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### Replies to supplementary questions raised by Legislative Council Members in examining the Estimates of Expenditure 2023-24

Director of Bureau : Secretary for Innovation, Technology and Industry

Session No. : 17

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**CONTROLLING OFFICER'S REPLY**

**(Question Serial No. S024)**

Head: (135) Government Secretariat: Innovation, Technology and Industry Bureau

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Innovation, Technology and Industry (Eddie MAK)

Director of Bureau: Secretary for Innovation, Technology and Industry

Question:

Since the announcement of the setting up of the Institute of Web3.0 Hong Kong on 11 April, the consecutive events, namely the Hong Kong Web3 Festival 2023 (12-15 April), and the new session of the Digital Economy Summit (13-14 April) which has been renamed from the former Internet Economy Summit, have shown the advent of the Web3 era. In order to welcome the new era of Web3 and facilitate the rapid development of the digital economy, will the Digital Economy Development Committee set up a legal system development group for this purpose? Will the Committee engage external consultants (including Hong Kong, Mainland and international legal experts) and deploy manpower and financial resources to build a legal system that is in line with the digital economy (including Web3)?

Asked by: Hon KAN Wai-mun, Carmen

Reply:

In view of the overall development trend of Web3, the Financial Secretary has proposed to allocate \$50 million to Cyberport in his latest Budget to expedite the development of the local Web3 ecosystem by, among other things, organising major international seminars, to enable the industry and enterprises to better grasp frontier development and to promote cross-sectoral business co-operation, as well as arranging a wide array of workshops for young people.

Virtual assets ("VA") are an essential part of Web3. As the starting point of Web3 development, in October 2022, the Government issued a Policy Statement on Development of VA in Hong Kong ("Policy Statement"), setting out the vision and policy direction of the Government in this regard. The Policy Statement has been well received by the industry. We are committed to establishing a facilitating environment, with timely and necessary guardrails to mitigate actual and potential risks put in place in accordance with international

standards. The Task Force on VA Development to be chaired by the Financial Secretary will work together with the industry to examine the market situation, development opportunities, regulation needs and ecosystem of the VA sector in Hong Kong, aiming to formulate proposals on how to promote the sustainable and responsible development of the sector.

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**CONTROLLING OFFICER'S REPLY**

**S-ITIB002**

**(Question Serial No. S012)**

Head: (47) Government Secretariat: Office of the Government Chief Information Officer

Subhead (No. & title): ()

Programme: (3) Information Technology in the Community

Controlling Officer: Government Chief Information Officer (Acting) (Tony WONG)

Director of Bureau: Secretary for Innovation, Technology and Industry

Question:

The Financial Secretary Paul CHAN mentioned in his Budget Speech that he “will allocate \$50 million to expedite the Web3 ecosystem development”. In this connection, will the Government advise if there are any specific supportive measures and budgetary arrangements in place at present?

Asked by: Hon YIM Kong

Reply:

In view of the overall development trend of Web3, Cyberport established the Web3 Hub@Cyberport early this year. At present, Cyberport has a community of over 1 900 start-ups and technology companies, including a number of Web3-related technology companies such as Fintech, smart living and digital entertainment companies. It is announced in the 2023-24 Budget that we will allocate \$50 million to support Cyberport in accelerating the development of the Web3 ecosystem that will in turn enable the industry, enterprises and young people in Hong Kong to better grasp this frontier development. Cyberport is finalising relevant details for consulting the Panel on Information Technology and Broadcasting as soon as possible.

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