

SFST's opening speech at FinTech PoC 2022 Innovation Conference (English only)

Following is the opening speech by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, at the FinTech PoC (Proof-of-Concept) 2022 Innovation Conference today (October 17):

Peter (Chief Executive Officer of Cyberport, Mr Peter Yan), Neil (Chairman of FinTech Association of Hong Kong, Mr Neil Tan), Victor (Head of Fintech, Cyberport, Mr Victor Yim), distinguished guests, ladies and gentlemen,

Good afternoon. I am pleased to join you all at Cyberport here today for the FinTech PoC 2022 Innovation Conference. I am particularly glad to have chance to meet up with many local fintech start-ups to listen to your success stories, and exchange views on issues relevant to the development of the fintech sector in Hong Kong.

The adoption of fintech enables general public and business alike to access more convenient, expeditious, reliable and innovative financial services. As you all know, the Government attaches great importance to fintech development. We have been adopting multi-pronged measures to promote digitalisation of financial services, through enhancing our financial infrastructure, nurturing talents, strengthening collaboration with the Mainland and overseas jurisdictions, providing an enabling regulatory environment, etc.

In particular, to encourage innovation of the financial services sector, we commissioned Cyberport last year to launch the first round of the Fintech PoC Subsidy Scheme. The scheme sought to incentivise fintech companies and financial institutions to put forth and conduct PoC on innovative and practical fintech solutions. I am very glad to see that the previous round of the Subsidy Scheme received an overwhelming response. It received over 160 applications, with 90 of them approved and completed, benefiting 75 fintech companies and financial institutions. Surveys show that over 70 per cent of the financial institutions would apply the deliverables of the projects to their product line/business solutions, with 90 per cent of the participating fintech companies indicating that they would commercialise the PoC solutions tested under the scheme within one year.

It is indeed encouraging to see that the completed projects have covered a wide range of financial services, including the well-developed ones, such as Wealthtech, Regtech, Insurtech; those related to emerging fields, such as payment technology, ESG (environmental, social and governance); as well as those with cross-boundary applications, such as data analysis and remittance services.

In the light of the positive response from the industry, we have commissioned Cyberport in launching a new round of the scheme, with a total funding of \$10 million. In formulating implementation details of the new round of the scheme, we have reviewed last year's experience, and engaged our stakeholders. Allow me to introduce some major refinements made to this year's scheme.

First of all, we have increased the subsidy amount for the approved projects from \$100,000 to \$150,000. In particular, we welcome projects involving cross-boundary applications or applications in emerging areas, including Regtech; technical solutions related to federated learning; open application programming interfaces; and ESG. These projects will have a higher subsidy amount of \$200,000, reflecting their complexity and significance. Besides, projects which will have a broader impact on the industry as a whole, and can provide solutions to bottleneck issues of the industry, may benefit from a grant of up to \$400,000. In this regard, I am glad to see that the conference today provides opportunities for fintech companies, financial institutions, trade associations, etc, to exchange views on the issues facing the fintech industry, which will surely provide insights for prospective participants of this year's scheme.

As the second refinement, we have broadened the pool of applicants so as to foster greater collaboration amongst various stakeholders of the fintech sector in digitising financial services. This year, we will also accept applications made by research institutions, such as a local university, self-financing institution, public research institute and private fintech laboratory, together with financial institutions. Besides, we welcome applications made by multiple fintech firms/research institutions partnering with more than one financial institution to collaborate on a single project, thereby enhancing the impact of the projects on the fintech and financial services sectors.

Here I would like to thank Cyberport for administering the PoC Scheme again this year. As a staunch supporter of Hong Kong's fintech development, Cyberport boasts the largest fintech community in Hong Kong. I remember the time when I visited Cyberport in August this year, I was delighted to see many successful applications of innovative products developed by Hong Kong's fintech start-ups, including many of you here with us today, and many have even expanded services to the Guangdong-Hong Kong-Macau Greater Bay Area, Southeast Asia, and beyond. This showcases the success of Hong Kong's fintech companies. It is in fact, the success of Hong Kong's story.

Finally, I would like to call for the active participation from every one of you and other members of the industry in this year's Fintech PoC Scheme. Let's join hands and bring our fintech sector and our wider financial industry to new heights. Thank you.