



HKIB Annual Banking Conference

The Next Wave: Unlocking Potential, Fostering Success

Regulatory Update by HKMA

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27 September 2024

Agenda

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Enhancing Adoption of GenAI

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3

Boosting Anti-fraud-and-scam Forces

4

Supporting Upgrade and Transformation of SMEs



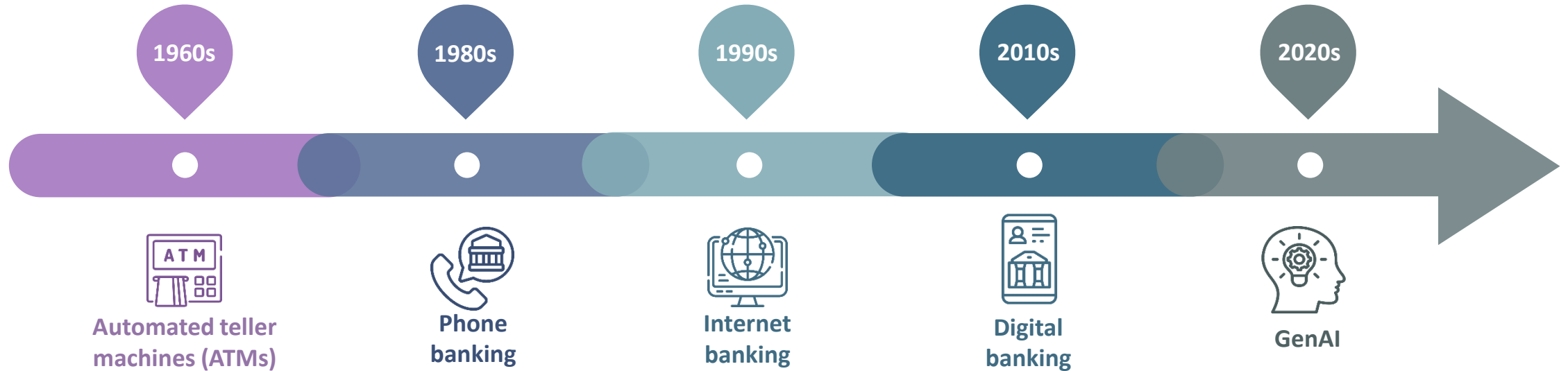
01

Enhancing Adoption of GenAI



Integration of technologies in the banking sector

Evolution of banking technology:



AI adoption in banking sector:



Improve
Operational
Efficiency



Risk
Management



Customer
Communication

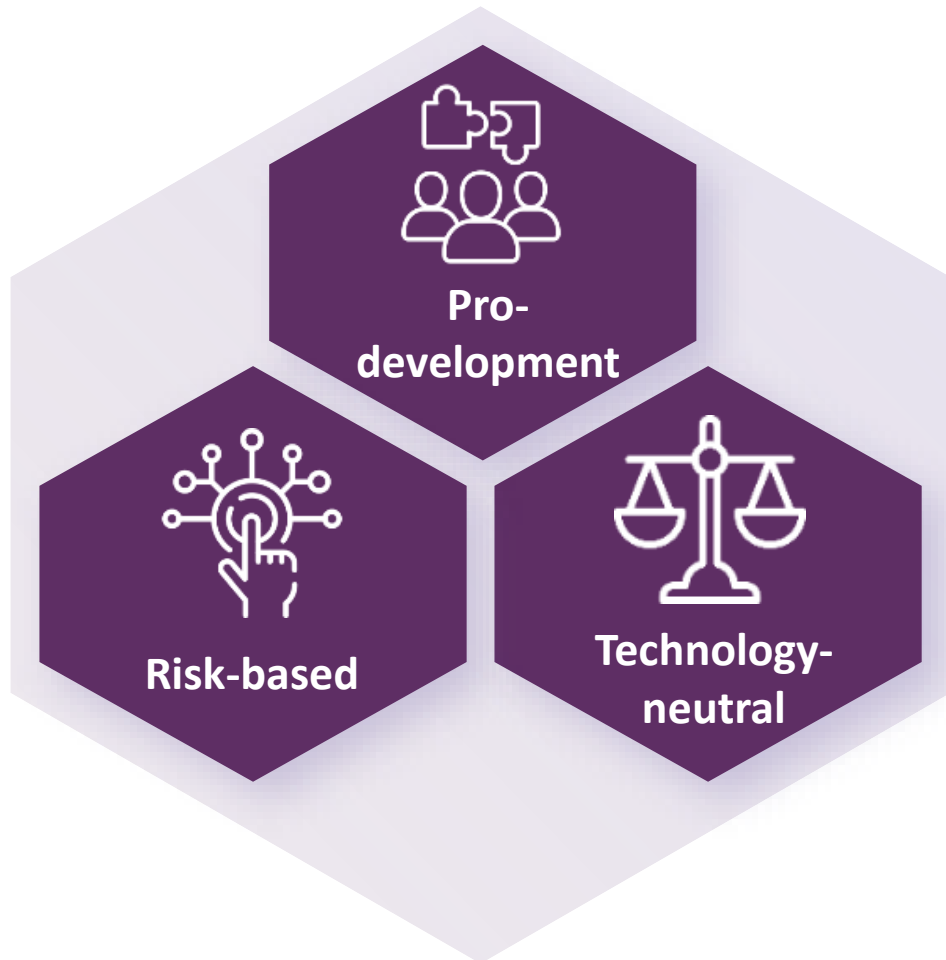


Anti-fraud-and-
scam

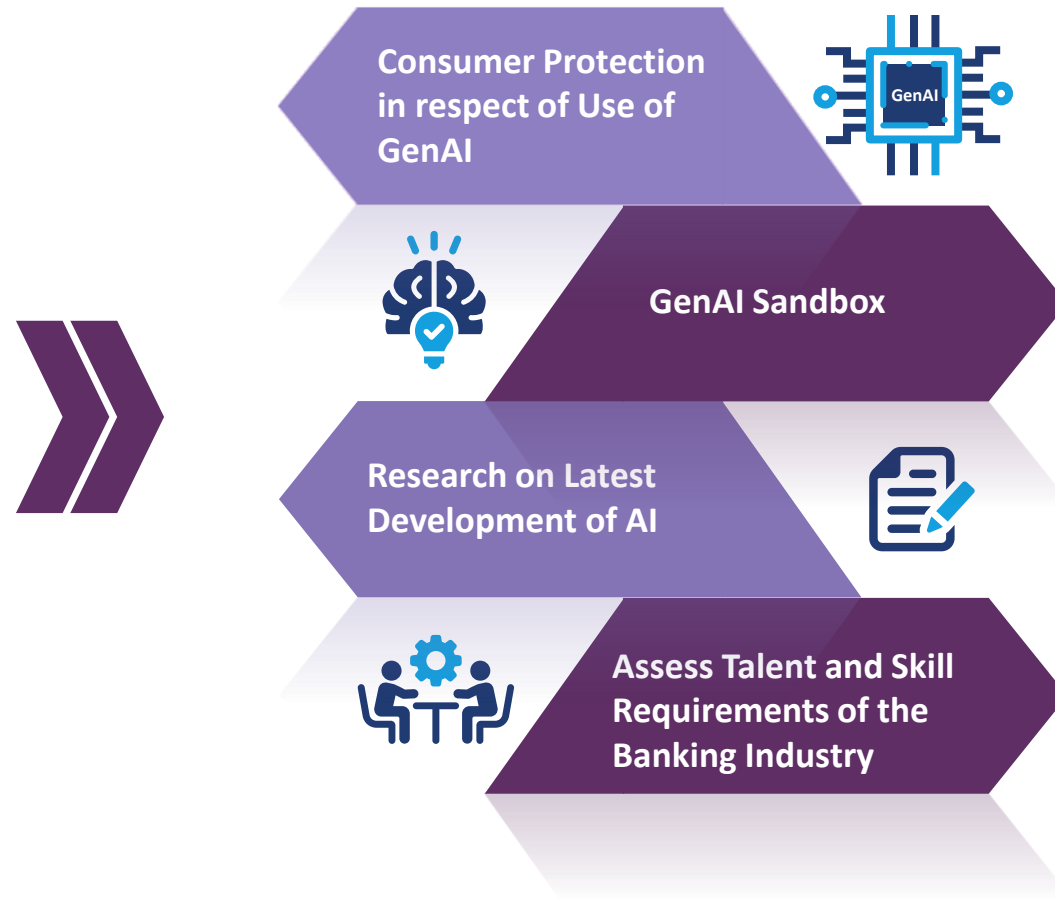


HKMA's philosophies and initiatives on GenAI

HKMA's Philosophies



HKMA's Initiatives





02

Fostering a Robust Green Finance Ecosystem



Fostering a Robust Green Finance Ecosystem

1

Promotion of Use of Technology



HKMA's Role as
an Enabler



Physical Risk
Assessment Platform



GHG Emissions Calculation and
Estimation Tool



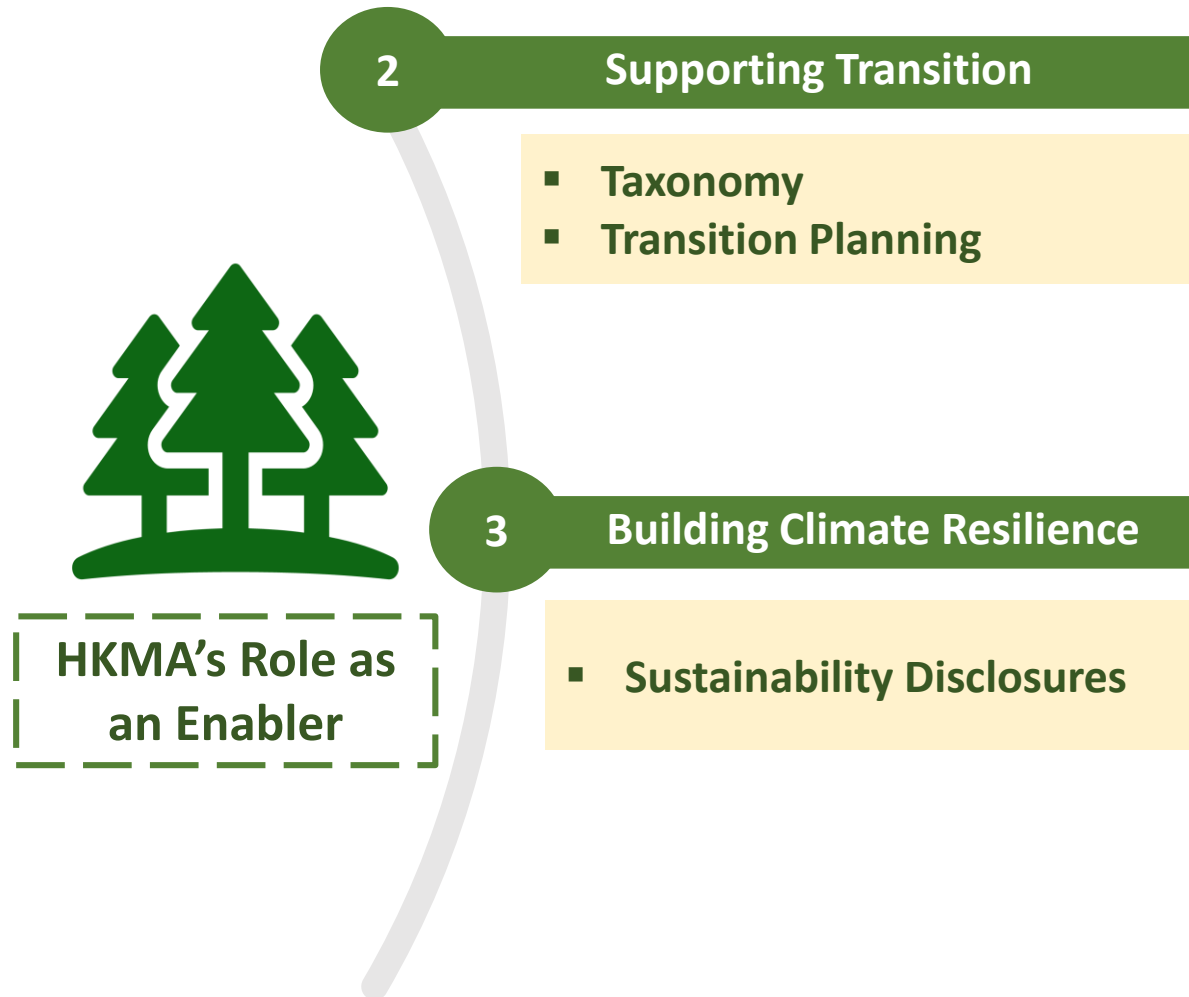
Green Fintech Competition and
FiNETech Event



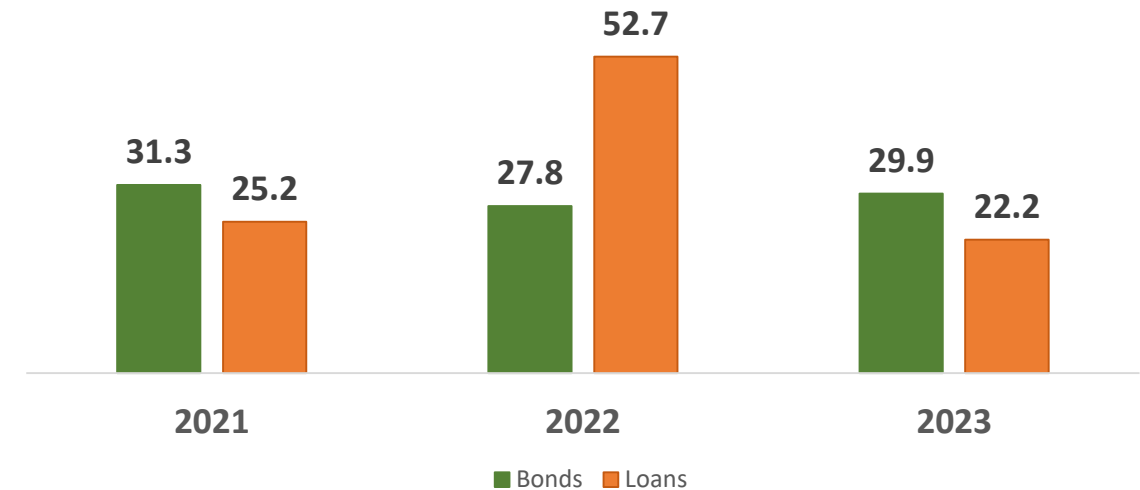
Tokenised Green Bond



Fostering a Robust Green Finance Ecosystem



Green and sustainable finance market in Hong Kong (US\$ bn)



Sources: ICMA (for bonds), LoanConnector and HKMA staff estimates (for loans)

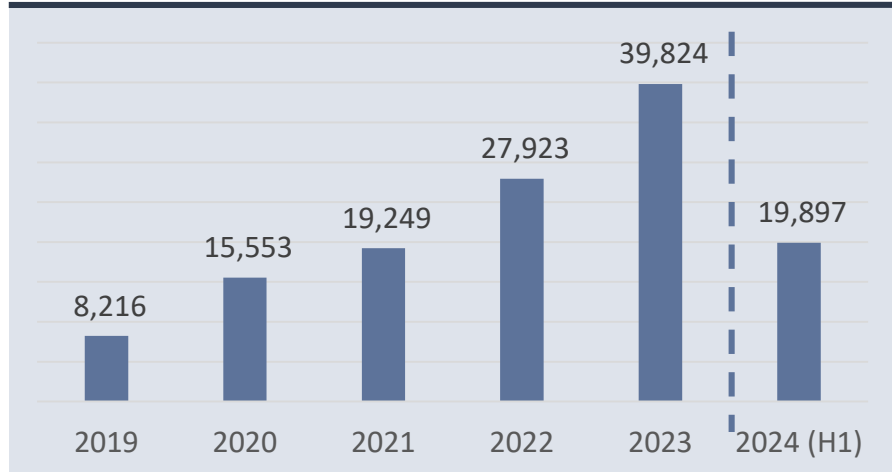


03

Boosting Anti-fraud -and-scam Forces

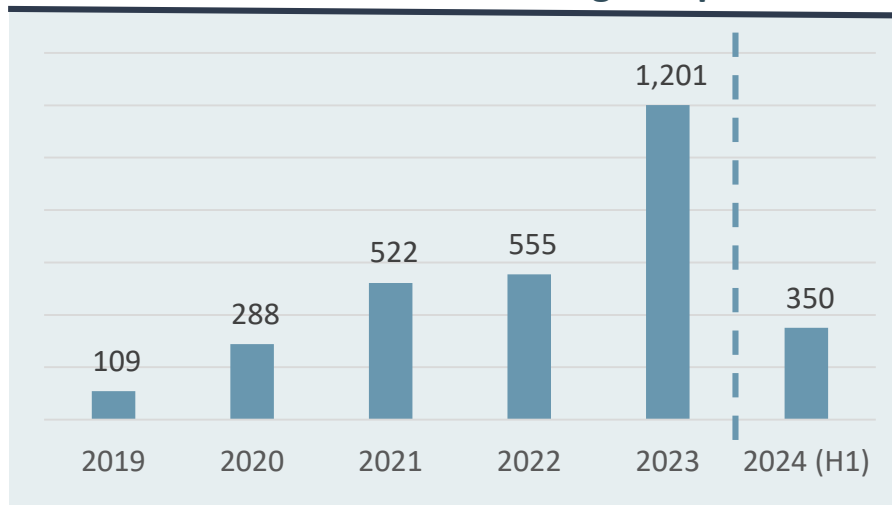
Recent Developments of Frauds and Scams

Deception cases in Hong Kong



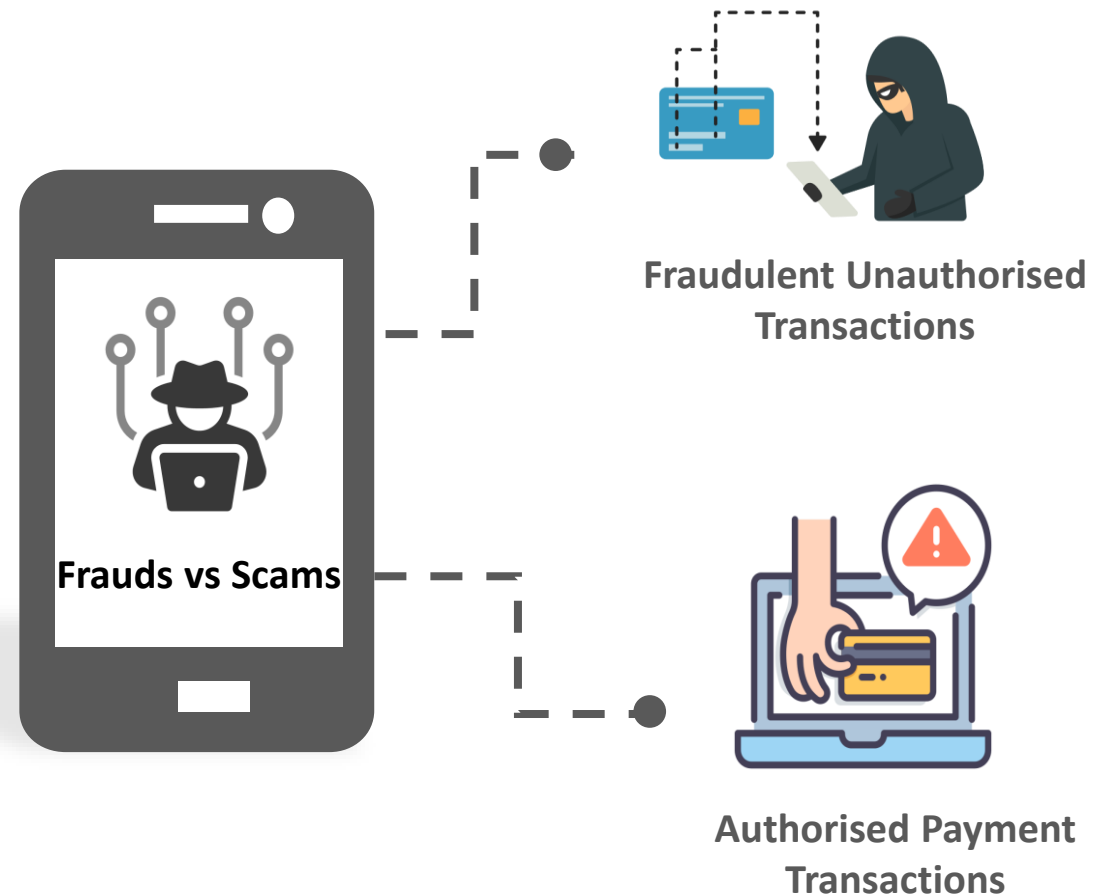
Source: Hong Kong Police Force

Fraud- and scam-related banking complaints



Source: Hong Kong Monetary Authority

Frauds vs Scams





Fighting Frauds and Scams as a Community





Bank Control Measures



Bank Control
Measures



Customer
Empowerment



Consumer
Education



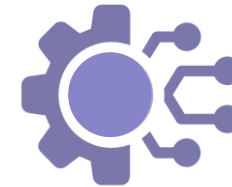
Anti-Malware and
Safeguards vs
Digital Fraud



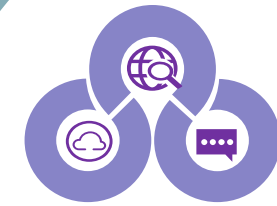
Fraudulent Bank
Website and Phone
Numbers



Anti-Deepfake
Initiatives



Use of AI for
monitoring
suspicious activities



Bank-to-Bank
Information Sharing
Platform: FINEST



Customer Empowerment

Bank Control Measures

Customer Empowerment

Consumer Education

Credit Card and E-banking Security

Management of card-not-present transactions

Suspension of cards and bank accounts

Management of transaction limits



Money Safe

1 Setting aside a portion of funds

2 Additional procedures for withdrawal

Open to everyone with such needs

Voluntary basis

Suspicious Account Alert Mechanism

FPS transactions

Internet banking transactions

Bank counter transfers

ATM transactions



Consumer Education



Bank Control
Measures



Customer
Empowerment



Consumer
Education



Smart Consumers

- ⚠ Not clicking links
- ⚠ Careful with unknown calls or SMS
- ⚠ Not to disclose personal data
- ⚠ Pay attention to bank alert messages



Anti-Scam Consumer Protection Charter 2.0



Social media education campaign
& other educational activities



Reaching out to
university students



Cross-media campaign



Handling Customers' Claims for Losses



Handling Customers' Claims for Losses



Role of **customers** in **being vigilant** and guarding their money from scams



Role of **banks** in putting in place **effective systems and controls**



Take into account **specific background and circumstances of the customers**



04

Supporting Upgrade and Transformation of SMEs



Supporting upgrade and transformation of SMEs

SME financing



9 support measures rolled out in March 2024



Joint Taskforce on SME lending in August 2024

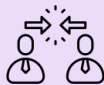
Taskforce Mandate



Review individual cases of SMEs encountering difficulties



Work out solutions for adoption across banks



Communication among relevant parties

Upgrade and transformation of SMEs

SMEs need to transform and upgrade

Banks to assist SMEs in this journey :



Commercial Data Interchange (CDI)



Interbank Account Data Sharing (IADS)



Activities to foster better connection between SMEs and fintech solutions



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