



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Our Ref.: B1/15C

18 June 2021

The Chief Executive  
Selected Licensed Banks

Dear Sir / Madam,

**Fintech 2025 - Tech Baseline Assessment**

I am writing to request your institution to participate in a “Tech Baseline Assessment” which forms part of the HKMA’s “*Fintech 2025*” strategy.

The HKMA announced a new “*Fintech 2025*” strategy<sup>1</sup> on 8 June 2021 to give further impetus to fintech development in Hong Kong. One of the five key focus areas under “*Fintech 2025*” is the “*All banks go fintech*” initiative. This initiative aims to promote the all-round adoption of fintech by Hong Kong banks and encourage them to fully digitalise their operations from front-end to back-end.

The Tech Baseline Assessment is introduced to take forward work in this regard. It seeks to take stock of banks’ current and planned adoption of fintech in the coming years such that the HKMA can identify those fintech business areas (e.g. Investech, Insurtech, Greentech) or specific technology types (e.g. artificial intelligence, blockchain) which may potentially be underdeveloped and would benefit from the HKMA’s support.

To assist the HKMA in this assessment, all licensed banks with significant operations in Hong Kong, including your institution, are expected to participate in the Tech Baseline Assessment. Each of the covered banks will be required to prepare and submit a Three Year Plan for fintech adoption to the HKMA. The Three Year Plan should include:

---

<sup>1</sup> <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2021/06/20210608-4/>

- A review of your institution's current adoption of fintech, and clear indications of how and the degree to which fintech will be incorporated within different aspects of your institution's front to back-end operations by 2025. Details on the fintech business areas or specific technology types that your institution has already adopted or plans to adopt should be covered.
- Concrete action plans on how your institution intends to reach the desired level of fintech adoption, covering relevant factors of consideration such as budget and resource allocation, talent development and leadership/governance arrangements.
- Your institution's assessment of how fintech adoption will impact your bank's longer-term business strategy and competitiveness, including scope of business services and products offered, as well as the ensuing benefits to customers.

For locally-incorporated banks, the Three Year Plan should be endorsed by the board of directors. For foreign bank branches, the Three Year Plan should be developed under the scrutiny of their head office or regional headquarters.

To facilitate the development of the Three Year Plan by banks, and to provide them with more guidance on the HKMA's expectations for what should be covered therein, we are developing and will soon circulate for completion, a questionnaire on fintech adoption. The questionnaire will highlight the specific factors that the HKMA considers the covered banks should take into account during the development of the Three Year Plan.

Both the Three Year Plan and the completed questionnaire should be submitted to the HKMA by email to [tech\\_baseline@hkma.iclnet.hk](mailto:tech_baseline@hkma.iclnet.hk) with a copy to your usual contact in the Banking Supervision Department by 31 December 2021.

Should you have any questions on the above, please contact Ms Joanna Chan at 2878 8694.

Yours faithfully,

Arthur Yuen  
Deputy Chief Executive