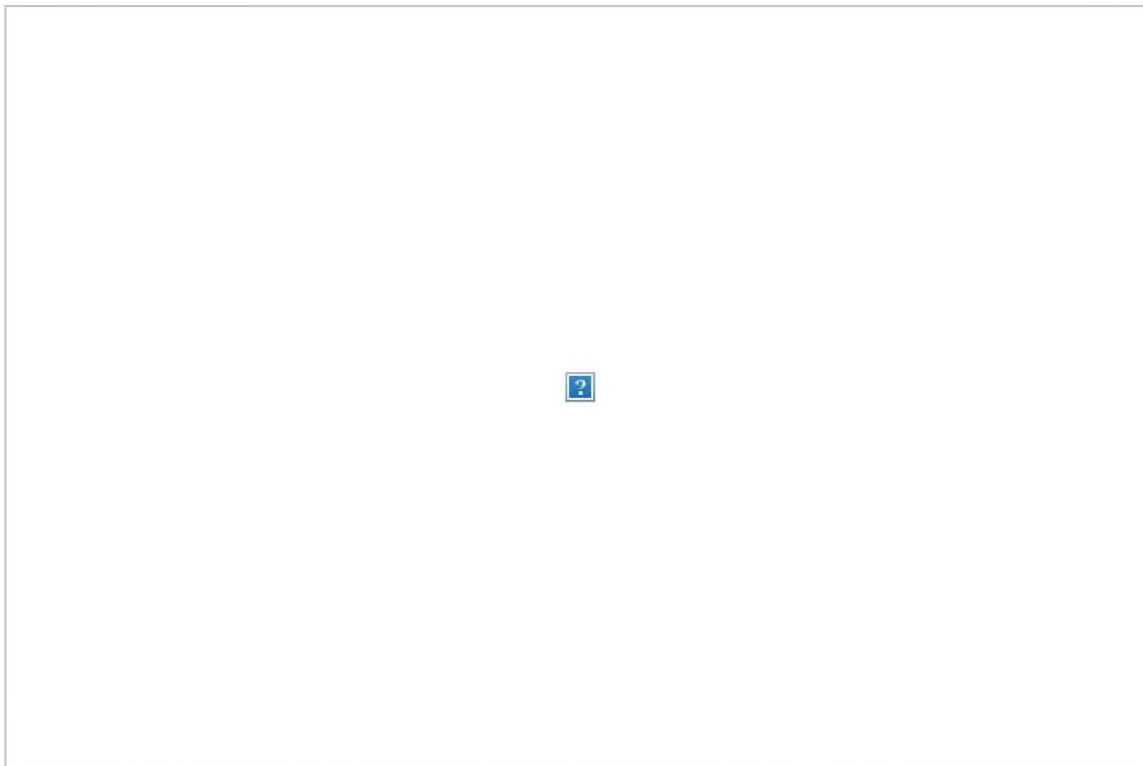
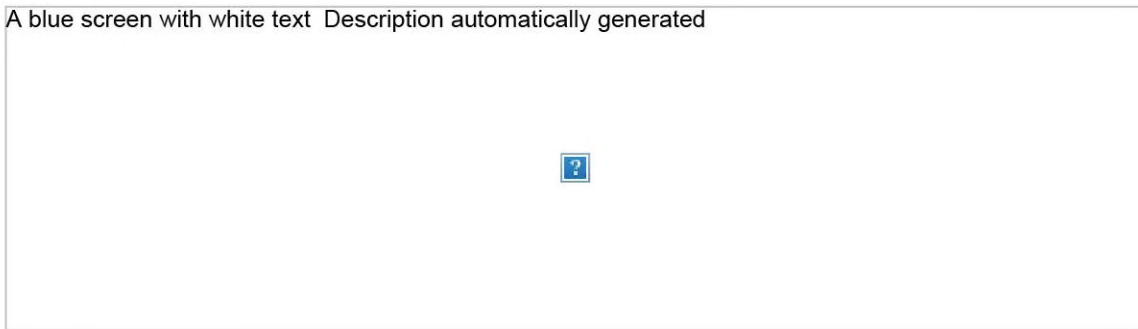


From: [REDACTED]
Subject: Hong Kong FinTech Week Day 1 Media Highlights
Date: Monday, October 28, 2024 8:28:00 AM
Attachments: [image001.png](#)
[image005.png](#)
[image006.png](#)
[image010.png](#)
[image021.png](#)
[image043.png](#)
[Hong Kong FinTech Week 2024 Day 1 Media Highlights.pdf](#)
[image003.png](#)
Importance: High

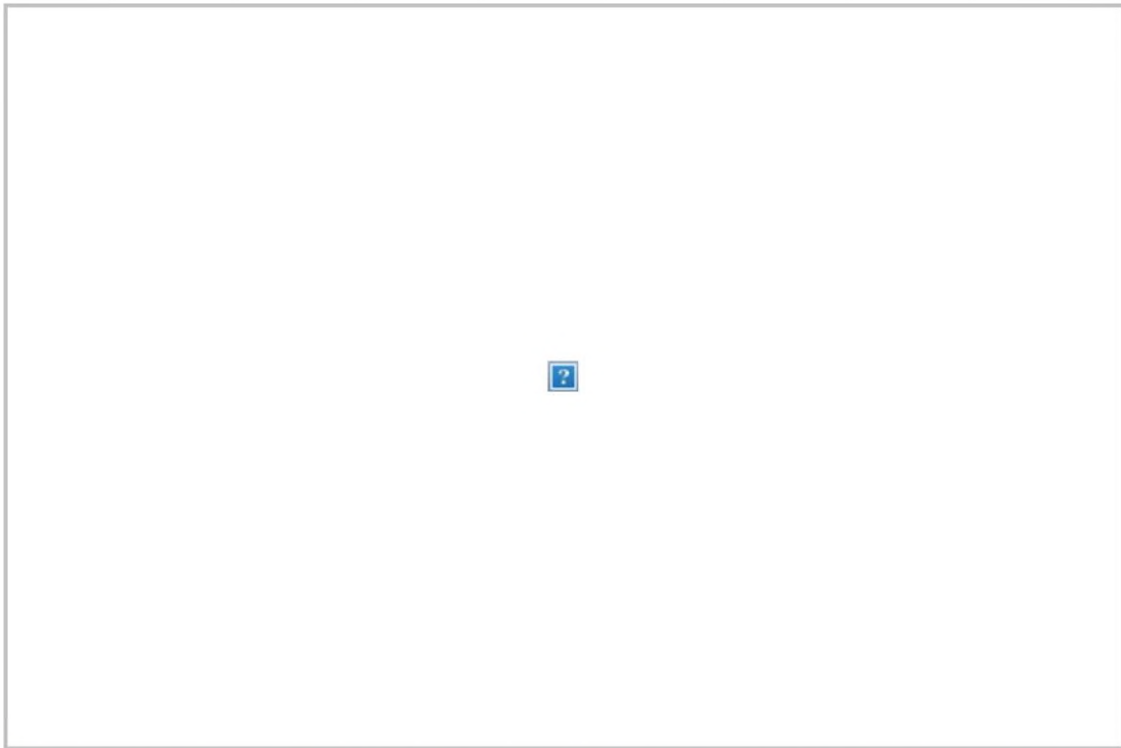


A blue screen with white text Description automatically generated



For high-resolution versions of photo highlights from the event, please download [here](#).

Welcome to Hong Kong FinTech Week!



“The Government is rolling out a policy statement to set out our policy stance and regulatory approach towards the responsible application of AI in financial services.”

Official Opening Remarks by Paul Chan, Financial Secretary, The Government of the Hong Kong SAR.

Mr Paul Chan delivered the Opening Remarks to kick off FinTech Week 2024. He recapped the strides Hong Kong has made in establishing itself as a global fintech hub and how it is now home to 1,100+ companies specialising in AI, Web3, blockchain and other innovation tech applications.

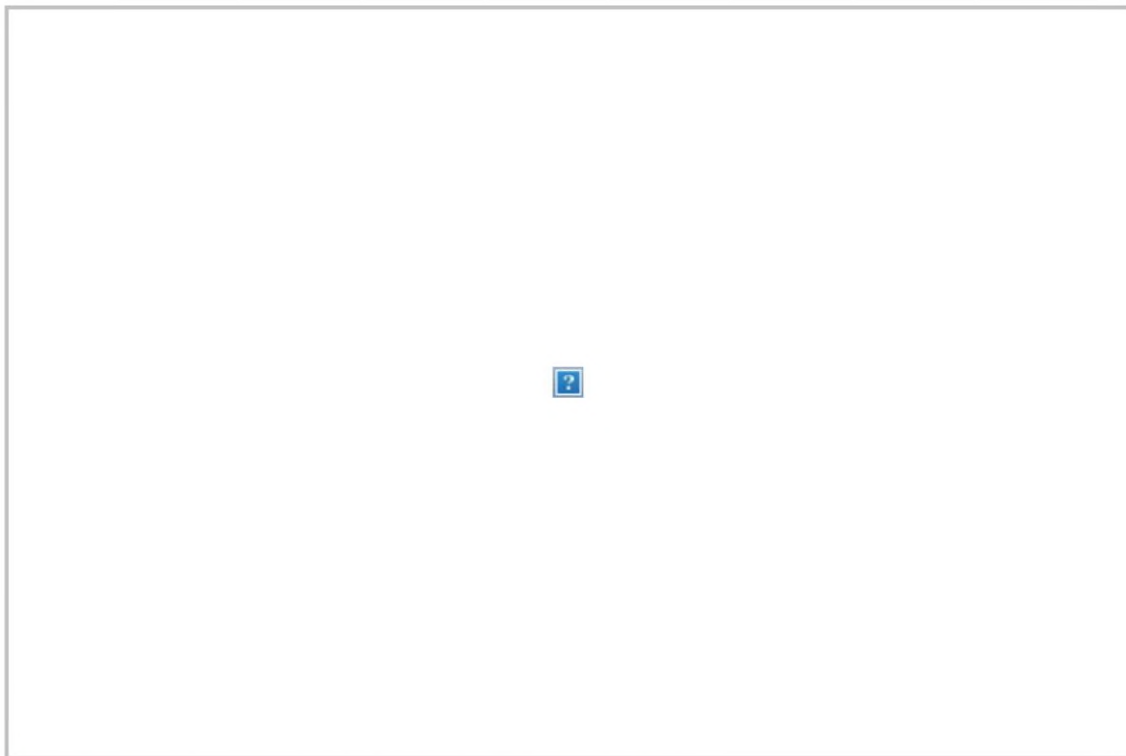
Hong Kong’s innovation technology sector brought in over US\$2 billion last year, paving the way for other companies looking to set up offices in the city. Start-ups, the Financial Secretary noted, were at the core of the city’s I&T ecosystem with their drive for excellence and determination to make financial services inclusive and benefit the real economy.

While Hong Kong has embraced innovation, the government has been mindful of the potential risks that come with new technological developments. International and cross-sector collaboration has also defined Hong Kong’s adoption of AI and Gen AI, a theme which was echoed in the Financial Secretary’s speech when he announced an up-and-coming Policy Statement on Responsible Application of Artificial Intelligence in the Financial Market.

Mr Chan also highlighted Hong Kong’s continuing robust ties with the Middle East and how he would be heading a new delegation leaving for Saudi Arabia to bring the start-up ecosystems in both markets closer together.

Please refer to the official speech [here](#).
Click [here](#) to watch the playback.

Highlights of the Day



“The key word we want to emphasise here is ‘responsible’.”

Keynote Address by Christopher Hui, Secretary for Financial Services and the Treasury, The Government of the Hong Kong SAR.

Mr Christopher Hui began on a light-hearted note as he conversed with ‘AI Evelyn’, a “locally born, locally bred AI friend,” on the role of AI in Hong Kong’s development.

He also laid out the details of a new policy stance promoting responsible AI application in the financial market, remarking that critical pull factors must be present to drive adoption and fully integrate AI and Web 3.0 into mainstream finance.

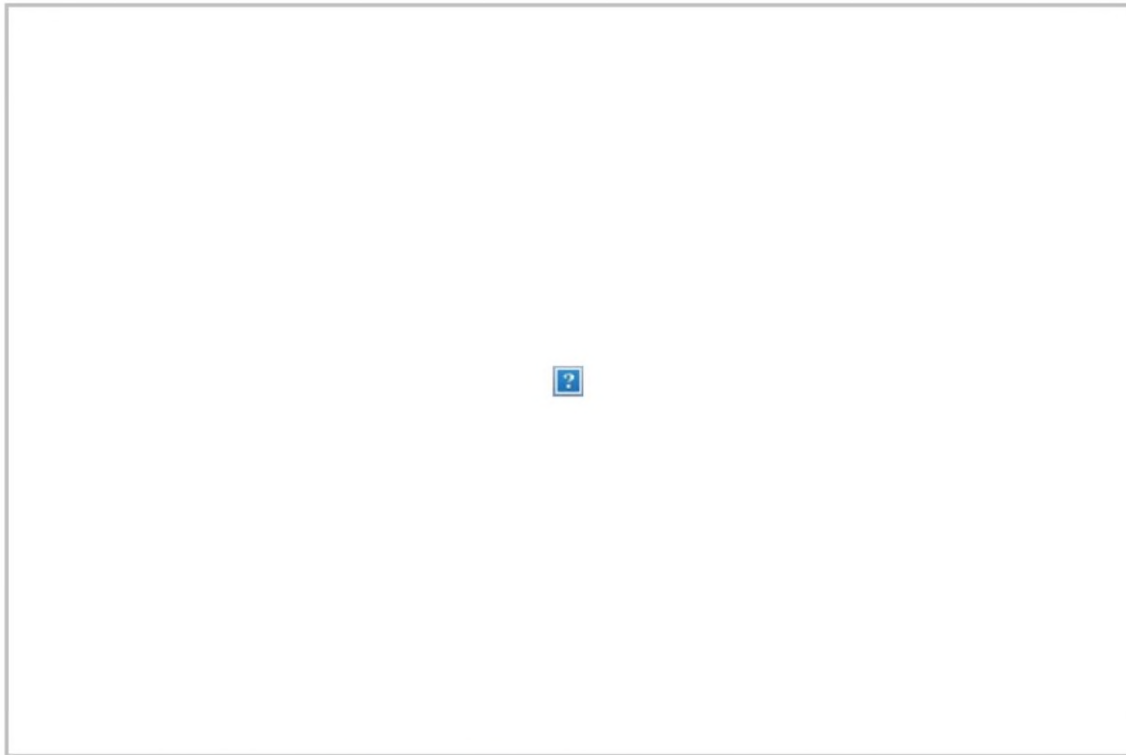
Under this stance, the Hong Kong Government has identified the application of AI in the financial services sector as Data-Driven, a Double-Edged Sword, and Dynamic, he shared, noting that there are risks and opportunities in its application. As GenAI use in the city’s financial sector has reached 38%, far higher than the global average of 26%, the government is poised to support further AI adoption by encouraging financial institutions to seize opportunities for responsible AI use, whilst addressing longstanding challenges to AI like cybersecurity, data privacy, and protection of intellectual property rights.

“AI is a double-edged sword with both immense potential and hidden risks,” Mr Hui remarked. To mitigate risks in AI, the government is focusing on data protection, effective governance, transparency and protection, as well as operational resilience. “We will work with regulators and industry stakeholders to provide clear regulatory frameworks to help the industry seize the opportunity and adopt AI responsibly.”

Mr Hui then announced a new law to be enacted by the end of this year that will extend Hong Kong’s tax concessions to a wider range of assets, including virtual assets. He also announced further regulation of stablecoins and a licensing regime next year for providers of virtual assets custodian services.

Hong Kong is also well-positioned to expand development of AI applications to global markets, he noted. “We are part of the mainland where over 60% of AI patents globally can be found. At the same time, we are uniquely positioned, connecting east and west, globally positioned to connect with the rest of the world. We are at the forefront of east and west insofar as AI application is concerned.”

Click [here](#) to watch the playback.



“Ultimately, we imagine a borderless fintech ecosystem where innovation will drive business development.”

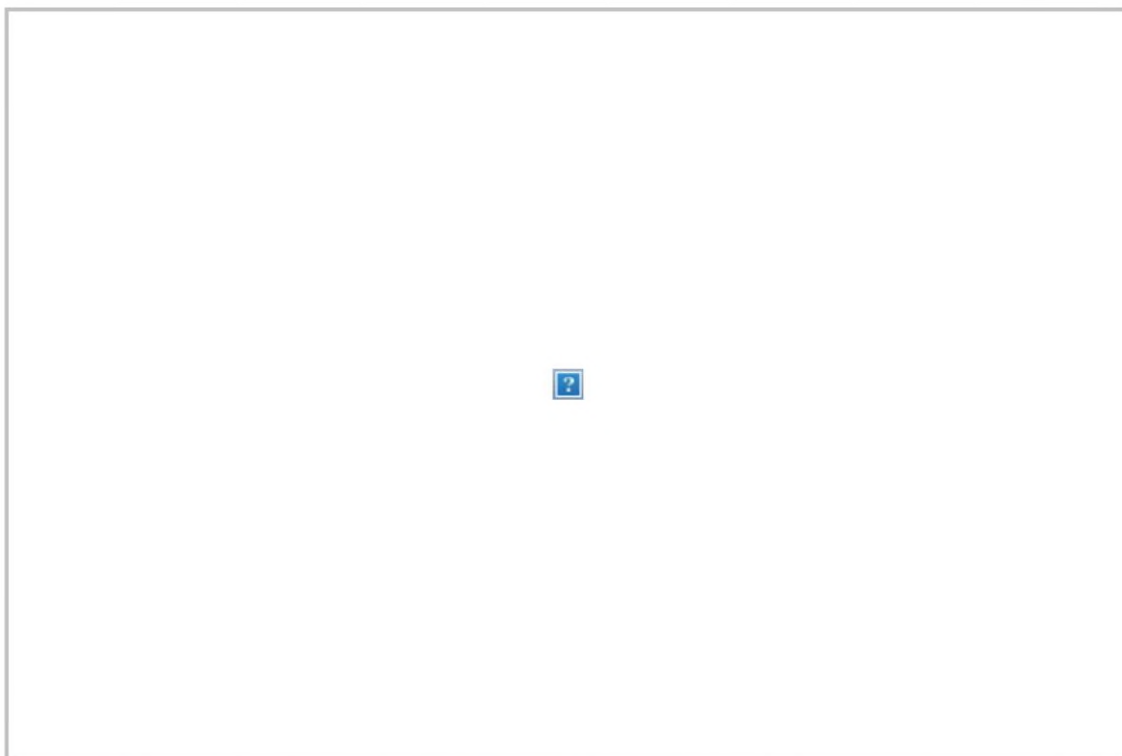
Keynote Address by Eddie Yue, Chief Executive, Hong Kong Monetary Authority.

In his keynote address, Mr Eddie Yue painted a picture of what’s next for fintech, taking stock of the current landscape while also speculating about the future. He noted that a vibrant fintech ecosystem cannot be created overnight and that technology is constantly creating change. He noted that although innovation can be disorientating and uncomfortable, there is a special opportunity to reflect on how it can serve the public good. He added that innovation is not an end in itself, but rather a means to an end, as it enhances our daily experiences.

Mr Yue highlighted the significant amount of change over the last few years. One example is cross-border payments that use local wallets like PayMe, to facilitate transactions elsewhere. This has enabled payments in Mainland China and elsewhere in Asia to be just as easy as payments in Hong Kong. He noted that this and other examples of Commercial Data Interchange between governments and businesses offer unique opportunities to grow businesses as well as their customers.

Finally, Mr Yue concluded by noting that enabling banks to adopt AI while putting in appropriate guardrails is the correct approach, noting that HKMA is committed to facilitating responsible AI adoption. He noted that the HKMA and Cyberport GenAI sandbox is an example of this commitment, and that HKMA will take an interactive and iterative approach, carefully examining the results of the sandbox and providing feedback to the banks involved.

*Please refer to the official presentation materials [here](#).
Click [here](#) to watch the playback.*



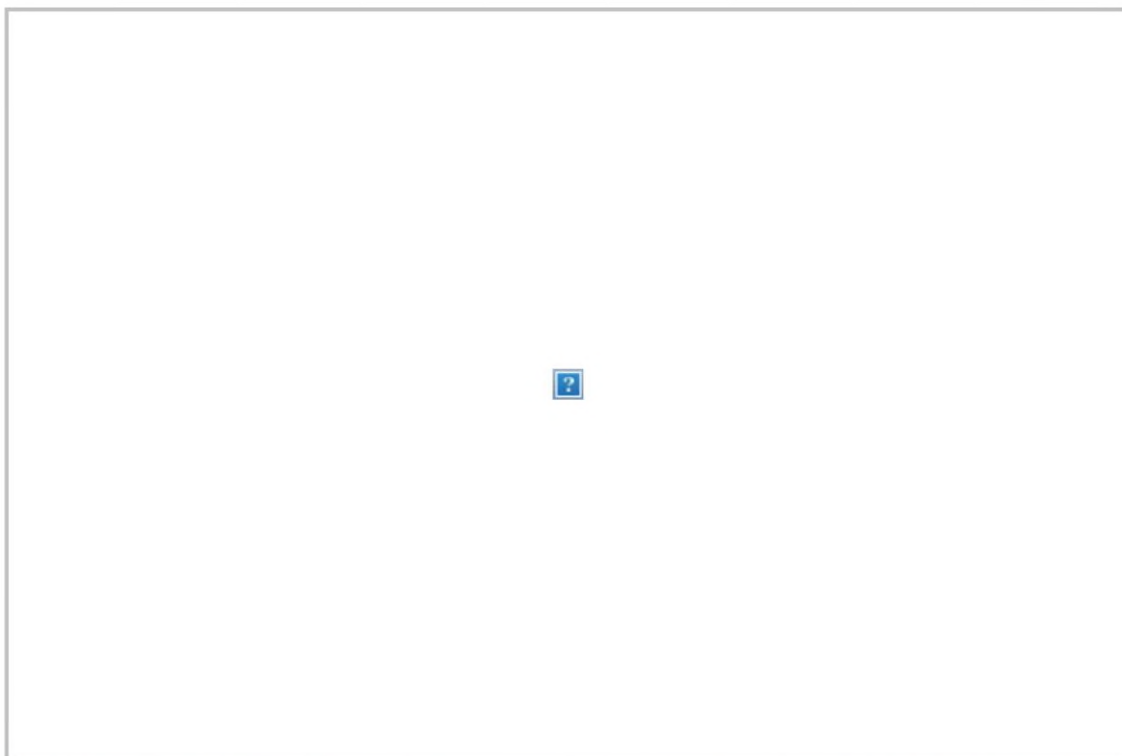
“The future lies in a regulated marketplace that balances development with investor protection.”

Keynote Address by Eric Yip, Executive Director, Intermediaries, Securities and Futures Commission.

Virtual assets are at the forefront of every financial regulator’s agenda today, noted Mr Eric Yip in his keynote address. He highlighted the significant progress as well as the challenges of regulating virtual assets in Hong Kong today. Three key drivers are propelling the market today: First and most important is the growing pool of brilliant minds and talent, second is the huge economic potential and market opportunity, thirdly the rise of the younger generation of crypto investors.

“At SFC, we firmly believe that the future lies in a regulated marketplace that balances development with investor protection,” said Mr Yip. He added that Hong Kong currently has three SFC-licensed virtual asset trading platforms (VATPs) with another 14 more applications being processed. Investors can soon expect more licensed platforms that are compliant with international AML and cybersecurity standards. Beyond the efforts of the SFC, the continued progress of a fully regulated market will require extensive global collaboration and education to prevent fraud and protect investors. He noted that Hong Kong is “off to a good start, having witnessed the largest year on year growth in asset transaction volumes.” This is positioning the city at the forefront in global virtual asset regulation and is primed to draw even more local and international players to the licensing regime, which can only be good for all investors, he concluded.

Click [here](#) to watch the playback.



“To illuminate New Pathways in fintech, we need advance collaboration in fintech development within the Greater Bay Area.”

Keynote Address by Fu Xiaochu, Director-general, Guangzhou Municipal Local Finance Administration Bureau.

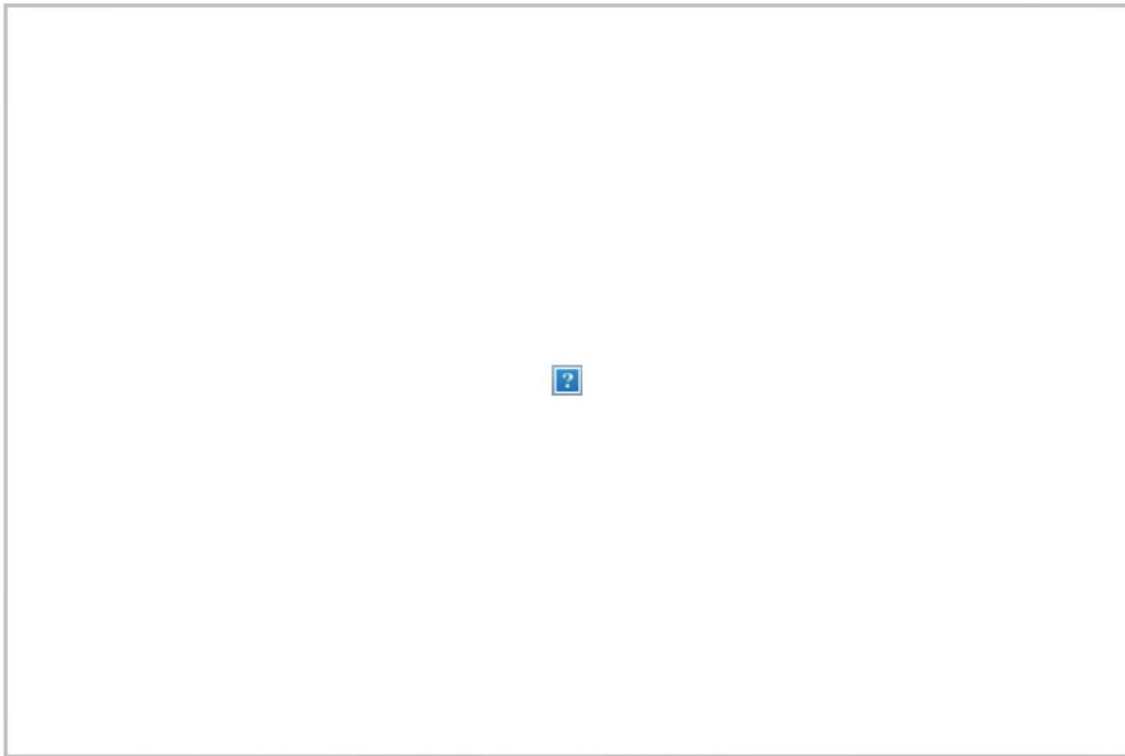
Mr Fu XiaoChu provided an overview of the latest fintech developments in Guangzhou, emphasising the importance of innovation backed by supportive policies. He stated, “We believe technology helps people push the development of industry,” highlighting Guangzhou’s commitment to advancing digitisation in the finance sector.

Mr Fu elaborated Guangzhou’s ambition to become a model city for digital transformation, as outlined in the 14th Five-Year Plan, which aims to elevate the level of digitalisation across the region. “Guangzhou has launched a series of national pioneering projects to cultivate a thriving fintech ecosystem,” he noted, highlighting initiatives such as the Fintech Innovation Project, the digitalisation of currency, and national blockchain projects. These efforts demonstrate the city’s dedication to enhancing digital capabilities within the financial sector.

Addressing the challenges facing fintech, Mr Fu noted, “Web security, data privacy, and the balance between innovation and monitoring are critical.” In response to these risks, Guangzhou has established China’s first professional financial risk monitoring centre to bolster security within the fintech space.

Mr Fu concluded by calling for deeper collaboration within the Greater Bay Area, leveraging the strengths of each city, and emphasised the importance of talent development through training and certification programmes.

Click [here](#) to watch the playback.



“If you eventually want to list, Hong Kong's the place to do it.”

Keynote address by Alpha Lau, Director-General of Investment Promotion, Invest Hong Kong, The Government of the Hong Kong SAR.

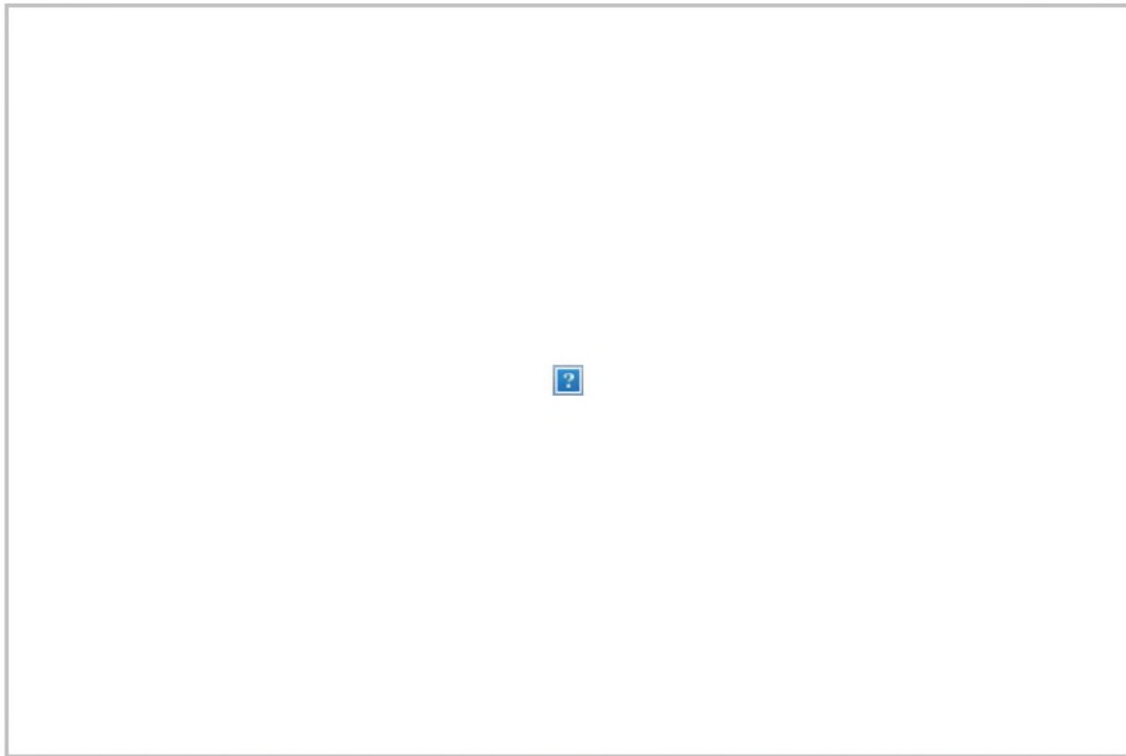
Ms Alpha Lau, delivered a keynote on day one of Hong Kong FinTech Week, highlighting the HKSAR government's commitment to financial innovation and in particular eight points raised during the latest Policy Address.

These include working through diversified channels to bolster offshore RMB liquidity; strengthening Hong Kong's position as an international risk management centre; and attracting more capital to be managed in Hong Kong.

Ms Lau then shared the government's on-going efforts to deepen Hong Kong's overseas networks in Southeast Asia and the Middle East, as well as the role mega events like FinTech Week play in boosting collaboration.

The HKMA and the People's Bank of China are also pushing forward real time, cross boundary, small value payments to be used by residents across Mainland China and Hong Kong. Ms Lau also spotlighted the HKMA's plans to roll out the Sustainable Finance Action Agenda. This combined with an upcoming roadmap from the Financial Services and Treasury Bureau on ISSB standards for climate reporting, will enhance Hong Kong's green finance ecosystem alongside its fintech innovation.

Click [here](#) to watch the playback.



“For FinTech solutions that have the potential to reshape the regional, if not the global, financial landscape in the longer run, the HMA will continue to play our part in lowering the activation barrier.”

Keynote Address by Arthur Yuen, Deputy Chief Executive, Hong Kong Monetary Authority.

In his keynote speech Mr Arther Yuen highlighted how the HKMA is dedicated to furthering fintech development in the Greater Bay Area, taking on more of a catalytic role when it comes to emerging technologies. Not only will these new innovations help meet new consumer demands, but they will also prove crucial as financial institutions work to manage risks posed by technological disruption.

To ensure that Hong Kong truly becomes a leading fintech hub, the HKMA plans to focus on three main areas: helping fintech firms globalise in five years or less, driving regional adoption of fintech innovations in the GBA, and cultivating a rich fintech ecosystem in the city through increased regional and international collaboration.

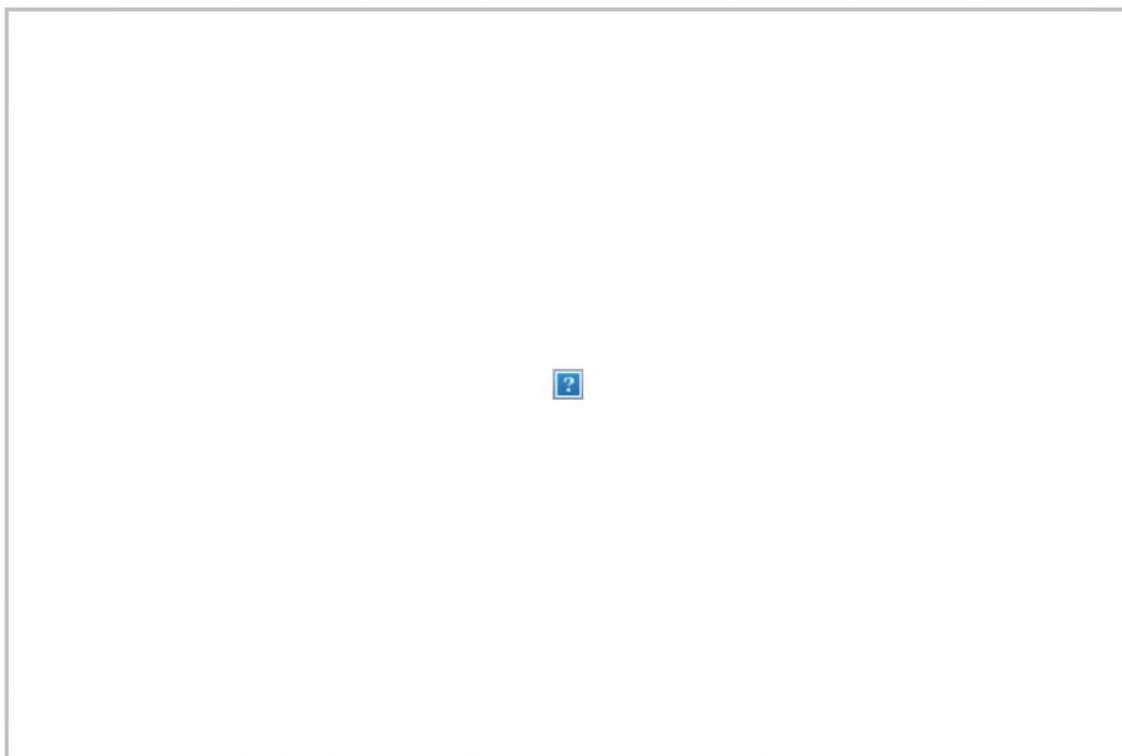
Currently, the HKMA is working to address three main challenges to these plans: regulatory uncertainty, data accessibility, and fintech awareness. Initiatives like the Generative AI Sandbox and platforms like the Shenzhen-Hong Kong Cross Boundary Data Validation Platform and the FinTech Connect platform can help tackle these issues by providing safe spaces to trial AI use cases and enhancing information flow between fintech solution providers and financial institutions.

The HKMA is eager to see Hong Kong thrive as a global fintech hub that serves as a launchpad for fintech start ups and SMEs looking to go global.

Click [here](#) to watch the playback.

Industry Insights

Financial Innovation



Fueling FinTech Innovation: AI Ambitions, Strategic Investment, and Talent Acquisition

Fireside chat with Luanne Lim, Chief Executive Officer, HSBC Hong Kong

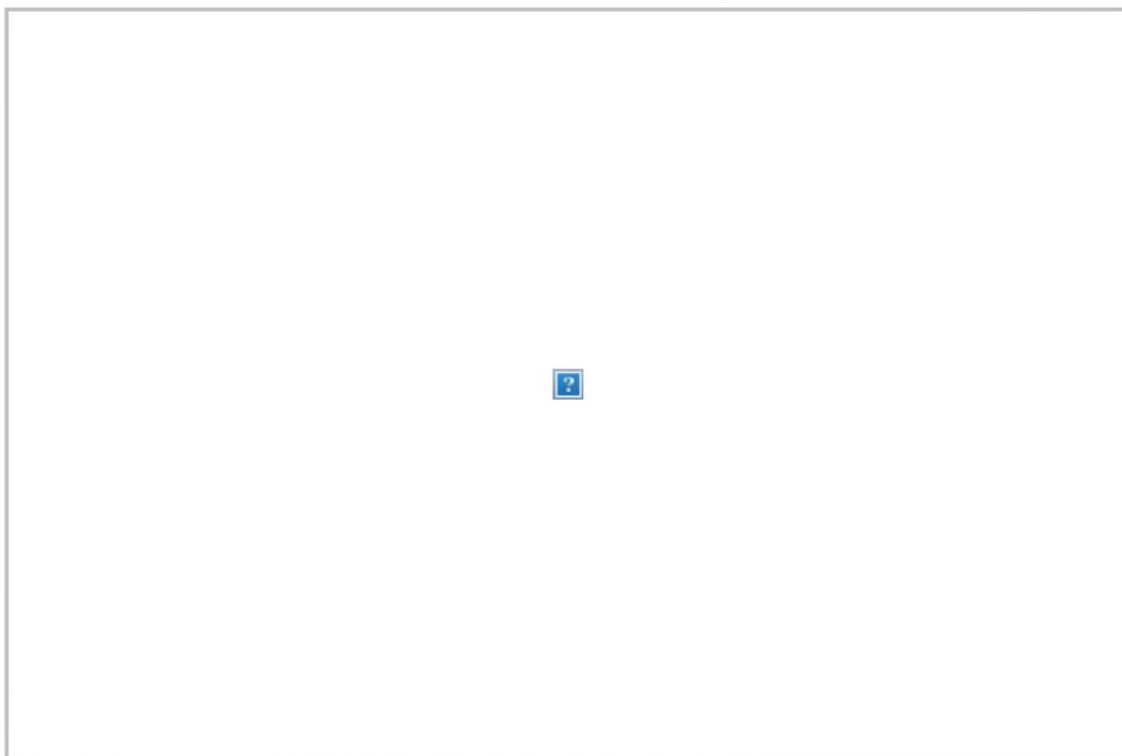
Moderated by Emily Tan, Senior Correspondent, CNBC

“GenAI has brought about fantastic capabilities and advancements for us. We've been looking at it for a while now, but it doesn't come without risk and limitations. That's where regulation and policy support comes in.”

Ms Luanne Lim began the conversation by speaking about the dual-track approach announced by the government, saying that the strategy had been welcomed and was encouraging for banks and fintech companies. She noted that while GenAI has brought about fantastic opportunities in the industry, it does not come without risks and limitations which increase as soon as it becomes customer-facing.

Ms Lim then spoke about fintech-bank collaboration. She noted that competition between fintech and banks had defined previous years, but now the relationship is much more collaborative. Since most fintech companies are novel by nature, they may struggle to access more traditional financial support and lending options. Ms Lim noted that HSBC is developing new products to support their access to funding, including a New Economy Fund of US\$3 billion and HSBC Innovation Banking.

Ms Lim said that HSBC is both a customer of and investor in fintech companies. She explained that the agility and innovativeness of these companies are valuable to HSBC, as they are able to sign agreements with them and co-develop solutions for HSBC. The bank has already worked with Hong Kong Science and Technology Park, FundPark and Fano Labs.



Powering Growth through Innovation, Partnerships, & Adaptability

Fireside chat with Eric Jing, Chairman & Chief Executive Officer, Ant Group

Moderated by Howard Lee, Deputy Chief Executive, Hong Kong Monetary Authority

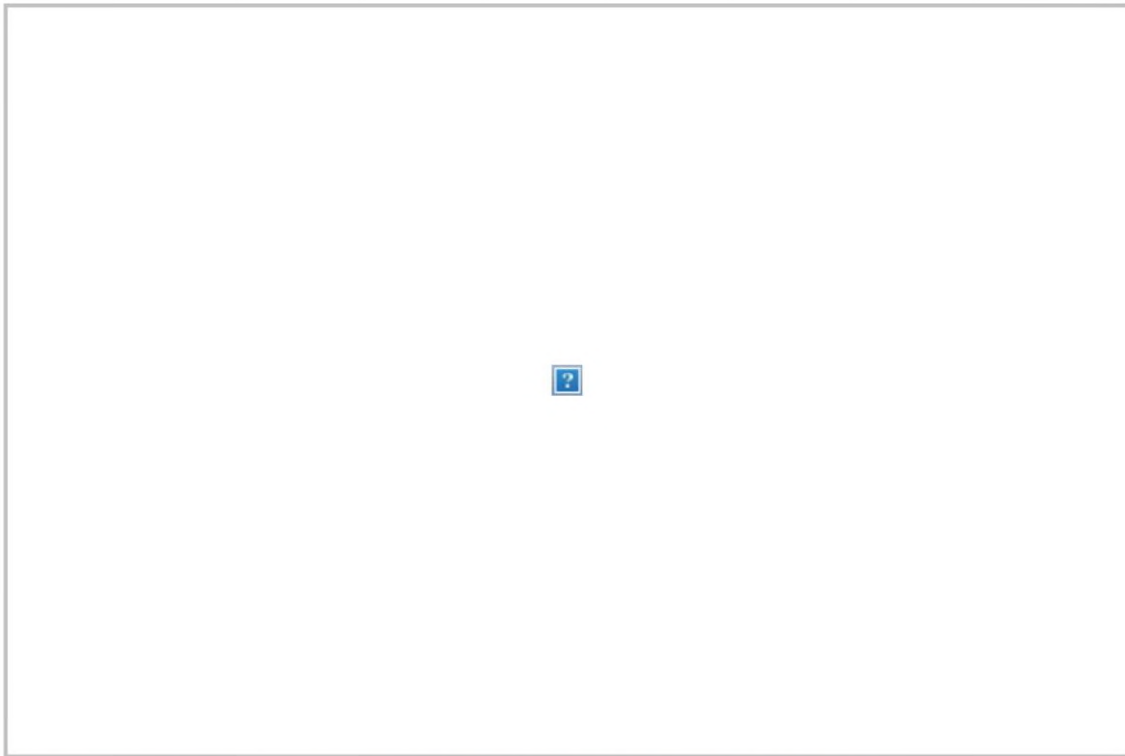
“The features of tokenised deposits could really solve real-time settlements on a global scale.”

In a fireside chat on the topic: *Powering Growth through Innovation, Partnerships, & Adaptability*, Mr Eric Jing shared his insights on tokenisation’s potential to revolutionise finance, as well as the impact of AI. He identified the significant value of tokenised deposits in driving cross-border payments, highlighting features including direct connection settlement and reduced intermediary costs.

“Tokenised deposits have enormous value in driving cross-border payments. They offer direct point-to-point connection without going through a complex intermediary model,” said Mr Jing. He highlighted that tokenised deposits can be 24x7 and all programmable for auto on-chain execution. “If you can solve cross-bank, cross-currency processing, there will be huge benefits in efficiency and cost -- the features of tokenised deposits could really solve real-time settlements on a global scale.” Another key to Hong Kong’s future role in advancing tokenisation is the city’s leadership and focus on green assets, which will strengthen the city’s position as a leading global financial centre.

Meanwhile Ant Group is actively participating in the Hong Kong Monetary Authority’s (HKMA) Project Ensemble Sandbox, the regulator’s wholesale central bank digital currency (wCBDC) initiative aimed at fostering tokenisation adoption in Hong Kong. Mr Jing praised the SFC and the Project Ensemble community for the collaborative spirit across all stakeholders and highlighted how regulatory guidance is helping achieve real, tangible value in the evolving digital economy.

Click [here](#) to watch the playback.



Breaking Barriers: AI and Finance Joining Forces to Transform Global Markets

Fireside chat with Ru Liyun, Co-founder, Baichuan AI

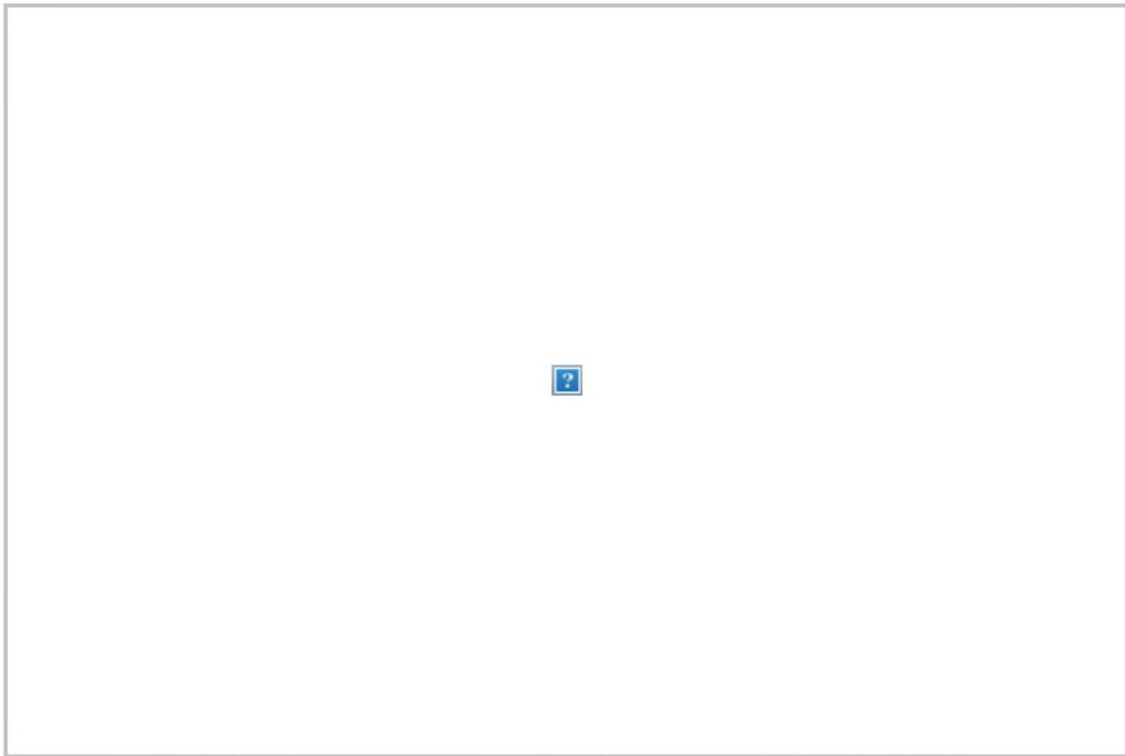
Moderated by Brian Hui, Managing Director and Head of Customer Propositions and Marketing, Wealth and Personal Banking, HSBC Hong Kong

“While the financial industry today offers personal financial product managers or wealth advisors to premium clients, AI could evolve a pool of wealth advisors for everyone.”

One of China’s “AI Tigers”, Baichuan AI, has been making waves with its Gen AI and LLM technology. In a fireside chat hosted by HSBC’s Mr Brian Hui, Baichuan AI’s Mr Ru Liyun talked about the widespread impact of Gen AI in the education and health sectors in China. Mr Ru hinted at Gen AI’s imminent shaping of the financial services space too, as Baichuan AI sets sights on developing an AI-powered super app.

Mr Ru noted: “the education and health sectors are immediate areas of high potential for Gen AI as high quality teachers and doctors are scarce in today’s society.” Mr Hui questioned if Gen AI’s impact in these sectors would be an iteration of current capabilities or if AI will herald a major step change and transformation of business models.

If industries are already mature, then AI will most likely enhance factors in productivity and efficiency. Mr Ru suggested that while the financial industry today offers personal financial product managers or wealth advisors to premium clients, AI could evolve a pool of wealth advisors for everyone.



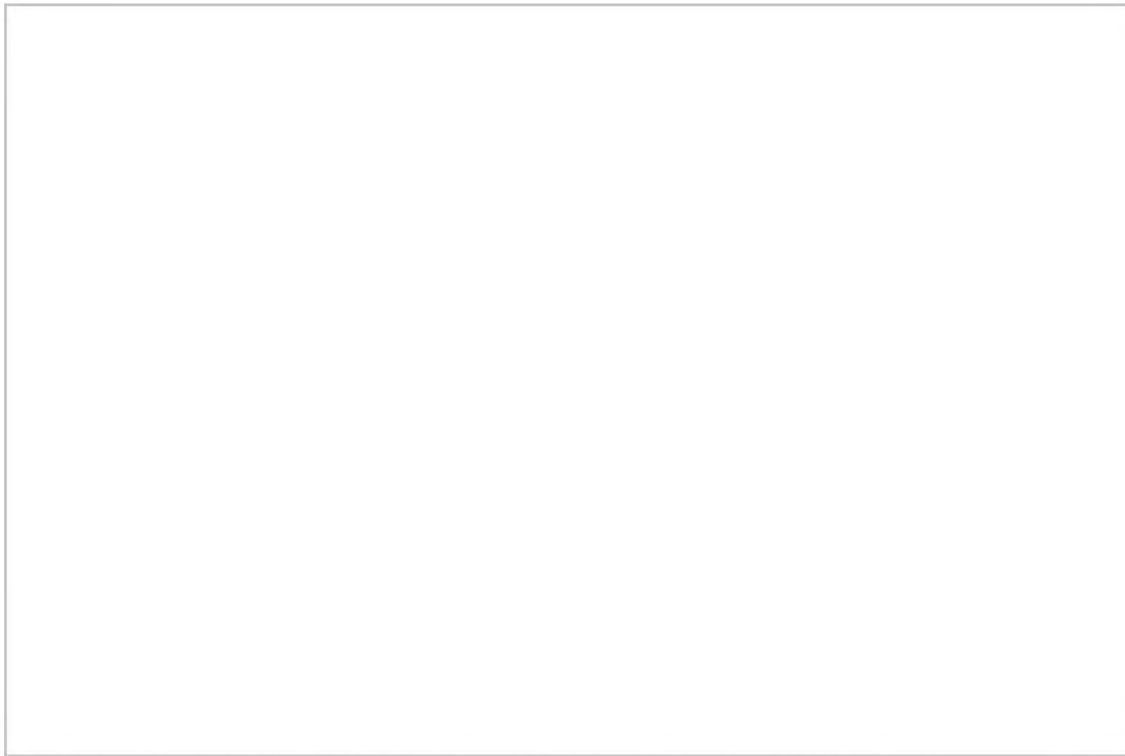
Building a Global FinTech: Navigating the Digital Economy for Future Entrepreneurs

*Fireside chat with Jack Zhang, Co-founder & Chief Executive Officer, Airwallex
Moderated by John Lindfors, Co-founder & Managing Partner, DST Global*

“For any new fintech company or startup wishing to become a success story, internal innovation must be prioritised over acquisitions.”

In a fireside chat, Mr Jack Zhang discussed how Airwallex plans for the digital future with Mr John Lindfors. Their conversation highlighted how innovation and embracing new technological developments are key in scaling a business and ensuring sustainable growth. With every new innovation, however, there are always challenges when it comes to effective implementation. The solution to this is to innovate further and not shy away from creative thinking.

For instance, the rise of stablecoins in recent years proved to be an innovative solution to the volatility generally present in the cryptocurrency space. For any new fintech company or startup wishing to become a success story, internal innovation must be prioritised over acquisitions. They must learn from their failure, focus on building up their resiliency plans, and manage costs effectively.



The Practical Impact of Technology Adoption: Enhancing the Customer Experience

Discussion with:

Forest Lin, Corporate VP of Tencent, Head of Tencent Financial Technology, Tencent

Shahmir Khaliq, Head of Services, Citi

Moderated by Olivia Kinghorst, International Moderator, Former CNN & Forbes Journalist

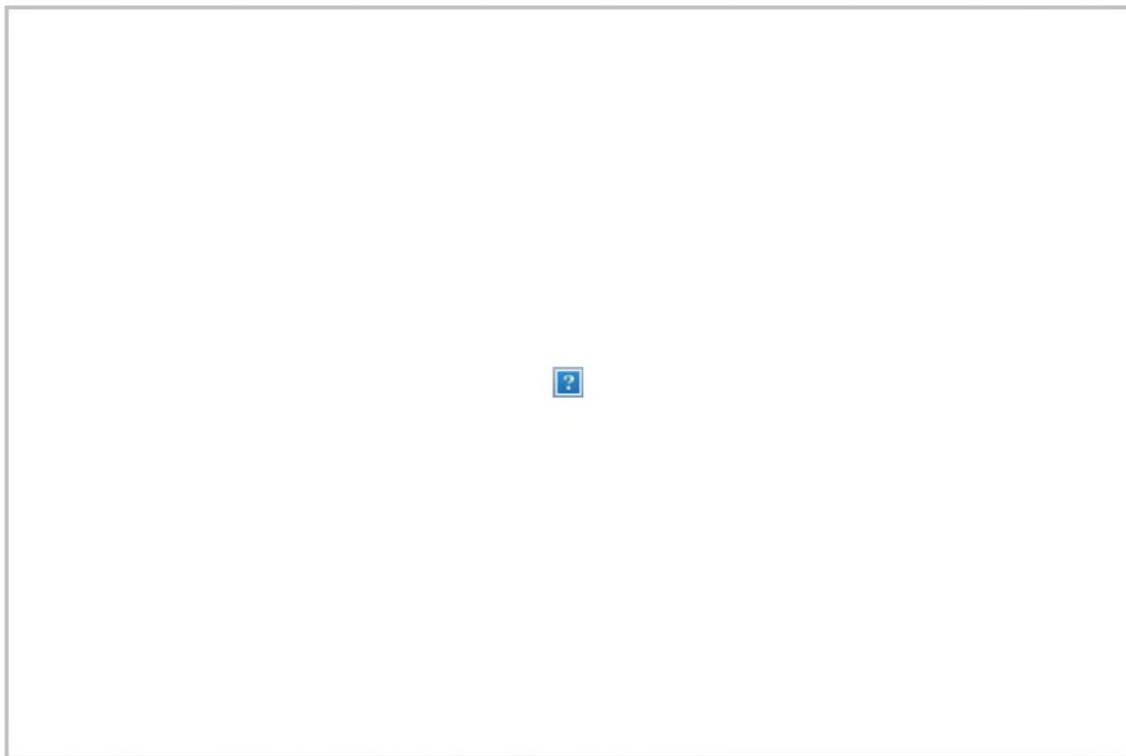
“We carry the burden of confidence, compliance, and information security.”

In a discussion moderated by Ms Olivia Kinghorst, Mr Forest Lin and Mr Shahmir Khaliq discussed the impact of technology on customers. They discussed how technology has provided a constant source of opportunity and change, especially in the payments space.

Tencent’s Mr Lin noted that the modern payment industry is trying to solve a ubiquity problem. Payment solutions providers are trying to make payments easier without compromising on security, all while lowering costs at the same time. WeChat Pay was able to get rid of the cost of running a card machine to businesses by utilising the QR payment method and working closely with banks to allow for instant payments.

Citi’s Mr Khaliq noted that banks are trying to improve payment methods across borders. He said that Citi does business in 95 markets around the world - each with their own regulator, clearing mechanism, and rules to comply with. He noted that Citi is aiming to have real-time, 24/7 banking while also keeping costs down, investing in their payment infrastructure to scale while remaining secure.

On the topic of GenAI, Mr Khaliq noted that it will be very useful for clearing service queries once the associated risk is well understood. He noted that GenAI rollout in the financial sector has been slow, mostly because information security and customer confidence are such high priorities. Mr Lin noted that other forms of AI are already being used to detect financial crime, with a higher success rate than more traditional payments.



Global Leaders Series - JINGDONG Coinlink Technology

Fireside chat with Teddy Liu, CEO, JINGDONG Coinlink Technology

Moderated by Duncan Chiu, HKSAR Legislative Council Member (Technology and Innovation), HKSAR Legislative Council

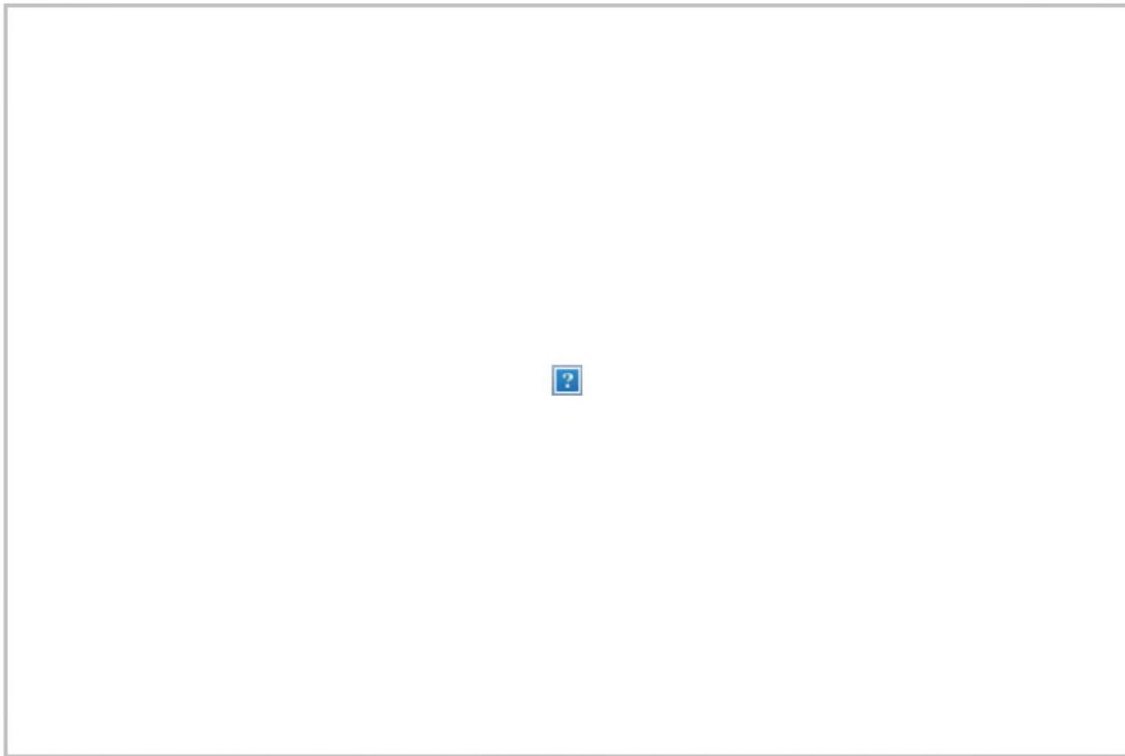
"With a wider application of stablecoins, global trade could become much more convenient and help the industry grow sustainably."

Mr Teddy Liu shed light on the growing importance of stablecoins in the global financial landscape. He noted, "Stablecoin is a heated topic across the world, and most of the discussion is centred around payments."

Mr Liu highlighted Hong Kong's vital role in the global digital asset ecosystem, stating that "the city is positioned as both a facilitator and a leader." He identified several key factors contributing to this, including its long history as an economic centre, well-developed financial infrastructure, and financial freedom. He also highlighted the city's commitment to innovation and transparency in regulation.

Mr Liu also emphasised that the use of stablecoins can significantly enhance the payment experience by improving cost efficiency, effectiveness, user experience, and safety. He outlined five regulatory strengths that bolster Hong Kong's development of stablecoins: Early planning, internationally recognised financial regulations, a legal regulation that attracts global talent, openness to innovation and substantial resources backed by mainland China which he considered "vital for success."

Mr Liu noted the increasing interest in stablecoins among companies, driven by technological maturity, the need for a sustainable business ecosystem, and enhanced regulatory frameworks, all contributing to a more certain financial future.



Stablecoins & Blockchain Networks with Circle: Building the Internet Financial System

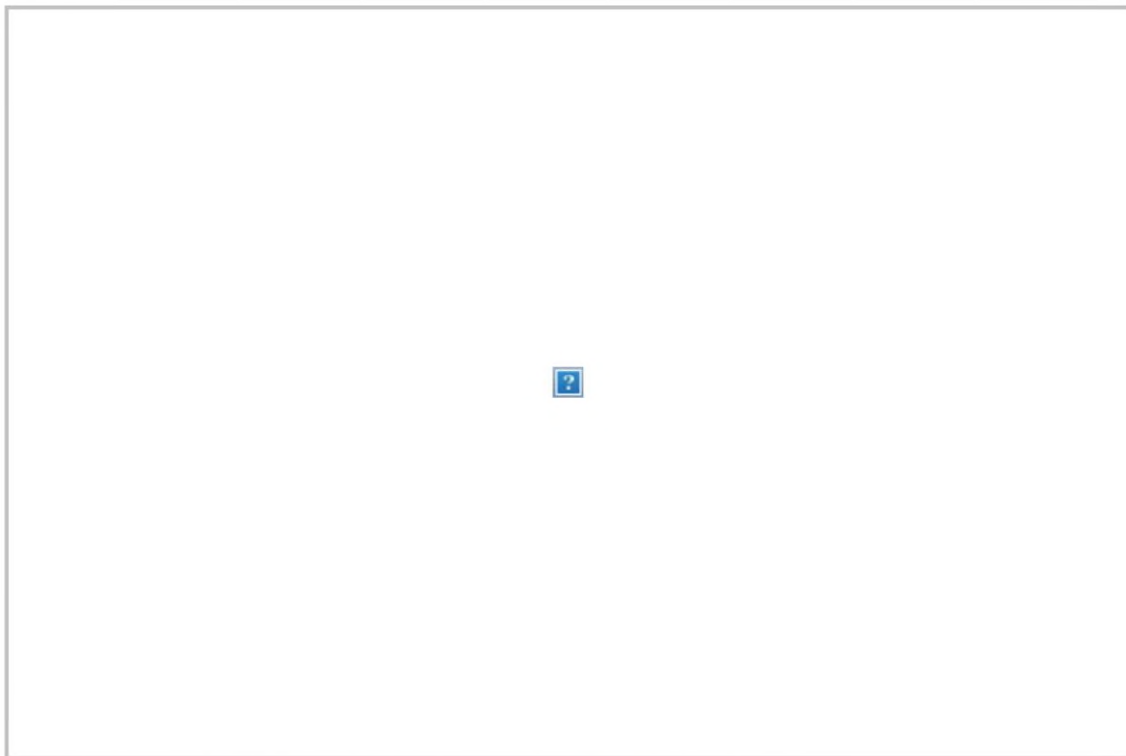
*Fireside chat with Jeremy Allaire, Co-founder, Chairman and Chief Executive Officer, Circle
Moderated by Anthony Sar, Co-founder and CEO, Finoverse*

"It's such an exciting time for digital assets and stablecoins," Mr Jeremy Allaire stated. He elaborated on Asia's rising demand for USDC, and how he sees Hong Kong as a critical market in the future of the global digital asset economy.

Circle has long thought that US Dollar stablecoins like USDC could be a critical settlement infrastructure for how money moves in the whole world, Mr Allaire shared, and they're seeing that today, where businesses in Mexico and Brazil are purchasing goods from Asian manufacturers and settling their transactions in USDC. "We envision a global network of stablecoins that underpin the on-chain economy, on-chain finance and commerce and the programmability of all that."

Mr Allaire noted that he is seeing more examples of direct stablecoin payment acceptance, but hurdles remain for widespread use. Not only in regulations, he remarked, but customer experience where many people still struggle with the experience of transacting with blockchain networks. Despite that, he holds high hopes for stablecoin adoption. "As consumer-scale companies start to integrate this technology, then I think you'll start to see end-user payment acceptance grow quite a bit."

"It would be incredible if, over 10 years, five percent of electronic money was stablecoin money. And that's not inconceivable when you think about the way internet-scale technologies evolve."



Embracing Innovation: Modernising Finance for a New Generation

Panel discussion with:

Alain Lam, Vice President & Chief Financial Officer, Xiaomi Corporation

Anthony Lin, Head of Hong Kong, Greater China & North Asia & Global Head of Market Management, Transaction Banking, Standard Chartered Bank

Drew Propson, Head, Technology and Innovation in Financial Services, World Economic Forum

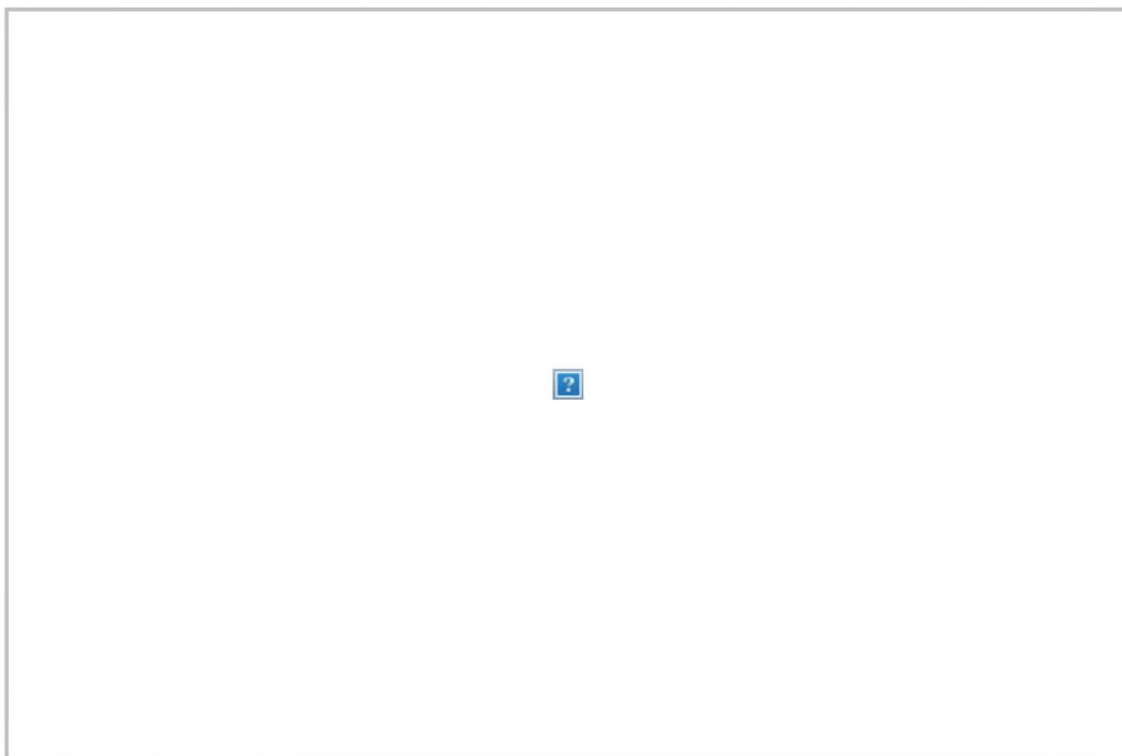
Moderated by Emily Tan, Senior Correspondent, CNBC

“I don't think that the traditional financial industry is going away. Rather, I think they have to adapt to this new paradigm of how to use, how to leverage technology, how to leverage AI, how to leverage blockchain...”

During the *Embracing Innovation: Modernising Finance for a New Generation* panel, Mr Alain Lam, Mr Anthony Lin and Mr Drew Propson discussed how to attract more Gen Z customers as the younger generation enters the workforce and looks at different investment avenues.

Overall consumers are looking for more personalised services and expect financial institutions (FIs) to deliver. Artificial Intelligence can streamline data analysis and workstreams to ensure that customers are interacting with content tailored to their tastes and financial needs. With AI automating backend processes, FIs can reduce the number of intermediaries between them and their customers, creating services that are not just more creative but also cost effective.

However, such technology does not come without risks such as financial misinformation. As more traditional banks and FIs integrate AI into their work streams and products, they must ensure that they break through the noise and educate users about the risks that they are assuming with new financial products.



Reshaping Finance with AI

Fireside chat with Zhu Guang, Chief Executive Officer, Du Xiaoman Technology

Moderated by Cindy Xu, Managing Director, Head of Asia Fintech and China Financial Institutions, J.P. Morgan

“There are two criteria for industry transformation with the use of technology. To deliver significant improvements in customer experience and enhance decision-making processes.”

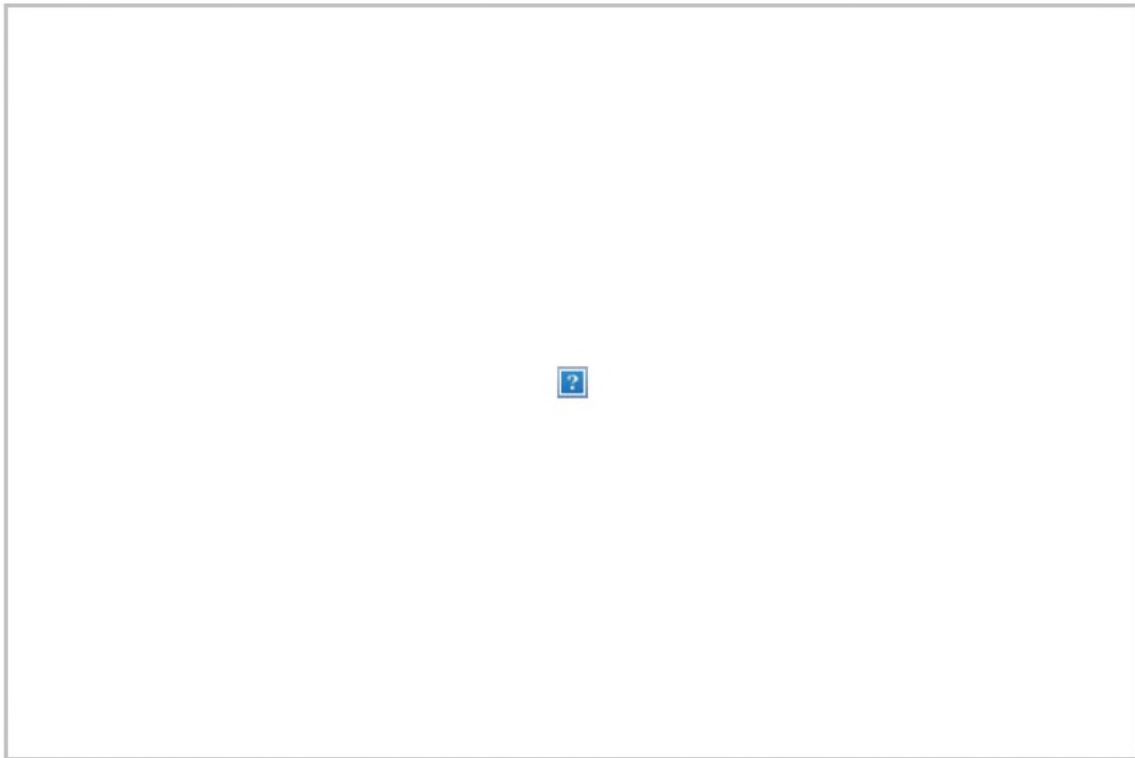
Mr Zhu Guang explored how AI is transforming the financial industry, using Du Xiaoman as a case study for integrating internet big data with financial data to create an enhanced customer experience.

“Identifying potential customers who can repay loans is crucial in our business,” Mr Zhu stated. Harnessing machine learning, Du Xiaoman can make decisions quickly in the loan approval process. To further enhance customer experience, Du Xiaoman has also developed an innovative robot assistant that monitors the tone of customer service officers and prompts them to adjust their speech if an unfriendly tone is detected.

Mr Zhu remarked, “The financial industry heavily relies on technology.” While many financial professionals have utilised large language models for basic tasks like content creation and filing, there was a breakthrough in this year where these models can think independently and provide problem-solving insights.

He identified two critical criteria for industry transformation with the use of technology: delivering significant improvements in customer experience and enhancing decision-making processes.

He concluded Hong Kong has made substantial preparations to embrace AI and blockchain as a international finance centre; however, the city should focus on attracting talent and fostering collaboration in the emerging fintech trends like the development of language models.



The Future of Finance is Decentralised: Chainlink's Role in Building a Trustless & Tokenised Ecosystem

Fireside chat with Sergey Nazarov, Co-founder, Chainlink

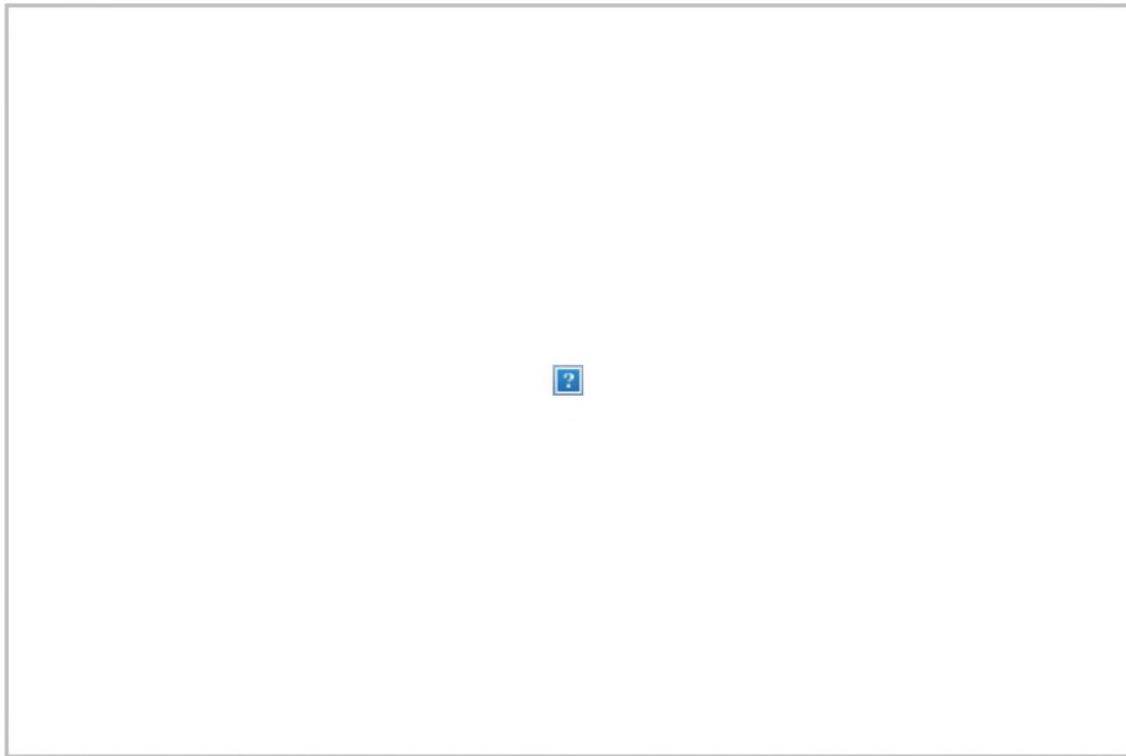
Moderated by King Leung, Global Head of Financial Services, Fintech & Sustainability, Invest Hong Kong, The Government of the Hong Kong SAR

“DeFi only gets to the next level by users of HSBC, Hang Seng, and other large institutions being able to put their value into those financial products.”

Mr King Leung moderated a fireside discussion with Mr Sergey Nazarov, on digital assets and connecting traditional finance with decentralised finance. They began the discussion by talking about Hong Kong's role as a hub for digital assets and blockchain technology. Mr Nazarov also noted that Hong Kong's progressive and open-minded regulatory regime makes it a unique and strong place for digital assets. He added that the considerable amount of investment from Mainland China also strengthens the market.

On the future of digital assets, Mr Nazarov said that it was Chainlink's mission to join the traditional finance world with the decentralised finance world. He noted that for digital assets to achieve the next level of success, they have to access the investment that's currently inaccessible in traditional value markets.

Finally, Mr Nazarov talked about an ongoing collaboration between SWIFT and Chainlink, which enables traditional financial institutions to communicate with blockchains through industry-standard SWIFT messages. He concluded by saying he was encouraged by the trend of asset managers supporting digital assets and blockchain technology, seeing it as a leading indicator of more widespread acceptance from traditional financial institutions in the near future.



Redesigning Finance: Empowering Institutional Investors, Unleashing Stablecoins, and Ensuring Security & Trust

Fireside chat with Tom Farley, Chief Executive Officer, Bullish

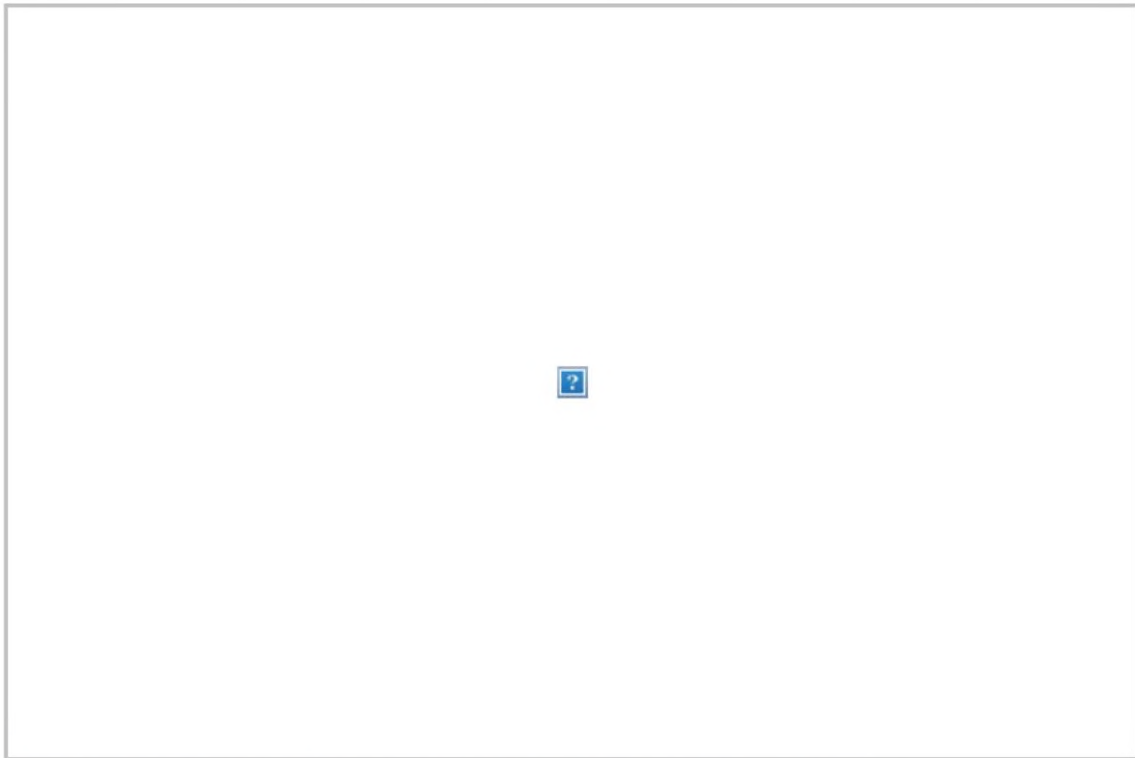
Moderated by Ella Arwyn Jones, Content & Business Director, Haymarket Media

Bullish's Mr Tom Farley shared his views on how cryptocurrencies like stablecoin are here to stay.

Despite the market volatility in digital assets over the past three years with the collapse of some stablecoins and onslaught of fraudulent activities, Mr Farley remarked that "the tide has definitely turned," as investments are being made into digital assets, institutions are placing a focus in the space, and stablecoins are becoming a use case in global trade.

He shared that Bullish has always wanted to be a "compliant, adult, regulated, audited exchange with a balance sheet that's here for the long term." As the industry increasingly prioritises credibility and trust amidst a more regulated environment, the company is keen to become a serious prospect to obtain full regulatory approval in cities like Hong Kong and Frankfurt.

In terms of the US, Mr Farley remarked that he hopes to see "more reasonable regulations" in light of progress in other markets like Hong Kong and Europe. He believes bitcoins, stablecoins, and tokens on the blockchain can be auditable, immutable, and trusted, and expressed his excitement on using blockchain techniques and concepts for payment, particularly in the proliferation of stablecoin.



FinTech Frontier: Exploring Accelerated Cross-Border Technology Integration

Panel discussion with:

Daniel Chan, Head of Greater Bay Area, HSBC

Helen Wen, Committee Member, Deputy Director General, Associate Director, Bureau Director, Qianhai Financial Development Bureau

Henry Ma, Executive Vice President & Chief Information Officer, WeBank

Moderated by Carmen Chu, Executive Director (Banking Supervision), Hong Kong Monetary Authority

In a panel moderated by Mr Daniel Chan, Ms Helen Wen and Mr Henry Ma focused on the current fintech landscape, opportunities, and challenges in the Greater Bay Area (GBA).

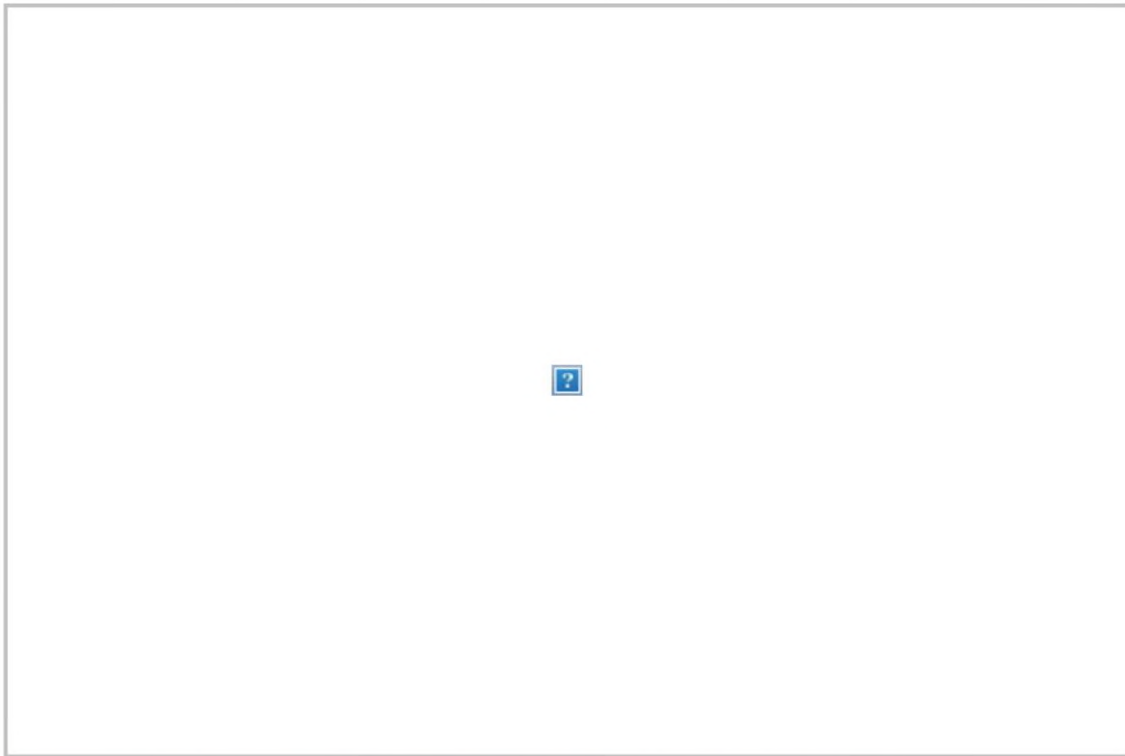
Ms Wen emphasised the Qianhai government's commitment to fostering digital innovation. She said, "in Qianhai, we provide a 15% tax reduction for qualified corporations, nurturing leading companies in digital payment and banking." Apart from the policy in attracting talents, she also underscored the significance of collaboration between Qianhai and Hong Kong to drive this innovation forward.

From a banking perspective, Mr Chan highlighted recent trends, noting an 80% increase in cross-boundary travel between Hong Kong and Shenzhen, along with a 70% rise in cross-boundary digital payment usage in mainland China. "With a mix of fintech advancements from the mainland and international innovation, companies in Hong Kong can offer better solutions for cross-border payments," he remarked.

Mr Ma emphasised Hong Kong's role in the GBA technology integration, stating that Hong Kong is a window for Chinese companies to reach global markets.

The panel concluded with a shared vision for the future fintech ecosystem, emphasising the need for regulatory authorities to create a transparent and a flexible environment for the fintech ecosystem, while private companies collaborate to embrace innovation. By leveraging Hong Kong as a catalyst for international engagement, it could enable GBA fintech companies to reach global markets, and attract talent from around the world to the region.

Blockchain & Digital Assets

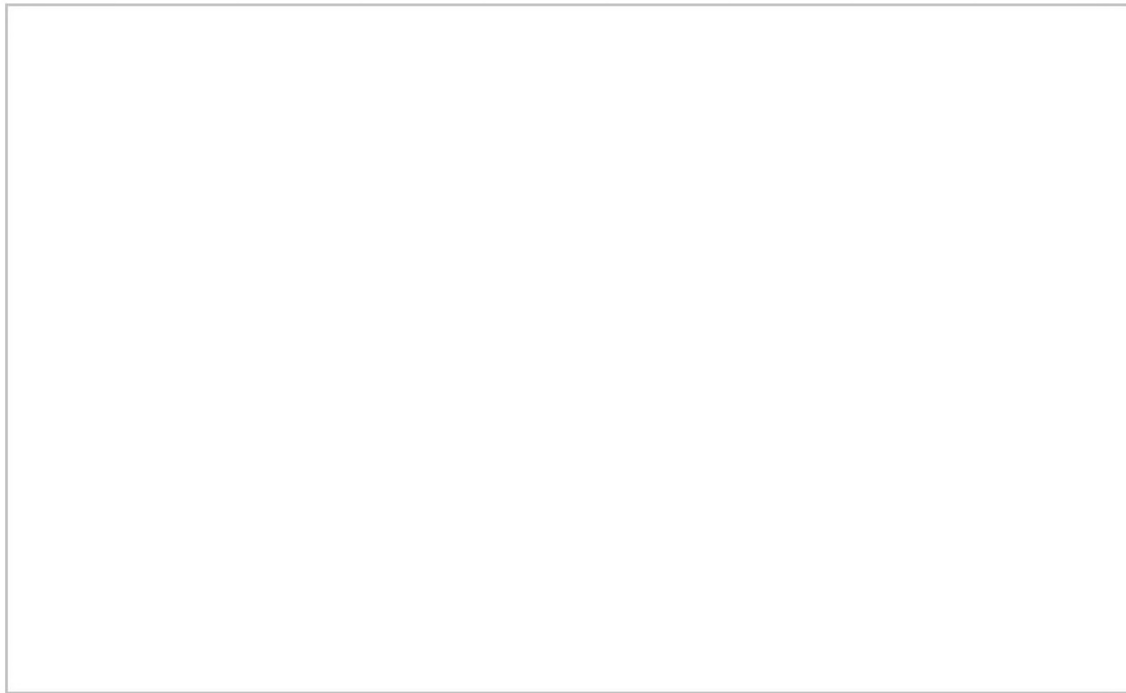


Token Holders in Control: Governance & Influence in Crypto Derivatives Market

Presentation by Charles d'Haussy, Chief Executive Officer, dYdX Foundation

Mr Charles d'Haussy kicked off the Blockchain and Digital Assets track with his presentation on *Token Holders in Control: Governance & Influence in Crypto Derivatives Market*. He highlighted the specifics of the dYdX chain's success. In the 11 months since its launch, the fully-decentralised, community-governed ecosystem has facilitated more than US\$225 billion in crypto derivatives trading volume and 145 tradeable markets. dYdX is now considered a leading DeFi protocol developer for advanced trading in the crypto derivatives market.

In the past month, dYdX also launched dYdX Unlimited, combining the features of an orderbook exchange and an automated market maker (AMM) to create a more sustainable DeFi ecosystem. According to Mr d'Haussy, part of this success is thanks to rapid governance decisions taken at a C-Suite level, active involvement from token holders and proactively cultivating trust in the offering and the ecosystem, a must for the functioning of any decentralised ecosystem. DYDX token holders are able to vote on governance decisions being made by the company and have taken on a more active role especially when it comes to expanding to new markets, a model through which dYdX has seen a governance participation rate of more than 60%.



Redrawing the Boundaries of Finance Through Tokenisation

Panel discussion with:

Aleck Lee, Chief Financial Officer, First Digital

Ralph Ng, VP, Senior Analyst, Project and Infrastructure Finance Group, Moody's Ratings

Bojan Obradović, Chief Digital Officer, HSBC Hong Kong

Moderated by Clara Chiu, Founder & CEO, QReg Advisory

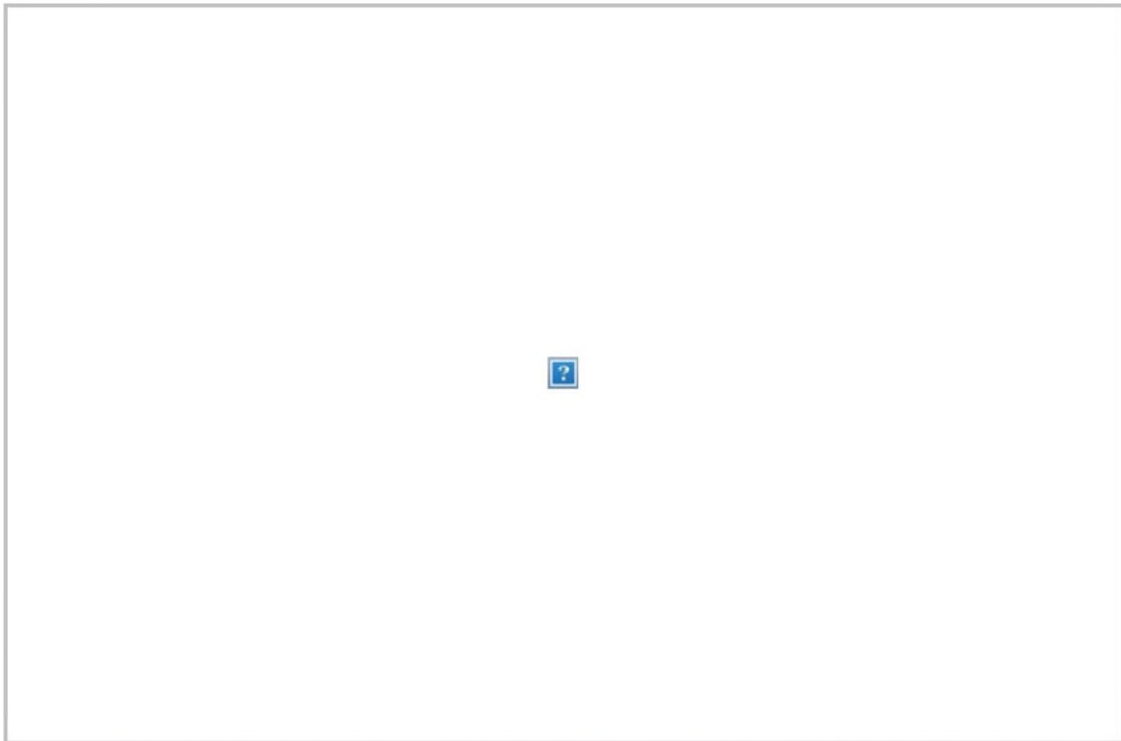
In a discussion exploring the current state and future potential of tokenisation, Mr Aleck Lee from First Digital, Mr Bojan Obradović from HSBC and Mr Ralph Ng from Moody's, agreed on tokenisation's benefits in efficiency, liquidity, and accessibility, but noted challenges in interoperability and investor education.

Mr Obradović highlighted HSBC's progress in tokenisation with its tokenised gold offering, while highlighting challenges in operational management, legal frameworks, and interoperability. HSBC sees tokenization as a transformative technology for financial services, aiming to reduce settlement times and improve market efficiency.

Meanwhile, Mr Ng from Moody's discussed his organisation's risk analysis developments for tokenised fixed deposits, with a focus on platform, external, and representation risks.

Mr Lee commented on the rise of stablecoins as evidence of the wider transformation potential of tokenised assets. He added that stablecoins have played a large role in digitisation of real-world assets, but the potential opportunities and challenges are being continually re-evaluated as markets are constantly being disrupted. The panel collectively emphasised the need for market participants to come together and have a consistent approach to risk assessment in the long-term future of the evolving tokenised securities market.

AI & Advanced Tech



Breaking the Monopoly: Strategic Innovations for Efficient AGI and the Democratisation of AI Development

Presentation by Yang Hongxia, Professor, The Hong Kong Polytechnic University

In her presentation Prof Yang Hongxia delved into her insights on the current state of AI and upcoming opportunities in generative AI (GenAI).

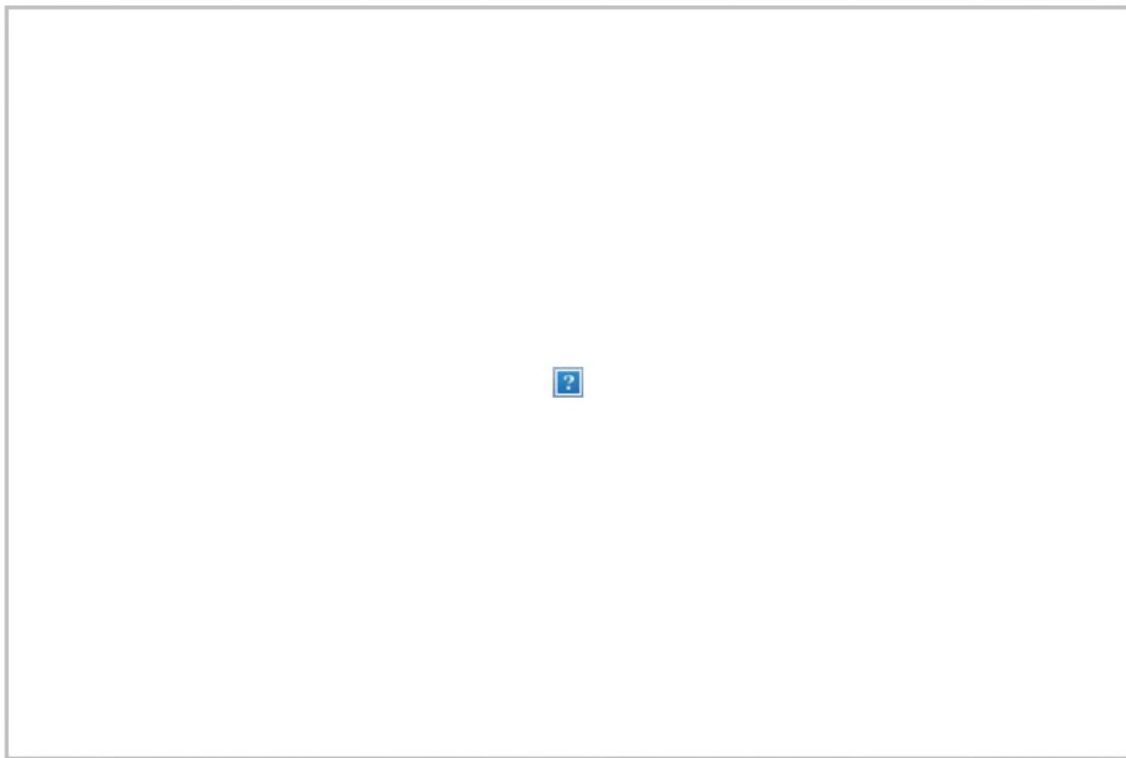
While significant advancements have been made in AI over the course of past decades, practitioners "haven't seen opportunities that are comparable to Web2," Prof Yang shared, on the level of impact technology has brought.

She suggested that the most promising future opportunities for GenAI will lie in devices and enterprise-based AI. GenAI for devices can enhance their capabilities for complex tasks like real-time translation, while enterprise-based GenAI can streamline processes in decision-making, task automation, and improve customer interaction for businesses.

Prof Yang believes that current progress in AI development is stalled due to a monopoly in AI development, as training large language models (LLMs) currently requires centralised and expensive GPU resources that few tech players can afford. In particular, the progress towards enterprise-based GenAI is stilted as AI models are being trained through LLMs whose data is crawled from the general web, resulting in suboptimal performances for financial and medical enterprises that require specialised contexts.

In response, she and her team are developing a "model over model" paradigm that solves the current concerns including high costs, latency, and performance; a foundational model consisting of smaller, domain-specific models that are stacked upon one another, allowing the foundational model to evolve and grow into a decentralised LLM.

"Decentralised, large language models will be the future of GenAI," she remarked.



Generative AI for Banking Industry – Unlocking Growth Opportunity vs Optimising Risk Management

Panel discussion with:

Alvin Li, Head (Banking Supervision), Hong Kong Monetary Authority

Connie Leung, Senior Financial Services Industry Director, Microsoft Asia

Miles Wen, Co-Founder & Chief Executive Officer, Fano

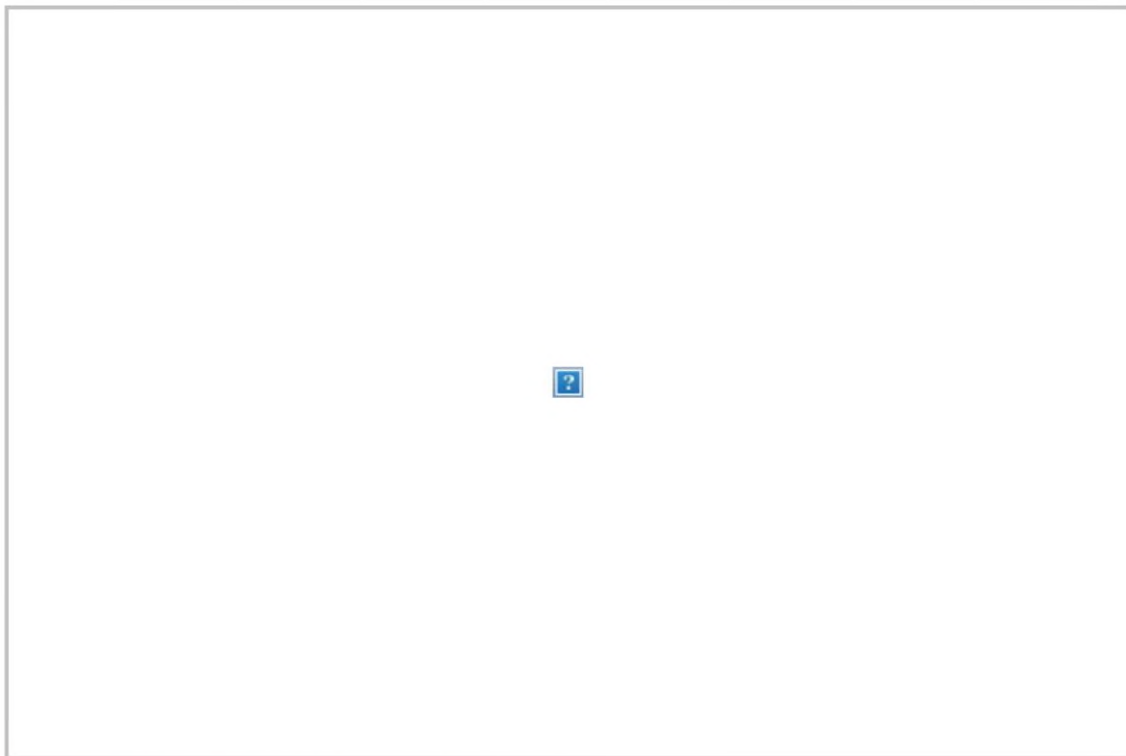
Moderated by Esther Mai, Head Digital Banking, Client Experience and Analytics Wealth and Retail Banking, Hong Kong, Standard Chartered Bank

In this panel discussion moderated by Ms Esther Mai, Mr Alvin Li, Ms Connie Leung, and Mr Miles Wen discussed how to balance the productivity gains of GenAI with the risk involved with using a burgeoning technology.

Mr Wen noted that the last year has revealed many new use cases for GenAI in banking, but that they are mostly internal. He noted that AI assistants are helping to serve customers faster and better and that AI is crucial for fighting financial crime, helping deal with large caseloads and identifying deep fakes that humans cannot.

Mr Li noted that regulators do not want to get in the way of these technologies. Mr Li stated that the HKMA wanted to encourage GenAI adoption without making overly prescriptive rules that will quickly become outdated. The goal of the HKMA is to facilitate mistakes in a safe environment and allow information to be shared across the industry. **“We want to share good practices, not have individual banks try and fail in the same way multiple times.”**

Ms Leung closed the discussion by noting that maturity is a big part of adopting technology like GenAI. She noted that every employee should understand the use of GenAI for their own position. She noted that in order to have full adoption, everyone needed to be involved - from security to compliance.



AI-Driven Era: Innovation, Efficiency, and Growth

Panel discussion with:

Ian Glasner, Group Head of Emerging Technology, Innovation, and Ventures, HSBC

Michael Yue, Managing Director and General Manager, Google Hong Kong

Peter Lee, Chief Technology Officer & Pre-sales Engineering Leader, Hong Kong, IBM

Moderated by Rebecca Lim, Founder / CEO, AutoML Capital

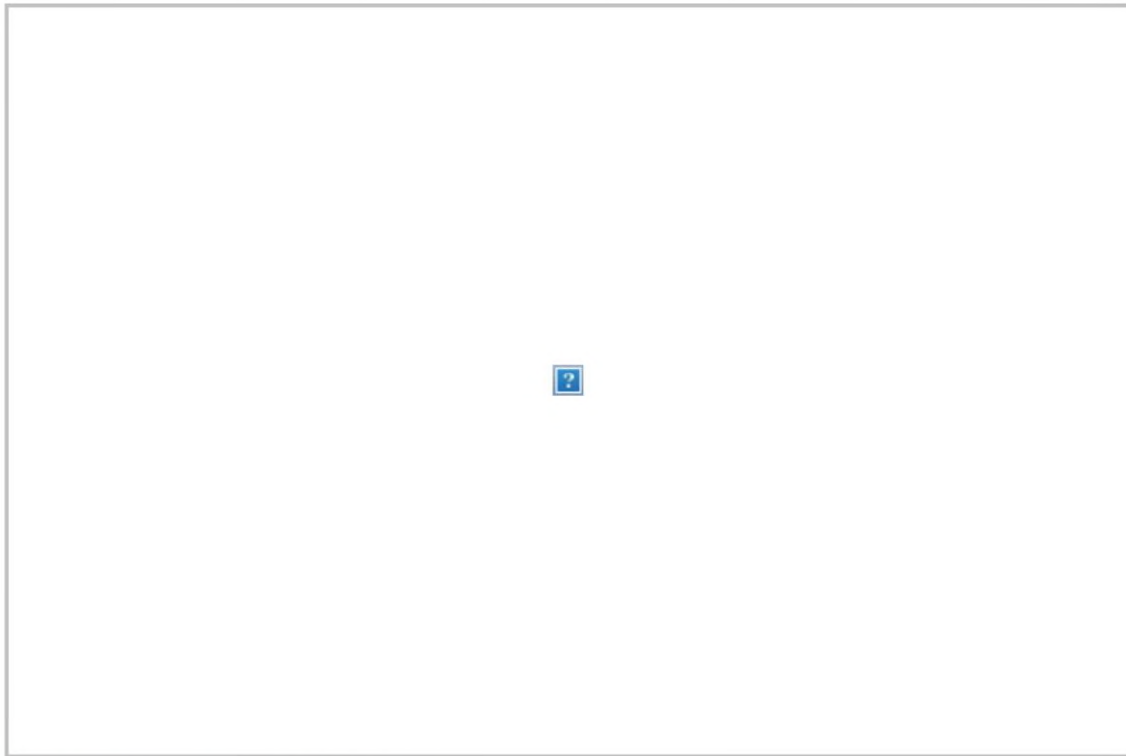
In the panel moderated by Ms Rebecca Lim, Mr Ian Glasner, Mr Michael Yue, and Mr Peter Lee offered their views on the most AI's promising opportunities, difficulties in adoption, and strategies to overcoming challenges within their respective fields.

Mr Glasner remarked on GenAI's current shortcomings in performance and accuracy as a major challenge for the financial sector. "We are in an industry of trust, and we need to make sure that we're delivering a service that our customers can rely on every single time," he stated. Additionally, he commented on society's need to upskill. "We all need to take it upon ourselves to focus on how we start to integrate more AI tools into our personal lives, we all need to become AI literate so we are able to adopt this technology in a vast way."

Mr Yue sees the "incredible opportunity" for AI adoption especially in Hong Kong, where an estimated 40% of financial sectors are already using AI – a percentage much higher than that of many other sectors. He noted that in adopting AI, Hong Kong's economic benefits will reach around HK\$287 billion by 2030. It is critical, he says, to work with different stakeholders in order to "realise the full potential of AI to help with businesses and the economies that we live in."

Mr Lee also discussed the potential of AI. "IBM is evolving with the market," he remarked, where they have established an AI presence for their clients across finance, governments, and sports sectors. With mention to Mr Glasner's remarks on upskilling, he shared that over 50% of IBM's 280,000+ employees have enrolled into the watsonx Challenge to test their own AI skills. "Internally, we also want to improve our own AI skills."

Hong Kong Connects



InvestHK Fintech "Must-know" 2024

Showcases from:

Jonathan Doan, Head Ecosystem, Orbiter Finance (pictured above) and others

Mr Adam Dai, Head of Hong Kong, Safeheron; Mr Jonathan Doan; Mr Qifu Zhong, Partner & CPO, SlowMist; Mr Steve Shen, Co-Founder & Chief Business Officer, Waffo; and Ms Isabel Shi, Co-founder & CEO, Bitrace, each took it in turns to showcase their companies and their innovative contributions to the fintech industry in 2024.

Waffo's Mr Shen emphasised the company's mission to revolutionise global payments stating, "people have thousands of ways to pay, and they want local payment methods." With emergent payment systems projected to account for 61% of total online transaction volume by 2027, Waffo is dedicated to simplifying access to local payment options.

Safeheron's Mr Dai discussed the issue of private key security and noted that "we take privacy and security seriously." Safeheron utilises advanced technologies to ensure a zero-point failure for their clients.

Orbiter Finance's Mr Doan highlighted the importance of security in fintech, noting that Orbiter has never been hacked, which positioned them as a leader in secure transactions.

SlowMist's Mr Zhong said, "we have been battling hackers for years," with the outline of their extensive cybersecurity measures and strong partnerships with law enforcement to uphold the highest standards in security.

Bitrace's Ms Shi underscored the importance of compliance and trust in the web3 industry. She pointed out the difficulties in tracing cryptocurrency transactions, which might facilitate criminal activities. To combat this issue, Bitrace has introduced innovative AI solutions designed to detect and prevent illegal activities within blockchain transactions.

Disclaimers

The views and opinions expressed in Hong Kong FinTech Week are those of the speakers, commentators, experts and/or hosts/sponsors. While every effort has been made to keep information current and accurate, they do not explicitly or necessarily reflect, nor represent the views held by Hong Kong FinTech Week,

Finoverse, or the Government of Hong Kong Special Administrative Region. This conference has been produced to give participants a general information and a general understanding of the Fintech industry and is not to provide specific legal or investment advice.

Hong Kong FinTech Week, Finoverse, or the Government of Hong Kong Special Administrative Region cannot be held accountable for any views expressed during Hong Kong FinTech Week.

About Hong Kong FinTech Week

Hong Kong FinTech Week 2024, organised by the FSTB and InvestHK, and co-organised by the HKMA, the SFC and the IA, is Asia's global financial technology event for scaling new heights. It is expected to host over 800 speakers, 700 sponsors and exhibitors, welcoming over 30,000 attendees from over 100 economies to the event. The week-long event will feature a series of community activities across Hong Kong and Shenzhen, including a GBA Tour, satellite and networking events, lifestyle activities, workshops, and the world's first-ever Web3x3 Basketball Game.

About InvestHK

[InvestHK](https://www.hongkong-fintech.hk) is the department of the Hong Kong Special Administrative Region Government responsible for attracting foreign direct investment. It has set up a dedicated fintech team in Hong Kong to attract the world's top innovative fintech enterprises, start-up entrepreneurs, investors, and other stakeholders to set up and scale their business via Hong Kong into Mainland China, Asia, and beyond. For more information, please visit www.hongkong-fintech.hk.

Media Enquiries:



This material is distributed by (Daniel J. Edelman, Inc.) on behalf of InvestHK. Additional information is available at the Department of Justice, Washington, DC.