HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C

25 October 2021

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Regtech Skills Framework

I am writing to share with the industry a recent report commissioned by the Hong Kong Monetary Authority (HKMA), containing a series of recommendations to promote the development of Regtech talent in Hong Kong.

As laid out in the HKMA's White Paper entitled "Transforming Risk Management and Compliance: Harnessing the Power of Regtech", the shortage of Regtech talent was identified as a significant barrier to Regtech adoption in the Hong Kong banking sector. To overcome this barrier, the HKMA's two-year Regtech roadmap has proposed to establish a Regtech Skills Framework and to assess current skills gaps in the market. The ultimate objective is to develop a structured pathway to guide industry efforts in the development of Regtech talent in Hong Kong.

To this end, the consultant commissioned by the HKMA to assist in Regtech promotion has developed a Regtech Skills Matrix comprising 38 skills fundamental to Regtech adoption. These skills are separated into four domains, namely Soft Skills, Compliance Skills, Business Skills and Technology/Data Skills. Utilising the Skills Matrix, a skills assessment has been conducted among 158 authorized institutions (AIs) and 34 Regtech providers to identify the skills gaps in the Hong Kong Regtech ecosystem. Based on the assessment results, the consultant has put forward a series of recommendations to address the identified skills gaps. These recommendations include:

    i.   Incorporating a Regtech-related training curriculum within the Enhanced Competency Framework (ECF) on Fintech being developed by the HKMA;

    ii.   Developing Regtech training courses based on the Regtech-related training curriculum;

    iii.   Establishing an accreditation system to recognise eligible Regtech learning programmes;

    iv.   Ensuring ongoing leadership commitment to drive further adoption of Regtech and skill development; and

    v.   Leveraging existing Regtech communities of interest to encourage greater collaboration among participants in the Regtech ecosystem.

The HKMA will work with the industry and relevant professional bodies to take forward the above recommendations. Specifically, the HKMA is aiming to launch the ECF on Fintech by the end of 2021. The ECF on Fintech will include a set of competency standards and training curriculum that apply to Regtech practitioners, covering all the skills identified in the Regtech Skills Matrix. The Hong Kong Institute of Bankers (HKIB) is working with relevant universities to offer the training programme and examination under the ECF on Fintech.

AIs are encouraged to adopt the ECF on Fintech as part of their overall efforts in supporting their employees' ongoing professional development and nurturing the Regtech talent pool. The HKMA will encourage training institutes such as the HKIB to offer more training courses and seminars related to Regtech to meet the needs of practitioners for continuing professional development.

If your institution has any questions regarding Regtech or any feedback on the HKMA's Regtech promotion initiatives, please feel free to contact Mr Ken Wong on 2878-1469 or Ms Angel Chan on 2878-1268.

Yours faithfully,

Arthur Yuen
Deputy Chief Executive