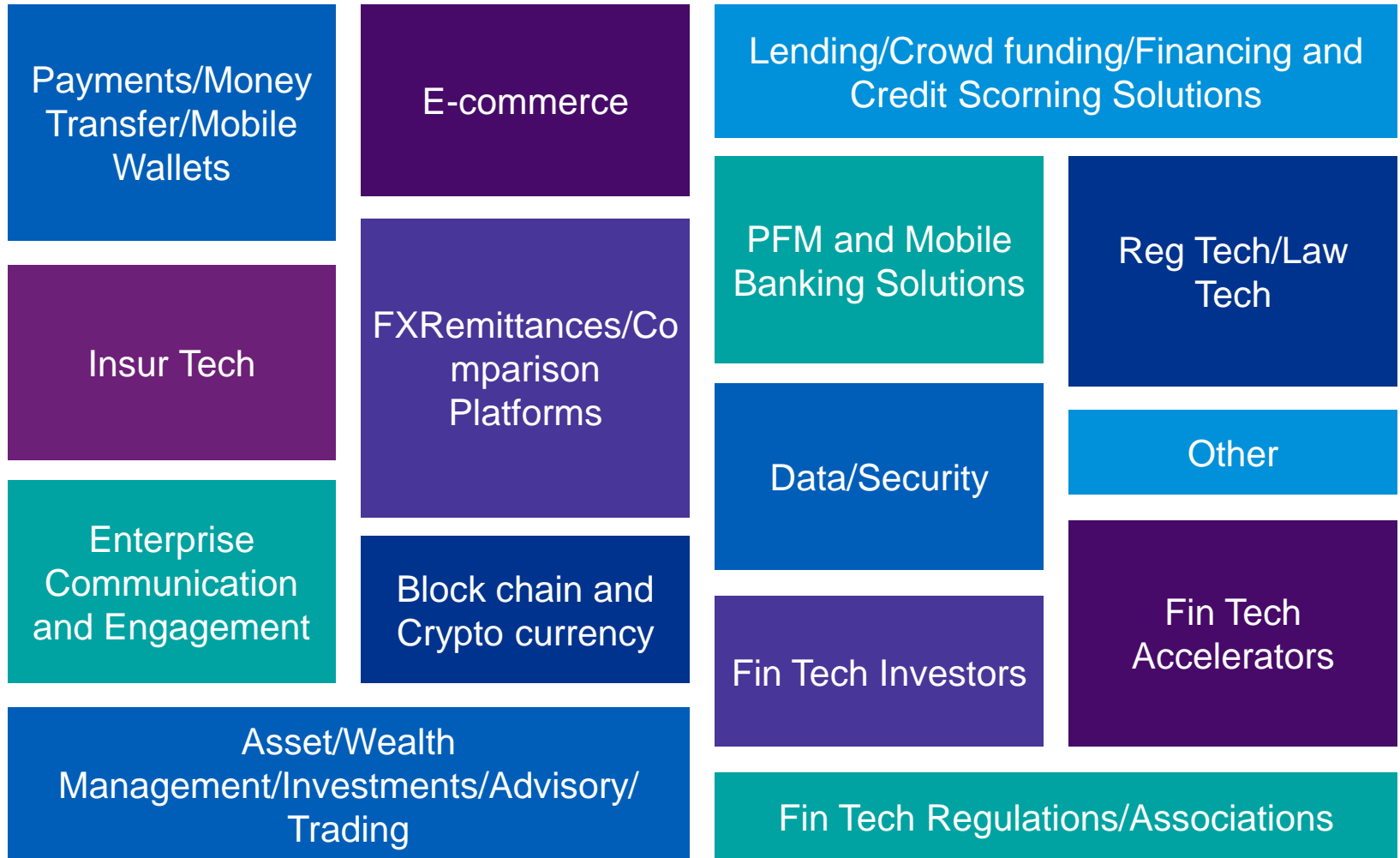




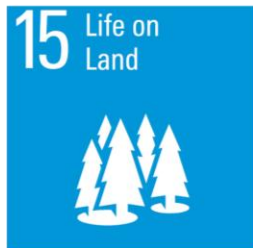
Fintech: Unleashing a sustainable development revolution



Hong Kong Fin Tech Ecosystem



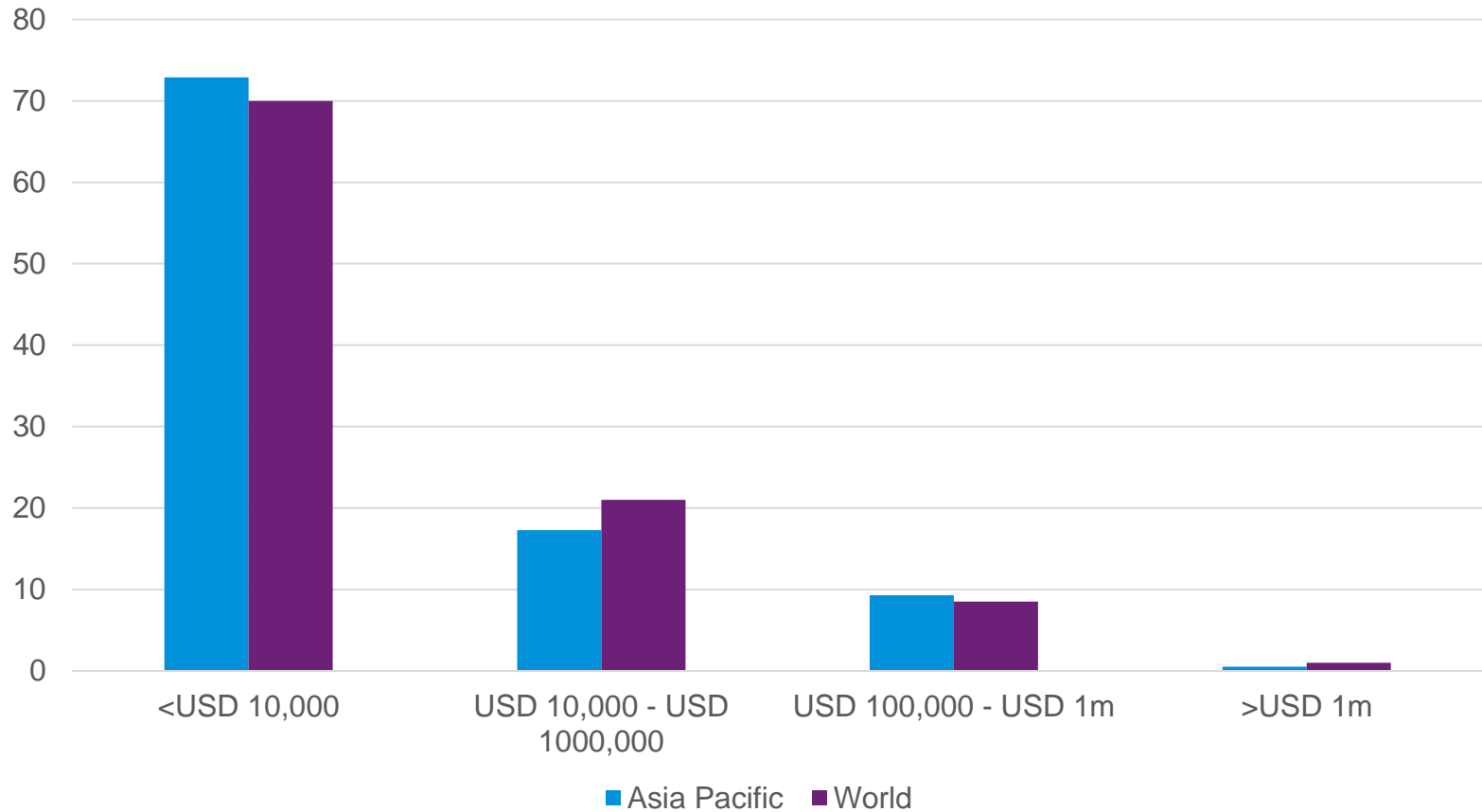
Fintech and SDGs



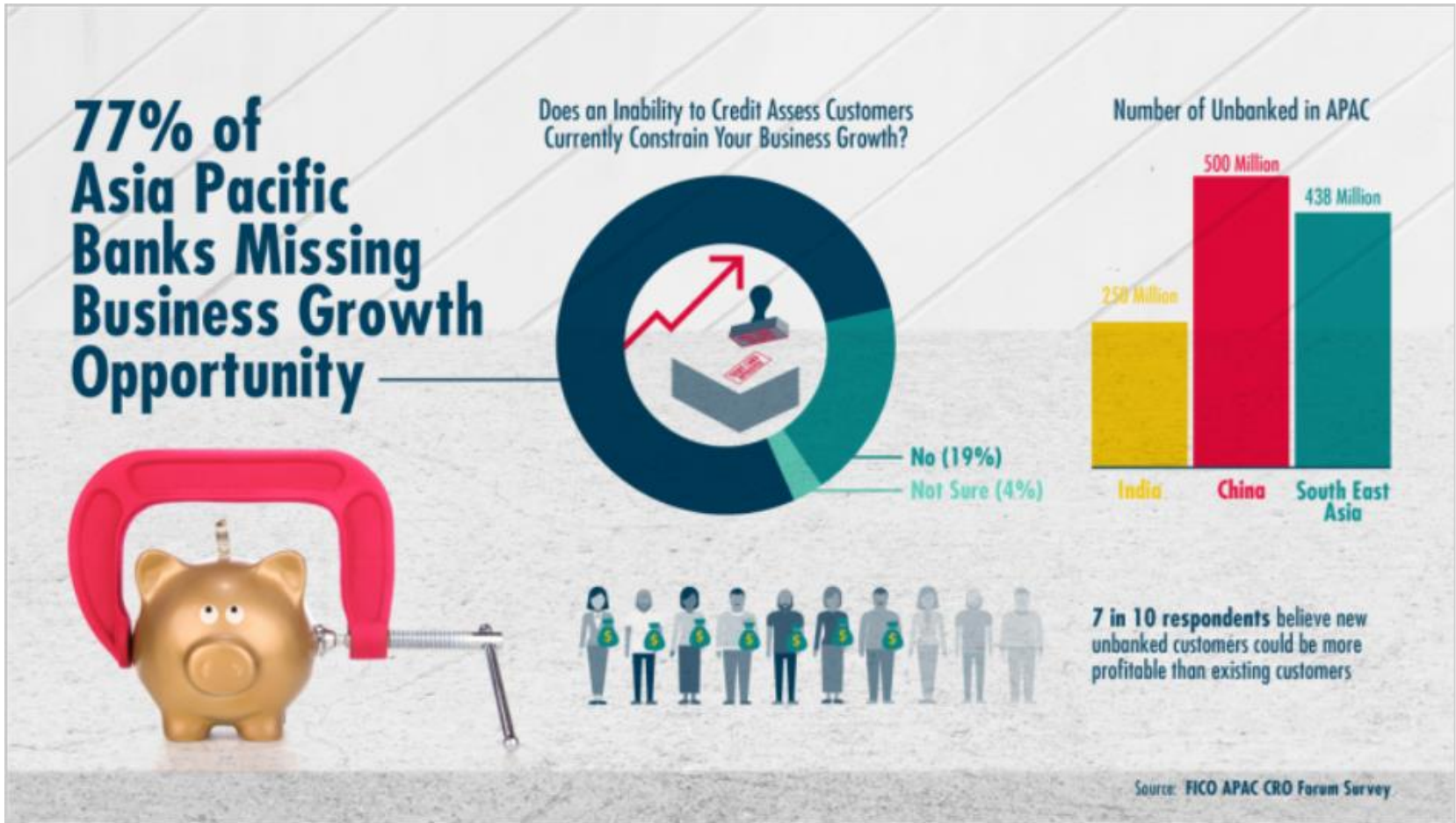
Note:
The highlighted boxes indicate areas where fintech is having the most impact

Wealth gap

Wealth distribution relative to world (in %)



Banking the unbanked



Yuebao example

Chinese money market fund becomes world's biggest

Alibaba-owned Yu'e Bao, meaning leftover treasure, has \$165bn under management



© Bloomberg
Louise Lucas in Hong Kong APRIL 27, 2017

A money market fund set up by a Chinese tech company as a repository for leftover cash from online spending has emerged as the world's biggest, with \$165.6bn under management.

Alibaba's four year old Yu'e Bao fund – the name translates as leftover treasure – has overtaken JPMorgan's US government money market fund, which has \$150bn.

Risks and opportunities

Opportunities

- Huge market potential
- Serving the bottom of the economic pyramid
- Financial services penetration to significantly increase
- Helping developing economies to leapfrog into the digital age

Risks

- Lack of regulatory framework
- Fraudulent operators
- Financial literacy concerns
- Cybersecurity
- Risk of financial crisis creation

Sandbox developments



Defining fintech sandboxes

A physical and/or virtual environment that allows companies to test financial technologies within a pre-defined set of rules or policies.

Companies can conduct trials or pilot tests in a sandbox for a specific time, preparing and refining their technologies solutions for their products and services before launching into the market.

The major characteristic of a sandbox is its ability to test new technologies in a controlled environment, which limits the negative disruption they could cause in the event of errors or issues arising. It therefore strikes a balance between a regulator's intention to let the fintech industry develop without too much government intervention and the need to mitigate potential risk.

Source: KPMG research

Conclusion





Thank you



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