[HKMA developed two-year roadmap to promote Regtech adoption](#)

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

The Hong Kong Monetary Authority (HKMA) has developed a two-year roadmap to promote Regulatory Technology (Regtech) adoption in the Hong Kong banking sector, as laid out in a white paper entitled "[Transforming Risk Management and Compliance: Harnessing the Power of Regtech](#)" (White Paper).

Banks' evolving business models, regulatory initiatives in response, and a challenging external environment continue to drive banks to explore the use of technology to enhance risk management and compliance. Against this backdrop, the HKMA commissioned an external consultant to explore the current state of Regtech in Hong Kong, examine common practices and barriers to adoption, and outline a roadmap to accelerate adoption in the banking sector.

The HKMA's Regtech roadmap is developed with reference to the recommendations in the White Paper. The 16 recommendations span five core areas:

- boosting awareness by issuing practical guidance and organising targeted events;
- promoting innovation among the local and global Regtech community and facilitating access to infrastructure;
- enhancing regulatory engagement with the Regtech ecosystem through ongoing dialogue and collaboration;
- developing the talent pool by formalising a Regtech training and skills framework; and
- sustaining adoption via continued industry engagement and effective tracking of progress.

To implement the recommendations, the HKMA will roll out a series of events and initiatives in the coming two years, including:

- hosting a large-scale event to raise the banking sector's awareness of the potential of Regtech;
- launching a Regtech Adoption Index;
- organising a Global Regtech Challenge to stimulate innovation;
- publishing a Regtech Adoption Practice Guides series;
- creating a centralised Regtech Knowledge Hub to encourage information sharing; and
- establishing a Regtech skills framework to develop talents.

The Deputy Chief Executive of the HKMA, Mr Arthur Yuen, said, "The HKMA has been promoting fintech adoption since the announcement of our seven Smart Banking initiatives in 2017. The resulting development in fintech has been phenomenal. We are now putting the same emphasis on Regtech considering its pivotal role in revolutionising risk management and compliance. The banking

industry should seize the opportunity to capitalise on the benefits of Regtech. The HKMA's two-year roadmap will help to build a thriving ecosystem, transforming Hong Kong into a Regtech hub."

Implementation of the 16 recommendations will reinforce the HKMA's earlier work in promoting Regtech development such as opening up the Fintech Supervisory Sandbox and Chatroom to Regtech projects and ideas in 2018, the "Regtech Watch" newsletter series and the "AML/CFT RegTech Forum" in 2019.

A summary of the White Paper and the consultancy study can be found at the Annex.