

## LCQ8: Promotion of electronic payment

Following is a question by Dr the Hon Kennedy Wong and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (November 20):

Question:

As revealed by the survey findings of the Census and Statistics Department, 60.2 per cent of persons aged 15 and above in Hong Kong had used mobile payment in 2022, and among them, 77.4 per cent had used mobile payment in physical shops. In addition, it was pointed out in a research report published in April 2023 that the penetration rate of electronic payment (e-payment) in Hong Kong had reached over 90 per cent. In this connection, will the Government inform this Council:

- (1) of the number and percentage of the public using e-payment methods (including "iAM Smart", the Faster Payment System, credit cards, Octopus cards, e-wallets of other banks and stored value facilities) to pay for services provided by the Government in the past three years, and how the authorities encouraged and promoted to the public the use of e-payment methods for payment;
- (2) as it is learnt that the mode of e-payment consumption is gaining popularity, whether the authorities have policies to promote the sharing of relevant data among payment platforms for business applications, so as to promote the development of digital economy; if so, of the details; if not, the reasons for that; and
- (3) in respect of the Digital Transformation Support Pilot Programme launched in March this year, of the respective numbers of applications received and approved by the authorities so far, as well as the funding amount involved?

Reply:

President,

In consultation with the Innovation, Technology and Industry Bureau, the Digital Policy Office (DPO), the Treasury and the Hong Kong Monetary Authority (HKMA), our reply to the three parts of the question is as follows:

- (1) For major government bills such as tax demand notes, water bills and demand notes for rates and Government rent, the number of bills paid by the public and commercial organisations via electronic means (including Faster Payment System (FPS), internet banking and PPS) rose from about 13 million in 2021 to about 15 million in 2023, with the percentage increasing from 56 per cent to 60 per cent.

The Government has all along been committed to promoting bureaux and

departments to provide electronic payment (e-payment) options for government fee items under their purview, with a view to achieving full digitalisation of government services. At present, the provision of e-payment option has been fully implemented for some 600 government fee items, enabling the public to make service payments through the FPS.

To further facilitate the public to settle government bills via e-payment, the DPO plans to introduce a bill payment function under the "iAM Smart" in the first quarter of 2025. Subject to the consent of individual users, the personal assistant page in the "iAM Smart" will display the relevant government bills' information obtained through the Consented Data Exchange Gateway. This allows users, through using the "iAM Smart", to settle the payment with FPS directly by connecting to the internet banking or stored value facility applications.

(2) Data sharing among e-payment platforms is a commercial decision of the relevant operators. The Government and the HKMA have all along been committed to promoting the development of e-payment and providing the public with safe, efficient, convenient and diversified e-payment options by enhancing fintech infrastructure and implementing a robust regulatory regime, with a view to facilitating the development of digital economy. Since the commencement of the Payment Systems and Stored Value Facilities Ordinance (Cap. 548) in November 2015, the HKMA has been taking a risk-based approach in supervising stored value facility licensees and overseeing designated retail payment systems, with a view to ensuring the safety and efficiency of the local retail payment industry. The HKMA will continue to maintain dialogue with e-payment operators, keep pace with the market developments, and provide further guidance to the industry as and when necessary.

(3) The Government has allocated \$500 million to launch the Digital Transformation Support Pilot Programme (DTSPP), under which subsidies are provided on a one-to-one matching basis to assist small and medium enterprises in retail and food and beverage industries in applying e-payment and other ready-to-use basic digital solutions, so as to expedite their digital transformation.

As at end-October 2024, the DTSP has received around 3 900 applications. Of these, around 1 400 applications have already been approved, involving a total subsidy amount of about \$65 million. Cyberport is pressing ahead with the vetting of the remaining applications.