

HKMA fosters diversified ecosystem for Anti-Money Laundering and Counter-Financing of Terrorism Regulatory Technology (with photos)

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

The Hong Kong Monetary Authority (HKMA) hosted the first Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) Regulatory Technology (RegTech) Forum today (November 22).

The event gathered various stakeholders in Hong Kong's AML/CFT regime and was attended by around 400 representatives of banks as well as government agencies, financial regulators and law enforcement agencies, together with global experts and firms in the application of technology, including artificial intelligence and data analytics. Participants shared insights in grasping opportunities for the use of innovative technology to enhance the efficiency of both banks and the wider AML/CFT ecosystem.

Welcoming the group, the Deputy Chief Executive of the HKMA, Mr Arthur Yuen, said, "The Forum, building on the positive results of the recent Financial Action Task Force evaluation of Hong Kong's AML/CFT regime, brings together the banking and technology sectors and stakeholders to further enhance effectiveness, which requires vision and aspiration because there are always new and emerging risks; criminals will exploit new technology to create terrible harm."

"The HKMA and the banking sector will continue to contribute to AML/CFT efforts in Hong Kong, and through our supervisory processes, regulations and guidance, we support 'efforts to innovate and fully grasp the benefits of RegTech.'" Mr Yuen added.

In a series of panels and break-out sessions, participants shared experience and expertise in the application of Regtech to AML/CFT work in the banking sector and explored further collaboration among banks and various stakeholders. Three break-out groups, namely "Accelerators", "Enablers" and "Collaborators", will keep up the momentum collectively by focusing on the following efforts in the next six to twelve months:

- "Accelerators": Applying an appropriate assessment framework that assists banks to review AML/CFT processes end-to-end for RegTech adoption and drive changes in the industry;
- "Enablers": Experimenting in "Lab sessions" for software innovations in

areas including transaction monitoring and screening; and

- "Collaborators": Working to fulfill requirements, namely data, analytics, information delivery, collaboration as well as skills and expertise, to further enhance effectiveness of the AML/CFT ecosystem and the positive impacts of information and intelligence sharing.

