



HONG KONG MONETARY AUTHORITY

香港金融管理局

Our Ref.: B1/15C

27 July 2020

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Promoting Regtech Adoption in Hong Kong

I am writing to request authorized institutions (“AIs”) to support the HKMA’s upcoming activities aimed at promoting Regtech adoption in the Hong Kong banking sector.

Recognising the growing importance of Regtech, the HKMA has been engaging with the banking industry and technology community to facilitate its adoption since 2018 under the Banking Made Easy Initiative. More recently in November 2019, the HKMA launched a newsletter series, the “Regtech Watch”, providing information on actual or potential Regtech use cases rolled out or being explored in Hong Kong or elsewhere. The ultimate objective is to inspire AIs to adopt innovative technology to enhance the effectiveness of their risk management and regulatory compliance.

With a view to fostering a larger and more diverse Regtech ecosystem in Hong Kong, the HKMA has appointed an external consultant, KPMG Advisory (Hong Kong) Limited (“KPMG”), to assist with organising and rolling out a series of activities to further facilitate the adoption of Regtech. As a first step towards supporting a thriving Regtech ecosystem, the HKMA is taking stock of the current state of Regtech adoption within the banking industry. In this connection, the HKMA, with the help of KPMG, launched a Regtech survey today and will arrange a series of interviews with selected AIs and technology firms to collect their views and insights around Regtech development. The HKMA will then produce a white paper on Regtech based on the results of the survey and the interviews. The white paper will encompass an analysis of the current Regtech landscape, identification of pain points for Regtech adoption, and a roadmap for encouraging Regtech growth and talent development.

We strongly encourage your institution to participate actively in the survey and share your insights during the interviews when called upon to attend one. Should your institution have any questions about this letter, please feel free to contact Mr Alvin Li on 2878-1458 or Mr Patrick Chang on 2878-8561.

Yours faithfully,

Raymond Chan
Executive Director (Banking Supervision)