



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref. : B1/15C
B9/67C

15 November 2024

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Promotion of Mobile Point-of-Sale (POS) Terminals

Mobile POS terminals (or other similar devices) of payment card merchants allow cardholders to effect payments by swiping or tapping their payment cards at the terminals in person without their payment cards leaving their hands and their sightline, instead of handing the cards over to the staff of the merchants for processing where the payment cards will leave the hands of the cardholders for a while. Such payment mechanism empowers the cardholders to have more control over their cards such that payment card transactions can be completed more securely and conveniently.

The Hong Kong Monetary Authority (HKMA) encourages the use of mobile POS terminals, or any devices with functions equivalent to mobile POS terminals which allows customers to effect payments by swiping or tapping their cards in person. In respect of the related measure (number 7) on mobile POS terminals in the circular issued on 20 June 2023 on “Major Enhancements on Protection of Payment Card Customers”, the HKMA has gathered information from Authorized Institutions which provide merchant acquiring service to payment card merchants (hereafter called “merchant acquiring banks”) on the use of mobile POS terminals, and identified the following sound practices to which banks may draw useful reference for promoting usage of mobile POS terminals by their merchants:

- (a) Some banks proactively provide or deploy mobile POS terminals to newly acquired merchants.

- (b) There are also banks actively replacing conventional POS terminals with mobile POS terminals upon merchants' service requests, e.g. when the existing terminals become malfunctioned.
- (c) Some banks have introduced financial and/or non-financial measures to their merchants (e.g. free demonstration or trial of mobile POS terminals) to incentivise the use of mobile POS terminals.
- (d) A few banks have also noted that there are merchants which may not be receptive to mobile POS terminals (for reasons like network stability, inadequate understanding of the terminals, or reluctance to make changes to existing operations). To ease the merchants' concerns, these banks provide technical support on installation, connection and usage of mobile POS terminals, provide alternative POS solutions, etc.

The HKMA welcomes the above initiatives taken by banks. In order to expand the coverage of mobile POS terminals as far as practicable, merchant acquiring banks are encouraged to make reference to the above practices as well other measures deemed appropriate to promote mobile POS terminals to their merchants. In circumstances where merchants have hesitation about using mobile POS terminals, banks are encouraged to proactively understand their concerns, provide necessary assistance with a view to helping address practical difficulties of the merchants, e.g. understanding their practices and arrangements as well as any hurdles deterring the merchants from adopting mobile POS terminals. Banks are also encouraged to continue exploring different mobile POS solutions to offer diversified choices for merchants with different needs.

To sustain the effort of promoting the use of mobile POS terminals in Hong Kong, the HKMA will engage the merchant acquiring banks on surveys to collect relevant statistics.

Should you have any questions regarding this circular, please send them to consumerprotection@hkma.iclnet.hk.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

c.c.: The Chairman, The Hong Kong Association of Banks
The Chairman, The DTC Association
Secretary for Financial Services and the Treasury (Attn: Mr Justin To)