

Next steps of GFIN cross-border testing pilot

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

The Hong Kong Monetary Authority (HKMA), together with relevant regulators which participate in the Global Financial Innovation Network (GFIN) cross-border pilot tests, announced the next steps of the initiative.

In total, 44 unique applications were submitted across the 17 participating regulators. Every regulator participating in the pilot was the subject of at least one application. Each regulator has considered whether a proposed test meets its individual screening criteria, areas of interest, and its ability to support the activity.

After this initial screening, relevant regulators will continue working with eight firms (Note). The next phase is for the firms to develop testing plans with the relevant regulators for their cross-border trials. Firms that develop a testing plan satisfactory to each relevant regulator's criteria will take part in the pilot testing phase.

The announcement is not a render of indicative regulatory approval or a guarantee that each firm will undertake a test. Rather, it is conditional on further work being undertaken and tests being agreed by relevant regulators involved. An announcement of the firms formally selected for the cross-border testing pilot will be made in late second quarter.

Of those applications that did not meet the eligibility criteria for testing, GFIN members will engage in further discussions on other types of potential support where relevant. Also, several applications have been determined by some regulators to not need sandbox in their jurisdictions to proceed to testing.

GFIN is keen to explore how these pilot tests will function and welcomes feedback from applicants to help inform and enhance its approach. As a founding member of GFIN, the HKMA will continue to contribute to the work of GFIN by collaborating closely with other members on the cross-border trials.

Note: The names of the firms can be found in Financial Conduct Authority's website: www.fca.org.uk/firms/gfin-cross-border-testing-pilot-next-steps.