



Press Release

## **FSDC releases report**

**“Embracing Digital ID: Accelerating Digital Transformation in Hong Kong's Financial Services Industry”**

**Hong Kong, 28 June 2024** – The Financial Services Development Council (FSDC) today released a research report titled “Embracing Digital ID: Accelerating Digital Transformation in Hong Kong's Financial Services Industry”.

The rapid expansion of the digital economy, driven by the widespread adoption of digital channels, has positioned digital identity (ID) solutions as a critical enabler for Hong Kong's financial services industry. These systems enhance transaction security, improve efficiency, and increase inclusivity. By fostering innovation and complying with regulatory standards, digital ID solutions are instrumental in strengthening the city's status as a leading international financial centre.

“Hong Kong has consistently demonstrated its commitment to driving technological advancements over the years. The directions announced in 2023 Policy Address, along with measures implemented by relevant public sector stakeholders, highlight the city's strategic approach to propelling its digital economy forward. Through these initiatives, Hong Kong continues to reinforce its role as a leading international financial centre and a technological innovation hub.” said Laurence Li SC, Chairman of the FSDC. “As Hong Kong progresses, it is crucial to prioritise digital ID opportunities and ensure that our digital infrastructure and regulatory frameworks are robust to support this transformative journey. Digital ID solutions are at the core of this expansion, facilitating secure and efficient online engagements. It is essential for Hong Kong to thrive in the evolving global landscape.”

The paper presents key recommendations to foster an ecosystem conducive to the development and adoption of digital ID systems, with a focus on driving innovation and collaboration within the financial services industry. The policy recommendations include (i) exploring full-fledged implementation of the iAM Smart initiative and supporting the development of private digital ID wallets; (ii) establishing a trust framework for the digital ID ecosystem; (iii) enabling



interoperability through enhanced infrastructure and legal frameworks; (iv) harmonising digital ID standards for seamless cross-boundary interactions; and (v) promoting trusted digital ID adoption and enhanced educational engagement.

The full version of the report can be downloaded from the FSDC website: [www.fsd.org.hk](http://www.fsd.org.hk).

### **About the FSDC**

The FSDC was established in 2013 by the Hong Kong Special Administrative Region Government as a high-level, cross-sectoral advisory body to engage the industry in formulating proposals to promote the further development of the financial services industry of Hong Kong and to map out the strategic direction for the development.

The FSDC has been incorporated as a company limited by guarantee with effect from September 2018 to allow it to better discharge its functions through research, market promotion and human capital development with more flexibility.

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