

## **Press release**

### **LCQ10: Automatic teller machines**

Wednesday, January 26, 2011

Following is a question by the Hon Kam Nai-wai and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (January 26):

Question:

At present, there are two major automatic teller machine (ATM) systems used by banks in Hong Kong, namely Electronic Teller Card (ETC) and Joint Electronic Teller Services Limited (JETCO). The two ATM systems operate independently, and the ATM cards of one system cannot be used in the ATMs of the other system. In recent years, banks have reduced the number of branches as they need to cut costs, which has affected the distribution of ATMs, causing inconvenience to the public. In this connection, will the Government inform this Council:

(a) whether it knows the respective numbers of ATMs under the ETC and JETCO systems in Hong Kong at present, and their distribution in the 18 District Council districts;

(b) whether the Hong Kong Monetary Authority (HKMA) had, in collaboration with the operators of the above two systems, conducted any study in the past three years on the feasibility of connecting the two systems, i.e. making it possible for the public to use their ATM cards in both systems, so as to expand the ATM network available to the public for their convenience; if it had, of the outcome of the study; if not, the reasons for that;

(c) whether HKMA had, in the past three years, conducted any study on the collaboration between banks and government departments to install ATMs in those government facilities (e.g. post offices and markets, etc.) which are used by relatively more members of the public for their convenience; if it had, of the outcome of the study; if not, the reasons for that; and

(d) given that the number of mainland residents coming to Hong Kong for sightseeing and shopping is increasing, whether HKMA had, in the past three years, conducted any study on further promoting the use of the Mainland's Renminbi credit card "UnionPay Card" in the ATMs in Hong Kong; if it had, of the outcome of the study; if not, the reasons for that?

Reply:

President,

The Administration's reply to the questions is as follows:

(a) According to the information provided by the Hong Kong Association of Banks (HKAB), at the end of September 2010, there were 2,844 Automated Teller Machines (ATMs) in Hong Kong (of which 1,255 belong to HSBC/Hang Seng and 1,589 belong to JETCO).

According to the latest breakdown figures available from HKAB, at the end of December 2009, the distribution of ATMs in the 18 districts was set out in the Annex.

(b) & (c) The Hong Kong Monetary Authority (HKMA) has been encouraging the banking industry to improve ATM services through various channels with a view to bringing more convenience to the public.

The HKMA has held discussions with the two ATM network operators about the feasibility of interconnecting the two networks. Having considered the demand of clients for cross-network cash withdrawal, convenience of current ATM services, commercial considerations such as system compatibility and service competition between the two networks, and that the public can already perform cross-network cash withdrawal through international networks (such as Visa Plus, MasterCard Cirrus and China UnionPay) at the moment, the two companies did not pursue further the proposal to interconnect the two networks.

As for the proposal of installing ATMs in government facilities that are more frequently used by the public, ATMs and banks are currently installed or established in/around the malls and markets managed by the Hong Kong Housing Authority (HA). The HA will continue to stay connected with banks and identify suitable sites for the installation of more ATMs in response to the business needs of banks, with a view to offering more appropriate and convenient banking services.

The HKMA has also studied with the industry the feasibility of installing ATMs in post offices. However, having regard to the overlap of the distribution network of post offices and bank branches, it is considered that the provision of banking services through post offices might not be an effective option.

In fact, currently over 50 ATMs are installed by some banks in some of the convenience stores and chain fast food restaurants. Since those merchants operate round-the-clock, this could provide greater convenience to the public than installing ATMs in post offices or markets.

The HKMA will continue to encourage the industry to study the feasibility of different proposals that would improve ATM services.

(d) At present, China UnionPay cardholders from the Mainland can already use their China UnionPay cards to withdraw cash and do retail purchases in Hong Kong.

Ends