

HKMA Launches Global Regtech Challenge

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

The Hong Kong Monetary Authority (HKMA) today (March 25) launched the "Global Regtech Challenge", a competition designed to raise the Hong Kong banking industry's awareness of the potential of Regulatory Technology (Regtech) adoption. The contest is one of the key highlights in the HKMA's [two-year roadmap](#) to promote Regtech adoption in Hong Kong, as laid out in a White Paper entitled "[Transforming Risk Management and Compliance: Harnessing the Power of Regtech](#)" published in November 2020.

The Global Regtech Challenge is created with the aim of further growing the local Regtech ecosystem. Regtech providers from around the world are invited to take part to showcase how their solutions may be applied to the local market to help solve common risk management and regulatory compliance pain points experienced by banks. As part of the research conducted during the development of the White Paper, a set of problem statements reflecting challenges faced by the industry as a whole were identified with the most potential to benefit from further Regtech adoption. Specifically, they span across four Regtech application areas as defined within the White Paper:

- Governance, Risk and Compliance: How might technology be used to optimise regulatory compliance of all internal and external obligations;
- Conduct and Customer Protection: How might technology be used to support risk and compliance teams with their product due diligence and risk rating assessments;
- Customer Data Privacy: How might technology be used to help banks protect customer data and privacy especially in addressing increasing concerns around cyber risks and related regulatory compliance; and
- Risk Management: How might technology be used to enhance the delivery of stress testing requirements driven by needs across different risk, compliance and business unit teams.

As identified in the White Paper, the four themes are considered by the banking industry as areas currently with relatively less mature local solutions in the market but have serious potential for further Regtech development and adoption. More information on the problem statements can be found in the Annex.

The Deputy Chief Executive of the HKMA, Mr Arthur Yuen, said, "We believe competition is a key catalyst for innovation. The Global Regtech Challenge will bring together banks and Regtech firms to innovate together to address common pain points experienced by the industry. We want to create lasting partnerships between banks and Regtech firms in further encouraging a thriving Regtech ecosystem in Hong Kong."

Interested Regtech providers will need to put forward a market-ready solution to at least one of the above problem statements. Participants from anywhere in the world can register online at matchi.biz/HKMA_Global_Regtech_Challenge where detailed information about the competition can be found. The deadline for submission is April 16, 2021.

Solutions will be judged by a panel comprising representatives from both the public and private sectors, including experts and leaders from the Regtech ecosystem. Selected finalists will get an opportunity to participate in a three-week Contextualisation Programme scheduled for May 2021. The Contextualisation Programme consists of a series of virtual activities to help the selected finalists gain further understanding of and insight into the Hong Kong market so as to ensure their solutions are relevant to the local market. The winning solutions will be selected by the panel during a virtual pitching event that will be hosted in early June 2021 and will be announced during the upcoming HKMA's Regtech event "Unlocking the Power of Regtech" to be held tentatively in June 2021.