[Government issues Policy Statement on Responsible Application of Artificial Intelligence in Financial Market (with photos)](#)

The Government today (October 28) issued a policy statement on responsible application of artificial intelligence (AI) in the financial market.

The Financial Secretary, Mr Paul Chan, said, "As an international financial centre, Hong Kong's financial market is open and prudent towards the application of AI. The policy statement clearly sets out the Government's policy stance and approach towards the responsible application of AI in the financial market. As the AI technology is constantly evolving, we will closely monitor market developments, draw on the Mainland and overseas experience, and fully leverage the unique advantages of Hong Kong in bringing together the Mainland and international data as well as the free flow of information, in promoting the use of AI in the financial sector for accelerating the development of new quality productive forces tailored to local conditions."

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "The Government will work hand in hand with the financial regulators and industry players to foster a healthy and sustainable market environment, thereby facilitating the financial institutions to seize the opportunities and adopt AI in a responsible manner. Such efforts will promote the high-quality development of Hong Kong as an international financial centre. There are plenty of AI models and infrastructures available to financial institutions, accounting firms and solution providers. We encourage the financial services industry to make full use of these resources in the market."

Key points of the policy statement are as follows –

1. The Government recognises that the application of AI in the financial services sector has three key attributes, namely data-driven, double-edged, and dynamic. The Government will adopt a dual-track approach to promote development of AI adoption by the financial services sector, while at the same time addressing the potential challenges, such as cybersecurity, data privacy and protection of intellectual property rights;

2. Financial institutions should formulate an AI governance strategy to provide direction on how AI systems should be implemented and used. A risk-based approach should be adopted in the procurement, use and management of AI systems and human oversight will be crucial to mitigating the potential risks;

3. The Hong Kong University of Science and Technology will make its self-developed AI model and its computing resources available to Hong Kong's financial services industry, and offer advisory and training services for on-premises deployment or Application Programming Interface and Web Interface options;

4. As for financial regulatees, the potential risks posed by AI have been suitably reflected in the relevant regulations and/or guidelines issued by financial regulators. To keep pace with the latest developments of AI and international practice, such as the emergence of explainable AI, financial regulators will continuously review and update the existing regulations and/or guidelines as appropriate; and

5. The Police has been exchanging intelligence with international organisation, law enforcement agencies of different jurisdictions, and the AI industry in order to address the challenges on cyber policing posed by AI. On public education, the Investor and Financial Education Council will raise public awareness and enhance understanding on the opportunities and risks presented by AI technology in terms of retail investing and financial management.

The full policy statement can be found in the Annex to this press release.