

# Reports on “Decentralised Finance: Current Landscape and Regulatory Developments” and “The Metaverse: Opportunities and Challenges for the Financial Services Industry” (with photo)

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

The Hong Kong Institute for Monetary and Financial Research (HKIMR), the research arm of the Hong Kong Academy of Finance (AoF), today (June 25) released two new Applied Research reports, titled "Decentralised Finance: Current Landscape and Regulatory Developments" and "The Metaverse: Opportunities and Challenges for the Financial Services Industry" respectively.

The reports explore two frontier technologies, decentralised finance (DeFi) and the metaverse. Together they provide an in-depth analysis on these technologies and their uses in the financial services industry, as well as an overview of the regulatory landscape internationally and in Hong Kong. They also discuss the findings of surveys and interviews, exploring local market practitioners' engagement, opportunities and challenges, and the talent landscape associated with the evolution of these technologies. For example, surveyed respondents mentioned that they are exploring opportunities brought by DeFi and metaverse applications, amid a strong interest in expanding their involvement in virtual asset ecosystem over the coming years. The reports conclude with some considerations with an aim to facilitate the healthy development and application of these technologies within Hong Kong's financial services industry.

"The emerging technologies of DeFi and the metaverse, which are closely connected to the broader virtual asset and Web3 developments, will likely present various opportunities for the financial services industry in Hong Kong. We hope that these reports will offer valuable insights to market participants and regulators, locally and internationally, and help inform the formulation of prospective policy initiatives and market innovations for the digital ecosystem in Hong Kong," said the Chief Executive Officer of the AoF and Executive Director of the HKIMR, Mr Enoch Fung.

The reports are available on the AoF/HKIMR websites ([DeFi](#) and [Metaverse](#)).

About the AoF

The AoF is set up with full collaboration amongst the Hong Kong Monetary

Authority, the Securities and Futures Commission, the Insurance Authority and the Mandatory Provident Fund Schemes Authority. By bringing together the strengths of the industry, the regulatory community, professional bodies and the academia, it aims to serve as (i) a centre of excellence for developing financial leadership; and (ii) a repository of knowledge in monetary and financial research, including applied research.

## About the HKIMR

The HKIMR is the research arm of the AoF. Its main remit is to conduct research in the fields of monetary policy, banking and finance that are of strategic importance to Hong Kong and the Asia region. The Applied Research studies undertaken by the HKIMR are on topics that are highly relevant to the financial industry and regulators in Hong Kong, and they aim to provide insights on the long-term development strategy and direction of Hong Kong's financial industry.

