



# Is Hong Kong Ready for Digital Assets?

HKU-SCF FinTech Academy Workshop Series  
Digital Currency: Technology, Challenges and Opportunities  
Peter Yan, CEO of Cyberport  
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[www.cyberport.hk](http://www.cyberport.hk)

數碼港  
*Cyberport*

# Digital Assets ?



Source: Deloitte “A tax lens on the proliferation of digital assets”

# Recent Developments

## Global regulatory developments

- Hong Kong
  - SFC issued regulatory framework for digital asset exchanges and digital asset funds in November 2019
  - Inland Revenue Department issued broad principles in how digital assets should be taxed in April 2020
  - SFC issued approval-in-principle to OSL for virtual asset automated trading and brokerage licenses on 21 August 2020

## Emerging CBDC

- China began trialing its own CBDC, Digital Currency/ Electronic Payment (DC/EP), since May (Shenzhen, Suzhou, Chengdu, Xiongan economic zone)
- Bank of Lithuania issued LBCOIN, first digital collector coin by a central bank

## Increasingly cashless societies

- Transaction value of global mobile payments market was USD 3714.5 billion in 2019, and is expected to reach USD 12,407.5 billion by 2025

# Opportunities and Challenges

- Enhance cross border transactions
- Facilitate a cashless society - especially in the post-COVID-19 world
- Eliminate costs of storing cash

.....more

- Disrupt conventional practices in different industries
- Disrupt current e-payments

.....more



# Global Trends

# 80%

Of Central Banks in the world engaging in some work related to CBDC



China began trials for its CBDC in four cities

Rumoured screenshot of DC/EP application, Source: ix Crypto Index



Project Inthanon-LionRock (2019)

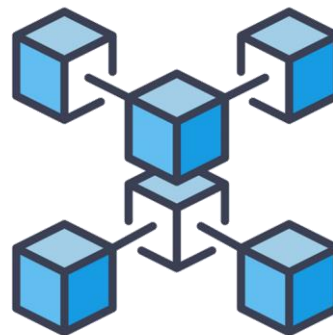
Joint study completed between HKMA and Bank of Thailand to develop cross-border funds transfer proof of concept



**Dirty money:** concerns raised against hygiene of physical cash amid the COVID-19 pandemic

# Talent Supply

- Digital asset companies have generally stated that Hong Kong lacks the **quantity** and **quality** of talents to fulfill demand for middle to back end office talent, such as **programmers or software developers**, especially when compared to the mainland or regional competitors.



Blockchain

Top 3 most difficult skillset to hire for

# Regulatory Environment

Strong consensus that **improvement of regulator engagement** considered one of the most common challenges in the industry



## VS Singapore

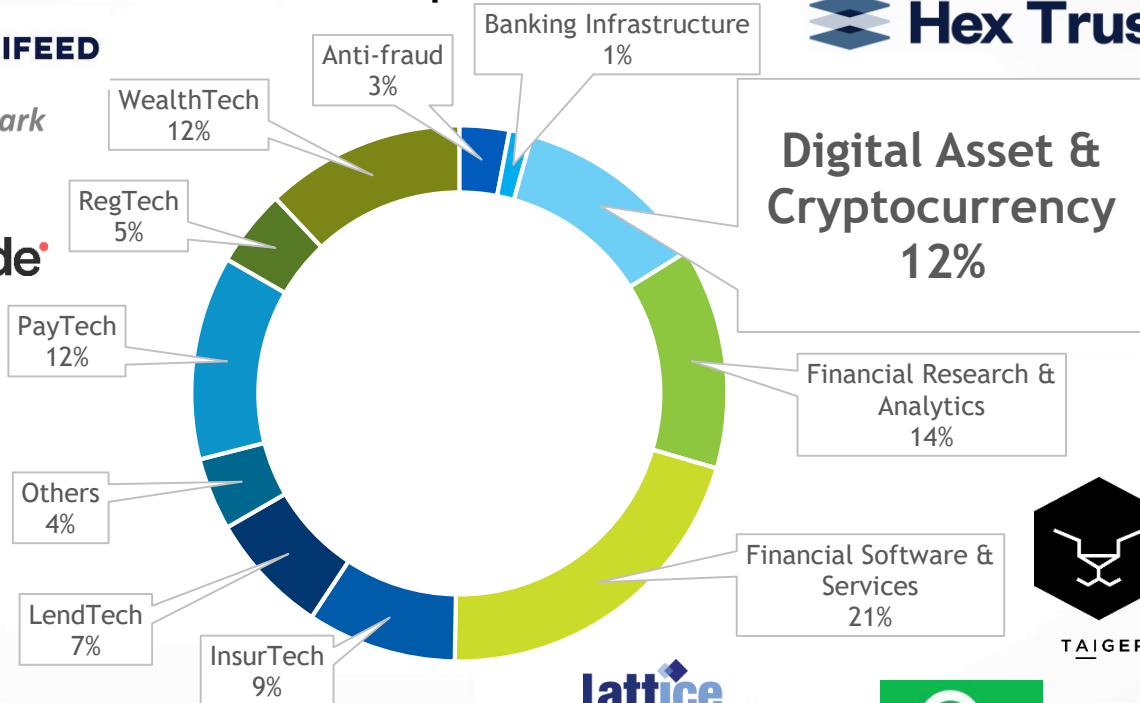
In terms of regulations, Hong Kong and Singapore are both in the process of solidifying their regimes, **Singapore is seen as much more supportive** towards the development of the digital asset ecosystem.

Industry companies with business in both jurisdictions have also stated it is **much easier to communicate with Singapore authorities when compared to Hong Kong.**

One consequence of the lack of regulatory clarity, is that digital asset companies find it extremely difficult to open or maintain bank accounts in Hong Kong, often finding their accounts suspended for any transactions related to digital assets.

# Cyberport-Powerhouse of FinTech start-ups

An eco-system with 360+ FinTech companies





# Cyberport's role - Knowledge sharing

## Blockchain Bootcamp & workshops



**HYPERLEDGER**

World's first  
Hyperledger developers  
bootcamp on 7-8 March  
2019.



**FISCO 金链盟**

FISCO Financial  
Blockchain Workshop  
was held in Feb 2019.

Through the Cyberport Academy, Cyberport promotes knowledge sharing with financial practitioners, enriching Hong Kong's talent pool while helping the traditional financial industry understand the benefits of innovative solutions in blockchain and digital assets.

A promotional poster for the Cyberport Academy Blockchain and RegTech Speakers Series. The poster features the Cyberport logo (with '數碼港' above it) and the Academy logo. The main text reads 'Blockchain and RegTech Speakers Series'. Below this, it says 'Every Wednesday 19 Aug to 19 Oct 12nn- 1pm' and 'Mark your calendar!'. At the bottom, it says 'Your Springboard to Success'. The background of the poster shows a 3D illustration of a blue padlock on a blue cube, with other geometric shapes like a green cube and a white cube around it.

Cyberport 數碼港 | Academy

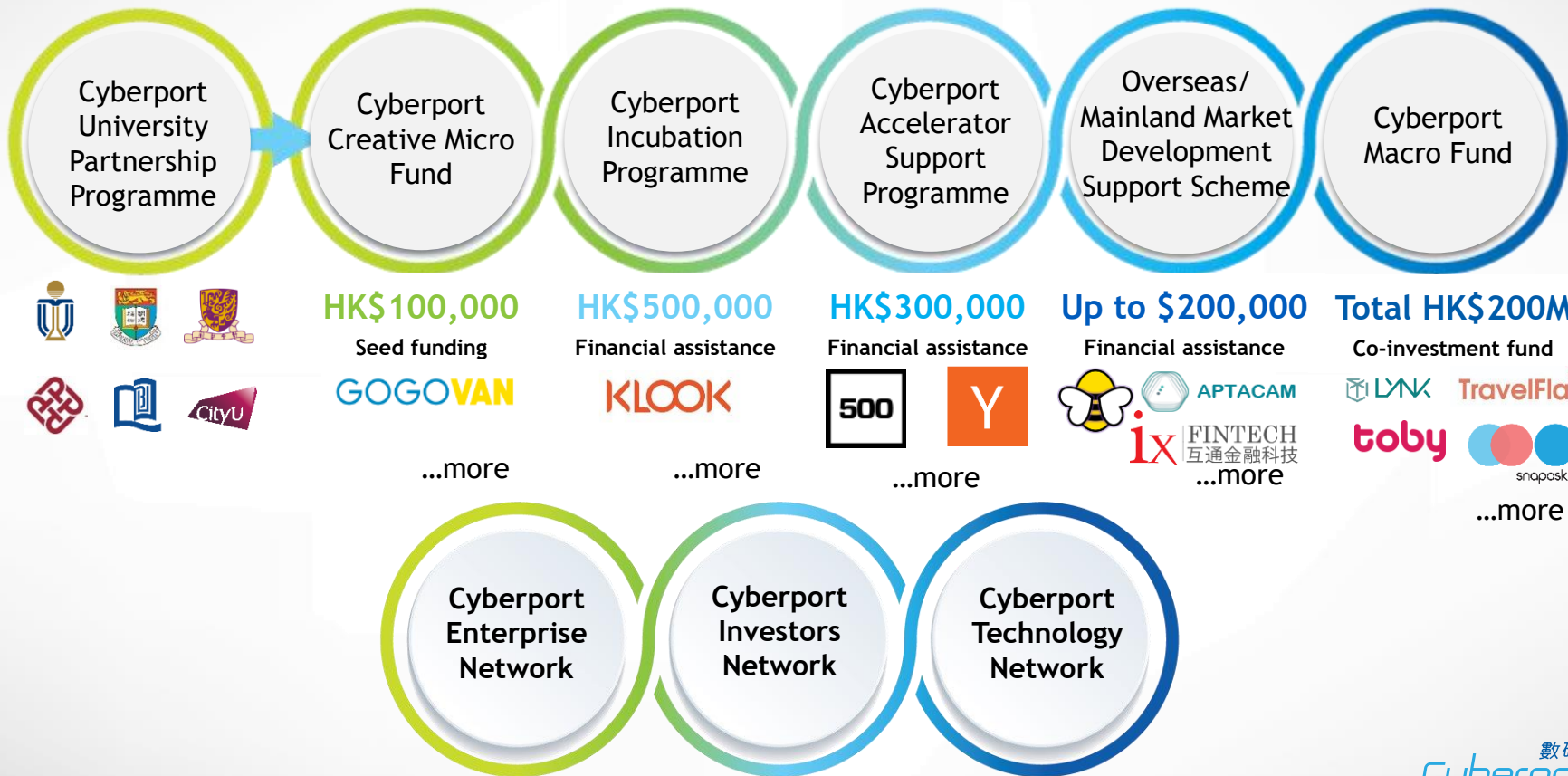
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Your Springboard to Success

# Creating an entrepreneur conducive environment





**Your Springboard to Success!**

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