

Transforming Finance in an Uncertain Landscape

HKIB Annual Banking Conference 2023
Regulatory Keynote

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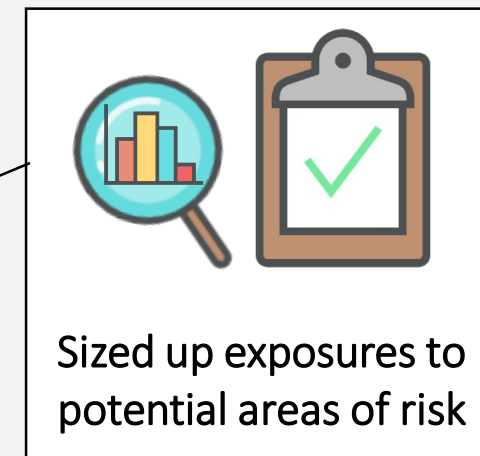
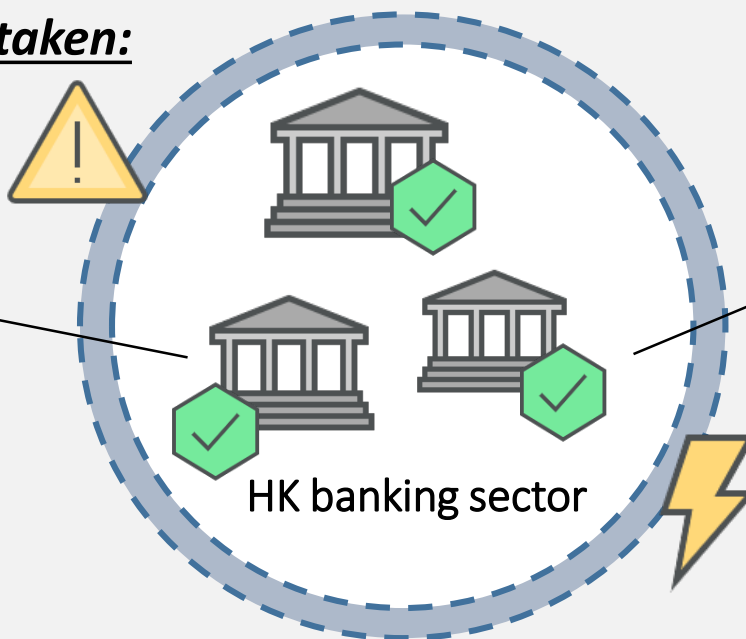


Lessons Learnt from the US Banking Turmoil

Actively managed the potential impact of the turmoil

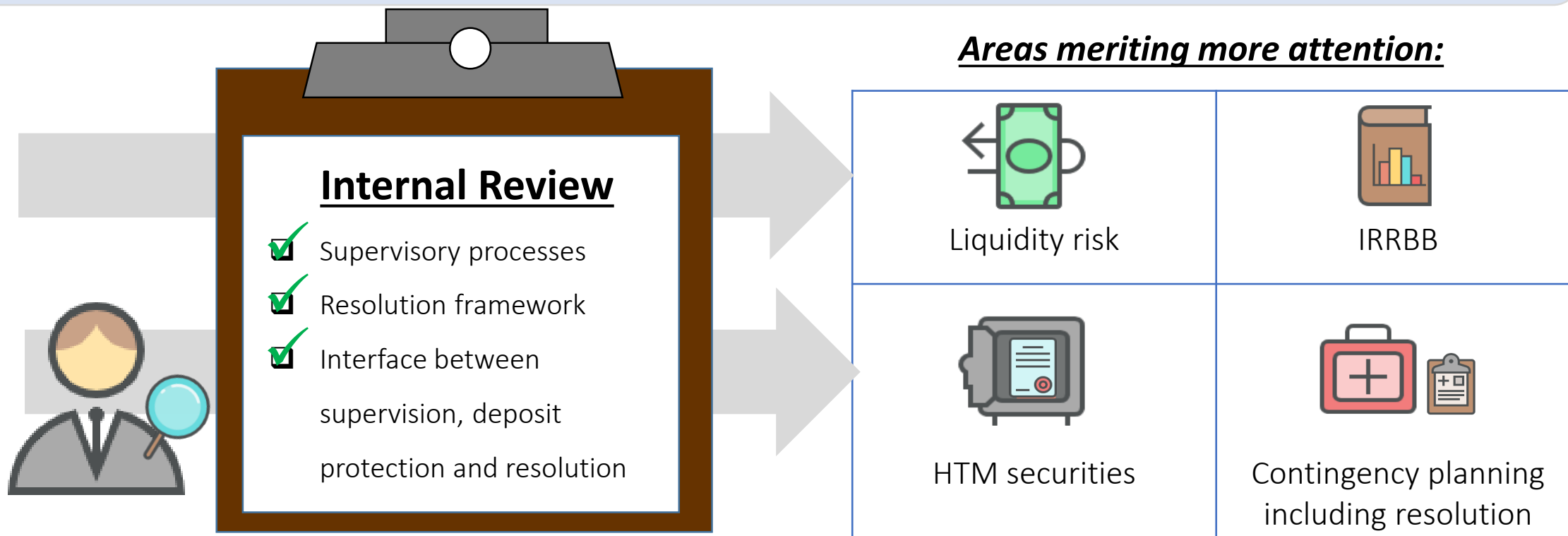
- Hong Kong banking sector remained strong and resilient
- Swift supervisory actions taken to manage financial contagion and potential fallout

Examples of supervisory actions taken:



Internal review in light of lessons learnt from the turmoil

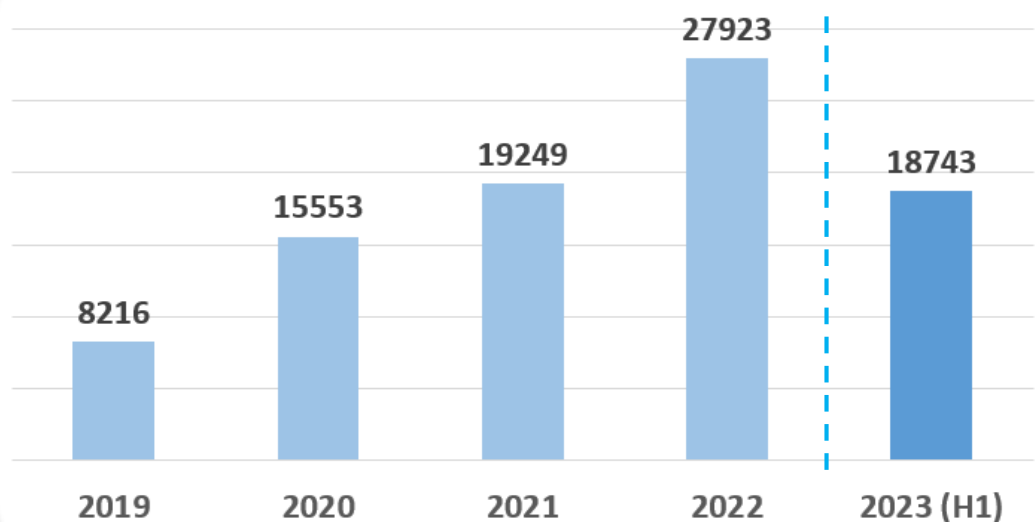
- Review largely completed
- Ideas for enhancement identified and implementation plan being devised



Strengthening Anti-Fraud Effort and Customer Protection

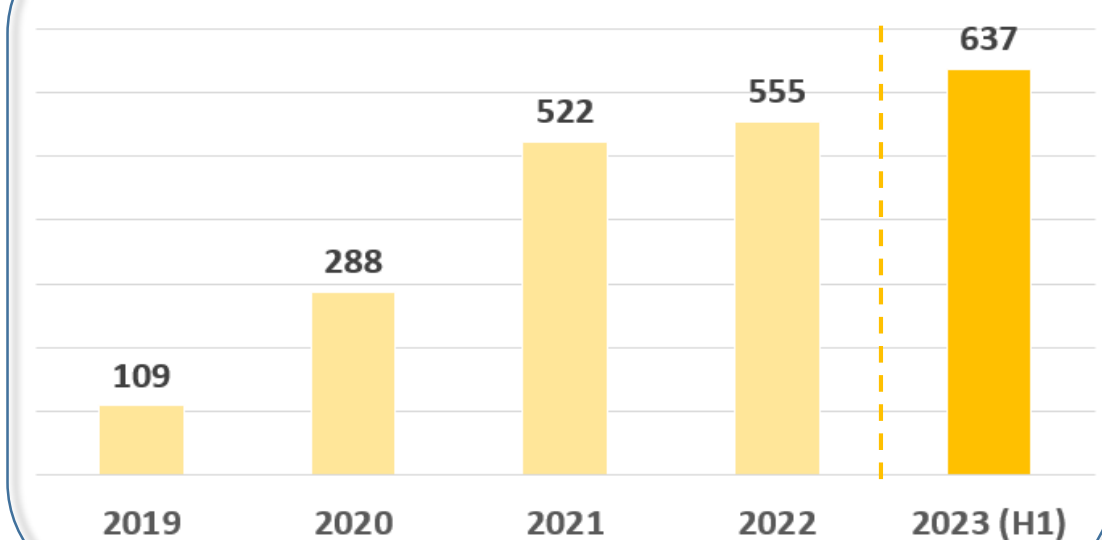
Digital fraud continued to increase globally

Deception cases in HK



Source: Hong Kong Police Force

Fraud-related banking complaints



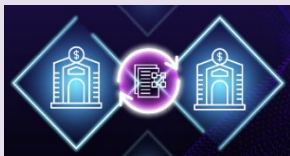
Source: HKMA

Enhancements on Anti-Fraud and Customer Protection

Enhance information flow



Fraud and Money Laundering
Intelligence Taskforce



Bank-to-Bank Information
Sharing Platform (FINEST)

Enhance monitoring of suspicious transactions



Real time fraud
monitoring



Strengthen
authentication and
verification



24/7 Stop payment
mechanism



Prompt
customer
alerts

Enhance interface with customers



Suspicious proxy
alert model



Enhance customer
support



Suspicious payee
account alert



Empower
customer to
“self-protect”

Tapping Opportunities in Web3 and Digital Assets

Tapping opportunities of Web3 and Digital Assets

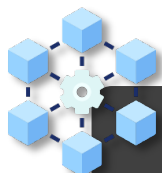
DLT



Enhancing efficiency



Streamlining process



Single source of truth

Ecosystem



Use cases



Infrastructure



Money and assets



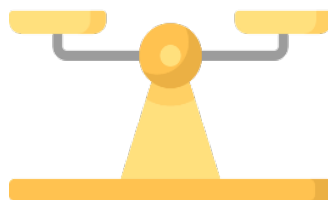
Enablers

Tapping opportunities of Web3 and Digital Assets

Regulator

Balanced regulatory framework

Opportunities Risks



- 1 Intermediary activities
- 2 Digital asset custody
- 3 Tokenisation activities

Facilitator



Tokenised bond



e-HKD

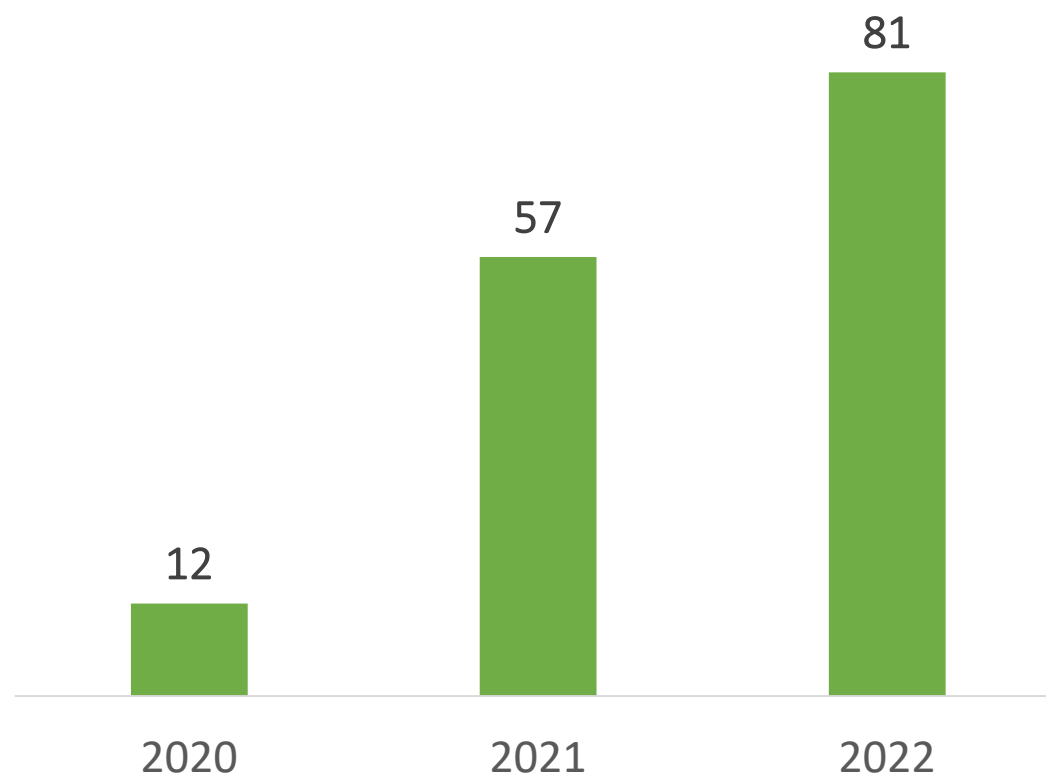


Tokenised deposits

Enhancing the Green Ecosystem

Green and sustainable banking

Green and sustainable debt issued in Hong Kong (US\$ bn)



Sources: Dealogic, LoanConnector and HKMA staff estimates



A leading arranging hub for green bonds in Asia

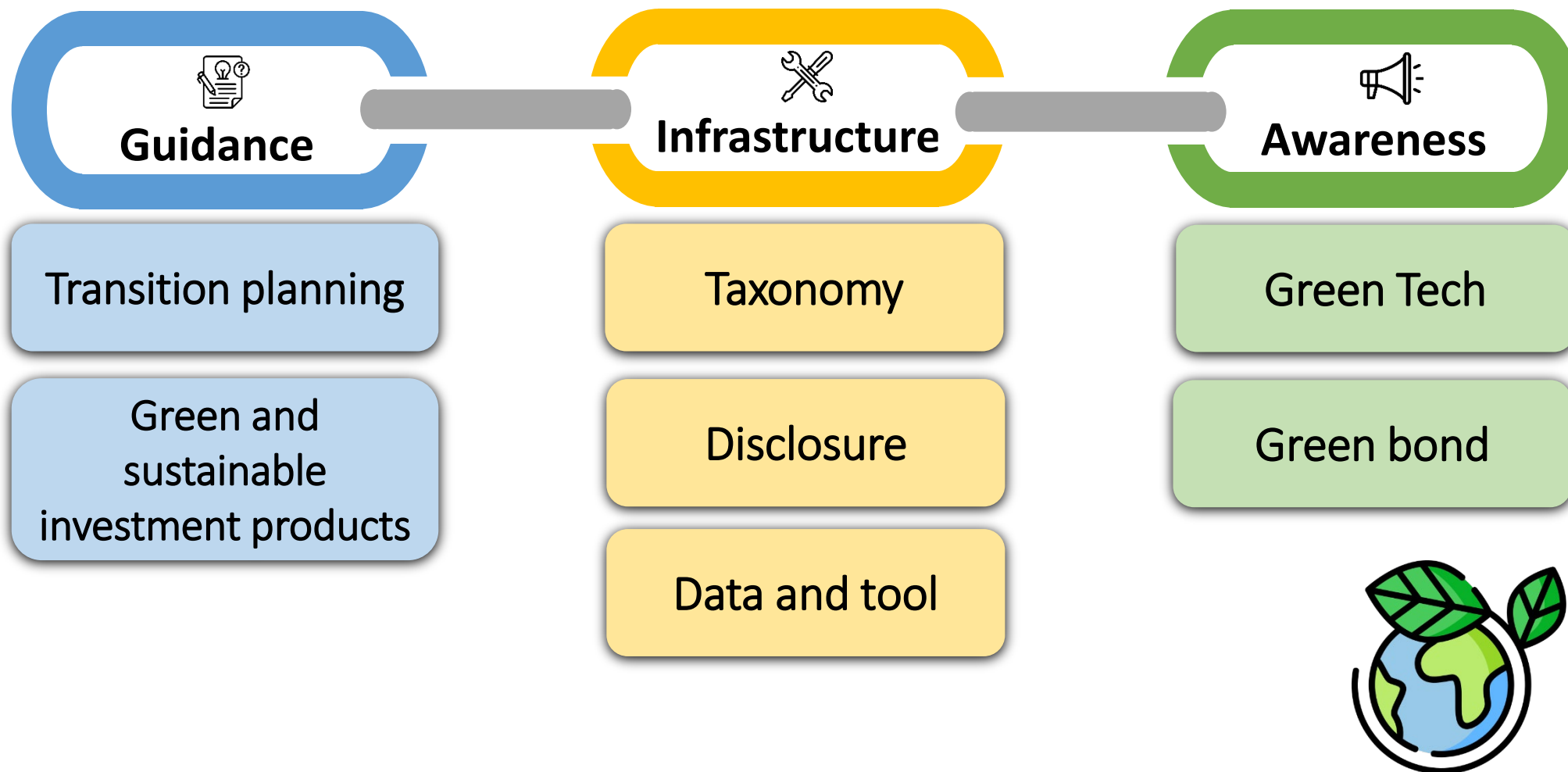


More than 1/3 of Asia green bonds in 2022 arranged in Hong Kong



More than 6-time growth in 2 years

Enhancing the green ecosystem



Sharpening Competitiveness as Wealth Management Centre

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Looking into enhancing Cross-boundary Wealth Management Connect Scheme



Expand product scope



Increase individual investor quota



Provide clarity on selling process

Streamlined Approach for Sophisticated Professional Investors



Sophistication of SPI



Frontload assessment and disclosure during KYC



Simplified point-of-sale procedures

Thank you