

REPORT ON CPA AUSTRALIA'S BUSINESS FINTECH USAGE SURVEY 2020

HONG KONG RESULTS

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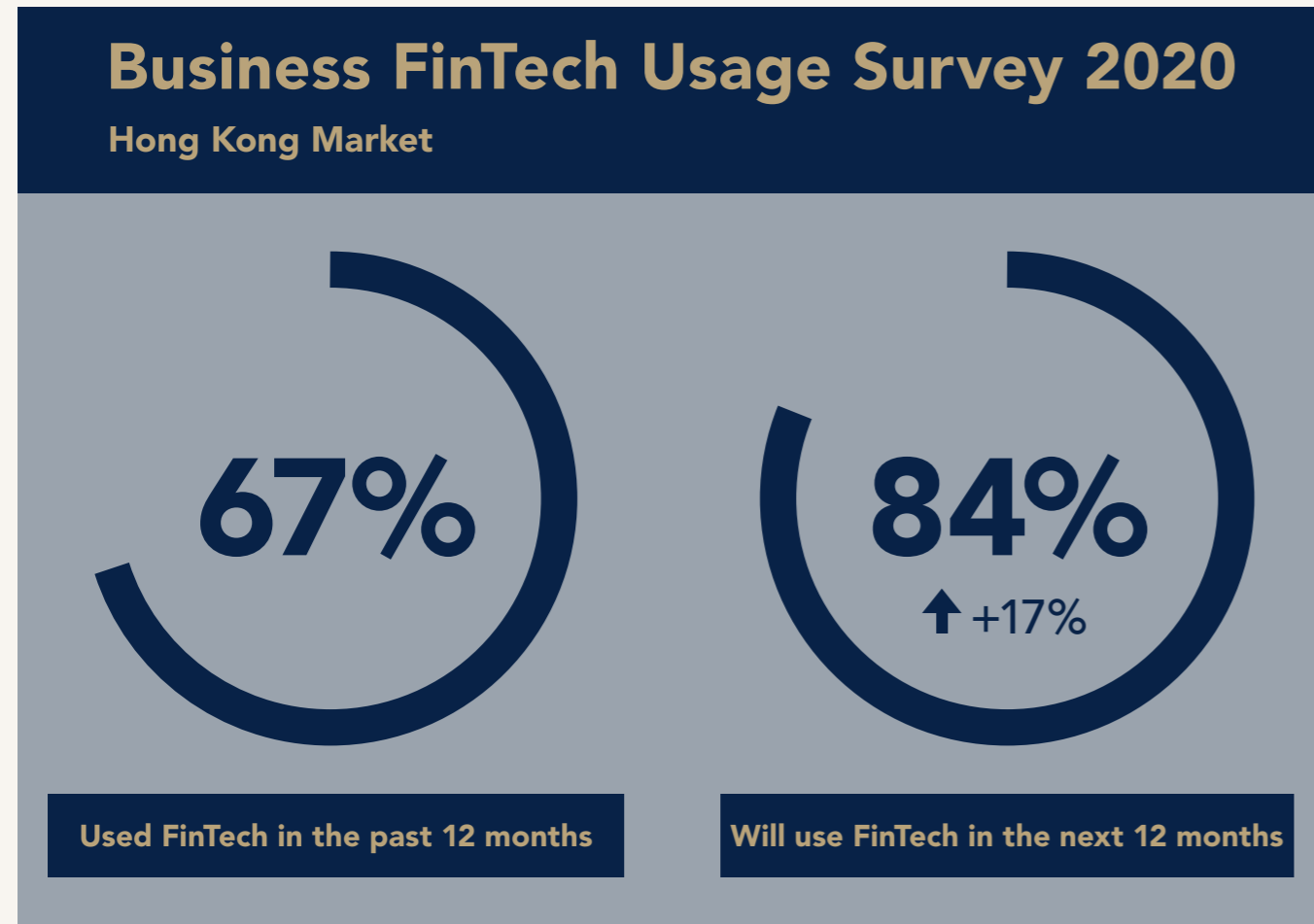
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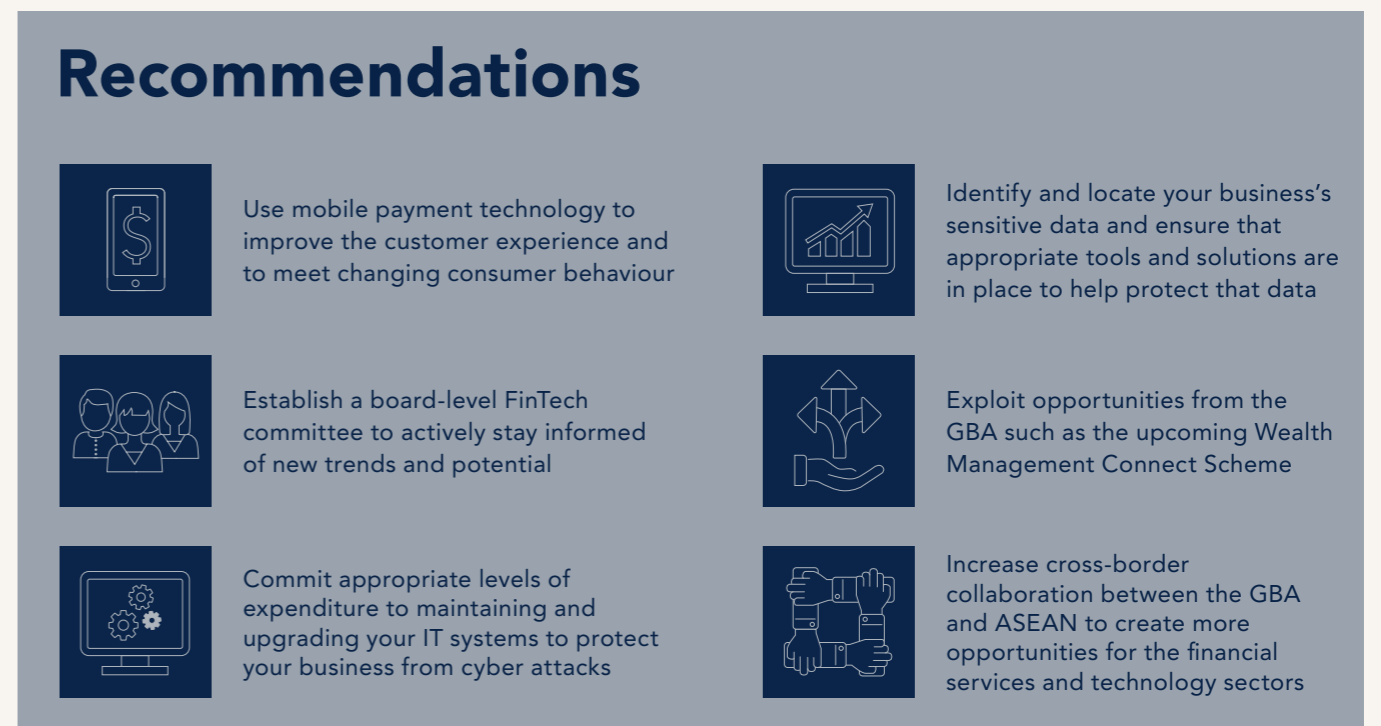
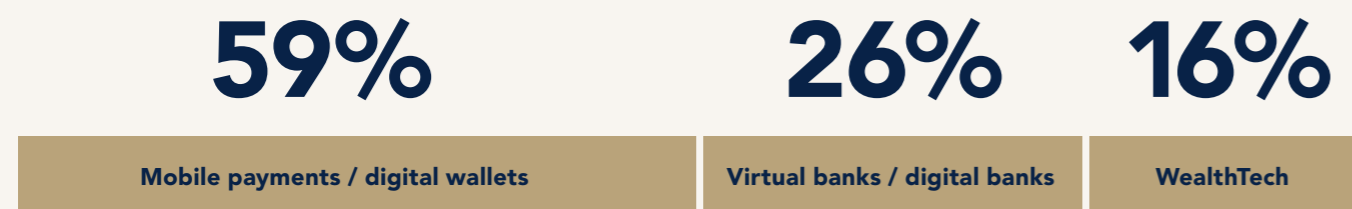
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Top 3 FinTech with the largest increase in business usage in the past 12 months



Top 3 business FinTech usage in the next 12 months



FOREWORD



Dr Moses Cheng FCPA (Aust.)

**Chairman of the Insurance Authority
Honorary Fellow of CPA Australia**

As Chairman of the Insurance Authority, I have personally witnessed the impressive growth of the FinTech industry in Hong Kong in the past few years, and I firmly hold that FinTech will play an instrumental role in enhancing Hong Kong's global competitiveness and cementing our status as a leading international financial centre.

The adverse impacts of the COVID-19 pandemic, and the introduction of strict social-distancing measures to control the spread of the virus have drastically amplified the need for Hong Kong businesses to digitalise and increase the adoption of technology. Indeed, in trying moments like these, we see opportunities for rolling out digitalisation initiatives that were not even thinkable a year ago.

While it is not an over exaggeration to say FinTech will play a pivotal role in this "industrial revolution of the 21st Century", I am very pleased to see that the growing appreciation of the importance of FinTech and its role in digitalising traditional businesses especially like insurance which, conventionally, relied on face-to-face ("F2F") meetings.

Realising the opportunities that FinTech can bring about for the insurance industry, the Insurance Authority has spared no efforts in fostering a sustainable FinTech ecosystem by developing the appropriate infrastructure, to support insurers and intermediaries in Hong Kong – such as putting in place the Fast Track licensing scheme which is a dedicated queue for new insurers seeking to operate solely through digital distribution channels. We have so far granted authorisation to four virtual insurers. We have also rolled out the Insurtech Sandbox to insurers to provide a safe and controlled environment to test innovative solutions using real market data. More specifically, in response to COVID-19 pandemic, the Insurance Authority has rolled out a set of temporary facilitative measures to enable non-F2F sales for protective products and providing alternative compliance for virtual onboarding which is now proven to be effective in generating new business.

I am sure the benefits of FinTech to business is not confined to the insurance industry and there are enormous benefits to be reaped by other industries in going digital. CPA Australia's survey on business FinTech usage is most timely as it gauges what type of FinTech, such as mobile payment technology, Hong Kong businesses are or will be using, what advantages businesses are experiencing from FinTech, the barriers to greater business adoption of FinTech, and the broader impact it has on the Greater Bay Area.

The report also puts forward suggestions which may assist Hong Kong businesses in planning for the future and ensuring sustainable business growth. We hope that FinTech start-ups can also draw on the survey results to help them develop products and services that meet business needs, address key concerns, and fully exploit the broader FinTech opportunities arising from the Greater Bay Area initiative.

MESSAGE FROM THE PRESIDENT OF THE GREATER CHINA DIVISION 2020



Anthony Lau FCPA (Aust.)

**President of CPA Australia's
Greater China Division 2020**

I am delighted to see that many Hong Kong businesses are using FinTech and the usage of such technology is expected to rise in the next 12 months. Respondents find that it increases efficiency, saves money and improves the customer experience; all factors that can contribute towards growth.

I'm not surprised that mobile payment technology is the FinTech with the highest increase in use in the past 12 months in Hong Kong. From my observations, the COVID-19 pandemic has seen a greater focus on e-commerce by many businesses, particularly small and medium-sized enterprises, and mobile payment technologies are a key element of that.

With the survey results showing that 63 per cent of Hong Kong businesses that were more profitable in 2019 either maintained or increased their usage of mobile payments or digital wallets in the past 12 months, it is pleasing that it remains the most popular FinTech choice in the next 12 months, with 59 per cent stating that their business will use the technology.

On WealthTech, I note that more than one-third of businesses in Mainland China are using and increasing their usage of it, with Hong Kong also recording double-digit percentage growth. Such technology enables more individuals, particularly younger people, to access wealth management services without having to meet high qualifying thresholds.

With the recent announcement of the establishment of the Wealth Management Connect Scheme, I expect more companies in Hong Kong will explore WealthTech as a conduit to further connect with the Mainland section of the GBA, where the total estimated investable assets have reached at least RMB2.7 trillion.

The key barriers to business adoption of FinTech in Hong Kong are cybersecurity and data privacy, which are also key challenges in the other three markets. FinTech developers should factor in these concerns when developing their products and services.

For businesses making investments into FinTech, they should also upgrade their cybersecurity and data privacy measures to reduce risks and maintain customer confidence.

MESSAGE FROM THE CHAIRPERSON OF THE GREATER BAY AREA COMMITTEE



Marcellus Wong FCPA (Aust.)

Chairperson of the Greater Bay Area Committee of CPA Australia
Vice Chairman, AMTD Group

As Chairperson of the Greater Bay Area Committee of CPA Australia, I am pleased to see the strong uptake of FinTech services and products amongst Hong Kong businesses as well as their positive attitude towards the development of the Greater Bay Area.

Going forward, more Hong Kong businesses will increasingly adopt innovative FinTech solutions to enhance their financial, banking, and even accounting and auditing processes. For example, Hong Kong respondents identified virtual banks as the second most likely FinTech their business will use in the next 12 months.

With Hong Kong's regulatory authorities having approved eight virtual banks, and with four already launched to the public as of August 2020 (ZA Bank, Airstar Bank WeLab Bank and Livi Bank), it is positive that many Hong Kong businesses expect to use this new service in the next 12 months.

While most businesses already have existing relationships with traditional banks, virtual banks, with the adoption of FinTech in their simple account opening and customer due diligence approaches, have the potential to transform the financial sector, promote financial inclusion and offer new ways of delivery customer services, particularly to the small and medium-sized enterprises.

In addition, the survey results show that robo-advisory / chatbots are relatively widely used by businesses in Mainland China, with almost half of respondents having either maintained or increased their usage of it in the past 12 months, ranking it top amongst the four markets surveyed. For Hong Kong businesses, the GBA therefore presents opportunities to hasten their adoption of this and other FinTech by partnering with companies already using such technology in the Mainland.

Promoting cross-border collaboration between the Greater Bay Area and ASEAN countries will not only create more opportunities for the financial services and technology sectors but also enhance Hong Kong's position as an international FinTech hub, and improve the level of FinTech uptake in Hong Kong.

SUMMARY OF KEY FINDINGS

Hong Kong businesses have embraced FinTech and are reaping the benefits, experiencing improved business efficiency, cost savings and an enhanced customer experience.

The survey found that 84 per cent of Hong Kong respondents expect their business to use at least one FinTech product or service in the next 12 months, up from 67 per cent in the past 12 months.

In difficult business conditions, many Hong Kong businesses are using FinTech and even greater numbers expecting to use it in the next 12 months. Such technology is seen to improve efficiency and the customer experience, which are essential elements to business growth.

Mobile payments / digital wallets proved to be the most popular FinTech product or service for businesses in Hong Kong, with 40 per cent of businesses surveyed reporting increased usage of this technology, followed by virtual banks (18 per cent) and robo-advisory / chatbots (also 18 per cent).

In the coming 12 months, 59 per cent of Hong Kong businesses expect to use mobile payments / digital wallets, followed by virtual banks (26 per cent) and wealth management technology (16 per cent).

The survey also found that 63 per cent of Hong Kong businesses that were more profitable in 2019 either maintained or increased usage of mobile payments or digital wallets in the past 12 months.

On the expected impact that FinTech will have on the Greater Bay Area (GBA), respondents were most likely to nominate that such technology will create more business opportunities for the financial services and technology sectors, and improve capital flows.

Adoption of FinTech is not without its challenges. Companies including FinTech start-ups need to address concerns such as cybersecurity and data privacy, as well as a lack of understanding of FinTech within the Board / senior management, if they are to achieve higher rates of adoption in the business community.

KEY FINDINGS

- 84 per cent of surveyed Hong Kong accounting and finance professionals stated that their business will use a FinTech product or service in the next 12 months.
- Mobile payments / digital wallets, virtual banks and wealth management technology are the top three FinTech products or services that Hong Kong businesses expect to use in the next 12 months.
- Improved efficiency (64 per cent), cost savings (47 per cent) and to better understand and improve the customer experience (47 per cent) were the most popular drivers of FinTech adoption in Hong Kong businesses.
- Cybersecurity (44 per cent), data privacy / storage concerns (39 per cent) and a lack of FinTech understanding and knowledge within Board / senior management (24 per cent) were the most likely choices for barriers / challenges to FinTech adoption in Hong Kong businesses.
- The most likely impacts of FinTech on the GBA were 'create more business opportunities for the financial services and technology sectors' (27 per cent) and 'improve capital flow within the GBA' (23 per cent).

FINTECH USAGE AMONGST BUSINESSES

Figure 1. Comparison of reported business FinTech usage in the past 12 months vs expected business FinTech usage in the next 12 months

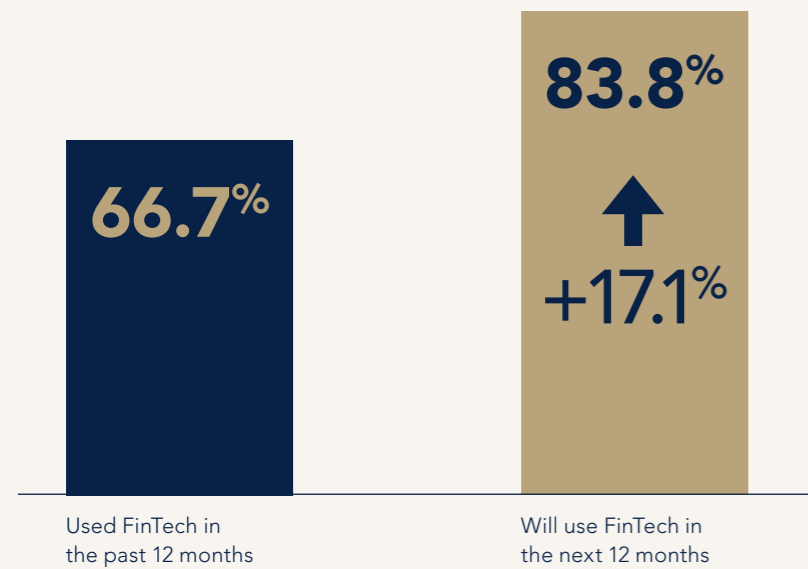


Figure 2. FinTech with the highest increase in business usage in the past 12 months

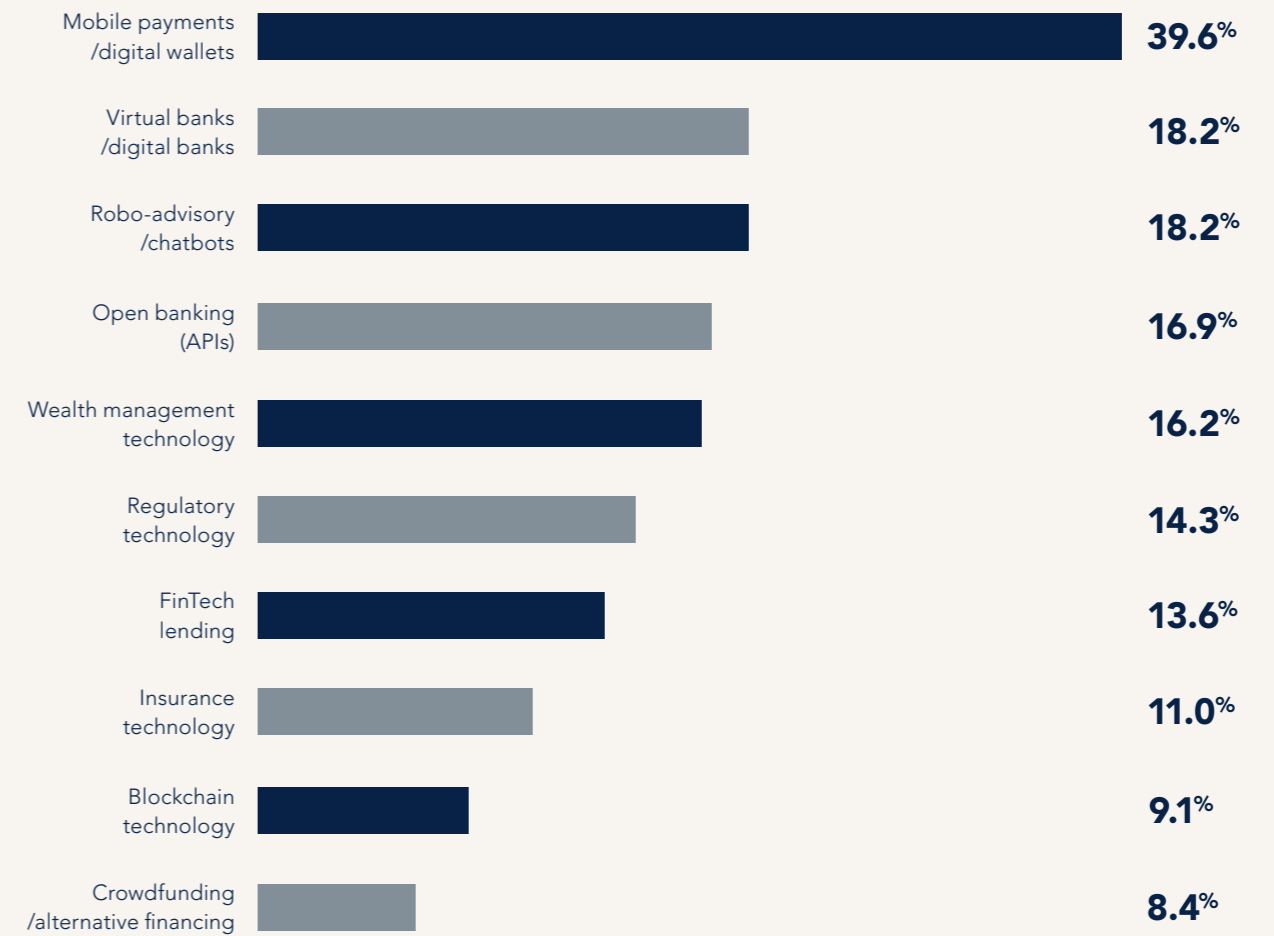


Figure 1 shows that 84 per cent of Hong Kong respondents expect their business to use at least one FinTech product or service in the next 12 months, a 17 percentage points increase compared with the 67 per cent in the past 12 months. The percentage increase is the highest amongst the four surveyed markets and indicates a healthy and growing awareness amongst Hong Kong companies of the impact of FinTech on business performance. The result also suggests that more Hong Kong companies will be moving towards digitalising their operations. In today's increasingly digital and data-driven world, businesses that can leverage on technology such as FinTech to innovate would likely differentiate themselves from competitors.

Amongst the variety of FinTech sub-types, mobile or online payment technology is the most mature and readily available technology for use by both businesses and consumers. More than one-third of respondents indicated that their business had increased the usage of mobile payment technology in the past 12 months (see Figure 2). While this percentage is not as high as in Mainland China (46 per cent), it suggests that there is a growing trend of Hong Kong businesses expanding their array of payment options by adopting new payment technologies. The growth in mobile or online payment technologies is set to continue with the COVID-19 pandemic driving the adoption of such technology by Hong Kong businesses as consumer payment behaviour continues to shift to a digital experience.

To provide an example of the growth in mobile payment / digital wallets adoption, usage of the Faster Payment System (FPS), a contactless real-time payment service platform, increased significantly since its introduction in 2018. According to the Hong Kong Monetary Authority, average daily transactions in March 2020 reached 267,000 transactions, an increase of 60 per cent compared with December 2019, while new user registrations in the first quarter of 2020 recorded a 30 per cent increase compared with the fourth quarter of 2019.¹ It is likely that the penetration rate of the FPS is amongst the highest in the world.²

Further, according to research conducted by JP Morgan, digital wallet transactions in Hong Kong are expected to grow faster than card transactions to 2021, expanding at a compound annual rate of 32 per cent. By 2021 they are projected to overtake credit cards as the primary e-commerce payment method in the city.³ This means that as new payment arrangements continue to increase in popularity, it would be prudent for Hong Kong businesses to start using or to expand their usage of mobile payment technology.

¹Hong Kong Monetary Authority (2020) **FPS Fights the Epidemic With You**

²Hong Kong Monetary Authority (2019) **Keynote Speech at Hong Kong Fintech Week 2019**

³JP Morgan (2019) **E-commerce Payments Trends: Hong Kong**



Jason Shum CPA (Aust.)

CEO, EasyTrack.ai

Photo by Calvin Sit

“The impact of COVID-19 restrictions has changed how Hong Kong businesses deliver their services and products to customers. The increasing shift to delivering online and adopting technology solutions is reflected in the popularity of the Innovation and Technology Commission’s Distance Business Programme. Under the Programme, companies are provided funding support to transition their business and operations online during the pandemic by adopting IT solutions such as establishing a web portal or a mobile app, moving to cloud-based collaboration platforms or enabling digital payment channels.

The high level of response to the Programme has led to the Hong Kong Government allocating an additional HK\$1 billion to the scheme, on top of the original HK\$500 million. This indicates that many Hong Kong companies are responding quickly to changing circumstances and are actively looking to adopt tools and resources available to assist in their digital transformation.

This is also reflected in the findings of the survey which shows that 84 per cent of Hong Kong respondents expect their business to use at least one FinTech service or product in the next 12 months, up from the 67 per cent in the past 12 months. From the survey results I expect more businesses in Hong Kong to continue to expand their usage of technology into more parts of their business, such as mobile payments and AI-driven insights.

While the immediate business outlook may be grim, there is a silver lining. The pandemic has accelerated the pace of digital transformation amongst Hong Kong businesses, and with appropriate measures, including smart and forward-looking investment in technology such as FinTech, businesses will have the capability to overcome these challenges.”

Figure 3. Percentage of businesses that have increased their profitability in 2019 and FinTech usage in the past 12 months (stayed the same or increased)

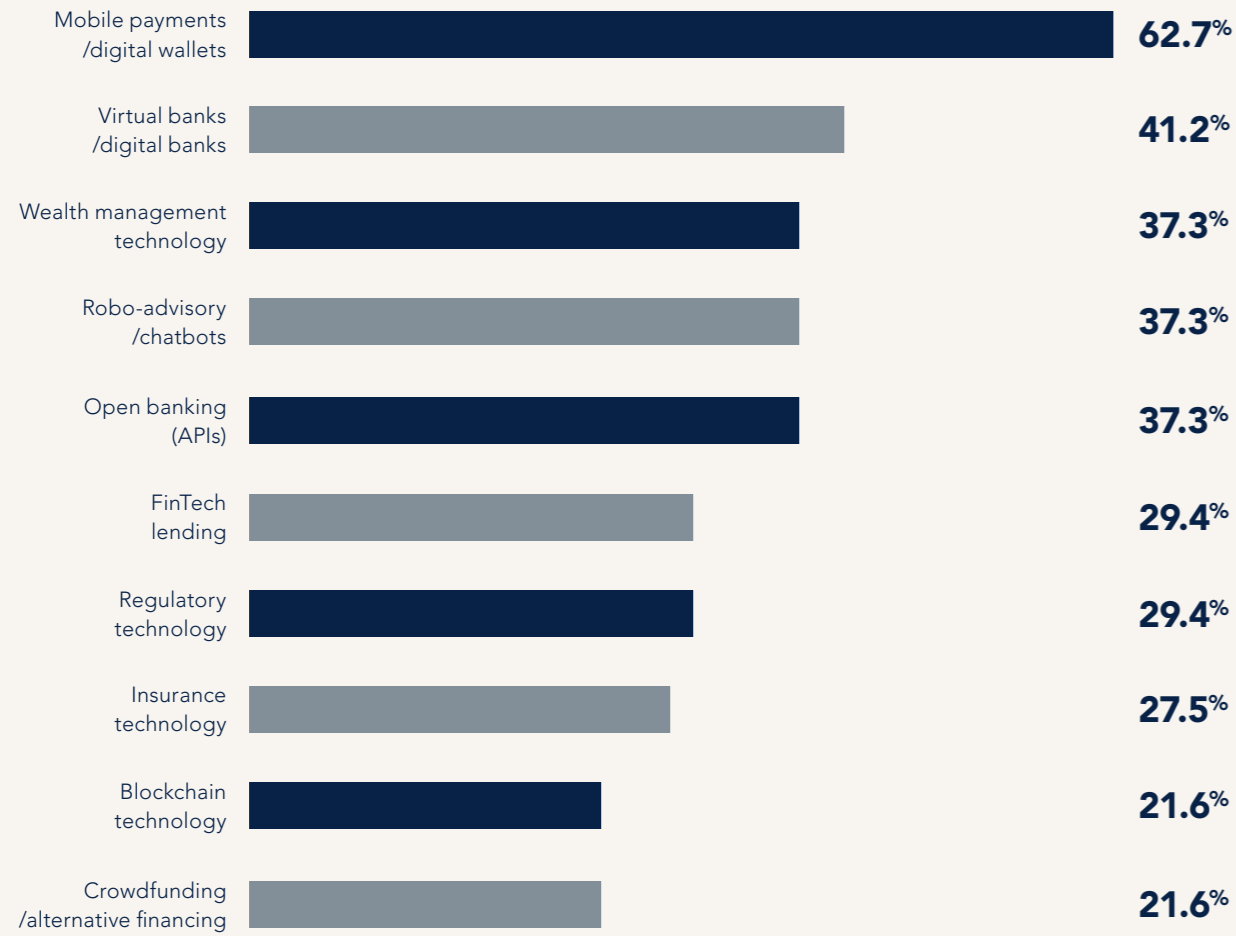
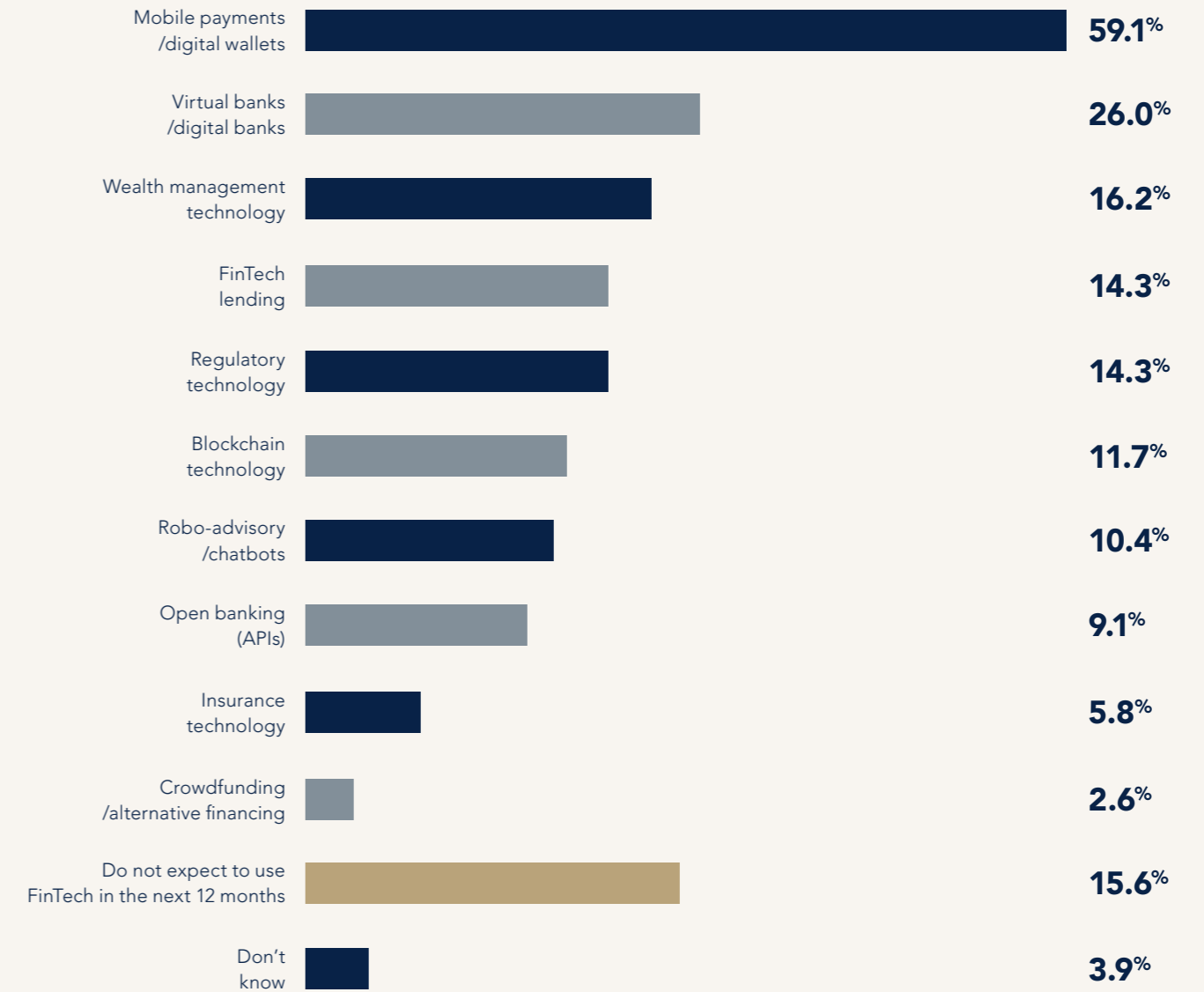


Figure 4. Expected FinTech usage in the next 12 months



When analysed by level of profitability, 63 per cent of businesses that registered an increase in their profitability in 2019 either maintained or increased their usage of mobile payments / digital wallets in the past 12 months (see Figure 3). This is eight percentage points higher than amongst overall Hong Kong businesses. In other words, the data points to FinTech usage by business improving profitability.

Figure 4 shows that 59 per cent of Hong Kong respondents picked mobile payments / digital wallets as one of the FinTechs that their business will use the most in the next 12 months, the highest amongst the four markets surveyed. A key explanation to the expected increase in popularity of mobile payment and digital wallet usage in Hong Kong is a conducive regulatory environment for payment innovation. Aside from the introduction of the Faster Payment System in 2018 as previously discussed, the Hong Kong Monetary Authority started granting stored value facilities (SVFs) licenses in 2016, and there are currently a total of 18 licensees operating.⁴ The adoption of SVFs has been on the rise and in the first quarter of 2020, there was a total of 63.6 million SVF accounts in use, up 7.2 per cent year-on-year, while the total value of transactions grew to HK\$49 billion, up 62 per cent compared with the last quarter of 2016.⁵

Another contributing factor to the upward trend in mobile payment technology usage is the near ubiquitous penetration and usage of internet usage amongst businesses, and ownership of smartphones amongst individuals. According to the latest data from the Census and Statistics Department, the internet usage rate for businesses of all sizes in 2019 was 90.3 per cent,⁶ while the smartphone penetration rate stood at 91.5 per cent in 2019.⁷ The high internet and smartphone usage will continue to facilitate the growth, development and uptake of technologically-advanced payment solutions by both businesses and consumers.

Virtual bank was the second most chosen FinTech that respondents expect their business to use in the next 12 months. With the Hong Kong Monetary Authority having approved eight virtual banks to operate in the city and virtual bank licensees expected to gradually increase their offering of financial services and products, more businesses especially small and medium-sized businesses, may be tempted to use virtual banks due to the ease of opening an account and obtaining loans.

⁴Legislative Council Secretariat (2020) **Emergence of new electronic payment services**

⁵Hong Kong Monetary Authority (2020) **Statistics of SVF Schemes Issued by SVF Licensees for First Quarter 2020**

⁶Office of the Government Chief Information Officer (2020) **Survey on IT Usage and Penetration**

⁷Census and Statistics Department (2020) **Thematic Household Survey Report No. 69**



Simon Loong FCPA (Aust.)

**Founder & Group CEO, WeLab
Non-Executive Director, WeLab Bank**

“Offering personalised digital services for customers around-the-clock and driven by advanced technology such as artificial intelligence and big data analytics, virtual banks are a game changer for banking. Their speed to market offers a unique advantage in offering innovative products and services, and meeting the ever-changing needs of customers.

With services offered completely online and leveraging advanced facial recognition software to authenticate customer identity, opening a virtual bank account could take as little as five minutes.

This quick onboarding process enhances the customer experience and provides a seamless and intuitive digital experience.

The digital presence of virtual banks also means that they must stay constantly vigilant of cybersecurity threats. All virtual banks are required to comply with the Advanced Maturity level set out by the Cyber Resilience Assessment Framework published by the Hong Kong Monetary Authority. With these strong cybersecurity requirements and a natural inclination to focus on the latest technology and software, virtual banks are in a strong position to manage cybersecurity risks and offer strong protection of customer data.

I am of the view that virtual banks are a key component to the development of a strong and sustainable FinTech ecosystem in Hong Kong. With all of Hong Kong’s eight licensed virtual banks soon expected to be fully operational, we increasingly will see a wider array of convenient and customer-friendly banking products and services offered to customers, as well as greater financial inclusion for small- and medium-sized enterprises.”

DRIVERS AND CHALLENGES /BARRIERS TO FINTECH ADOPTION

Figure 5. Key drivers to business FinTech adoption – By market

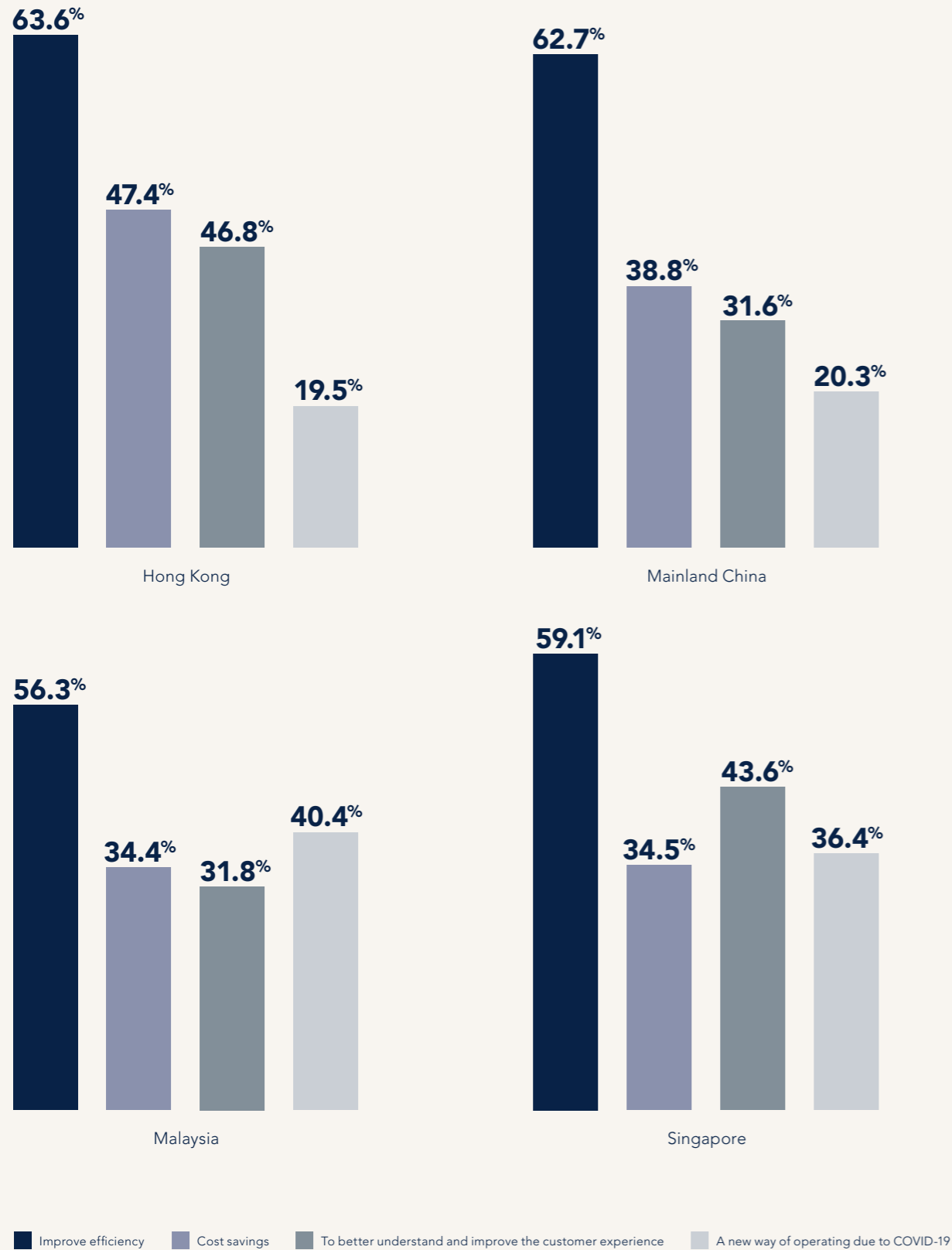
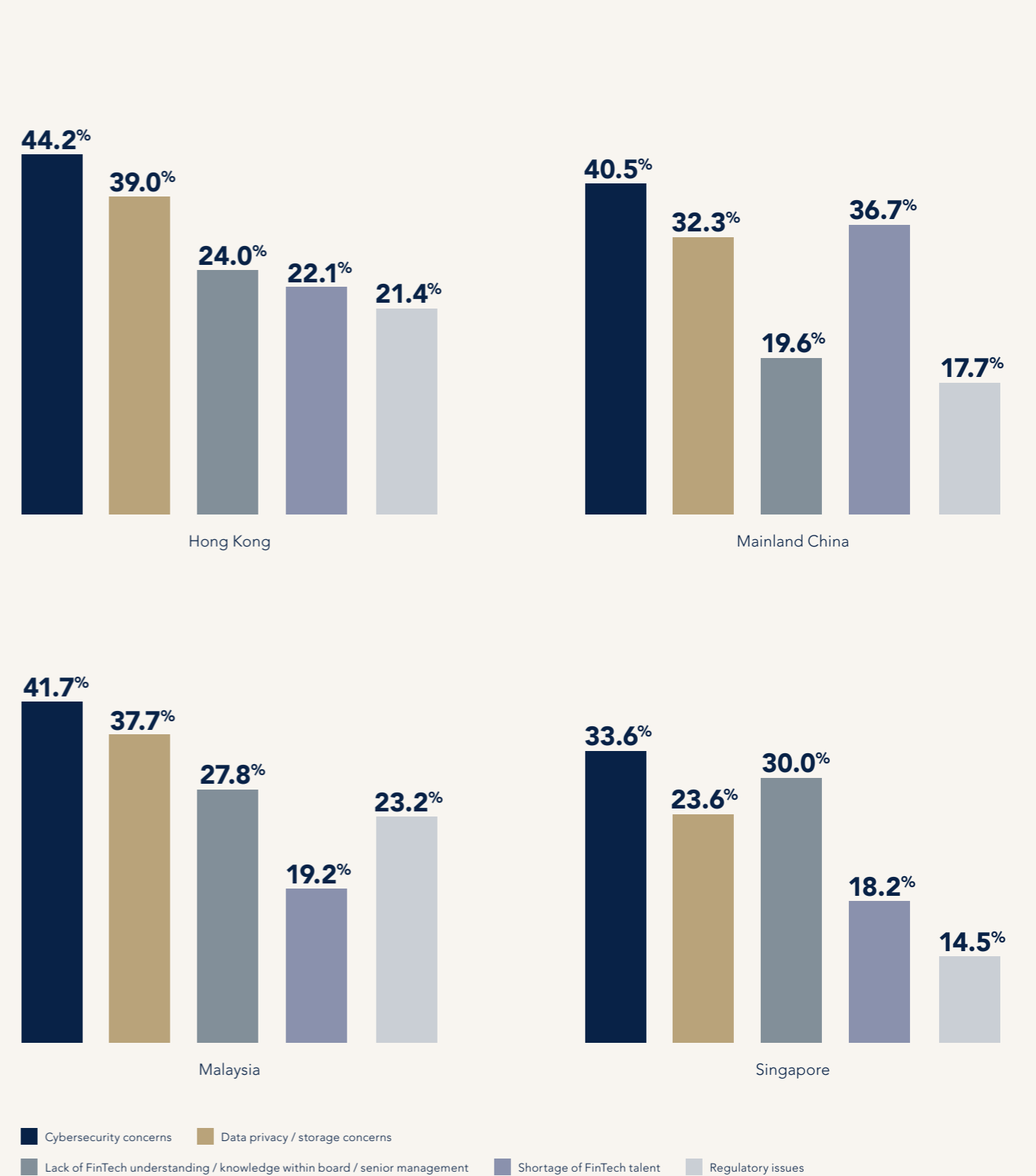


Figure 6. Key challenges to business FinTech adoption – By market



To improve efficiency, costs savings, to better understand and improve the customer experience, and a new way of operating due to COVID-19 were the top four drivers of FinTech adoption in businesses according to respondents in all four markets (see Figure 5). Enhancing operational processes is the major motivator for businesses to adopt FinTech, with improve efficiency being the most likely driver of FinTech adoption in all four markets. Moreover, Hong Kong respondents were significantly more likely to nominated cost savings as a driver to FinTech adoption (47 per cent) compared with respondents from other markets (the market with the second highest percentage of respondents was Mainland China at 39 per cent).

With the findings of CPA Australia's *Asia-Pacific Small Business Survey 2019/20* showing that staff costs had overtaken rent as the cost most detrimental to small businesses in Hong Kong,⁸ it suggests that Hong Kong businesses may be exploring ways to reduce staff costs, such as employing automated FinTech solutions. For Hong Kong FinTech start-ups or companies, it could be beneficial to demonstrate how their technology solutions help reduce costs in a business, or free up staff to do more value-adding work.

According to Figure 6, respondents across all four markets were most concerned about cybersecurity and data privacy, with a higher proportion of Hong Kong respondents selecting the two as the biggest challenges or barriers to FinTech adoption in businesses compared with respondents from other markets.

The third most chosen challenge or barrier was a lack of FinTech understanding and knowledge within the Board / senior management (24 per cent).

This result parallels the findings of CPA Australia's *Banking on Governance, Insuring Sustainability* report which found that most banks and insurance companies in the Asia-Pacific region do not have a board-level technology committee, nor have they appointed directors with technological expertise or working background in this area.⁹

These top challenges or barriers mean that it is important for Hong Kong companies planning to use FinTech or expanding their usage of FinTech, to seriously consider the areas of cybersecurity and data protection, as well as securing the involvement of the Board or senior management. In order for cybersecurity and data protection measures to be effective, such concerns should be elevated to the boardroom, with clear responsibility given for cybersecurity, especially in the event of a cyberattack. It is also important for FinTech companies or start-ups to ensure that their customers do not fall prey to cyber-attacks. This could include disclosing measures, such as a privacy or data protection policy, to increase customer awareness.

According to a report by Deloitte, there were three main characteristics that differentiated companies that have a successful cybersecurity program from the rest.¹⁰

They are:

- Securing the involvement of senior leadership and the board;
- Raising cybersecurity's profile within the organisation beyond IT; and
- Aligning cybersecurity efforts more closely with the company's business strategy.

Businesses that can successfully emulate these three crucial characteristics identified in the report may be better placed to improve their cybersecurity and protect sensitive data, and hence be better placed to implement new technology such as FinTech.



Peter Koo CPA (Aust.)

**APAC Leader of IT and Specialised Assurance,
Deloitte Touche Tohmatsu**

**Vice Chairman of 5G Finance Committee
at Greater Bay Area 5G Industry Alliances**

"With an increasing number of businesses expanding their online footprint and migrating services into the digital space, cybersecurity is more important than ever. FinTech start-ups and organisations using FinTech solutions are susceptible to real cyber threats, so it is prudent for businesses to incorporate cybersecurity measures into their contingency planning to ensure that their data and systems are safe and secure.

As the FinTech sector continues to grow and more devices are being connected to the internet, new risks emerge every day and businesses should constantly stay on the alert.

According to the Deloitte's 2020 report *COVID-19: Shaping the future through digital business*, assets digitisation brings in increased security concerns, where leaders should collect the latest threat intelligence and leverage emerging technologies to take protective responses. When businesses are digitising their work and growing cautious over cybersecurity and resilience during the pandemic storm of COVID-19, it's good for leaders taking it seriously and reviewing their capabilities to prevent hackers from accessing sensitive business and customer data from time to time.

While investment in cybersecurity measures may be costly, businesses and FinTech start-ups must also consider the benefits. A major cybersecurity breach could be exceedingly expensive and may damage the reputation of the company. It is therefore essential for businesses to establish and maintain robust cybersecurity practices.

Another potential risk identified by survey respondents is inexperienced staff and users. As FinTech usage continues to expand, businesses and FinTech start-ups should ensure that their staff and users are aware of cyber threats like phishing emails and are educated in the best ways to respond to them.

I believe that a strong emphasis on cybersecurity could not only protect sensitive information, but also help allay the worries of FinTech users and allow businesses to truly benefit from adopting FinTech."

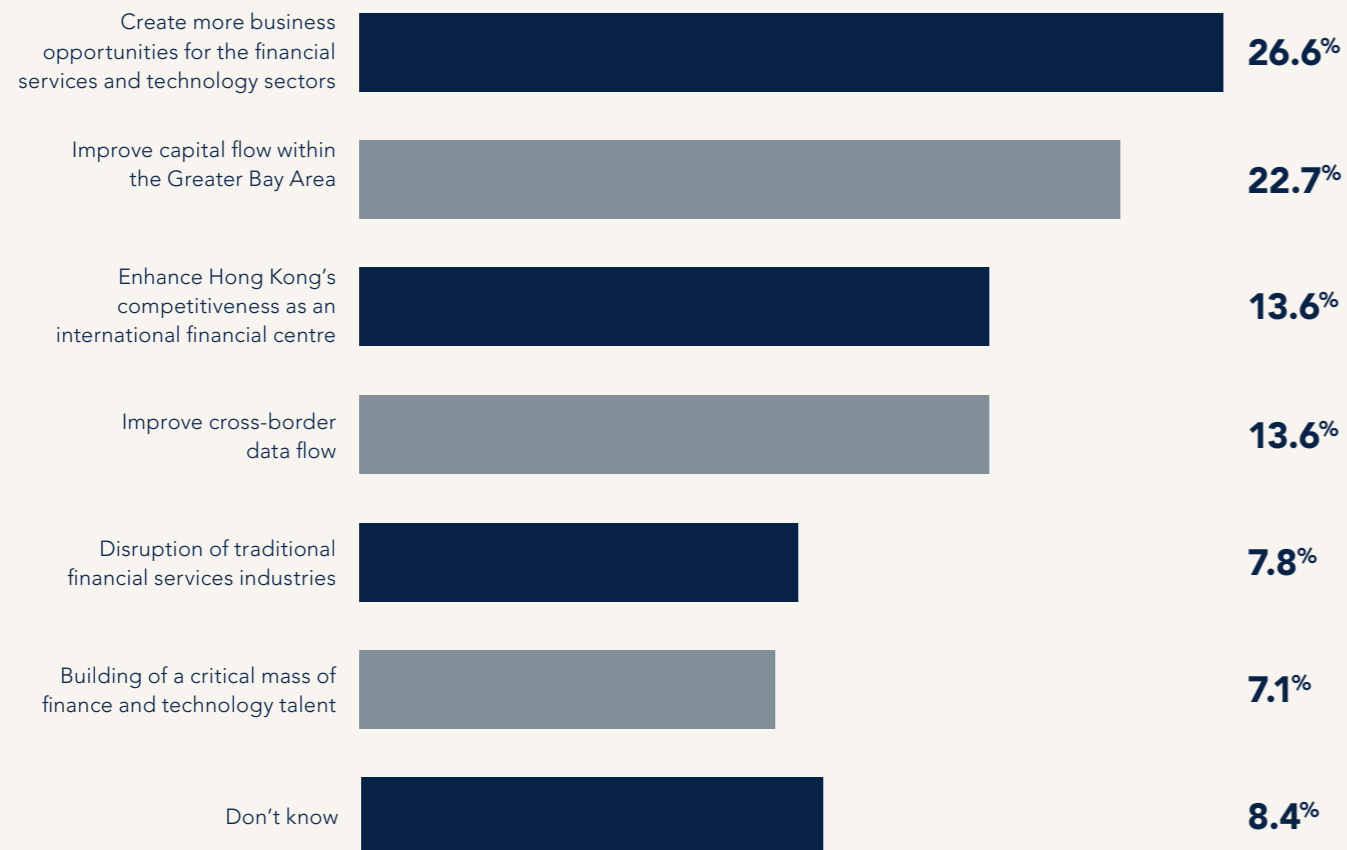
⁸CPA Australia (2020) *Asia-Pacific Small Business Survey 2019-20*

⁹CPA Australia (2020) *Banking on Governance, Insuring Sustainability*

¹⁰Deloitte (2019) *Pursuing cybersecurity maturity at financial institutions*

FINTECH AND THE GREATER BAY AREA

Figure 7. Key impacts of FinTech on the Greater Bay Area Initiative



Looking forward, there appears to be significant opportunities from the development of FinTech in the Greater Bay Area (GBA). Over a quarter of respondents indicated that FinTech would create more business opportunities for the financial services and technology sectors, while 23 per cent believe that FinTech will improve capital flow within the region.

This is evidenced by the large number of high-net-worth families in the region. According to the *Hurun Wealth Report 2019*, 25 per cent of China's high-net-worth families – defined as families with assets of over RMB 6 million – are located in Hong Kong, Macau, and in Guangdong province.¹¹ This suggests that there is tremendous business potential for the provision of financial services using innovative technology across the GBA.

Initiatives such as the announcement of the Wealth Management Connect Scheme in June 2020, are likely to enhance cross-border investments across the GBA and open the door for the development of more FinTech firms focusing on WealthTech and other robo-advisory services.

Moreover, the generally positive assessment of the impact of FinTech on the GBA amongst respondents is indicative of the expanding business and economic integration in the GBA. According to a survey conducted by InvestHK, a Government department responsible for attracting foreign direct investment, 51 per cent of Hong Kong FinTech firms are operating or are planning to expand in the GBA.¹² The positive sentiment also means that the development of the GBA into a world-class financial and technology hub could capture opportunities from the Belt and Road Initiative, and provide growth opportunities for FinTech firms to expand and develop their products and services overseas.

¹¹Hurun Report. (2019). *Hurun Wealth Report 2019*

¹²Financial Services and the Treasury Bureau. (2020). *Development of Financial Technologies*



Wilson Pang FCPA (Aust.)

Head of Advisory, Southern China,
KPMG Advisory (China) Limited

Head of Portfolio Solutions Group
China & Asia Pacific, KPMG Advisory
(China) Limited

“The Greater Bay Area (GBA) initiative to build a world-class city cluster is ideal for the development of FinTech innovations. Connecting Hong Kong and Macau with nine Mainland cities in Guangdong province builds on the strengths of each city so that they can better leverage their competitive advantages in the global economy.”

I believe that the promotion of cross-border initiatives, agreements and projects is critical to building a premium FinTech hub. This, in turn, will undoubtedly create more business opportunities for a variety of sectors, including financial services and technology.

With the announcement of the Outline Development Plan for the Guangdong-Hong Kong-Macau Greater Bay Area in February 2019 by China’s Central Government, it is encouraging to see that the plan places emphasis on enhancing cooperation between the international financial centre of Hong Kong and the innovation and technology hub of Shenzhen to further develop the FinTech ecosystem.

In addition, many GBA-wide FinTech projects are already underway. For example, the Bay Area Trade Finance Blockchain Platform developed by the People’s Bank of China is aimed at providing easier access to trade finance for small and medium-sized businesses located in the GBA region. It also includes other applications such as supply chain receivables and external tax filing.

Another key development of FinTech in the GBA is the announcement of the Wealth Management Connect Scheme in June 2020 to further link the capital markets of Mainland China and Hong Kong. Following the success of the Stock Connect and Bond Connect, I expect the Wealth Management Connect will be a great opportunity for investors in Hong Kong, Macau and Mainland China to invest in eligible cross-border investment products.

Moreover, due to the pandemic and a global economic slowdown, risk and liquidity managements have become one of the most important capabilities to buck any strong headwinds. I truly believe that finance and technology will not only create more business opportunities but will also trigger a demand for professional services – including qualified accountants – into the ecosystem.”

RECOMMENDATIONS FOR HONG KONG BUSINESSES

From the survey results, CPA Australia suggests that Hong Kong businesses could consider the following recommendations across three dimensions:

ADOPTION IN BUSINESS

- Make use of mobile payment technology to improve the customer experience and to meet changing consumer behaviour.
- Identify and implement appropriate FinTech products/services that improve efficiency and reduce cost in your business.
- Establish a board-level technology committee to actively stay informed of trends and potential – including FinTech and cybersecurity issues.
- Encourage a corporate-wide innovative culture through cultivating a FinTech talent pool, such as providing FinTech training programmes and seminars to all employees and adopting innovative methods to secure top FinTech talent.

RISK MANAGEMENT

- Commit appropriate levels of expenditure to maintaining and upgrading your IT systems to protect your business from malicious cyber-attacks.
- Identify and locate your business’s sensitive data and ensure that appropriate tools and solutions are in place to help protect that data.

SEIZING THE OPPORTUNITIES

- Exploit opportunities from the GBA initiative such as the upcoming Wealth Management Connect Scheme.
- Increase cross-border collaboration between the GBA and ASEAN to create more opportunities for the financial services and technology sectors.

SIX KEY LESSONS FOR FINTECH START-UPS

FinTech start-ups can also draw lessons from the survey results to help them develop products or services more likely to meet business needs and to address concerns. These include demonstrating how their product or service:

- improves the efficiency of a potential client;
- leads to cost savings;
- gives the business a better understanding of their customers and improves the customer experience.

They should also focus on:

- the cybersecurity features of its products or services, and how they will assist the business protect its cybersecurity into the future;
- how customer and business data will be protected;
- how the FinTech will assist the business implement, support and enhance the technology.

ABOUT THE SURVEY

The survey was conducted by CPA Australia from 23 June to 14 July 2020. A total of 573 responses were received from accounting and finance professionals in Hong Kong, Mainland China, Malaysia, and Singapore, with 154 respondents from Hong Kong SAR, 158 from Mainland China, 151 from Malaysia and 110 from Singapore.

In Hong Kong, respondents were most likely to hold a c-suite position, hold another senior position or be a manager / supervisor.

Respondents came from a variety of different industries, with financial services (23.4 per cent), retail trade (9.7 per cent), and public practice /CPA firm (9.1 per cent) being the industries with the largest representation.

The size of the business the respondents worked for was most likely to be fewer than 50 employees (33.7 per cent) or greater than 1000 (31.8 per cent).

ABOUT CPA AUSTRALIA

CPA Australia is one of the world's largest accounting bodies with more than 166,000 members working in 100 countries and regions around the world, and with more than 25,000 members working in senior leadership positions. It has established a strong membership base of more than 19,000 in the Greater China region.

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