



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B10/21C

21 January 2021

The Chief Executive
All Stored Value Facility Licensees

Dear Sir / Madam,

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

I am writing to share the captioned report (**Annex**), which forms part of the ongoing initiative of the Hong Kong Monetary Authority (HKMA) to promote Regtech adoption in Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) work in the banking sector.

The report was developed in cooperation with an international consulting firm. In it, for the first time, we study and share comprehensive, end-to-end experience and success stories from the AML/CFT Regtech adoption journeys of a number of banks of different sizes and business scopes. The examples provide sufficient detail, grouped under five themes, namely (i) getting started; (ii) data and process readiness; (iii) third-party vendor relationships; (iv) people, talent and culture; and (v) performance metrics and indicators. These thematic insights will help identify an adoption process that is applicable to particular circumstances of an institution.

The use of AML/CFT Regtech is also relevant to the stored value facility (SVF) licensees as a way to enhance effectiveness and efficiency in the light of evolving risks. SVF licensees are encouraged to study the report and draw insights and reference to case examples for developing appropriate approaches to the wider use of technology in their conduct of business and risk management.

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Should you have any questions regarding this circular, please contact us at aml@hkma.iclnet.hk.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)

Encl.