



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B1/15C

23 December 2021

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Call for participation in the Commercial Data Interchange

I am writing to draw your attention to the risk management benefits offered by the Commercial Data Interchange (CDI), and encourage your institution to actively participate in the CDI.

The CDI

Announced as part of the HKMA's "Fintech 2025" strategy, the CDI is a next-generation financial data infrastructure that aims to promote efficient financial intermediation in the banking system. After joining the CDI, authorized institutions (AIs) will be able to safely and quickly access the business data of corporates and connect with new data providers with minimal efforts. With respect to risk management, the HKMA has recently completed a CDI Proof-of-Concept (PoC) study on how alternative data can be used to facilitate the credit assessment process for lending to small and medium-sized enterprises (SMEs). The results are encouraging, with 550 SME loans amounting to over HK\$900 million already approved during the PoC study.

Leveraging this encouraging start, the HKMA will continue to study how the CDI can enhance AIs' risk management processes. Specifically, our Fintech Facilitation Office will explore:

- (i) linking up the CDI with the Commercial Credit Rating Agency to enable banks to access credit data via Application Programming Interface, thus helping to reduce human errors and enhance efficiency; and
- (ii) onboarding the Companies Registry as a data provider to enable new Know-Your-Customer (KYC) use cases by leveraging the corporate data contained in the Companies Register.

Call for participation

The HKMA believes that the CDI will become an indispensable tool for risk management in the not distant future. Meanwhile, we also recognise that the CDI's enormous potential cannot be unleashed without the active participation of the whole ecosystem, including both AIs and data providers.

The HKMA therefore strongly encourages AIs to develop plans to connect their systems to the CDI. In particular, those AIs with material SME financing business are expected to join the CDI by the end of 2022.

Detailed information, including the application process and technical connection methods, will be provided by our Fintech Facilitation Office separately. In the meantime, if your institution has any questions about the CDI, please contact our Fintech Facilitation Office at cdi.hub@hkma.gov.hk.

Yours faithfully,

Raymond Chan
Executive Director (Banking Supervision)