

# Report on “AML/CFT Regtech: Case Studies and Insights”

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

The Hong Kong Monetary Authority (HKMA) published today (January 21) a report titled "AML/CFT Regtech: Case Studies and Insights" highlighting the opportunities that regulatory technology (Regtech) offers to transform the effectiveness and efficiency of Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) efforts, and sharing end-to-end approaches which worked in real-life examples.

Following the first AML/CFT RegTech Forum in November 2019 (Note), the HKMA has collaborated with an international consulting firm to follow up progress made by three breakout groups of banks. This report details case studies and insights of banks which have implemented technologies, including network analytics and robotic process automation (RPA), and is designed to provide practical guidance to banks at various stages of AML/CFT Regtech adoption.

Key takeaways include:

- Getting started – common initial questions; possible ways to begin; good practices;
- Data and process readiness – key preparatory steps regarding data, processes and the use of network analytics;
- Third-party vendor relationships – how to identify and evaluate potential Regtech providers in a fast-developing field;
- People, talent and culture – necessary knowledge, skills and experience required in implementation teams and the often misunderstood role of data scientists; and
- Performance metrics and indicators – what success looks like.

The Deputy Chief Executive of the HKMA, Mr Arthur Yuen, said, "This report is the first time that we share comprehensive and practical, hands-on experience from banks that have actually implemented AML/CFT Regtech. The case studies show the importance of early and continuing stakeholder buy-in; interdisciplinary adoption teams; forums to share views and experience; and being able to track and measure success. The HKMA encourages banks to draw reference from the examples and insights that are relevant to their particular circumstances to inform the appropriate Regtech adoption journey. We will continue to have regard to these developments in our supervisory engagement with the industry."

The report can be found at [www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20](http://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20)

[210121e1a1.pdf](#).

Note: For further details, please refer to the press release and the Record of Discussion of the AML/CFT RegTech Forum in November

2019: [www.hkma.gov.hk/eng/news-and-media/press-releases/2019/11/20191122-4](http://www.hkma.gov.hk/eng/news-and-media/press-releases/2019/11/20191122-4)