



# Hong Kong FAST-TRACK YOUR NEXT SUCCESS



## SCALE UP WITH ASIA'S PREMIER FINTECH HUB

Combining enormous market opportunities with progressive policies and deep funding pools, Hong Kong is an international fintech hub which offers the perfect platform for companies to rapidly scale-up their business.

### *A sizeable financial industry with huge demand for B2B fintech innovation*

	<i>Market Stats (USD)</i>	<i>No. of Firms</i>
 <b>Asset &amp; Wealth Management</b>	\$3.9tn AUM <sup>1</sup>	2,000+ <sup>1</sup>
 <b>Banking</b>	\$3.45tn Total Asset <sup>2</sup>	155+ Licenced Banks <sup>2</sup> 8 Virtual Banks
 <b>Digital Payment</b>	\$38.42bn Projected Total Transaction Value <sup>3</sup>	100+ Digital payment companies <sup>4</sup>
 <b>Insurance</b>	\$74.3bn Total Gross Premium <sup>5</sup>	160+ Insurers <sup>5</sup> 5 Virtual Insurers <sup>6</sup>
 <b>Securities</b>	\$185.5bn Total Assets <sup>7</sup>	1,400+ Securities Dealers and Securities Margin Financiers <sup>8</sup>
 <b>Trading</b>	\$0.87tn Total Trade <sup>9</sup>	Out of 360,000+ Total SMEs <sup>10</sup> 100,000+ engaged in import/export trade and wholesale <sup>11</sup>

### *Exceptional potential for virtual assets (VA) and Web3 in Hong Kong*

As an international financial centre, Hong Kong is open and inclusive towards the global community of innovators engaging in VA businesses by initiatives such as:

- A new licensing regime for virtual asset trading platform operators took effect on 1 June 2023 to align requirements under the "same activity, same risks, same regulation" principle
- The government announced to allocate US\$6.4 million to boost the development of the Web3 industry
- The Task Force on Promoting Web3 Development has been established to provide recommendations on its sustainable and responsible development
- The consultation on legislative proposal to implement regulatory regime for stablecoin issuers completed. The HKMA will roll out a "sandbox" to facilitate the communication of our supervisory expectations with entities that are interested in issuing stablecoins in Hong Kong.
- There is no legal and regulatory requirement prohibiting banks in Hong Kong from providing banking services to VA related entities

# ENORMOUS OPPORTUNITIES IN WEALTH AND CAPITAL MARKETS IN HONG KONG AND MAINLAND CHINA

- Hong Kong has **6,000+** ultra-high-net-worth individuals<sup>12</sup> and the **second largest** billionaire population among global centres<sup>13</sup>
- **Over 20%** of high-net-worth individuals in Mainland China are located in the Greater Bay Area<sup>14</sup>
- Greater Bay Area Wealth Management Connect Scheme will facilitate growth of wealth management market in a region with over 86 million people and a combined **GDP of US\$1.95 trillion**
- China's capital market is expected to grow to **US\$100 trillion** by 2030<sup>15</sup>

## FAVOURABLE POLICIES & GOVERNMENT SUPPORT

- ✓ Hong Kong Monetary Authority's (HKMA) Fintech 2025 Strategy's focus areas are:
  - **All banks go fintech**
  - Future-proofing Hong Kong for Central Bank Digital Currencies
  - Creating the next-generation data infrastructure
  - Expanding the fintech-savvy workforce
  - Nurturing the ecosystem with funding and policies
- ✓ HKMA also published a new Fintech Promotion Roadmap, focusing on Wealthtech, Insurtech, Greentech, Artificial Intelligence and Distributed Ledger Technology, and outlining the key initiatives to give further impetus to fintech adoption
- ✓ Simple and low tax regime with the first US\$255,000 of profits taxed at 8.25% and 16.5% afterward
- ✓ The Government issued the Policy Statement on Developing Family Office Businesses in Hong Kong, which will promote the sustainable development of Hong Kong's financial and professional services and innovation and technology
- ✓ InvestHK's Global Fast Track programme connects fintech with corporate clients, investors and local partners
- ✓ The HKMA and the People's Bank of China launched a one-stop platform for financial institutions and technology firms to conduct pilot trials of fintech initiatives in the Greater Bay Area since 2022

## DEEP & DIVERSE FUNDING



**World's No.1**

IPO market in seven of the last 13 years<sup>16</sup>



**2<sup>nd</sup> largest private capital pool**

in Asia Pacific totalling at **US\$ 170 billion**<sup>17</sup>

- *Asia's largest cross-boundary private wealth management centre and the hub of choice for family offices*
- *HKSAR Government established The Hong Kong Investment Corporation Limited (HKIC) to further optimise the use of financial reserves for promoting the development of the economy and industries of Hong Kong*<sup>18</sup>

*HKIC manages a total of US\$7.94 billion in funding, which includes:*

- 1. Hong Kong Growth Portfolio (US\$2.82 billion)*
- 2. Greater Bay Area Investment Fund (US\$0.64 billion)*
- 3. Strategic Technology Fund (US\$0.64 billion)*
- 4. Co-Investment Fund (US\$3.84 billion)*<sup>19</sup>

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Global Edition

\* Calculated based on the exchange rate on the day of writing (HKD 1 - USD 0.13)  
1. Asset and Wealth Management Activities Survey 2022, Securities and Futures Commission 2. 2022 Annual Report, Hong Kong Monetary Authority 3. Statista, Inc (projected total transaction value for 2023) 4. PayDollar, 2020 5. Insurance Authority 2023 6. South China Morning Post 2022 7. Financial Review of the Securities Industry 2022, Securities and Futures Commission 8. Financial Review of the Securities Industry 2021, Securities and Futures Commission 9. Trade and Industry Department 2023 10. Trade and Industry Department 2023 11. Hong Kong Trade Development Council 2022 12. Knight Frank 2022 13. Wealth-X, 2021 14. KPMG, 2021 15. HKEX, 2021 16. HKEX, 2023 17. AVCJ 2021 18. GovHK, 2023 19. HKIC, 2023



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