# Hong Kong Seminars Focus on SME Support and Web3 Subcommittee Creation



**Hong Kong Hosts Banking Seminar for SME Support Initiatives**

The Hong Kong Monetary Authority (HKMA), in collaboration with the Hong Kong Association of Banks and the Chinese Banking Association of Hong Kong, concluded a seminar focusing on banking sector support for small and medium-sized enterprises (SMEs). The event, held on June 24, 2024, brought together 200 representatives from banks, trade associations, chambers, and SMEs. Discussions covered financial technology for easier bank financing and SME business transformation.

Arthur Yuen, Deputy Chief Executive of the HKMA, delivered welcome remarks, alongside Frank Fang, Acting Chairperson of the Hong Kong Association of Banks, and Ronick Chan, Vice Chairman of the Chinese Banking Association of Hong Kong. The seminar aimed to enhance understanding of SMEs’ needs and raise awareness of support measures. Since the introduction of nine SME support measures on March 28, 2024, around 7,000 SMEs have benefited, with an aggregate credit limit exceeding HK$15 billion.

**Hong Kong Legislature Creates Web3 and Virtual Asset Subcommittee**

The Legislative Council of Hong Kong has established a Subcommittee on Web3 and Virtual Asset Development. Announced by LegCo member Johnny Ng Kit-Chong, the subcommittee aims to create regulatory and technological infrastructure supporting Web3 technologies. The effort includes balancing foundational technologies with regulatory measures and cooperating with national initiatives.

The subcommittee will also focus on integrating artificial intelligence with Web3 technologies and improving AI regulatory systems. It seeks policy recommendations for decentralized autonomous organizations (DAOs) and strategies to cultivate talent within the Web3 ecosystem.

Additionally, the subcommittee aims to enhance virtual asset investor protection through robust regulatory frameworks, addressing potential uses and risks of stablecoins, and exploring appropriate custody methods and regulations.

**Global Input and Regulatory Framework**

The subcommittee is calling for input from global industry players to shape comprehensive Web3 policies. This feedback will be presented to the government through the Legislative Council platform. The initiative also emphasizes international cooperation to position Hong Kong as a global Web3 hub.

In July 2023, the Hong Kong government launched a team comprising industry stakeholders and government officials to guide ethical Web3 development. However, interest in operational licenses from cryptocurrency exchanges has decreased, with IBTCEX and QuanXLab retracting their applications in May 2024.

**Regional Developments**

In neighboring Taiwan, 24 cryptocurrency firms founded the Taiwan Virtual Asset Service Provider (VASP) Association on June 13 to promote self-regulatory rules for the digital asset industry. In Singapore, authorities classified cryptocurrency-related operations as “higher risk” for money laundering, urging the banking industry to strengthen procedures against financial fraud.