companies, InvestHK's dedicated Fintech team has rendered assistance to over 310 Fintech companies from outside Hong Kong since its establishment in September 2016. 19 Fintech companies have since been established in Hong Kong, the majority of which comes from the United States, the Mainland of China, Singapore and Australia.

Banking services for senior citizens

4. At the Panel meeting on 3 April 2018, the Hong Kong Monetary Authority ("HKMA") was also requested to provide information on the progress of the proposal allowing senior citizens to withdraw cash at designated outlets (e.g. supermarkets and convenience stores) without the need for making purchase.

5. HKMA has been encouraging the banking industry to enhance banking services for senior citizens and residents living in remote areas through various means. In response to HKMA's earlier request for the Hong Kong Association of Banks ("HKAB") to consider the proposal of allowing senior citizens to withdraw cash at convenience stores without the need to make purchases, the banking industry, the EPS Company (Hong Kong) Limited ("EPS Company") and a convenience store chain launched a pilot scheme in March 2018 to allow senior citizens to withdraw cash via EPS service at 34 convenience stores in the more remote areas, such as Cheung Chau, Lantau Island, Yuen Long, Tin Shui Wai and Sheung Shui, without making purchases. The arrangement covers all the 20 member banks of the EPS Company. Except for the daily rush hours from 7:30am to 10:00am, holders of senior citizen cards can withdraw cash using banking cards with EPS function at selected convenience stores without making purchases, subject to a cap of HK\$500 each transaction and a maximum of two transactions per day. The HKAB and EPS Company will review the effectiveness of the pilot scheme before considering extension of the service to more areas. The target is to expand the service to most of the outlets of the convenience store chain in question by the end of this year. The HKMA will continue to follow up with HKAB, and encourage HKAB to recruit more merchants to join the programme so as to provide more convenient cash withdrawal services for senior citizens.

6. In addition, in response to calls for financial inclusion, Hongkong Post introduces a new service in April 2018 to gradually allow senior citizens to withdraw cash without the need to make purchases in seven Post Offices which are mainly located in the New Territories and on outlying islands. This service will complement the existing networks for senior citizens.

Financial Services and the Treasury Bureau
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