HONG KONG MONETARY AUTHORITY
香港金融管理局

29 December 2020

The Chief Executive
All Authorized Institutions and Stored Value Facility Licensees

Launch of iAM Smart

Dear Sir / Madam,

I am writing to inform you that the Office of the Government Chief Information Officer (OGCIO) launched the initiative of iAM Smart (formerly known as eID) on 29 December 2020. This circular provides information on the initiative and encourages Authorized Institutions (AIs) and Stored Value Facility (SVF) licensees to actively consider the adoption of iAM Smart.

<u>iAM Smart initiative</u>

As one of the key infrastructure projects for smart city development announced in the 2017 Policy Address, iAM Smart provides all Hong Kong residents with a single digital identity and authentication to conduct government and commercial transactions online. All Hong Kong residents can apply for iAM Smart accounts free of charge on a voluntary basis. Details of the initiative are set out on the iAM Smart website (iamsmart.gov.hk) with major functionalities and applications highlighted in the following paragraphs.

Functionalities of iAM Smart

With an iAM Smart account, users can make use of the biometrics in their personal mobile devices to authenticate their identities, which have been verified against their HKID cards during iAM Smart registration, and log in to online services. As such, users can enjoy convenient access to various online services without the need to manage different groups of usernames and passwords or carry multiple security tokens.

In addition to logging in to online accounts of the government and public / private organisations, iAM Smart supports digital signing with legal backing under the Electronic Transactions Ordinance (Cap. 553) for statutory documents and procedures, as well as conducting important commercial transactions.

iAM Smart users can choose to store commonly used personal data in their own "e-ME" profile so that they can save time and effort by not having to fill in the same data when making different online applications. Data provided by the users will be encrypted and stored in government data centre facilities to protect data security and personal privacy. iAM Smart users may also give consent to provide such data to other entities for different online services.

Applications of iAM Smart

With the launch of iAM Smart platform, over 20 commonly used online government services will be accessible through the platform. It is expected that iAM Smart users will be able to access over 100 online government services through the platform by mid-2021.

To promote the use of iAM Smart in the financial sector, the Hong Kong Monetary Authority (HKMA) has been working with the OGCIO to explore how iAM Smart can assist financial institutions (including AIs and SVF licensees) in providing online financial services. Subject to the progress of the adoption by government online services, and the readiness of the companies in the financial sector to adopt iAM Smart, the OGCIO will arrange for rolling out iAM Smart to these companies.

Consideration on Adoption of iAM Smart

As iAM Smart is a cornerstone for promoting the development of the fintech ecosystem in Hong Kong and transformation to a smart city, AIs and SVF licensees are highly encouraged to consider adopting iAM Smart in their business to enable customers to use online services (such as authentication to log in to online accounts and sign documents) and to conduct online transactions more conveniently and efficiently, without compromising statutory and supervisory requirements.

As mentioned in earlier HKMA circulars[1], iAM Smart may be used to facilitate remote on-boarding of customers. AIs are also welcome to make use of the HKMA Fintech Supervisory Sandbox (FSS) to test a variety of applications leveraging on iAM Smart. AIs are encouraged to discuss potential use cases for iAM Smart with us through the HKMA Fintech Supervisory Sandbox and Chatroom as appropriate. Reservation for Chatroom discussion can be made through emails to chatroom@hkma.gov.hk.   SVF licensees who wish to discuss potential use cases for iAM Smart can do so by reaching out to its usual supervisory contacts.

iAM Smart Sandbox Programmes

To enable private organisations to conduct simulated tests on API functions under iAM Smart, the OGCIO in collaboration with the Cyberport introduced the first phase of Pilot Sandbox Programme for iAM Smart (Phase 1 Programme) in March 2020.   The second phase of the Pilot Sandbox Programme (Phase 2 Programme) was launched in September 2020, for financial institutions intending to adopt iAM Smart to test their applications under an integration testing environment similar to the production setting.

AIs and SVF licensees interested in participating in the iAM Smart Pilot Sandbox Programme are required to submit an application to the Cyberport. Details can be found in the website (https://iamsmart.cyberport.hk).   Should you have any questions on the Pilot Sandbox Programme, please contact the Cyberport at iamsmart@cyberport.hk or 3166 3978. AIs that are interested in participating in the Phase 2 Programme are also encouraged to submit a draft

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[1]   HKMA Circulars :

  "Remote on-boarding of individual customers" issued on 1 February 2019
  (https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2019/20190201e1.pdf)

  "Feedback from recent thematic reviews of Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) control measures for remote customer on-boarding" issued on 3 June 2020
  (https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2020/20200603e1.pdf)

  "Remote on-boarding of corporate customers" issued on 24 September 2020
  (https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2020/20200924e1.pdf)

FSS application form to the HKMA (email: hkma_sandbox@hkma.gov.hk) when enrolling in the Phase 2 Programme with Cyberport to facilitate their development of use cases and compliance with the relevant HKMA supervisory requirements.

The HKMA sees the introduction of iAM Smart as a key milestone in the development of the fintech ecosystem in Hong Kong, and strongly encourages AIs and SVF licensees to support the use of iAM Smart to enhance customers' digital experience and help promote the further development of our smart city.

Yours faithfully,

Colin Pou
Executive Director (Financial Infrastructure)