



In-depth Study on the Introduction and Application of e-HKD in Hong Kong

GROUP

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Introduction

- ✓ Rapid retail CBDC development around the world.
- ✓ HKMA launches e-HKD+ to investigate the possibilities of issuing e-HKD for individuals or businesses.
- ✓ Retail CBDC can transform financial systems and enhance payment efficiency.

Research Objectives

- 1 To provide suggestions for banks to introduce e-HKD.
- 2 To identify potential applications of e-HKD.

Methodology

Literature Review

- e-HKD development
- e-CNY applications
- Project Sela findings

Survey

Collected 81 responses, aimed to gauge public perception of e-HKD.

Interview

Follow-up interview with survey participants.

Result & Discussion

Use of Access Enablers (AEs)

- Provide direct access to end users without ever holding or controlling their retail CBDC balances.
- Able to from an accessible, scalable and secure retail CBDC system.

Functions

Onboard customers, endorse transaction requests, and ensure the security of the blockchain ledger.

E-CNY applications

Province	Applications
Beijing	Transport
Chongqing	Trade settlements with Singapore
Jiangsu	Wage payment for civil servant
Shenzhen	Subsidy disbursements
Tianjin	Port logistics

E-CNY wallet allows different levels of KYC, offering a variety of anonymity.

Survey and Interview

- Respondents lack knowledge about CBDC.
→ Public education initiatives on e-HKD is needed.
 - Positive attitude on retail usage
→ Possibility on using e-HKD for B2C transactions.
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- Cross border transactions need resolution.
 - Seeking improvement in current daily payments.

Challenges Identified

- Challenging to research e-HKD, as it has not yet been issued in HK.
- Retail CBDC is a relatively new concept that does not have many real-life applications.

Future Research Directions

- Further research to address the cybersecurity and compliance concerns associated with e-HKD.
- A post-implementation study on e-HKD to explore its successes and failures if implemented.

Conclusion

- ✓ From a retail perspective, e-HKD can enhance payment system efficiency and security through the use of AEs, addressing cybersecurity and compliance.
- ✓ Applications include transportation, tax payments, delivery subsidies, and cross-border payments.
- ✓ Successful rollout requires public education and incentives to encourage user adoption.