

# Hong Kong FAST-TRACK YOUR NEXT SUCCESS



## SCALE UP WITH ASIA'S PREMIER FINTECH HUB

With around 1,100 fintech companies<sup>1</sup>, Hong Kong is the world's **Freest Economy**<sup>2</sup>, **Top 3 Financial Centre** and **Top 10 Fintech Centre**<sup>3</sup> which offers the perfect platform for companies to rapidly scale-up their business.

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

		Market Stats (USD)	No. of Firms
	Asset & Wealth Management	\$3.99tn AUM <sup>4</sup>	2,000+ <sup>4</sup>
	Banking	\$3.55tn Total Asset <sup>5</sup>	150+ Licenced Banks <sup>5</sup> 8 Licensed Digital Banks
	Digital Payment	\$578.58bn Turnover of Fast Payment System Value <sup>6</sup>	120+ Digital Payment Companies <sup>7</sup>
	Insurance	\$70.47bn Total Gross Premium <sup>8</sup>	157 Insurers <sup>8</sup> 4 Virtual Insurers <sup>9</sup>
	Securities	\$184.9bn Total Assets <sup>10</sup>	1,380+ Securities Dealers and Securities Margin Financiers <sup>11</sup>
	Trading	\$1.13tn Total Trade <sup>12</sup>	Out of 360,000+ Total SMEs <sup>13</sup> 100,000+ engaged in import/export trade and wholesale <sup>14</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:

- 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 Hong Kong Monetary Authority (HKMA) unveiled Project Ensemble Sandbox to drive tokenisation adoption, focusing on four main themes. This milestone marked a significant step forward in the advancement of tokenisation in real-world application within the financial sector
- The mBridge project, a collaboration between global central banks, including the HKMA and PBoC, aims to enhance cross-border payments using central bank digital currency which has reached the Minimum Viable Product stage
- The HKMA has launched the stablecoin issuer sandbox arrangement to facilitate the communication of supervisory expectations with entities that are interested in issuing stablecoins in Hong Kong

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

- Hong Kong has **12,500+** ultra-high-net-worth individuals<sup>15</sup>
- Hong Kong is the top cross-border wealth booking center in Asia by assets under management and is poised to claim the world's number one position by 2027<sup>16</sup>
- 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. Market study reveals more than 2,700 single-family offices are operating in Hong Kong<sup>17</sup>
- Mainland China with **over 27%** of high net worth individuals situated in the Greater Bay Areas<sup>18</sup> and has the **second largest** billionaire population among global centres<sup>19</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\$2 trillion**
- China's capital market is expected to grow to **US\$100 trillion** by 2030<sup>20</sup>

## FAVOURABLE POLICIES & GOVERNMENT SUPPORT

- ✓ The HKMA's 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
- ✓ The Financial Services and the Treasury Bureau issued a policy statement on responsible application of artificial intelligence (AI) in the financial market. The HKMA collaborated with Cyberport to introduce the GenAI Sandbox, emphasising the transformative power of artificial intelligence in finance
- ✓ Simple and low tax regime with the first US\$255,000 of profits taxed at 8.25% and 16.5% afterward
- ✓ InvestHK's Global Fast Track programme connects fintech with corporate clients, investors and local partners
- ✓ The Government offered twice the tokenised green bond under the Government Green Bond Programme. The first offer was the first tokenised green bond issued by the government globally
- ✓ Introduction of the revamped Capital Investment Entrant Scheme whereby a designated amount of applicant's investment portfolio is required to invest in companies and projects with a Hong Kong nexus, with a view to supporting the innovation and technology industries and other strategic industries that are beneficial to the long term development of Hong Kong's economy

## DEEP & DIVERSE FUNDING



One of the most **vibrant and active capital markets**, with a total market capitalization of about US\$4.6tr<sup>21</sup>



**2<sup>nd</sup> largest private capital pool** in Asia Pacific totalling at **US\$ 228 billion**<sup>22</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>23</sup>

*HKIC manages a total of US\$8.06 billion in funding, which includes:*

1. *Hong Kong Growth Portfolio (US\$2.86 billion)*
2. *Greater Bay Area Investment Fund (US\$0.65 billion)*
3. *Strategic Technology Fund (US\$0.65 billion)*
4. *Co-Investment Fund (US\$3.9 billion)*

## Get in Touch with InvestHK to Fast-track Your Next Success

Global Edition

• Calculated based on the exchange rate on the day of writing (HKD 1 - USD 0.13)

1. InvestHK, 2024 2. The Fraser Institute, 2024 3. The Global Financial Centres Index 36, 2024 4. Asset and Wealth Management Activities Survey 2023, Securities and Futures Commission 5. 2023 Annual Report, Hong Kong Monetary Authority 6. HKICL, 2023 7. InvestHK, 2024 8. Insurance Authority, 2020 9. Insurance Authority, 2020 10. Financial Review of the Securities Industry 2023, Securities and Futures Commission 11. Financial Review of the Securities Industry 2023, Securities and Futures Commission 12. Hong Kong Trade Development Council, 2023 13. Trade and Industry Department, 2023 14. Hong Kong Trade Development Council, 2022 15. Altrata World Ultra Wealth Report, 2024 16. The BCG Global Wealth Report, 2023 17. InvestHK Financial Statistics, 2024 18. China Daily Hong Kong, 2024 19. Forbes, 2024 20. HKEX, 2024 21. HKEX, 2024 22. SFST Speech (Partners Group), 2024 23. HKIC, 2023



**InvestHK Fintech Team:**  
**Tel.:** +852 3107 1000  
**E-mail:** fintech@investhk.gov.hk