

Speech

Speech by SFST at the UK Department for International Trade Hong Kong Fintech Awards Ceremony 2017 (English only)

Tuesday, November 28, 2017

Following is the speech by the Secretary for Financial Services and the Treasury, Mr James Lau, at the UK Department for International Trade Hong Kong Fintech Awards Ceremony 2017 today (November 28):

Mr Andrew Heyn (British Consul General to Hong Kong and Macao), distinguished guests, ladies and gentlemen,

Good evening. I am delighted to join you all today at the Hong Kong Fintech Awards 2017 organised by the UK Department for International Trade.

Hong Kong and London have long enjoyed a complementary and cooperative relationship in financial services. Hong Kong and London, along with New York, are hubs for major financial institutions around the world, forming a 24-hour trading system for global financial markets.

Last September, I joined a trip to London with the Chief Executive Mrs Carrie Lam. One of our purposes was to have a closer look at Fintech developments in the UK. By now, Fintech has gone beyond being a "buzzword"

to becoming a top priority for industry players as well as policymakers around the world, I am particularly pleased to see the collaboration between Hong Kong and London extending beyond traditional financial services into financial technology.

We took the occasion of that September visit to conclude with the UK government the Hong Kong-UK Fintech Bridge agreement. I was pleased to be a witness for this comprehensive agreement that aims to foster collaboration in financial innovation between the two economies. The agreement covers cooperation at three levels, encompassing government-to-government, regulator-to-regulator, and industry-to-industry cooperation.

For government-to-government cooperation, HM Treasury and the Financial Services and the Treasury Bureau commit to ongoing and regular dialogues on Fintech, with a view to sharing information and exchanging best practices, not the least through senior-level events such as the Hong Kong-London Financial Services Forum.

For regulator-to-regulator cooperation, the UK Financial Conduct Authority has signed agreements with all three of our financial regulators in Hong Kong, including our banking regulator the Hong Kong Monetary Authority, our securities regulator the Securities and Futures Commission, and our insurance regulator the Insurance Authority in the past year.

As for industry-to-industry cooperation, during my September London trip, we saw two Fintech companies from Hong Kong sign agreements with two UK

entities on Fintech collaboration. Today we have another instance of industry-to-industry cooperation in our celebration of the Hong Kong Fintech Awards. This is a fantastic avenue for Hong Kong start-ups to access the UK market, and my hearty congratulations go to the winners of the Award, who will attend an enviable five-day bespoke programme in the UK to meet potential clients and explore business opportunities.

I understand that InvestHK will organise a programme early next year for UK start-ups looking to leverage Hong Kong as a Fintech hub and gateway to Mainland China. As a reciprocal programme to the Awards today, the InvestHK programme will identify UK Fintech firms interested in exploring business opportunities in Hong Kong and the region. I am sure that this two-way interflow is going to be tremendously helpful for both the UK and Hong Kong.

I also see a lot of potential for collaboration between incubators and accelerators in Hong Kong and London. During my visit to London, I visited Level 39, Europe's largest Fintech-focused incubator which provides office space, mentoring, networking and events for start-ups. I also visited the Accenture Fintech Innovation Lab, which has programmes in London as well as Hong Kong. In the future, I hope to see deeper exchange and cross pollination between the start-ups in Hong Kong and London, not only in terms of exploring business opportunities, but also in terms of technical collaboration.

In Hong Kong, our IT business park Cyberport is a key component of our Fintech ecology, and is well positioned to explore collaboration opportunities. Cyberport currently provides designated support for a Fintech community of

more than 200 start-ups and companies, including a number of British Fintech companies headquartered in the UK In terms of talent development, Cyberport sponsors university students to join Fintech training camps in overseas universities. In 2016-17 alone, more than 50 top university students joined the Entrepreneurship Boot Camp in Silicon Valley arranged by the Stanford Graduate School of Business. George (Chairman of Cyberport, Dr George Lam), perhaps we can also explore partnerships with the many renowned universities in the UK so that our students can benefit from such exposure as well.

Ladies and gentlemen, Fintech will bring about unprecedented changes to consumers and businesses in the next few years. Hong Kong stands ready to capture the opportunities brought by the Fintech development, if not transformation or revolution. We can do this better by collaborating with our friends in the UK Congratulations to the winners of the Fintech Awards again, I wish you all a fruitful evening. Thank you.

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