

# Research on the Construction of Digital Global Top International Financial Centers under the Strategy of Financial Power

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**Abstract:** The world's top international financial centers are rapidly developing towards diversification, intelligence, greenness, and openness. These centers not only broaden their business scope to cover emerging fields such as fintech and green finance, but also leverage advanced technology to improve service efficiency and quality, and reduce operating costs. They actively promote green financial products and services, providing strong support for the development of the global green economy. Openness is also an important development trend for these centers, as they strengthen cooperation with financial centers in other countries and regions to jointly promote the opening and integration of financial markets. This cooperation not only helps to share experiences and resources, but also jointly addresses global financial challenges and promotes the improvement of the global financial governance system. The development of the world's top international financial centers also faces some challenges. These centers need to continuously strengthen their own construction, enhance their financial innovation capabilities, improve their financial regulatory system, strengthen international cooperation and exchanges, in order to cope with future challenges and opportunities. The development trend of the world's top international financial centers is full of opportunities and challenges, and they need to constantly innovate and progress to better serve the prosperity and development of the global economy.

## 1. Introduction

The importance of the strategy of becoming a financial powerhouse is reflected in multiple aspects, which has a profound impact on a country's economic development and international status[1]. Financial powers are owners of widely accepted and widely used financial infrastructure worldwide, as well as international financial centers with systemic influence[2]. Such countries play a crucial role in global resource allocation, as their financial markets and institutions can attract significant international capital flows and promote global economic prosperity and development. Financial powers also play an important role in the international monetary system, financial markets, and international financial affairs, exerting substantial impacts on international trade, investment, and capital flow patterns[3].

The soft power of financial powers is mainly reflected in their financial innovation capabilities and international influence in the global financial system. In the era of digital economy, financial powers are in a leading position in emerging financial technology fields such as big data, cloud computing, blockchain, artificial intelligence, etc., promoting the progress and innovation of global financial technology. In addition, a strong team of financial talents is also an important support for financial innovation capabilities, providing a continuous source of talent power for the country's financial development[4].

A sound financial system, laws, regulations, and regulatory standards are important manifestations of soft power, and are the core elements that determine the international competitiveness of finance and the influence of rules[5]. A country with a sound financial regulatory system can better protect the interests of investors, maintain financial market stability, and thereby enhance its position and influence in the international financial system.

The strategy of becoming a financial powerhouse is crucial for any country pursuing economic prosperity and international status[6]. By strengthening its own financial infrastructure, enhancing

its financial innovation capabilities, and improving its financial regulatory system, a country can gradually develop into a globally recognized financial powerhouse, thereby making greater contributions to the stability and prosperity of the global economy[7].

In November 2023, China first proposed to build a "financial powerhouse", stating that "the centralized and unified leadership of the Party is the fundamental guarantee", "serving the real economy is the fundamental purpose", "preventing and resolving financial risks is the eternal theme", "comprehensively strengthening financial innovation and development", and "coordinating the promotion of financial openness and security"; Its Chinese characteristics include the centralized leadership of the Party in finance, inclusive finance, and technology finance, with three major characteristics of marketization, rule of law, and internationalization. On March 5, 2024, China first proposed the development of "new quality productive forces": it is characterized by innovation playing a leading role, breaking away from traditional economic growth models, and developing productive forces in a path that is characterized by "high technology, high efficiency, and high quality". It is an advanced productive force that conforms to the new development concept; Therefore, it is necessary to build a complete legal system and a stable law enforcement environment, a relaxed innovation environment, a strong ability to prevent and resolve risks, an efficient financial market infrastructure, an international business environment, and the alignment of financial regulation with international standards. Especially, actively embrace and utilize financial technology, promote its application and development, enhance the competitiveness of the financial ecosystem, and promote financial innovation and service efficiency improvement. This provides new methods and means for financial powers.

## **2. The Necessity of Building a Digital Global Top International Financial Center**

Building the World's Top Digital International Financial Center (WTDIFC) is an important part of achieving a financial powerhouse. China's existing international financial centers, such as Shanghai, Hong Kong, Shenzhen, and Beijing, need to work together to enhance the quality and efficiency of financial services through strengthening financial technology, and help China transition from "following, catching up, and surpassing" to "leading, benchmarking, and leading". To achieve this, it is necessary to have a top-level policy and institutional design, clarify the latest development trends of high-end international financial centers worldwide, clarify the evaluation index system of WTDIFC, understand the existing policy and institutional designs of developed IFCs such as Europe and the United States, and be aware of the advantages and gaps between China and developed country IFCs, and then adopt corresponding development strategies and policy systems.

The necessity of building a digital global top international financial center stems from profound considerations from multiple dimensions[8]. It is not only related to the long-term development of the national economy, but also the key to enhancing international competitiveness. In today's digital wave sweeping the world, the financial industry, as the core of modern economy, its digital transformation has become the trend. Building a digital world-class international financial center means applying the most advanced digital technology to the financial field, achieving intelligence, efficiency, and convenience in financial services. This can not only significantly improve the efficiency and accuracy of financial transactions, reduce transaction costs, but also provide more high-quality and personalized financial services for enterprises and individuals, promoting financial inclusiveness.

The construction of a digital world-class international financial center is of great significance for the long-term development of the national economy[9]. As a gathering place for funds, information, and talent, financial centers play an irreplaceable role in attracting international capital, promoting industrial upgrading, and promoting technological innovation. By building a digital financial center, we can further attract outstanding financial institutions and talents from around the world, promote the agglomeration and development of the financial industry, and provide strong support for the country's economic transformation and upgrading.

Building a digital world-class international financial center is also the key to enhancing a

country's international competitiveness. In today's increasingly deepening globalization, competition in the financial sector has become an important component of comprehensive strength competition among countries. A country with a digital global top international financial center can not only better integrate into the global financial system and enhance the international influence of financial services, but also play a more active role in international financial rule setting, financial risk management, etc., thereby enhancing the country's international discourse power and competitiveness.

The necessity of building a digital global top international financial center is evident. It is not only a necessary requirement to adapt to the development trend of the digital age, but also a key measure to promote the long-term development of the national economy and enhance international competitiveness. Therefore, we should actively promote the construction of digital financial centers, strengthen financial infrastructure construction, enhance financial innovation capabilities, improve financial regulatory systems, and lay a solid foundation for building a top international financial center in the digital world. Table 1 clearly demonstrates the necessity of building a digital world-class international financial center[10].

Table 1 Necessity of Building a Digital Global Top International Financial Center

Dimension	Elaborate on	Influence factor	Action direction
Digitalization and Financial Industry Transformation	The financial industry is facing the trend of digital transformation	The digital wave is sweeping across the world	Applying Digital Technology to Improve the Quality of Financial Services
Financial transaction efficiency and accuracy	Digital transformation will improve the efficiency and accuracy of financial transactions	Reduce transaction costs	Using advanced technology to optimize the trading process
Financial service quality	Digital transformation can provide high-quality and personalized financial services for enterprises	Diversified customer needs	Innovate financial service models to meet customer needs
Long term economic development	The digital financial center is of great significance for the long-term development of the national economy	Industrial upgrading and technological innovation	Utilize financial center resources to promote economic transformation
Enhancing international competitiveness	Having a digital financial center can enhance a country's international competitiveness	Global competition	Strengthening international cooperation and enhancing international financial influence
Requirements of the digital age	Building a digital financial center is an inevitable trend in the development of the times	Technological progress and market demand	Adapting to the trend of the times and strengthening digital construction
Financial industry agglomeration	Attracting global financial institutions and talents, promoting industrial agglomeration	Development of financial markets	Creating a Good Financial Ecological Environment
Financial infrastructure construction	Strengthening infrastructure construction is the foundation of digital financial centers	Technical support, system stability	Invest resources to improve financial infrastructure
Financial innovation capability	Financial innovation is the key to the development of digital financial centers	Market demand and technological progress	Encourage innovation and provide policy support
Financial regulatory system	A sound regulatory system ensures the stable development of digital financial centers	Risk control and market stability	Establish a sound financial regulatory mechanism

### **3. The current development status and trends of the world's top international financial centers**

#### **3.1 Development Status of Global Top International Financial Centers**

##### **3.1.1 Current Development Status of International IFC**

On September 28, 2023, the UK think tank Z/Yen Group and the China (Shenzhen) Institute of Comprehensive Development jointly released the 34th Global Financial Center Index Report (GFCI 34). The top five international financial centers in the world are New York, London, Singapore, Hong Kong, and San Francisco. In the 2023 Xinhua International Financial Center Development Index, the top 5 international financial center cities are New York, London, Shanghai, Hong Kong, and Singapore. The old advantages of New York and London remain unchanged, while the rising star Singapore's status is remarkable. In addition, international financial centers such as Tokyo should not be underestimated.

(1) New York International Financial Center. As the world's number one international financial center city, New York has about 600 fintech companies. In addition to occupying a leading position in the traditional securities market for a long time, local venture capital also invests in startups, e-commerce, enterprise software, cloud computing, fintech, and other industries. In 2023, the center ranked first in all eight sub industry indicators (Mao Xuncheng, 2024), and its development experience deserves special attention.

(2) London International Financial Center. The City of London accounts for 3% of the UK's GDP, and 75% of the Fortune Global 500 companies have established branches or offices here, with the world's largest foreign exchange market, insurance market, gold market, and carbon trading market. From 2009 to 2018, the digital transformation of the city went through four stages: firstly, building digital infrastructure and promoting the digitization of traditional infrastructure, gathering new resources for digital development of the city; The second is to build a digital infrastructure for the city, successively building a city big data center, city operation system, city dashboard, and city operation center; The third is to promote the utilization of data resources, mainly by consolidating the data foundation; Ensure data availability and enhance the data skills of citizens and government departments; The fourth is to promote data flow, stimulate new driving forces for urban digital development, focus on leveraging the strategic resource position of data, support enterprises to utilize data innovation, create advantages in the data industry and innovation, strengthen data collaboration throughout the city, and build a new model of streamlined and efficient services for the overall government. According to data such as the GFCI34 report, it is still ranked second globally.

(3) Singapore International Financial Center. The scale of Singapore's digital economy reached SGD 106 billion in 2022, accounting for 17.3% of GDP; The scale of the information and communication industry is 33.1 billion Singapore dollars. Singapore ports cooperate with Los Angeles ports and Long Beach ports to establish green and digital shipping corridors; Created an employment skills system centered on engineering training to enhance the employability of green economy; We have built a globally leading national digital trust center to enhance digital security and facilitate cross-border mobility; Built a large language model to meet multicultural and multilingual needs; Launched Artificial Intelligence Strategy 2.0 to enhance economic potential; Continuously adjust and optimize its housing system to further enhance inclusiveness. The expanded digital currency experiment covers four areas: tokenized bank liabilities, wallet interoperability, supplier financing, and institutional payment control. Ant International, Fazz and Grab will launch a pilot around the concept of special currency to facilitate Alipay users to pay to GrabPay merchants. The Enterprise Development Bureau has established overseas sub centers to continuously expand the overseas network of enterprises. Singapore has become an Asian internet celebrity city, thanks to its excellent urban management, stable political system, never absent technological layout, and forward-looking overseas strategies, making it an investment paradise.

(4) Tokyo International Financial Center. In June 2021, Japan announced its National Data Strategy (NDS), laying the foundation for building a digital society; The Digital Department was

established in September. Strict data and privacy protection led to its first adequacy certification by the European Commission in January 2019. As one of the leaders in international data governance, the Trusted Free Flow of Data Initiative (DFFT) was proposed in January 2019, and the Beyond 5G Promotion Strategy Outline was released in June 2020, setting corresponding goals to achieve "Social 5.0"; Holding over 10% of Beyond 5G intellectual property and standardized patent market share, and creating a value of 44 trillion yen (approximately 313 billion euros) before fiscal year 2030. The government promotes Open RAN (Open Wireless Access Network), which enables interconnection and interoperability with equipment and systems from various manufacturers through the opening and standardization of wireless base stations. Bilateral and multilateral contacts have also been established in the digital field, including the United States Japan, European Union Japan, multilateral initiatives in the digital field, and relations with China. Japan is leading multiple multilateral digital initiatives.

### **3.1.2 Development Status of IFC in China**

From a domestic perspective in China, international financial centers such as Hong Kong, Shanghai, Shenzhen, and Beijing rank in the top four.

(1) Hong Kong International Financial Center. Hong Kong is accelerating the construction of an international virtual asset center. In December 2022, cryptocurrency futures will be listed on the Hong Kong Stock Exchange; In terms of financial technology, Hong Kong has focused on launching the Financial Technology Talent Cultivation Program and the Financial Technology Practitioner Training Assistance Pilot Program, as well as launching three experimental projects including the issuance of NFTs, green bond tokens, and digital Hong Kong dollars during the 2022 Hong Kong Financial Technology Week. In October of this year, the Hong Kong Stock Exchange also launched the global carbon trading platform Core Climate, announcing that the construction of Hong Kong's green finance infrastructure is fully underway. The GFCI report shows that it ranks fourth internationally and has been surpassed by Singapore.

(2) Shanghai International Financial Center. As a leader in the integration and innovation of finance and technology, a demonstration model for serving green and low-carbon transformation, and a pilot zone for financial risk management and stress testing, the total number of licensed financial institutions reached 1771 in 2023. The total scale of six major asset management categories by the end of 2022 exceeded 35.9 trillion yuan (excluding fund special accounts and futures asset management), accounting for more than 28.4% of the total scale of asset management in the six major asset management categories nationwide. As of the end of October 2023, the number of financial practitioners exceeded 350000, accounting for 8.9% of the total employed population in Pudong. 32 futures and option varieties by the end of 2022; The New Development Bank of the BRICS countries is becoming an important platform for emerging economies to participate in the reform of the international financial system, and the financial courts are actively optimizing the foreign-related financial trial mechanism, resulting in the widespread influence of the "Shanghai rules". Affected by the epidemic and other factors, the GFCI report shows that its international status has dropped to 7th, with a significant decline.

Shenzhen has shown outstanding performance in the field of financial technology. Its financial market has attracted a large number of high-tech enterprises and innovative financial institutions with its openness and innovation. Currently, it is further strengthening its connection and interaction with the global financial market. Beijing is the financial decision-making and management center of the country, and an important base for financial policy formulation and innovation. Its competitiveness and influence are gradually increasing. Table 2 Development Trends of Global Top International Financial Centers

In short, in terms of number, the number of the world's top international financial centers is increasing. With the further development of global economic integration, more and more countries and regions begin to attach importance to the development of the financial industry, and put forward the strategic goal of building an international financial center. These financial centers not only play an important role as financial hubs in their own countries or regions, but also have a wide impact

around the world.

In terms of quality, the development level of the world's top international financial center is also constantly improving, and the trend of "digitalization, science and technology, green" transformation is very obvious. They have perfect financial infrastructure, advanced financial technology, rich financial products and professional financial talents, and can provide customers with efficient, convenient and safe financial services. These financial centers actively promote financial innovation, explore new financial formats and business models, and inject new impetus into the sustainable development of the financial industry.

In terms of influence, the status of the world's top international financial center is gradually increasing. These financial centers have not only attracted a large number of international capital and financial institutions to settle in, but also actively participated in international financial cooperation and exchanges, and promoted the improvement and development of the global financial governance system. The financial policies, regulations and regulatory standards of these financial centers have also had a significant impact on the stability and development of global financial markets.

The development of the world's top international financial centers is also facing some challenges. With the rapid development of fintech, the traditional financial business has been impacted, and the competitiveness of the financial centers has also been tested. The volatility and uncertainty of the international financial market also bring risks and challenges to the development of the financial center.

The development status of the world's top international financial center shows a vigorous development trend, but it also needs to constantly respond to new challenges and risks. In the future, these financial centers should continue to strengthen the construction of financial infrastructure, promote financial innovation and cooperation, and improve the financial regulatory system to respond to the changes and challenges in the global financial market, and make greater contribution to the sustainable development and prosperity of the financial industry.

### **3.2 Development Trend of the world's top international financial centers**

The development trend of the world's top international financial centers presents characteristics of diversification, intelligence, greenness, openness, and innovation, jointly shaping the future pattern of international financial centers.

Diversification is an important trend in the development of world-class international financial centers. With the continuous development of the global economy and the increasing openness of financial markets, more and more countries and regions are starting to build their own international financial centers, forming a diversified competitive pattern. These financial centers each have their own characteristics, focusing on both traditional financial businesses and emerging fields such as fintech and green finance. This diversified development trend provides a richer range of choices and broader space for global financial markets.

Wisdom is the core driving force for the development of world-class international financial centers. With the rapid development of technologies such as artificial intelligence, big data, and cloud computing, the level of intelligence in financial services is constantly improving. The world's top international financial centers actively introduce these advanced technologies, promote the intelligent upgrading of financial services, and provide customers with more convenient, efficient, and personalized financial services. Intelligent financial centers can not only improve the efficiency and accuracy of financial transactions, but also reduce operating costs and enhance the competitiveness of the financial industry.

Greenization is also an important trend in the development of world-class international financial centers. Faced with the challenges of global climate change and environmental issues, the development of green finance is increasingly valued. The world's top international financial centers actively respond to the call for green development, promote innovation in green financial products and services, and guide capital investment in the fields of green, low-carbon, and sustainable development. These financial centers have promoted the healthy development of green finance

markets and provided strong support for the development of green finance. By establishing green finance institutions, formulating green finance policies, strengthening green finance supervision, and promoting global green economic development.

Openness is also an important direction for the development of world-class international financial centers. In the context of globalization, the openness and cooperation of financial markets have become the trend. The world's top international financial center strengthens financial cooperation with other countries and regions, promotes financial market connectivity, and achieves financial resource sharing and optimization. This open development trend is conducive to enhancing the competitiveness and stability of global financial markets. Table 2 clearly shows the development trends of the world's top international financial centers.

Table 2 Development Trends of Global Major International Financial Centers

Development trends	Describe	Specific performance or impact
Diversification	More and more countries and regions are building their own international financial centers	Forming a diversified competitive landscape, providing richer choices and broader space
Intelligence	The level of intelligence in financial services is constantly improving	Improve the efficiency and accuracy of financial transactions, reduce operating costs, and enhance the competitiveness of the financial industry
Greenization	The development of green finance is increasingly valued	Promote innovation in green financial products and services, and support the development of the global green economy
Openness	The opening up and cooperation of financial markets have become the trend	Strengthening financial cooperation, promoting interconnectivity in financial markets, enhancing global financial market competitiveness and stability
Innovation	Continuously innovating to drive the development of the center	Explore and adopt new technologies, business models, etc. to adapt to and lead changes in the financial market

#### 4. Outlook on the Future Development of Digital Global Top International Financial Centers

Looking ahead to the future development of the world's top international financial centers in digitalization, we can foresee a new era of finance that is full of vitality, efficiency, convenience, and highly interconnected quietly unfolding.

In the future, the world's top digital international financial center will become a leader in financial technology innovation. With the in-depth application of technologies such as artificial intelligence, big data, and blockchain, these financial centers will promote the intelligence, personalization, and refinement of financial services. Emerging industries such as intelligent investment advisory, virtual currency, and digital assets will continue to emerge, providing investors with more diversified and convenient investment channels. At the same time, these technologies will also help financial centers enhance their risk management capabilities, ensuring the stability and healthy development of financial markets.

The digitalization of the world's top international financial centers will further strengthen international cooperation and exchanges. In the context of globalization, the interconnectivity of financial markets has become a trend. Future financial centers will actively cooperate with financial centers in other countries and regions to jointly promote the opening and integration of financial markets. By sharing experiences and exchanging information, these financial centers will work together to address global financial challenges and promote the improvement and development of

the global financial governance system.

The digital world's top international financial center will also place greater emphasis on sustainable development and green finance concepts. Faced with the challenges of global climate change and resource scarcity, the development of green finance has become an important trend in the financial industry. The future financial center will actively promote innovation in green financial products and services, guiding capital towards green, low-carbon, and sustainable areas. By establishing green finance institutions and formulating green finance policies, these financial centers will provide strong support for the development of the global green economy.

Digitizing the world's top international financial centers will also face some challenges and opportunities. With the rapid development of financial technology, traditional financial businesses have been impacted, and competition in financial centers is becoming increasingly fierce. Meanwhile, the volatility and uncertainty of financial markets also pose risks to the stable development of financial centers. However, these challenges also provide opportunities for financial centers to transform and upgrade. By strengthening supervision, improving regulations, and improving service quality, these financial centers will continuously adapt to market changes and technological innovation, achieving more stable and sustainable development.

The future development of digitalizing the world's top international financial center is full of infinite possibilities. We look forward to these financial centers continuing to lead fintech innovation, strengthen international cooperation and exchanges, promote green development, and make greater contributions to the prosperity and development of the global financial industry.

## **5. Conclusions**

Financial innovation and cooperation are important driving forces for the sustained development of the world's top international financial centers. These financial centers should actively explore new financial formats and business models, promote innovation and application of financial technology, and meet the increasingly diverse financial needs of customers. At the same time, strengthening cooperation and exchanges with other international financial centers, jointly promoting the improvement and development of the global financial governance system, is also an important way to enhance the influence of the world's top international financial centers. Improve the financial regulatory system and other aspects to cope with the rapid changes and uncertainties in the global financial market. The construction of financial infrastructure is the key to enhancing the competitiveness of the world's top international financial centers. This includes building an efficient and secure payment and settlement system to enhance the efficiency and convenience of cross-border financial transactions; Strengthen the application of information technology, promote the intelligence and personalization of financial services; And improve the trading rules and mechanisms of the financial market, enhance market transparency and fairness. Improving the financial regulatory system is the cornerstone for ensuring the stable development of the world's top international financial centers. With the continuous innovation of the financial market and the continuous expansion of business, the regulatory system also needs to be constantly updated and improved. These financial centers should establish sound risk management mechanisms, strengthen supervision of financial institutions and markets, and prevent the spread and contagion of financial risks. At the same time, strengthening cooperation with international financial regulatory agencies and jointly addressing global financial challenges is also an important measure to ensure the stable development of the world's top international financial centers.

The development status of the world's top international financial centers is showing a thriving trend, but they also face many challenges and risks. In the future, these financial centers should continue to strengthen their financial infrastructure construction, promote financial innovation and cooperation, and improve their financial regulatory system to cope with the rapid changes and uncertainties in the global financial market, and make greater contributions to the stability and prosperity of the global economy.

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