



**HONG KONG MONETARY AUTHORITY**

**GRANTING OF VIRTUAL BANKING  
LICENCES**

**27 March 2019**



# Policy Objectives

- **To promote development of fintech and innovation in Hong Kong**
- **To offer new customer experience**
- **To promote financial inclusion**



# Approval Process

- Published a revised Guideline on Authorization of Virtual Banks on 30 May 2018
- Received a total of 33 virtual banking applications as of 31 August 2018
- 11 applicants did not submit sufficient information on certain critical aspects



# Approval Process

- Considered substantially complete applications based on the following 4 principles:
  - (i) Whether the applicant has adequate financial, technological and other related resources to operate virtual banking business;
  - (ii) Whether the applicant's business plan is credible and feasible and able to provide new customer experience and to promote financial inclusion and the development of fintech;
  - (iii) Whether the applicant has in place or is able to put in place appropriate IT platform to support its business plan; and
  - (iv) Whether the applicant is able to start operation early when granted a virtual banking licence.
- Shortlisted 8 applications for the next stage of detailed due diligence



# Granting of Licences

- HKMA granted three licences today
- Actively processing the remaining five applications



# The Three Licensed Institutions

- **Livi VB Limited**

- A joint venture set up by BOC Hong Kong (Holdings), JD Digits and Jardines
- BOC Hong Kong (Holdings) has a 44% shareholding
- JD Digits has a 36% shareholding
- Jardines has a 20% shareholding



# The Three Licensed Institutions

- **SC Digital Solutions Limited**

- A joint venture set up by Standard Chartered Bank (Hong Kong), PCCW, HKT and Ctrip Financial
- Standard Chartered Bank (Hong Kong) has a 65.1% shareholding
- PCCW and HKT have a 25% shareholding
- Ctrip Financial has a 9.9% shareholding



# The Three Licensed Institutions

- **ZhongAn Virtual Finance Limited**
  - A company set up by ZhongAn Online and Sinolink Group through a joint venture
  - ZhongAn Online has a 51% shareholding
  - Sinolink Group has a 49% shareholding





# Preparations Prior to Commencement of Business

- The virtual banks intend to launch services within 6-9 months
- To complete a range of preparatory work to meet supervisory expectations before commencing business
- Preparations prior to commencement of business include:
  - Testing of IT platform and system
  - Finalisation of detailed risk management measures and controls
  - Setting up remote account opening procedures & AML/CFT controls
  - Human resources