

UK And Hong Kong Sign Cooperation Agreement

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FinTech companies and other innovative financial businesses will be given help to establish overseas operations in the UK and Hong Kong by regulators in those countries under a new cooperation agreement signed in London on 9 December 2016. Under the agreement, the UK's Financial Conduct Authority (FCA) and the Hong Kong Monetary Authority (HKMA) will "refer to each other innovator businesses that would like to operate in the other authority's jurisdiction".

Upon a referral being received, the FCA or HKMA both intend to "assist the innovator businesses in understanding the regulatory regime" that they oversee and explain "how such regimes may be relevant" to those companies. The agreement also confirms that the FCA and HKMA intend to "share information about innovations in financial services in their respective markets", such as on emerging trends and regulatory issues pertaining to innovation. The FCA and HKMA may also pursue "joint innovation projects on the application of novel financial technologies", share expertise and knowledge, and facilitate staff secondments to one another, under the new cooperation agreement.

The FCA has already signed similar cooperation deals on FinTech with regulators in Australia, Singapore, South Korea, and China.

The FCA launched 'Project Innovate' in October 2014, with the objective of encouraging innovation in financial services in the interests of consumers by supporting innovator businesses with a range of services. This is closely tied to the FCA's objective of promoting effective competition in the interests of consumers. Project Innovate is led by the FCA's Innovation Hub.

The HKMA established the FinTech Facilitation Office (FFO) to facilitate the development of the FinTech ecosystem in Hong Kong and to promote Hong Kong as a FinTech hub in Asia. The roles of the FFO include acting as a platform for exchange of ideas and initiatives; an interface between market participants and the HKMA; and an initiator of relevant industry research.

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