

HKMA and Cyberport jointly promote use of regulatory technology in anti-money laundering (with photos)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) and Cyberport, supported by Deloitte, co-organised today (July 21) the second Anti-Money Laundering (AML) Regtech Lab (AMLab), which is part of the HKMA's "Fintech 2025" strategy. Building on the first session held last November (Note 1), which explored network analytics capability, the second AMLab focuses on low-barrier, easy-to-implement technologies, such as robotic process automation, low-code/no-code platforms and visualisation tools. These "enabling technologies" allow automation of repetitive and time-intensive processes, managing large volumes of data to draw insights from data analysis to be presented in easily understood formats.

In this AMLab, a group of five small and medium-sized banks collaborated with technical experts to:

1. target common pain points in essential but repetitive AML operations, such as customer due diligence at on-boarding and record keeping;
2. identify applicable technology solutions to address the common pain points and develop business cases for the adoption of "enabling technologies"; and
3. gain hands-on experience with relevant technologies and explore potential use cases to cope with individual circumstances.

A new Regtech Connect session also took place immediately following the AMLab, in which technology companies in Cyberport demonstrated a range of tools and services, connecting with participating banks in open and collaborative discussions regarding the use of AML Regtech.

The Executive Director (Enforcement and AML) of the HKMA, Ms Carmen Chu, said at the AMLab session, "In the digital era, our AML work has to be faster, smarter and more effective. The technologies we have worked with today offer innovative ways to strengthen the capacity of our talent to prevent and detect abuse of bank accounts for fraud and money laundering, and thus safeguarding the stability and integrity of the financial system."

The Chief Public Mission Officer of Cyberport, Mr Eric Chan, said, "Regtech is one of the key focuses of Cyberport's Fintech community. Many of our Regtech start-ups can offer low cost and easily adoptable solutions to accelerate digital transformation of financial institutions. We are delighted to partner with the HKMA and organise the Regtech Connect for banks and start-ups to explore collaboration opportunities, further facilitating the adoption of AML Regtech solutions."

The HKMA and Cyberport will continue to encourage innovation and arrange further AMLabs on other solutions such as Regtech tools for banks' transaction monitoring, in order to share hands-on experience and further enhance capability.

About HKMA

The HKMA is Hong Kong's central banking institution. The HKMA's main functions are: (i) maintaining currency stability within the framework of the Linked Exchange Rate System; (ii) promoting the stability and integrity of the financial system, including the banking system; (iii) helping to maintain Hong Kong's status as an international financial centre, including the maintenance and development of Hong Kong's financial infrastructure; and (iv) managing the Exchange Fund.

About Cyberport

Cyberport is an innovative digital community with over 1 800 members including over 800 on-site and 900 off-site start-ups and technology companies. It is managed by Hong Kong Cyberport Management Company Limited, wholly owned by the Hong Kong Special Administrative Region Government. With a vision to be the hub for digital technology, thereby creating a new economic driver for Hong Kong, Cyberport is committed to nurturing a vibrant tech ecosystem by cultivating talent, promoting entrepreneurship among youth, supporting startups, fostering industry development by promoting strategic collaboration with local and international partners, and integrating new and traditional economies by accelerating digital transformation in public and private sectors.

For more information, please visit www.cyberport.hk.

Note 1: See Press Release dated November 5, 2021:

www.hkma.gov.hk/eng/news-and-media/press-releases/2021/11/20211105-6



