**The country’s central bank – The Hong Kong Monetary Authority (HKMA) – sees no sense in having its own digital currency given that already existing infrastructure is quite robust and efficient.**

In the latest report coming from Hong Kong, the Hong Kong Treasury has said that the country’s central bank – The Hong Kong Monetary Authority (HKMA) – has absolutely no plans at the moment to issue its own central bank digital currency (CBDC).

Mr. Joseph Chan, Acting Secretary for Financial Services and the Treasury, said that the central bank currently finds no needs to have a central bank digital currency in place given the fact that its existing infrastructure is quite robust and efficient. Mr. Chan said this during a recently held [council meeting](https://www.info.gov.hk/gia/general/201805/30/P2018053000387.htm?fontSize=1) with the legislators of Hong Kong. However, he refused to comment anything on whether the country recognizes cryptocurrencies as legal tender or not.

Mr. Joseph Chan said:

*“The HKMA has carried out research on CBDC. At the same time, the HKMA notes that the benefits of CBDC and its efficiency gains will depend on the actual circumstances of a jurisdiction. In the context of Hong Kong, the already efficient payment infrastructure and services make CBDC a less attractive proposition. The HKMA has no plan to issue CBDC at this stage but will continue to monitor the international development.”*

This statement from the acting secretary was also confirmed by another official from the HKMA who refused to comment anything further on this matter. Chan further said that the Committee on Payments and Market Infrastructures (CPMI) — formed by the members from the PBoC and the HKMA – in collaboration with the Markets Committee (MC) of the Bank for International Settlements have been recently studying the effects of CBDC. Their latest study finds that “currently proposed implementations of CBDC for wholesale payments look broadly similar to, and not clearly superior to, existing infrastructures. CBDC that could be made widely available to the general public and serve as an alternative safe, robust and convenient payment instrument raises important questions and challenges that would need to be addressed.”

The report further states that the efficiency of the existing private retail payment products could curtail the benefits of CBDC making it “a subject which requires further study and more proof-of-concept work to ascertain its feasibility for payment applications.”

Mr. Chan also highlighted the issue regarding trading of digital currencies through anonymous accounts which pose a great risk of illicit activities like money laundering. He stressed the issue that the businesses operating in the crypto-space need to perform proper checks with respect to Know-Your-Customer (KYC) and Anti-Money-Laundering (AML). Additionally, Hong Kong’s regulatory watchdog – Securities and Futures Commission (SFC) – also warned exchanges that they shouldn’t be supporting tokens that could be considered as securities.

In a concluding note, Chan said that the government will further monitor the developments around the Initial Coin Offerings ([ICOs](https://www.coinspeaker.com/category/news/ico/)) and digital currencies to “protect the interest of the investing public” in Hong Kong.

However, a number of countries in Europe like the Switzerland and Norway are experimenting with having its own state-backed digital currency. Much recently, U.K’s central bank – The Bank of England – has also expressed interest towards the matter.